

MARSHALL COUNTY BOARD OF EDUCATION

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

FOR THE YEAR ENDED JUNE 30, 2023
RFP #21-065 (Marshall County)

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MARSHALL COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue Funds

Restricted Projects

Federal Stimulus and Stabilization Fund

School Activity Fund

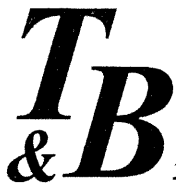
Debt Service

Capital Projects Funds

Capital Projects

**MARSHALL COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2023**

Office	Name	Term
	Elective	
Board Members:	Brenda K. Coffield	07/01/22 – 06/30/26
	Lori E. Kestner	07/01/20 – 06/30/24
	John Miller	07/01/20 – 06/30/24
	Duane Miller	07/01/22 – 06/30/26
	Christie Robison	07/01/22 – 06/30/26
	Appointive	
Board President	John Miller	07/01/22 – 06/30/24
Superintendent	Dr. Shelby Haines	07/01/21 – 06/30/25
Treasurer	Nannetta B. Hartley, CPA	07/01/22 – 06/30/23



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Marshall County Board of Education
Moundsville, 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 Marshall County Board of Education (the Board), as of and for the year ended June 30, 2023, 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 Marshall County Board of Education, as of June 30, 2023, 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 Marshall 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, 2023, Marshall County Board of Education adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Marshall 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 Marshall 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 Marshall 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 17 and 74 through 76, 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, and notes to required supplementary information on pages 77 through 86 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 Marshall 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 – capital projects 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 24, 2024, on our consideration of the Marshall 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 Marshall 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 Marshall County Board of Education's internal control over financial reporting and compliance.


Clarksburg, West Virginia
March 24, 2024

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

Our discussion and analysis of the Marshall County Board of Education's (ESC's, MCVC's) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2023. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$194,304,418 (*net position*) at the close of the most recent fiscal year. Of this amount, \$41,169,775 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Board's total net position increased by \$17,235,330. Approximately \$8,700,000 of this increase is attributable to an increase in current and other assets – cash and investments and approximately \$7,100,000 to an increase in capital assets.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$52,598,147, an increase of \$7,029,844 in comparison with the prior year. Approximately \$43,000,000 of this total amount is available for spending at the board's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general current expense fund was \$43,084,826 or 60 percent 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.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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 7 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 capital project fund, the special revenue school activity fund, the permanent fund and the special revenue federal stimulus and stabilization fund, all of which are considered major funds.

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

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$194,304,418 at the close of the most recent fiscal year.

- The largest portion of the Board's net position (76%) 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 (3%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for various projects.
- The remaining balance of *unrestricted net position* (21%) 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, 2023 in comparison with June 30, 2022:

	<u>2023</u>		<u>2022</u>		<u>Variance</u>
	<u>Governmental</u>		<u>Governmental</u>		
	<u>Activities</u>		<u>Activities</u>		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current and other assets	\$ 61,417,336		\$ 52,366,300	\$	9,051,036
Capital assets	146,855,047		139,590,625		7,264,422
ROU assets	1,313,724		-0-		1,313,724
Deferred outflows of resources	<u>3,456,821</u>		<u>3,642,698</u>		<u>(185,877)</u>
Total assets and deferred outflows of resources	<u>\$ 213,042,928</u>		<u>\$ 195,599,623</u>	\$	<u>17,443,305</u>

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u> <u>Governmental</u> <u>Activities</u>	<u>2022</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	\$ 9,680,189	\$ 7,167,755	\$ 2,512,434
Long-term liabilities outstanding	571,427	857,142	(285,715)
Deferred inflows of resources	1,398,025	6,519,645	(5,121,620)
Net pension liability – proportionate share	6,805,015	3,985,993	2,819,022
Net other post employment benefit (OPEB) liability – proportionate share	283,854	-0-	283,854
Total liabilities and deferred inflows of resources	<u>18,738,510</u>	<u>18,530,535</u>	<u>207,975</u>
Net position:			
Net Investment in Capital Assets	146,855,047	138,733,483	8,121,564
Restricted	6,279,596	4,335,961	1,943,635
Unrestricted	41,169,775	33,999,644	7,170,131
Total net position	<u>194,304,418</u>	<u>177,069,088</u>	<u>17,235,330</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 213,042,928</u>	<u>\$ 195,599,623</u>	<u>\$ 17,443,305</u>

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

- Current and other assets increased by approximately \$9,050,000 which primarily represents an increase in investments due to funding for expenditures through the Special Revenue Federal Stimulus and Stabilization Fund and interest on these investments.
- Capital assets increased by approximately \$7,300,000 which represents an increase in capital outlays this fiscal year – new projects and old projects progressing.
- Current and other liabilities increased by approximately \$2,500,000 which was primarily the result of an increase in construction at year end as compared to the previous year.
- Deferred inflows of resources decreased by approximately \$5,100,000 which was primarily the result of the implementation of GASB #68 and #75.
- At the end of the current fiscal year, the Board is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

- Restricted net position increased by \$1,900,000 during the year ended June 30, 2023. This increase resulted primarily from expending funds through various restricted projects.
- The Board's net position increased by \$17,235,330 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, 2023 in comparison with the year ended June 30, 2022:

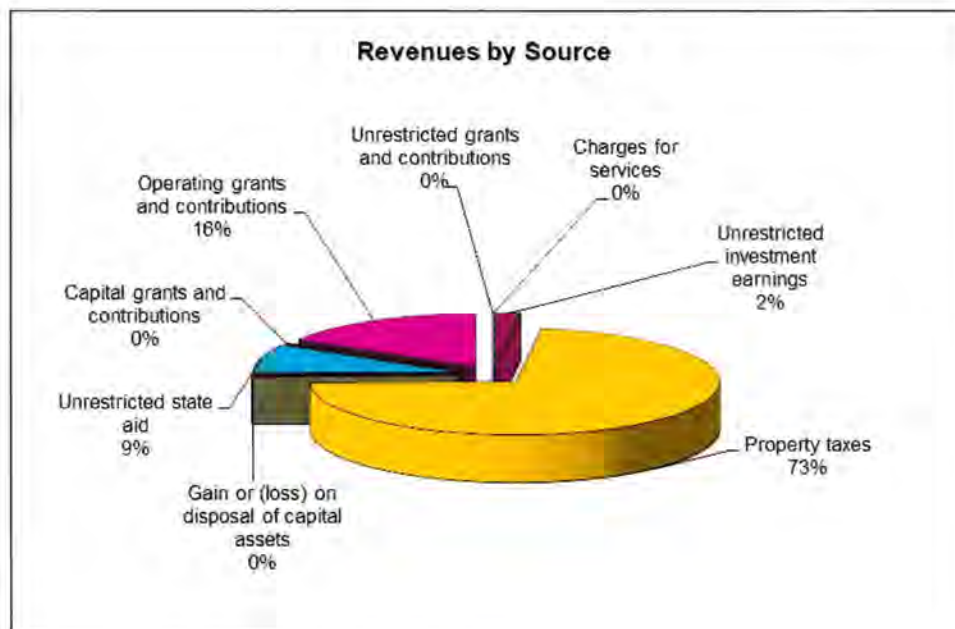
	2023 Governmental Activities	2022 Governmental Activities	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 4,825	\$ 6,915	\$ (2,090)
Operating grants and contributions	15,296,815	12,638,242	2,658,573
Capital grants and contributions	-0-	-0-	-0-
General revenues:			
Property taxes	67,678,640	67,769,184	(90,544)
Unrestricted state aid	8,126,050	(3,425,751)	11,551,801
Unrestricted investment earnings	1,859,238	157,149	1,702,089
Unrestricted grants and contributions	-0-	-0-	-0-
Gain or (loss) on disposal of capital assets	311,438	98,762	212,676
Total revenues	<u>93,277,006</u>	<u>77,244,501</u>	<u>16,032,505</u>
Expenses:			
Instruction	<u>43,422,492</u>	<u>34,431,830</u>	<u>8,990,662</u>
Supporting services:			
Students	4,593,442	3,414,301	1,179,141
Instructional staff	1,150,417	812,016	338,401
General administration	3,047,211	2,008,603	1,038,608
School administration	4,070,120	3,045,770	1,024,350
Central services	1,716,069	1,340,292	375,777
Operation and maintenance of facilities	8,030,516	7,380,902	649,614
Student transportation	6,020,406	4,472,971	1,547,435
Total supporting services	<u>28,628,181</u>	<u>22,474,855</u>	<u>6,153,326</u>
Food services	4,696,760	3,871,269	825,491
Community services	110,143	21,396	88,747
Interest on long-term debt	-0-	-0-	-0-
Total expenses	<u>76,857,576</u>	<u>60,799,350</u>	<u>16,058,226</u>
Change in net position before transfers	16,419,430	16,445,151	(25,721)
Transfers	-0-	-0-	-0-
Change in net position	<u>16,419,430</u>	<u>16,445,151</u>	<u>(25,721)</u>
Net position – beginning	177,069,088	160,623,937	16,445,151
Restatement	815,900	-0-	815,900
Net position – ending	<u>\$ 194,304,418</u>	<u>\$ 177,069,088</u>	<u>\$ 17,235,330</u>

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

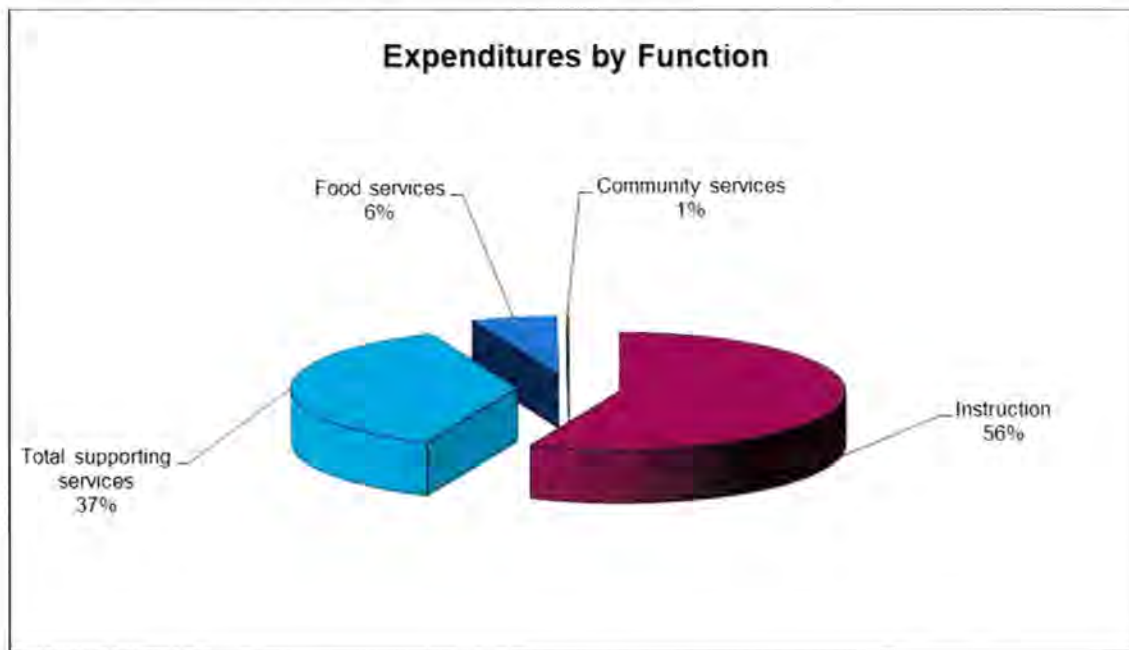
- Charges for services decreased by approximately \$2,000 which was primarily the result of Child Nutrition – County provides free breakfast and lunch.
- Operating grants and contributions increased by approximately \$2,700,000 which was primarily the result of an increase in the number of grants received.
- General revenues from property taxes decreased by approximately \$90,000 which was primarily the result of no change in the property values.
- General revenues from unrestricted state aid increased by approximately \$11,500,000 which was primarily the result of receiving more revenue from the State due to a small decrease in the revenue received from property taxes.
- General revenues from unrestricted investment earnings increased by approximately \$1,700,000 which was primarily the result of an increase in interest on investments and an increase in the amount of investments.
- Overall expenses increased by approximately \$16,100,000 which was primarily the result of an increase across the board for all expenditures.

The following chart shows the Board's revenues for fiscal year ended June 30, 2023 by source:



**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

The following chart shows the Board's expenditures for fiscal year ended June 30, 2023 by function:



Financial Analysis of the Board's Funds

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

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of \$52,598,147. Included in this year's change in the combined fund balance is \$7,029,844.

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.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

The Board had 6 major funds for the fiscal year ended June 30, 2023. Those funds are the General Current Expense Fund, Special Revenue Fund, Debt Service Fund, Capital Project Fund, Federal Stimulus and Stabilization Fund, and the School Activity Fund.

General Current Expense Fund

This is the principal operation fund which accounts for all financial resources of the Board except those required to be accounted for in another fund. The fund balance increased from \$39,712,838 to \$45,009,865 during the fiscal year ended June 30, 2023. This is an increase of \$5,297,027.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance decreased from \$1,206,588 to \$805,783 during the fiscal year ended June 30, 2023. This decrease of \$400,805 was due primarily to increased expenditures within the individual projects.

Special Revenue Federal Stimulus and Stabilization Fund

This is a separate special revenue fund to account for all revenue and expenditures attributable to funds received as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act, which are legally restricted to expenditures for specific purposes. The fund balance increased from \$352,944 to \$3,366,556 during the fiscal year ended June 30, 2023. This increase of \$3,013,612 was due primarily to activity within this fund.

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 \$1,872,343 to \$1,921,227 during the fiscal year ended June 30, 2023. This increase of \$48,884 was due primarily to activity within this fund.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Debt Service Fund

This is a separate fund used to account for the accumulated resources, and the payment of, general long-term debt, principal, and interest. The fund balance increased from \$2,776,429 to \$2,871,219 during the fiscal year ended June 30, 2023. This increase of \$94,790 was due primarily to earnings on investments.

Capital Projects Fund

This is a separate fund used to account for all financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. The fund balance decreased from (\$352,839) to (\$1,376,503) during the fiscal year ended June 30, 2023. This decrease was a of \$1,023,664.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$13,588,491 or 20% 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:

- The variance between actual instruction expenditures and the budgeted instruction expenditures had a variance of Approximately \$13,000,000. The budget exceeded the actual expenditure. This is due to many of the instructional expenditures being covered by the Special Revenue Federal Stimulus and Stabilization Fund.

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

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$146,855,047 (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 5 percent.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

	2023 Governmental Activities	2022 Governmental Activities	Variance
Land	\$ 4,406,738	\$ 4,299,801	\$ 106,937
Land improvements	8,670,540	8,929,399	(258,859)
Buildings and improvements	111,940,337	115,452,323	(3,511,986)
Furniture and equipment	5,310,231	4,217,823	1,092,408
Vehicles	3,652,435	4,060,232	(407,797)
Construction in process	12,874,766	2,631,047	10,243,719
Total capital assets	<u>\$ 146,855,047</u>	<u>\$ 139,590,625</u>	<u>\$ 7,264,422</u>

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

Right-of-use assets. The Board's investment in Right-of-use assets for its governmental activities as of June 30, 2023, amounts to \$1,313,724 (net of accumulated depreciation). This investment in right-of-use assets includes SBITAs. The total increase in the Board's investment in right-of-use assets for the current fiscal year was 100 percent.

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

	2023 Governmental Activities	2022 Governmental Activities	Variance
SBITAs	\$ 1,313,724	\$ -0-	\$ 1,313,724
Total right-of-use assets	<u>\$ 1,313,724</u>	<u>\$ -0-</u>	<u>\$ 1,313,724</u>

Long-term debt. At the end of the current fiscal year, the Board had total capital lease obligations of \$714,285. 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, 2023, the liability for such costs was \$944,305, which is included in the district-wide financial statement of net position.

**MARSHALL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>		<u>2022</u>		<u>Variance</u>
	<u>Governmental</u>		<u>Governmental</u>		
	<u>Activities</u>		<u>Activities</u>		
General obligation bonds	\$ -0-	\$	-0-	\$	-0-
Finance lease obligations	714,284		857,142		(142,858)
SBITA obligations	-0-		-0-		-0-
Compensated absences	944,305		822,993		121,312
Total debt outstanding	<u>\$ 1,658,589</u>	\$	<u>1,680,135</u>	\$	<u>(21,546)</u>

Additional information on the Board's long-term debt can be found in Note(s) 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 not aware of circumstances that could significantly affect its financial health in the future.

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, 214 Middle Grave Creek Road, Moundsville, WV 26041.

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

Governmental
Activities

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Cash and cash equivalents	\$ 7,548,712
Investments	47,431,404
Taxes receivable, net of allowance for uncollectible taxes	125,692
Deposit with Retirement Board	2,822
Food service receivable	28,584
Other receivables	214,677
Prepaid Workers' Compensation	67,031
Other prepaid expenses	271,927
Due from other governments:	
PEIA allocation receivable	634,428
Reimbursements receivable	5,092,059

Capital Assets

Land	4,406,738
Land improvements	9,712,350
Buildings and improvements	172,354,201
Furniture and equipment	13,923,501
Vehicles	9,073,912
Construction in process	12,874,766
Less accumulated depreciation	(75,490,421)
Total capital assets, net of depreciation	<u>146,855,047</u>

Right-of-Use Assets

Subscription-based information technology arrangements (SBITAs)	2,134,799
Less accumulated amortization	(821,075)
Total ROU assets, net of amortization	<u>1,313,724</u>

TOTAL ASSETS

209,586,107

Deferred Outflows of Resources

Pension	2,901,881
Other post employment benefit (OPEB)	554,940
Total deferred outflows of resources	<u>3,456,821</u>

Total assets and deferred outflows of resources

213,042,928

See accompanying notes and independent auditor's report.

MARSHALL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2023

	<u>Governmental Activities</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Salaries payable and related payroll liabilities	\$ 4,818,945
PEIA premiums payable	1,162,056
Compensated absences	944,305
Accounts payable	2,612,026
Long-term obligations:	
Due within one year:	
Finance purchases and other	142,857
Due beyond one year:	
Finance purchases and other	571,427
Net pension liability – proportionate share	6,805,015
Net other post employment benefit (OPEB) liability – proportionate share	<u>283,854</u>
Total liabilities	<u>17,340,485</u>
Deferred Inflows of Resources	
Pension	59,594
Other post employment benefit (OPEB)	<u>1,338,431</u>
Total deferred inflows of resources	<u>1,398,025</u>
Total liabilities and deferred inflows of resources	<u>18,738,510</u>
Net Position	
Net investment in capital assets	146,855,047
Restricted for:	
Special projects	6,279,596
Unrestricted	<u>41,169,775</u>
Total net position	\$ <u>194,304,418</u>

See accompanying notes and independent auditor's report.

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

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense), Revenue & Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 43,422,492	\$ 4,825	\$ 10,060,675	\$ -0-	\$ (33,356,992)
Supporting services:					
Students	4,593,442	-0-	1,706,456	-0-	(2,886,986)
Instructional staff	1,150,417	-0-	161,358	-0-	(989,059)
General administration	3,047,211	-0-	1,343	-0-	(3,045,868)
School administration	4,070,120	-0-	-0-	-0-	(4,070,120)
Central services	1,716,069	-0-	11,112	-0-	(1,704,957)
Operation and maintenance of facilities	8,030,516	-0-	14,435	-0-	(8,016,081)
Student transportation	6,020,406	-0-	-0-	-0-	(6,020,406)
Food services	4,696,760	-0-	3,341,436	-0-	(1,355,324)
Community services	<u>110,143</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(110,143)</u>
Total governmental activities	<u>\$ 76,857,576</u>	<u>\$ 4,825</u>	<u>\$ 15,296,815</u>	<u>\$ -0-</u>	<u>(61,555,936)</u>
General Revenues:					
Property taxes					67,678,640
Unrestricted state aid					8,126,050
Unrestricted investment earnings					1,859,238
Scrap, royalty and miscellaneous income					311,438
Transfers in					15,013,138
Transfers (out)					<u>(15,013,138)</u>
Total general revenues, extraordinary items and transfers					<u>77,975,366</u>
Change in net position					16,419,430
Net position – beginning					177,069,088
Prior period adjustments – (See Note 18)					<u>815,900</u>
Net position – beginning, as restated					<u>177,884,988</u>
Net position – ending					<u>\$ 194,304,418</u>

See accompanying notes and independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
BALANCE SHEETS –
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General</u> <u>Current</u> <u>Expense</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>School</u> <u>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>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and cash equivalents	\$ 5,681,092	\$ -0-	\$ 1,867,620	\$ -0-	\$ -0-	\$ -0-	\$ 7,548,712
Investments	44,506,578	-0-	53,607	-0-	2,871,219	-0-	47,431,404
Taxes receivables, net	125,692	-0-	-0-	-0-	-0-	-0-	125,692
Deposit with Retirement Board	2,822	-0-	-0-	-0-	-0-	-0-	2,822
Prepaid Workers' Compensation	67,031	-0-	-0-	-0-	-0-	-0-	67,031
Food service receivable, net	-0-	28,584	-0-	-0-	-0-	-0-	28,584
Other receivables	214,677	-0-	-0-	-0-	-0-	-0-	214,677
Other prepaid expenses	240,059	8,500	-0-	23,368	-0-	-0-	271,927
Due from other governments:							
PEIA allocation receivable	634,428	-0-	-0-	-0-	-0-	-0-	634,428
Reimbursements receivable	<u>101,206</u>	<u>834,578</u>	<u>-0-</u>	<u>4,156,275</u>	<u>-0-</u>	<u>-0-</u>	<u>5,092,059</u>
Total assets	<u>51,573,585</u>	<u>871,662</u>	<u>1,921,227</u>	<u>4,179,643</u>	<u>2,871,219</u>	<u>-0-</u>	<u>61,417,336</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>
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>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 51,573,585</u>	<u>\$ 871,662</u>	<u>\$ 1,921,227</u>	<u>\$ 4,179,643</u>	<u>\$ 2,871,219</u>	<u>\$ -0-</u>	<u>\$ 61,417,336</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Salaries payable and related payroll liabilities	\$ 4,818,945	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,818,945
PEIA premiums payable	1,162,056	-0-	-0-	-0-	-0-	-0-	1,162,056
Accounts payable and payable to others	<u>368,057</u>	<u>54,379</u>	<u>-0-</u>	<u>813,087</u>	<u>-0-</u>	<u>1,376,503</u>	<u>2,612,026</u>
Total liabilities	<u>6,349,058</u>	<u>54,379</u>	<u>-0-</u>	<u>813,087</u>	<u>-0-</u>	<u>1,376,503</u>	<u>8,593,027</u>
Deferred Inflows of Resources	<u>214,662</u>	<u>11,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>226,162</u>
Total deferred inflows of resources	<u>214,662</u>	<u>11,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>226,162</u>
Fund Balances							
Nonspendable	309,912	-0-	-0-	-0-	-0-	-0-	309,912
Restricted	186,030	805,783	1,921,227	3,366,556	-0-	-0-	6,279,596
Assigned	1,429,097	-0-	-0-	-0-	-0-	-0-	1,429,097
Unassigned	<u>43,084,826</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,871,219</u>	<u>(1,376,503)</u>	<u>44,579,542</u>
Total fund balances	<u>45,009,865</u>	<u>805,783</u>	<u>1,921,227</u>	<u>3,366,556</u>	<u>2,871,219</u>	<u>(1,376,503)</u>	<u>52,598,147</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 51,573,585</u>	<u>\$ 871,662</u>	<u>\$ 1,921,227</u>	<u>\$ 4,179,643</u>	<u>\$ 2,871,219</u>	<u>\$ -0-</u>	

See accompanying notes and independent auditor's report.

MARSHALL COUNTY BOARD OF EDUCATION
BALANCE SHEETS –
GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2023

	<u>Total Governmental 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	\$ 146,855,047
Right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,313,724
Other deferred charges are not reported in the funds	214,662
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	11,500
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	2,901,881
Deferred inflows of resources related to pensions	(59,594)
Deferred outflows of resources related to OPEB	554,940
Deferred inflows of resources related to OPEB	(1,338,431)
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	
Compensated absences	(944,305)
Net pension liability – proportionate share	(6,805,015)
Net OPEB liability – proportionate share	(283,854)
Financed purchases and other, due within one year	(142,857)
Financed purchases and other, due beyond one year	(571,427)
Net position of governmental activities	\$ <u>194,304,418</u>

See accompanying notes and independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General</u> <u>Current</u> <u>Expense</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>School</u> <u>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>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues							
Property taxes	\$ 67,750,977	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 67,750,977
Other local sources	142,161	15,911	1,706,456	-0-	-0-	-0-	1,864,528
State sources	12,990,908	942,123	-0-	17,000	-0-	-0-	13,950,031
Federal sources	893,321	6,570,798	-0-	5,083,505	-0-	-0-	12,547,624
Miscellaneous sources	<u>2,080,721</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>94,790</u>	<u>-0-</u>	<u>2,175,511</u>
Total revenues	<u>83,858,088</u>	<u>7,528,832</u>	<u>1,706,456</u>	<u>5,100,505</u>	<u>94,790</u>	<u>-0-</u>	<u>98,288,671</u>
Expenditures							
Instruction	38,686,521	2,407,297	1,823,587	2,013,169	-0-	-0-	44,930,574
Supporting services:							
Students	4,153,612	677,827	-0-	41,396	-0-	-0-	4,872,835
Instructional staff	150,277	526,907	-0-	463,343	-0-	-0-	1,140,527
General administration	2,483,768	51,487	-0-	-0-	-0-	-0-	2,535,255
School administration	4,283,202	91,475	-0-	-0-	-0-	-0-	4,374,677
Central services	1,567,515	16,649	-0-	193,231	-0-	-0-	1,777,395
Operation and maintenance of facilities	8,758,316	14,068	-0-	157,046	-0-	-0-	8,929,430
Student transportation	6,167,172	12,047	-0-	114,826	-0-	-0-	6,294,045
Food services	-0-	4,489,447	-0-	-0-	-0-	-0-	4,489,447
Community services	110,143	-0-	-0-	-0-	-0-	-0-	110,143
Capital outlay	1,287,810	11,525	-0-	1,531,915	-0-	8,830,391	11,661,641
Finance leases:							
Principal payment expense	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>142,858</u>	<u>-0-</u>	<u>142,858</u>
Total expenditures	<u>67,648,336</u>	<u>8,298,729</u>	<u>1,823,587</u>	<u>4,514,926</u>	<u>142,858</u>	<u>8,830,391</u>	<u>91,258,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,209,752</u>	<u>(769,897)</u>	<u>(117,131)</u>	<u>585,579</u>	<u>(48,068)</u>	<u>(8,830,391)</u>	<u>7,029,844</u>
Other Financing Sources (Uses)							
Transfers in	2,495,099	681,054	166,015	2,842,695	142,858	8,685,417	15,013,138
Transfers (out)	<u>(13,407,824)</u>	<u>(311,962)</u>	<u>-0-</u>	<u>(414,662)</u>	<u>-0-</u>	<u>(878,690)</u>	<u>(15,013,138)</u>
Total other financing sources (uses)	<u>(10,912,725)</u>	<u>369,092</u>	<u>166,015</u>	<u>2,428,033</u>	<u>142,858</u>	<u>7,806,727</u>	<u>-0-</u>
Net change in fund balances	5,297,027	(400,805)	48,884	3,013,612	94,790	(1,023,664)	7,029,844
Fund balances – beginning	<u>39,712,838</u>	<u>1,206,588</u>	<u>1,872,343</u>	<u>352,944</u>	<u>2,776,429</u>	<u>(352,839)</u>	<u>45,568,303</u>
Fund balances – ending	<u>\$ 45,009,865</u>	<u>\$ 805,783</u>	<u>\$ 1,921,227</u>	<u>\$ 3,366,556</u>	<u>\$ 2,871,219</u>	<u>\$ (1,376,503)</u>	<u>\$ 52,598,147</u>

See accompanying notes and independent auditor's report.

**MARSHALL 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, 2023**

Net change in fund balances – total governmental funds \$ 7,029,844

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	(5,565,403)
Capital outlays	12,829,825

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

Amortization expense	(348,890)
Capital outlays	846,714

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	(72,346)
Operating grants and contributions	(74,461)

Compensated absences are reported as liabilities in the Statement of Net Position, but are only reported in governmental funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.

Compensated absences	(121,312)
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See accompanying notes and independent auditor's report.

**MARSHALL 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, 2023**

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions	\$ 1,254,213
Cost of benefits earned net of employee contributions	(851,075)

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	226,904
Cost of benefits earned net of employee contributions	1,122,559

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

142,858

Change in net position of governmental activities	\$ <u>16,419,430</u>
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See accompanying notes and independent auditor's report.

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

Note 1 - Summary of Significant Accounting Policies:

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

A. Reporting Entity:

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

B. District-wide and Fund Financial Statements:

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

MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023

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.

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

Debt Service 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.

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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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.

D. Encumbrances:

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

E. Cash and Investments:

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 consisted of the following:

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Bank Balance</u>
State Investment Pool	\$ 44,506,578	\$ 44,506,578	\$ 44,506,578
Municipal Bond Commission	2,871,219	2,871,219	2,871,219
Certificates of Deposit	53,607	53,607	53,607
Deposit with financial institutions – Individual Schools	1,867,620	1,867,620	1,891,784
Deposits with financial institutions – Board of Education	<u>5,681,092</u>	<u>5,681,092</u>	<u>5,609,580</u>
Total investments	\$ <u>54,980,116</u>	\$ <u>54,980,116</u>	\$ <u>54,932,768</u>

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the WV Government Money Market Pool investments had a total carrying value of \$374,978,000 of which the School Board's ownership represents 19%.

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</u> <u>Carrying Value</u> <u>(in thousands)</u>	<u>WAM</u> <u>(days)</u>
U.S. Treasury notes	\$ 11,997	3
U.S. Treasury bills	3,949	90
U.S. agency bonds and notes	49,500	3
U.S. agency discount notes	146,775	36
Repurchase agreements	162,500	3
Money market funds	<u>257</u>	3
	<u>\$ 374,978</u>	17

Other Investment Risks - Other investment risks can 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 a 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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 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 \$605 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

H. Inventories:

Marshall County Schools does not operate a centralized warehouse. As such, there is not inventory to report.

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.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

K. Right-of-Use Assets:

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

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

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

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

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

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

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

L. Deferred Outflow of Resources:

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The Board's deferred outflows for the government wide financials include the Board's current year retirement contribution for pension expense and other post-employment benefits (OPEB) that will impact future reporting periods.

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 carried forward to the subsequent fiscal years. 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 up to 40 days. 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Other Post Employment Benefit (OPEB) Liability:

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

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

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MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023

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:

E-rate receivable, Child Nutrition receivable, and Medicaid receivable combine for a total deferred inflows at year-end of \$226,162

Additionally, deferred inflows for the government wide financial statements include the proportionate share of the Board's net difference between projected and actual investment earnings and the difference between the employer contributions and proportionate share of contributions.

Q. Net Position:

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

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

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the School Board has assigned those amounts to the purposes of the respective funds.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

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

W. Recent Statements Issued by the GASB:

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	\$ 400,805
Capital Project Fund	1,023,664

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, 2023:

<u>Fund</u>	<u>Amount</u>
Capital Projects Fund	\$ 1,376,503

The Capital Project Fund had a deficit fund balance of \$1,376,503 as of June 30, 2023. The fund incurred expenditures in excess of the funds transferred from the General Current Expense Fund. Note that all revenue in this fund is from transfers from the General Current Expense Fund.

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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): Encova Insurance company provides workers' compensation coverage to Marshall County Board of Education. The cost of all coverage, as determined by Encova, is paid by the School Board.

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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.

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

The assessed valuations and levy rates levied by the School Board per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2023 were:

<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¢	19.74¢
Class II	\$ 604,454,786	38.80¢	39.48¢
Class III	\$ 3,780,328,842	77.60¢	78.96¢
Class IV	\$ 392,158,265	77.60¢	78.96¢

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

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

Taxes Receivable

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

	<u>General Current Expense Fund</u>
Taxes receivable	\$ 1,355,552
Less: allowance for uncollectible	(1,229,860)
Taxes receivable, net	\$ <u>125,692</u>

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Note 5 - Excess Levy:

The School Board had an excess levy in effect during the fiscal year ended June 30, 2023. The levy was authorized by the voters of the county at an election held on March 25, 2017 for the fiscal years ended June 30, 2018 through June 30, 2023 to provide funds for the following purposes:

Instructional equipment, teaching supplies, textbooks, and library books	\$ 1,500,000
Project Lead the Way/STEM Curriculum supplies and personnel – elementary	250,000
Hardware, software, infrastructure repairs, training, and tech support	1,500,000
Maintenance on equipment and buildings	3,000,000
Special education services for identified students	300,000
Vehicle maintenance, fuel, and bus replacement	750,000
Library services through the County Library	125,000
Marshall County 4-H support through WVU Extension Service	75,000
Marshall County Health Department contract for health services	60,000
Pre-Kindergarten program contracts across the County	200,000
Additional counselors within the County	150,000
Additional nurses within the County	375,000
Social workers for County	75,000
Resource officers for the County	125,000
Capital improvements throughout the County	7,000,000
Employee salaries and benefits	12,496,043
Vocational supplies and equipment	250,000
Free breakfast and lunch to all students in the County	400,000
Music, band, and strings equipment	100,000
Extended day learning	100,000
Summer School	100,000
Interventional specialists at Cameron Elementary and Moundsville Middle School	150,000
Extra duty salary supplements for curricular and athletic coach positions	700,000

A total of \$34,812,383 was received by the School Board from the excess levy during the fiscal year ended June 30, 2023.

If for any reason all of the funds herein above allocated for any one of the above enumerated purposes is not used for such purpose in any of the such five (5) fiscal years, the unused portion of such funds may be allocated by the Board of Education of the County of Marshall, at its discretion and expended for any one of the remaining purposes.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Note 6 - Tax Abatement:

During the fiscal year ended June 30, 2023, the School Board's property tax revenues were reduced by approximately \$2,034,460 pursuant to 24 CFR 905.108 and 24 CFR 990.190 of the Housing Act of 1937. Under the agreement, payment in lieu of taxes (PILOTS) are remitted to the City of Moundsville by the Moundsville Housing Authority. The City is then required to remit the PILOT to the Marshall County Board of Education. The School Board received \$34,867 for its share of PILOT collections during fiscal year ended June 30, 2023.

Note 7 - Capital Assets:

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

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:					
Land	\$ 4,299,801	\$ -0-	\$ 106,937	\$ -0-	\$ 4,406,738
Construction in process	<u>2,631,047</u>	<u>-0-</u>	<u>10,362,306</u>	<u>(118,587)</u>	<u>12,874,766</u>
Total non-depreciable capital assets	<u>6,930,848</u>	<u>-0-</u>	<u>10,469,243</u>	<u>(118,587)</u>	<u>17,281,504</u>
Capital assets, depreciable:					
Land improvements	9,570,885	-0-	141,465	-0-	9,712,350
Buildings and improvements	172,067,470	-0-	286,731	-0-	172,354,201
Furniture and equipment	12,109,573	-0-	1,813,928	-0-	13,923,501
Vehicles	<u>8,836,867</u>	<u>-0-</u>	<u>237,045</u>	<u>-0-</u>	<u>9,073,912</u>
Total depreciable capital assets	<u>202,584,795</u>	<u>-0-</u>	<u>2,479,169</u>	<u>-0-</u>	<u>205,063,964</u>
Less accumulated depreciation for:					
Land improvements	(641,486)	-0-	(400,324)	-0-	(1,041,810)
Buildings and improvements	(56,615,147)	-0-	(3,798,717)	-0-	(60,413,864)
Furniture and equipment	(7,891,750)	-0-	(721,520)	-0-	(8,613,270)
Vehicles	<u>(4,776,635)</u>	<u>-0-</u>	<u>(644,842)</u>	<u>-0-</u>	<u>(5,421,477)</u>
Total accumulated depreciation	<u>(69,925,018)</u>	<u>-0-</u>	<u>(5,565,403)</u>	<u>-0-</u>	<u>(75,490,421)</u>
Total depreciable capital assets, net	<u>132,659,777</u>	<u>-0-</u>	<u>(3,086,234)</u>	<u>-0-</u>	<u>129,573,543</u>
Total capital assets, net	\$ <u>139,590,625</u>	\$ <u>-0-</u>	\$ <u>7,383,009</u>	\$(<u>118,587</u>)	\$ <u>146,855,047</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

Instruction	\$ 3,617,512
Supporting Services:	
Central administration	556,540
Operation and maintenance of facilities	556,540
Transportation	556,540
Food services	<u>278,271</u>
 Total depreciation expense – governmental activities	 \$ <u>5,565,403</u>

Note 8 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2023 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>
General obligation debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Premium on sale of bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Compensated absences	822,993	-0-	121,312	-0-	944,305	-0-	944,305
Accrued sick leave	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Proportionate share of net pension liability	3,985,993	-0-	2,819,022	-0-	6,805,015	-0-	6,805,015
Proportionate share of net OPEB liability/(asset)	(80,266)	-0-	364,120	-0-	283,854	-0-	283,854
Finance lease liability	<u>857,142</u>	<u>-0-</u>	<u>-0-</u>	<u>142,858</u>	<u>714,284</u>	<u>142,857</u>	<u>571,427</u>
Long-term liabilities	\$ <u>5,585,862</u>	\$ <u>-0-</u>	\$ <u>3,304,454</u>	\$ <u>142,858</u>	\$ <u>8,747,458</u>	\$ <u>142,857</u>	\$ <u>8,604,601</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

The School Board has entered into a lease contract that transfers ownership agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for Cameron High School and John Marshall High School. 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, 2023 for the School Board's leases that transfer ownership:

<u>Year</u>		
2024		\$ 142,857
2025		142,857
2026		142,857
2027		142,857
2028		<u>142,856</u>
Total minimum lease payments		\$ <u>714,284</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Marshall County Schools presently have the following SBITAs as of June 30, 2023:

1. EDPUZZLE – an interactive video learning program. This is a 5 year agreement that began January 28, 2023. The total amount was paid upfront for this SBITA – \$38,340.
2. Quaver Ed – West Virginia Music Curriculum on demand video training. This is a 4 year agreement that began July 1, 2022. The total amount was paid upfront for this SBITA – \$7,200.
3. The Art of Education – a personalized professional learning platform with on-demand access to instructional video training and supplemental resources exclusively for art educators. This is a 5 year agreement that began July 1, 2023. The total amount was paid upfront for this SBITA – \$28,768.
4. Textbook Adoptions:
 - a. Math (\$414,957) 6 year agreement that began July 1, 2018
 - b. Social Studies/History (\$103,533) 6 year agreement that began July 1, 2019
 - c. Art/Music/PE (\$93,088) 6 year agreement that began July 1, 2020
 - d. Reading/ELA (\$676,507) 6 year agreement that began July 1, 2021
 - e. Science (\$772,406) 6 year agreement that began July 1, 2022
 - f. World Language (\$79,460) 6 year agreement that began July 1, 2023

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

	<u>Beginning</u>				<u>Ending</u>
	<u>Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Eliminations</u>	<u>Balance</u>
Right-of-use assets:					
SBITAs	\$ -0-	\$ <u>1,288,085</u>	\$ <u>846,714</u>	\$ -0-	\$ <u>2,134,799</u>
Total right-of-use assets	<u>-0-</u>	<u>1,288,085</u>	<u>846,714</u>	<u>-0-</u>	<u>2,134,799</u>
Less accumulated amortization for:					
SBITAs	-0-	(<u>472,185</u>)	(<u>348,890</u>)	-0-	(<u>821,075</u>)
Total accumulated amortization	<u>-0-</u>	<u>(472,185)</u>	<u>(348,890)</u>	<u>-0-</u>	<u>(821,075)</u>
Total right-of-use assets, net	\$ <u>-0-</u>	\$ <u>815,900</u>	\$ <u>497,824</u>	\$ <u>-0-</u>	\$ <u>1,313,724</u>

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

Instruction	\$ <u>348,890</u>
Total amortization expense – governmental activities	\$ <u>348,890</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, the School Board's total payroll for all employees was \$41,954,251 and the payroll was \$39,508,968 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

Employees' contributions (6%)	\$ 2,325,496
Employer's contributions (15% or 7.5%)	<u>2,955,585</u>
Total contributions	\$ <u>5,281,081</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

At June 30, 2023, the School Board reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Board were as follows:

School Board's proportionate share of the net pension liability	\$ 6,805,015
State's proportionate share of the net pension liability associated with the School Board.	<u>112,176,141</u>
Total portion of net pension liability associated with the School Board	\$ <u>118,981,156</u>

The TRS net pension liability was measured as of June 30, 2022, and the total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to the measurement date. The School Board's proportion of the net pension liability was based on its proportionate share of employer and non-employer contributions to the TRS Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2022, the School Board's proportion was .264574 percent, which was an increase of .009516 from its proportion measured as of June 30, 2021 (.255058 percent).

For the year ended June 30, 2023, the School Board recognized pension expense of \$9,207,939 and for support provided by the State, revenue of \$8,356,864. At June 30, 2023, 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	\$ 282,573	\$ -0-
Differences between expected and actual experience	276,027	55,494
Changes in proportion and differences between School Board contributions and proportionate share of contributions	704,610	4,100
Changes in assumptions	384,458	-0-
District contributions subsequent to the measurement date	<u>1,254,213</u>	<u>-0-</u>
Total	\$ <u>2,901,881</u>	\$ <u>59,594</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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>		
2024	\$	436,501
2025		368,381
2026		10,268
2027		765,465
2028		7,459
Thereafter		<u>-0-</u>
Total	\$	<u>1,588,074</u>

Actuarial Assumptions:

For TRS, the actuarial assumptions used in the July 1, 2021 valuation, with update procedures used to roll forward the total pension liability to June 30, 2022, 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:

- Investment Rate of Return: 7.25%, net of investment expense
- Projected Salary Increases: Educators: 2.75%-5.90%; Non-Educators: 2.75%-6.50%
- Inflation Rate: 2.75%
- Discount Rate: 7.25%
- Investment Rate of Return: 7.25%, net of pension plan investment expense, including inflation.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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Mortality:	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: <i>healthy male retirees</i> – 100% of Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, <i>healthy female retirees</i> – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; <i>disabled males</i> – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, <i>disabled females</i> – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019, <i>beneficiary males</i> – 101% of Pub-2010 Contingent Survivor Male Table, headcount-weighted, projected with Scale MP-2019, <i>beneficiary females</i> – 113% of Pub-2010 Contingent Survivor Female Table, headcount-weighted, projected with Scale MP-2019.
Withdrawal Rates:	Educators: 7.00%-35.00%; Non-Educators: 2.30%-18.00%
Disability Rates:	0.004%-0.563%
Retirement Rates:	15%-100%

Investment Asset Allocation:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.5%	5.3%
International Equity	27.5%	6.1%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.5%
Private Equity	10.0%	9.5%
Hedge Funds	10.0%	3.8%
Total	<u>100.0%</u>	

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
School Board's proportionate share of the TRS net pension liability	\$ <u>10,009,340</u>	\$ <u>6,805,015</u>	\$ <u>4,083,604</u>

Payables to the Pension Plan:

At June 30, 2023, 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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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.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2023, this plan had approximately \$664 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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Total payments reflected in the School Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2023 were:

Employees' contributions (4.5%)	\$ 33,420
Employer's contributions (7.5%)	<u>55,700</u>
Total contributions	\$ <u>89,120</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.

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.

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Plan Description

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

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

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

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

Benefits provided:

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

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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

Contributions:

WVC §5-16D-3 states that contribution requirements of the members and the participating employers are set each year by the RHBT and approved by the PEIA Finance Board. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for June 30, 2022 and 2021, respectively, were:

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

There will be no PAYGO billed in fiscal year 2024.

Contributions to the OPEB plan from the School Board were \$488,628 for the year end June 30, 2023. Employees are not required to contribute to the OPEB plan.

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

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**MARSHALL COUNTY BOARD OF EDUCATION
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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.

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

At June 30, 2023, the School Board reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the School Board were as follows:

School Board's proportionate share of the net OPEB liability	\$ 283,854
State's proportionate share of the net OPEB liability (asset) associated with the School Board	<u>1,141,782</u>
Total portion of net OPEB liability (asset) associated with the School Board	\$ <u>1,425,636</u>

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2021, was based on a measurement date of June 30, 2022, and was prepared for the purposes of complying with the requirements of GASB Statement 75 for the Plan Employer's fiscal year ended June 30, 2023, financial reporting.

For the year ended June 30, 2022, the School Board's proportion was .255037507 percent, which was an increase of .001740225 from its proportion measured as of June 30, 2021 (.256777732 percent).

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For the year ended June 30, 2023, the School Board recognized OPEB expense of \$(5,723,703) and for support provided by the State, revenue of \$(4,601,144). At June 30, 2023, 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>
Differences between expected and actual non-investment experience	\$ -0-	\$ 362,112
Changes in proportion and differences between School Board contributions and proportionate share of contributions	101,939	253,477
Net difference between expected and actual investment earnings	44,060	-0-
Changes in assumptions	182,037	721,223
Reallocation of opt-out employer change in proportionate share	-0-	1,619
School Board contributions subsequent to the measurement date	<u>226,904</u>	<u>-0-</u>
Total	\$ <u>554,940</u>	\$ <u>1,338,431</u>

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, 2023. 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>	
2024	\$ (1,017,915)
2025	(67,866)
2026	(34,933)
2027	110,319
2028	-0-
Thereafter	<u>-0-</u>
Total	\$ <u>(1,010,395)</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Actuarial Assumptions:

The net OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Actuarial Cost Method:	Entry Age Normal Cost Method
Amortization Method:	level percentage of payroll over a 20-year closed period beginning June 30, 2017
Asset Valuation Method:	Market Value
Wage Inflation:	2.75%
Retirement Age:	Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service at retirement. Rates first applied to the 2020 valuation.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Mortality Post Retirement:	Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females
Mortality Pre-Retirement:	Pub-2010 General Employee Mortality Tables (100% for males, 100% females) projected with MP-2021.
Discount Rate:	6.65%

Investment Asset Allocation:

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	<u>1% Decrease</u> 5.65%	<u>Current</u> <u>Discount Rate</u> 6.65%	<u>1% Increase</u> 7.65%
School Board's proportionate share of the RHBT net OPEB liability/(asset)	\$ <u>729,613</u>	\$ <u>283,854</u>	\$ <u>(98,557)</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</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
School Board's proportionate share of the RHBT net OPEB liability/(asset)	\$ <u>(161,377)</u>	\$ <u>283,854</u>	\$ <u>810,678</u>

Payables to the OPEB Plan:

At June 30, 2023, 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Opt-Out Employer Balance Reallocation:

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

Note 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 Fund Balance:

The fund balance at the beginning of the year did not require restatement for the governmental funds.

Note 14 - Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2023 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>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Prepaid Items	\$ 309,912	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 309,912
Restricted for:							
Special Projects	186,030	805,783	1,921,227	3,366,556	-0-	-0-	6,279,596
Assigned to:							
Encumbrances	1,429,097	-0-	-0-	-0-	-0-	-0-	1,429,097
Unassigned	<u>43,084,826</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,871,219</u>	<u>(1,376,503)</u>	<u>44,579,542</u>
Total fund balances	\$ <u>45,009,865</u>	\$ <u>805,783</u>	\$ <u>1,921,227</u>	\$ <u>3,366,556</u>	\$ <u>2,871,219</u>	\$ <u>(1,376,503)</u>	\$ <u>52,598,147</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
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FOR THE YEAR ENDED JUNE 30, 2023**

Note 15 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$10,399,651 as of June 30, 2023 in the following funds:

General Current Expense Fund	\$ 1,429,097
Special Revenue Fund	90,238
Federal Stimulus and Stabilization Fund	3,170,446
Capital Projects Fund	5,709,870

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

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

Fund #51

Washington Lands Renovation	\$ 1,011,109
Central Elementary Playground	37,702
Bus Garage Site Improvement	1,531,441
Sand Hill Renovation	1,260,175
Moundsville Middle School	6,897
JMHS Outdoor Classroom	533,806
JMHS Softball Area	25,554
Glen Dale Media Center	117,150
JMHS All Purpose Field	32,782
JMHS Emergency Generator	62,290
JMHS CPA	<u>43,653</u>
Total	<u>\$ 4,662,559</u>

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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Fund #71

Central Elementary HVAC Renovation	\$ 1,583,996
Cameron High School / Cameron Elementary Generators	<u>1,692,774</u>
Total	<u>\$ 3,276,770</u>

Subsequent to June 30, 2023, there were no additional commitments for construction and other capital improvements.

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

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2023 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2022 was received by the School Board during June 2023. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2023 will not be available until spring or summer of 2024. Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management of the School Board believes that it is in compliance, in all material respects, with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a 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.

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**MARSHALL COUNTY BOARD OF EDUCATION
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FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Current Exp Fund	\$ 142,857
Capital Projects Fund	General Current Exp Fund	8,685,417
Special Projects Fund	General Current Exp Fund	606,254
Federal Stimulus and Stabilization	General Current Exp Fund	2,842,696
School Activity Fund	General Current Exp Fund	10,054
General Current Exp Fund	Capital Projects Fund	878,689
General Current Exp Fund	Special Projects Fund	311,961
General Current Exp Fund	Federal Stimulus and Stabilization	414,662

During the year ended June 30, 2023, the General Current Expense Fund transferred funds to various funds to cover all individual projects, to cover the payment of principal on debt, to cover various capital projects within the County, to cover the local expense of the Child Nutrition Program, and to cover expenses related to the Federal Stimulus and Stabilization Fund at year end.

There was a transfer from the Special Projects Fund and the Federal Stimulus and Stabilization Fund to the General Current Expense Fund for \$570,663 to cover the calculated indirect costs for the various projects in these funds.

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**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Note 17 - Major Source of Revenue:

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

Note 18 - Changes in Accounting Principles:

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

	<u>Governmental Activities</u>
Beginning net position as previously reported at June 30, 2022	\$ 45,568,303
No restatements	<u>-0-</u>
Net position as restated, July 1, 2022	\$ <u>45,568,303</u>
	<u>District-Wide Statements</u>
Beginning net position as previously reported at June 30, 2022	\$ 177,069,088
Implementation of GASB 96 – ROU Asset	815,900
Implementation of GASB 96 – Lease Liability	<u>-0-</u>
Net position as restated, July 1, 2022	\$ <u>177,884,988</u>

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Note 19 - Payments on Behalf:

The Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the Board or contributions of equipment or supplies. Such revenue includes the 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	\$ 1,740,481
Unfunded retirement liability allocation by the State	6,618,374
Other post employment benefit amount	312,924
PEIA allocations from the State	3,437,223
Donated foods	183,472

Note 20 - Asset Retirement Obligations (AROs):

Marshall County Schools was not subject to Asset Retirement Obligations (ARO) for FY 2023.

Note 21 - COVID-19 Pandemic:

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

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. As a state, West Virginia received more than a billion dollars under the federal CARES Act. Approximately \$86.6 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund (ESSERF). This allocation is specifically earmarked to assist schools to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in West Virginia. The School Board received \$1,146,812 from these funds to help mitigate the expenses incurred directly from COVID-19.

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$4,181,990 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 \$10,314,469 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 22 - Evaluation of Subsequent Events:

The Board of Education's management has evaluated subsequent events through March 24, 2024, the date the financial statements were available to be issued.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

**MARSHALL 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, 2023**

	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	\$ 65,061,660	\$ 65,061,660	\$ 67,750,977	\$ -0-	\$ 67,750,977	\$ 2,689,317
Other local sources	119,500	150,665	142,161	-0-	142,161	(8,504)
State sources	13,466,290	12,979,892	12,990,908	-0-	12,990,908	11,016
Federal sources	810,000	810,000	893,321	-0-	893,321	83,321
Miscellaneous sources	-0-	-0-	2,080,721	-0-	2,080,721	2,080,721
Total revenues	<u>79,457,450</u>	<u>79,002,217</u>	<u>83,858,088</u>	<u>-0-</u>	<u>83,858,088</u>	<u>4,855,871</u>
Expenditures						
Instruction	50,487,860	51,484,618	38,686,521	-0-	38,686,521	12,798,097
Supporting services:						
Students	4,186,580	4,241,649	4,153,612	-0-	4,153,612	88,037
Instructional staff	217,520	217,439	150,277	-0-	150,277	67,162
General administration	2,362,270	2,946,763	2,483,768	-0-	2,483,768	462,995
School administration	4,173,020	4,300,015	4,283,202	-0-	4,283,202	16,813
Central services	2,270,150	2,006,816	1,567,515	-0-	1,567,515	439,301
Operation and maintenance of facilities	9,744,840	10,456,659	8,758,316	-0-	8,758,316	1,698,343
Student transportation	7,335,400	7,289,054	6,167,172	-0-	6,167,172	1,121,882
Community services	74,510	124,510	110,143	-0-	110,143	14,367
Capital outlay	<u>1,500,000</u>	<u>920,500</u>	<u>1,287,810</u>	<u>-0-</u>	<u>1,287,810</u>	<u>(367,310)</u>
Total expenditures	<u>82,352,150</u>	<u>83,988,023</u>	<u>67,648,336</u>	<u>-0-</u>	<u>67,648,336</u>	<u>16,339,687</u>
Excess (deficiency) of revenues over (under) expenditures	(2,894,700)	(4,985,806)	16,209,752	-0-	16,209,752	21,195,558
Other Financing Sources (Uses)						
Transfers in	-0-	-0-	2,495,099	-0-	2,495,099	2,495,099
Transfers (out)	(17,105,300)	(29,057,918)	(13,407,824)	-0-	(13,407,824)	15,650,094
Total other financing sources (uses)	<u>(17,105,300)</u>	<u>(29,057,918)</u>	<u>(10,912,725)</u>	<u>-0-</u>	<u>(10,912,725)</u>	<u>18,145,193</u>
Change in fund balances	(20,000,000)	(34,043,724)	5,297,027	-0-	5,297,027	39,340,751
Fund balances – beginning	<u>20,000,000</u>	<u>34,043,724</u>	<u>39,712,838</u>	<u>-0-</u>	<u>39,712,838</u>	<u>5,669,114</u>
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>45,009,865</u>	\$ <u>-0-</u>	\$ <u>45,009,865</u>	\$ <u>45,009,865</u>

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

**MARSHALL 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, 2023**

	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	\$ 25,000	\$ 25,000	\$ 15,911	\$ -0-	\$ 15,911	\$(9,089)
State sources	523,110	1,053,167	942,123	-0-	942,123	(111,044)
Federal sources	<u>5,162,620</u>	<u>6,405,093</u>	<u>6,570,798</u>	-0-	<u>6,570,798</u>	<u>165,705</u>
Total revenues	<u>5,710,730</u>	<u>7,483,260</u>	<u>7,528,832</u>	-0-	<u>7,528,832</u>	<u>45,572</u>
Expenditures						
Instruction	3,443,490	3,434,219	2,407,297	-0-	2,407,297	1,026,922
Supporting services:						
Students	183,920	771,933	677,827	-0-	677,827	94,106
Instructional staff	-0-	728,516	526,907	-0-	526,907	201,609
General administration	70,000	45,017	51,487	-0-	51,487	(6,470)
School administration	-0-	89,485	91,475	-0-	91,475	(1,990)
Central services	-0-	90,445	16,649	-0-	16,649	73,796
Operation and maintenance of facilities	-0-	-0-	14,068	-0-	14,068	(14,068)
Student transportation	-0-	16,877	12,047	-0-	12,047	4,830
Food services	4,200,500	3,401,508	4,489,447	-0-	4,489,447	(1,087,939)
Capital outlay	-0-	<u>13,144</u>	<u>11,525</u>	-0-	<u>11,525</u>	<u>1,619</u>
Total expenditures	<u>7,897,910</u>	<u>8,591,144</u>	<u>8,298,729</u>	-0-	<u>8,298,729</u>	<u>292,415</u>
Excess (deficiency) of revenues over (under) expenditures	(2,187,180)	(1,107,884)	(769,897)	-0-	(769,897)	337,987
Other Financing Sources (Uses)						
Transfers in	2,187,180	1,411,075	681,054	-0-	681,054	(730,021)
Transfers (out)	-0-	(303,191)	(311,962)	-0-	(311,962)	(8,771)
Total other financing sources (uses)	<u>2,187,180</u>	<u>1,107,884</u>	<u>369,092</u>	-0-	<u>369,092</u>	<u>(738,792)</u>
Change in fund balances	-0-	-0-	(400,805)	-0-	(400,805)	(400,805)
Fund balances – beginning	-0-	-0-	1,206,588	-0-	1,206,588	1,206,588
Fund balances – ending	\$ -0-	\$ -0-	\$ 805,783	\$ -0-	\$ 805,783	\$ 805,783

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

**MARSHALL 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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual</u>	<u>Variance</u>
	<u>Regulatory Basis</u>		<u>GAAP</u>	<u>for</u>	<u>Regulatory</u>	<u>with</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Regulatory</u>	<u>Basis</u>	<u>Final</u>
			<u>Amounts</u>	<u>Basis</u>	<u>Amounts</u>	<u>Budget</u>
Revenues						
State sources	\$ -0-	\$ 17,000	\$ 17,000	\$ -0-	\$ 17,000	\$ -0-
Federal sources	-0-	<u>13,025,781</u>	<u>5,083,505</u>	-0-	<u>5,083,505</u>	<u>(7,942,276)</u>
Total revenues	-0-	<u>13,042,781</u>	<u>5,100,505</u>	-0-	<u>5,100,505</u>	<u>(7,942,276)</u>
Expenditures						
Instruction	-0-	4,633,299	2,013,169	-0-	2,013,169	2,620,130
Supporting services:						
Students	-0-	218,000	41,396	-0-	41,396	176,604
Instructional staff	-0-	1,051,611	463,343	-0-	463,343	588,268
Central administration	-0-	678,121	193,231	-0-	193,231	484,890
Operation and maintenance of facilities	-0-	1,034,209	157,046	-0-	157,046	877,163
Student transportation	-0-	155,000	114,826	-0-	114,826	40,174
Capital outlay	-0-	<u>4,744,342</u>	<u>1,531,915</u>	-0-	<u>1,531,915</u>	<u>3,212,427</u>
Total expenditures	-0-	<u>12,514,582</u>	<u>4,514,926</u>	-0-	<u>4,514,926</u>	<u>7,999,656</u>
Excess (deficiency) of revenues over (under) expenditures	-0-	<u>528,199</u>	<u>585,579</u>	-0-	<u>585,579</u>	<u>57,380</u>
Other Financing Sources (Uses)						
Transfers in	-0-	-0-	2,842,695	-0-	2,842,695	2,842,695
Transfers (out)	-0-	<u>(528,199)</u>	<u>(414,662)</u>	-0-	<u>(414,662)</u>	<u>113,537</u>
Total other financing sources (uses)	-0-	<u>(528,199)</u>	<u>2,428,033</u>	-0-	<u>2,428,033</u>	<u>2,956,232</u>
Change in fund balances	-0-	-0-	3,013,612	-0-	3,013,612	3,013,612
Fund balances – beginning	-0-	-0-	<u>352,944</u>	-0-	<u>352,944</u>	<u>352,944</u>
Fund balances – ending	\$ -0-	\$ <u>-0-</u>	\$ <u>3,366,556</u>	\$ -0-	\$ <u>3,366,556</u>	\$ <u>3,366,556</u>

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

**MARSHALL 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, 2022
FOR THE YEAR ENDED JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.264574%	0.255058%	0.243542%	0.224810%	0.216382%	0.217333%	0.174551%	0.151781%	0.149731%
District's proportionate share of the net pension liability (asset)	\$ 6,805,015	\$ 3,985,993	\$ 7,844,344	\$ 6,688,482	\$ 6,756,002	\$ 7,508,794	\$ 7,173,756	\$ 5,259,597	\$ 5,165,871
State's proportionate share of the net pension liability (asset) associated with the district	<u>112,176,141</u>	<u>63,664,161</u>	<u>127,987,364</u>	<u>107,338,464</u>	<u>120,693,712</u>	<u>115,446,339</u>	<u>99,533,478</u>	<u>91,404,878</u>	<u>98,018,065</u>
Total	\$ <u>118,981,156</u>	\$ <u>67,650,154</u>	\$ <u>135,831,708</u>	\$ <u>114,026,946</u>	\$ <u>127,449,714</u>	\$ <u>122,955,133</u>	\$ <u>106,707,234</u>	\$ <u>96,664,475</u>	\$ <u>103,183,936</u>
District's covered payroll	\$ 36,355,316	\$ 36,270,090	\$ 35,718,072	\$ 34,509,051	\$ 32,494,976	\$ 31,433,032	\$ 30,701,860	\$ 29,978,965	\$ 29,569,106
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.718%	10.990%	21.961%	19.382%	20.791%	23.888%	23.366%	17.544%	17.471%
Plan fiduciary net position as a percentage of the total pension liability	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

Data prior to 2014 is unavailable.

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

**MARSHALL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TO TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,955,585	\$ 2,787,163	\$ 2,798,702	\$ 2,808,630	\$ 2,741,002	\$ 2,621,644	\$ 2,596,336	\$ 2,596,821	\$ 2,638,094
Contributions in relation to the contractually required contribution	(2,955,585)	(2,787,163)	(2,798,702)	(2,808,630)	(2,741,002)	(2,621,644)	(2,596,336)	(2,596,821)	(2,638,094)
Contribution deficiency (excess)	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-
District's covered payroll	\$ 38,766,300	\$ 36,355,316	\$ 36,270,090	\$ 35,718,072	\$ 34,509,051	\$ 32,494,976	\$ 31,433,032	\$ 30,702,860	\$ 29,978,965
Contributions as a percentage of covered payroll	7.624%	7.665%	7.716%	7.863%	7.943%	8.082%	8.260%	8.458%	8.800%

Data prior to 2015 is unavailable.

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

**MARSHALL 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, 2022
FOR THE YEAR ENDED JUNE 30, 2023**

	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.255038%	0.269941%	0.256778%	0.272595%	0.299184%	0.196244%
District's proportionate share of the net OPEB liability (asset)	\$ 283,854	\$(80,266)	\$ 1,134,166	\$ 4,522,715	\$ 6,418,804	\$ 4,825,619
State's proportionate share of the net OPEB liability (asset) associated with the district	<u>1,141,782</u>	<u>(362,289)</u>	<u>5,255,548</u>	<u>20,576,700</u>	<u>16,590,283</u>	<u>22,568,911</u>
Total	\$ <u>1,425,636</u>	\$ <u>(442,555)</u>	\$ <u>6,389,714</u>	\$ <u>25,099,415</u>	\$ <u>23,009,087</u>	\$ <u>27,394,530</u>
District's covered payroll	\$ 36,355,316	\$ 36,270,090	\$ 35,715,645	\$ 29,259,638	\$ 26,854,272	\$ 26,289,183
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.781%	-0.221%	3.176%	15.457%	23.902%	18.356%
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

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

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

	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 488,628	\$ 636,646	\$ 1,274,138	\$ 1,474,633	\$ 1,494,465	\$ 1,466,514
Contributions in relation to the contractually required contribution	(<u>488,628</u>)	(<u>636,646</u>)	(<u>1,274,138</u>)	(<u>1,474,633</u>)	(<u>1,494,465</u>)	(<u>1,466,514</u>)
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
District's covered payroll	\$ 38,766,300	\$ 36,355,316	\$ 36,270,090	\$ 35,714,645	\$ 29,259,638	\$ 26,854,272
Contributions as a percentage of covered payroll	1.260%	1.751%	3.513%	4.129%	5.108%	5.461%

Data prior to 2018 is unavailable.

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

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

A. Budgets and Budgetary Accounting

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

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

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, 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.

See independent auditor's report.

MARSHALL COUNTY BOARD OF EDUCATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2023

General Current Expense Fund:

<u>Function</u>	<u>Amount</u>
Capital Outlays	\$ 367,310

The over-expenditures in this program was 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>
General Administration	\$ 6,470
School Administration	1,990
Operation and Maintenance of Facilities	14,068
Food Service	1,087,939

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.

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

C. Changes in Assumptions:

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

Inflation:	<u>2021-2022</u> 2.75%	<u>2015-2020</u> 3%	<u>2014</u> 2.2%		
Salary Increases:	<u>2021-2022</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>2021-2022</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.

**MARSHALL COUNTY BOARD OF EDUCATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2023**

Mortality:	<u>2022</u> Active: 100% of Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – 100% of Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, disabled females – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	<u>2020-2021</u> 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	<u>2016-2019</u> 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.	<u>2014-2015</u> Active – RP2000, non-annuitant monthly mortality table, retired – RP2000 healthy annuitant, scale AA; disabled – RP2000 disabled annuitant mortality table, scale AA.
Discount Rate:	<u>2021-2022</u> 7.25%	<u>2014-2020</u> 7.5%		

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

See independent auditor's report.

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Healthcare Cost Trend Rates:	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2021, decreasing by 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

**MARSHALL 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, 2023**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
	Amounts	Amounts	Basis	Basis	Amounts	Budget
Revenues						
Miscellaneous sources	\$ -0-	\$ -0-	\$ 94,790	\$ -0-	\$ 94,790	\$ 94,790
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>94,790</u>	<u>-0-</u>	<u>94,790</u>	<u>94,790</u>
Expenditures						
Debt service:						
Principal retirement	<u>140,000</u>	<u>145,000</u>	<u>142,858</u>	-0-	<u>142,858</u>	<u>2,142</u>
Total expenditures	<u>140,000</u>	<u>145,000</u>	<u>142,858</u>	<u>-0-</u>	<u>142,858</u>	<u>2,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,000)</u>	<u>(145,000)</u>	<u>(48,068)</u>	<u>-0-</u>	<u>(48,068)</u>	<u>96,932</u>
Other Financing Sources (Uses)						
Transfers in	140,000	145,000	142,858	-0-	142,858	(2,142)
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>140,000</u>	<u>145,000</u>	<u>142,858</u>	<u>-0-</u>	<u>142,858</u>	<u>(2,142)</u>
Change in fund balances	-0-	-0-	94,790	-0-	94,790	94,790
Fund balances – beginning	<u>-0-</u>	<u>-0-</u>	<u>2,776,429</u>	<u>-0-</u>	<u>2,776,429</u>	<u>2,776,429</u>
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,871,219</u>	<u>\$ -0-</u>	<u>\$ 2,871,219</u>	<u>\$ 2,871,219</u>

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

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

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis	Adjustments for Regulatory Basis	Actual Regulatory Basis	Variance with Final Budget
	Original	Final	Amounts	Basis	Amounts	Budget
Revenues						
Other local sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
State sources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures						
Capital outlay	<u>15,000,000</u>	<u>12,590,000</u>	<u>8,830,391</u>	-0-	<u>8,830,391</u>	<u>3,759,609</u>
Total expenditures	<u>15,000,000</u>	<u>12,590,000</u>	<u>8,830,391</u>	<u>-0-</u>	<u>8,830,391</u>	<u>3,759,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,000,000)</u>	<u>(12,590,000)</u>	<u>(8,830,391)</u>	<u>-0-</u>	<u>(8,830,391)</u>	<u>3,759,609</u>
Other Financing Sources (Uses)						
Transfers in	15,000,000	12,590,000	8,685,417	-0-	8,685,417	(3,904,583)
Transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>(878,690)</u>	<u>-0-</u>	<u>(878,690)</u>	<u>(878,690)</u>
Total other financing sources (uses)	<u>15,000,000</u>	<u>12,590,000</u>	<u>7,806,727</u>	<u>-0-</u>	<u>7,806,727</u>	<u>(4,783,273)</u>
Change in fund balances	-0-	-0-	(1,023,664)	-0-	(1,023,664)	(1,023,664)
Fund balances – beginning	<u>-0-</u>	<u>-0-</u>	<u>(352,839)</u>	<u>-0-</u>	<u>(352,839)</u>	<u>(352,839)</u>
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(1,376,503)</u>	\$ <u>-0-</u>	\$ <u>(1,376,503)</u>	\$ <u>(1,376,503)</u>

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

**MARSHALL COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

A. Budgets and Budgetary Accounting

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

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

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Debt Service Fund:

No expenditures exceeded appropriations

Capital Project Fund:

No expenditures exceeded appropriations

See independent auditor's report.

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

	<u>Beginning</u> <u>Cash Balance</u> <u>7/1/2022</u>	<u>Revenues</u> <u>Received</u>	<u>Expenditures</u> <u>Paid</u>	<u>Ending</u> <u>Cash Balance</u> <u>6/30/2023</u>
Cameron Elementary School	\$ 34,062	\$ 51,885	\$ 57,110	\$ 28,837
Central Elementary School	54,491	56,969	50,263	61,197
Glen Dale Elementary School	37,854	38,967	44,363	32,458
Center McMechen Elementary School	30,566	19,259	20,504	29,321
McNinch Elementary School	28,850	54,999	48,906	34,943
Sand Hill Elementary School	10,058	2,478	3,625	8,911
Washington Lands Elementary School	59,466	79,492	64,528	74,430
Hilltop Elementary School	54,131	87,628	87,611	54,148
Moundsville Middle School	160,871	180,712	180,922	160,661
Sherrard Middle School	137,945	130,517	129,527	138,935
Cameron High School	773,482	498,096	467,121	804,457
John Marshall High School	<u>490,567</u>	<u>671,168</u>	<u>668,806</u>	<u>492,929</u>
Total	\$ <u>1,872,343</u>	\$ <u>1,872,170</u>	\$ <u>1,823,286</u>	\$ <u>1,921,227</u>

See independent auditor's report.

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

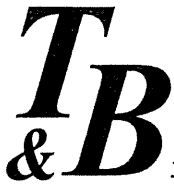
	Current Year			Levy To Date		
	<u>Estimated Per Levy Call</u>	<u>Actual</u>	<u>Variance</u>	<u>Estimated Per Levy Call</u>	<u>Actual</u>	<u>Variance</u>
Excess Levy Collections	\$ <u>29,781,043</u>	\$ <u>34,812,383</u>	\$ <u>5,031,340</u>	\$ <u>148,905,215</u>	\$ <u>156,175,483</u>	\$ <u>7,270,268</u>
Expenditures (County Specific Levy Call):						
Instructional equipment, teaching supplies, textbooks, and library books	1,500,000	1,500,000	-0-	7,500,000	7,500,000	-0-
Project Lead the Way/STEM Curriculum supplies and personnel - elementary	250,000	250,000	-0-	1,250,000	1,250,000	-0-
Hardware, software, infrastructure repairs, training, and tech support	1,500,000	1,500,000	-0-	7,500,000	7,500,000	-0-
Maintenance on equipment and buildings	3,000,000	3,000,000	-0-	15,000,000	15,000,000	-0-
Special education services for identified students	300,000	300,000	-0-	1,500,000	1,500,000	-0-
Vehicle maintenance, fuel, and bus replacement	750,000	750,000	-0-	3,750,000	3,750,000	-0-
Library services through the County library	125,000	125,000	-0-	625,000	625,000	-0-
Marshall County 4-H support through WVU Extension Service	75,000	75,000	-0-	375,000	375,000	-0-
Marshall County Health Department contract for health services	60,000	60,000	-0-	300,000	300,000	-0-
Pre-Kindergarten program contracts across the County	200,000	200,000	-0-	1,000,000	1,000,000	-0-
Additional counselors within the County	150,000	150,000	-0-	750,000	750,000	-0-
Additional nurses within the County	375,000	375,000	-0-	1,875,000	1,875,000	-0-
Social workers for County	75,000	75,000	-0-	375,000	375,000	-0-
Resource officers for the County	125,000	125,000	-0-	625,000	625,000	-0-
Capital improvements throughout the County	7,000,000	7,000,000	-0-	35,000,000	35,000,000	-0-
Employee salaries and benefits	12,496,043	17,527,383	5,031,340	62,480,215	69,750,483	7,270,268
Vocational supplies and equipment	250,000	250,000	-0-	1,250,000	1,250,000	-0-
Free breakfast and lunch to all students in the County	400,000	400,000	-0-	2,000,000	2,000,000	-0-
Music, band, and string equipment	100,000	100,000	-0-	500,000	500,000	-0-
Extended day learning	100,000	100,000	-0-	500,000	500,000	-0-
Summer school	100,000	100,000	-0-	500,000	500,000	-0-
Interventional specialists at Cameron Elementary and Moundsville Middle Schools	150,000	150,000	-0-	750,000	750,000	-0-
Extra duty salary supplements for curricular and athletic coach positions	<u>700,000</u>	<u>700,000</u>	<u>-0-</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-0-</u>
Total Expenditures	<u>29,781,043</u>	<u>34,812,383</u>	<u>5,031,340</u>	<u>148,905,215</u>	<u>156,175,483</u>	<u>7,270,268</u>
Excess (deficiency) of collections over (under) expenditures	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

See independent auditor's report.

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

<u>Awarding Agency</u>	<u>Acct.</u>	<u>Grant Name</u>	<u>Grant Identification</u>	<u>Period of Award</u>	<u>Total Grant Award</u>	<u>Beginning Balance (7/1/22)</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>	<u>Ending Balance (6/30/23)</u>	<u>Amount Receivable</u>
WVDE	00399	Early Retirement Notification	23*83192	07/01/22-06/30/23	\$ 1,083.00	\$ 0.00	\$ 1,083.00	\$ 1,083.00	\$ 0.00	\$ 0.00
WVDE	02150	High Cost High Acuity Grant	GRTAWD04022100003483	07/01/20-09/30/22	2,700.00	2,007.00	0.00	2,007.00	0.00	0.00
WVDE	02211	Special Education - FY 2022	GRTAWD04022200001686	07/01/21-09/30/23	60,071.00	43,293.65	0.00	43,293.65	0.00	0.00
WVDE	02250	High Cost High Acuity Grant	GRTAWD04022200003116	07/01/21-09/30/23	5,987.00	5,987.00	0.00	0.00	5,987.00	0.00
WVDE	02311	Special Education - FY 2023	GRTAWD04022300001308	07/01/22-09/30/24	76,323.00	0.00	76,323.00	13,131.26	63,191.74	0.00
WVDE	02352	High Cost High Acuity Grant	GRTAWD04022300003443	07/01/22-09/30/24	4,976.00	0.00	4,976.00	0.00	4,976.00	0.00
WVDE	04311	CTE Math/Eng Instruction	GRTAWD04022300000410	07/01/22-03/31/25	43,122.00	0.00	43,122.00	43,122.00	0.00	0.00
WVDE	05211	CTE Secondary Block	GRTAWD04022200000710	07/01/21-03/31/24	101,766.00	52,852.79	0.00	52,852.79	0.00	0.00
WVDE	05281	CTE Equipment Replacement	GRTAWD04022200000647	07/01/21-03/31/24	12,604.00	4,593.05	0.00	4,355.39	237.66	0.00
WVDE	05311	CTE Secondary Block	GRTAWD04022300000533	07/01/22-03/31/25	127,522.00	0.00	127,522.00	65,602.09	61,919.91	0.00
WVDE	05320	Agricultural Tracker	GRTAWD04022300002293	07/01/22-03/31/25	590.00	0.00	590.00	590.00	0.00	0.00
WVDE	05322	SMS Robotics Team	GRTAWD04022300004752	04/01/23-03/31/25	1,200.00	0.00	1,200.00	0.00	1,200.00	0.00
WVDE	05340	Tech Centers Conference	GRTAWD04022300004683	04/11/23-03/31/25	6,000.00	0.00	6,000.00	1,584.90	4,415.10	0.00
WVDE	05381	CTE Equipment Replacement	GRTAWD04022300000454	07/01/22-03/31/25	13,049.00	0.00	13,049.00	0.00	13,049.00	0.00
WVDE	14112	Early Literacy Grant	GRTAWD04022100000354	07/01/20-06/30/22	54,645.00	30,372.14	0.00	30,372.14	0.00	0.00
WVDE	14212	Early Literacy Grant	GRTAWD04022200000930	07/01/21-03/31/24	48,716.00	48,716.00	0.00	48,716.00	0.00	0.00
WVDE	14312	Early Literacy Grant	GRTAWD04022300000801	07/01/22-03/31/25	48,688.00	0.00	48,688.00	4,050.90	44,637.10	0.00
WVDE	18310	EL State Funds	GRTAWD04022300001489	07/01/22-03/31/25	101.59	0.00	101.59	101.59	0.00	0.00
WVDE	23010	Safe School Grant	GRTAWD04022000003732	07/01/19-06/30/22	71,324.54	47,616.87	0.00	27,823.74	19,793.13	0.00
WVDE	24310	High School Equiv Testing	GRTAWD04022300003684	07/01/11-06/30/24	3,500.00	0.00	3,500.00	0.00	3,500.00	0.00
WVDE	26310	Tech Centers That Work	GRTAWD04022300000385	07/01/22-03/31/25	2,500.00	0.00	2,500.00	0.00	2,500.00	0.00
WVDE	26331	Tools for Schools	GRTAWD04022300002671	07/01/22-03/31/25	145,822.00	0.00	145,822.00	93,027.00	52,795.00	0.00
WVDE	28013	Support Programs - Fairs	GRTAWD04022200002238	09/18/19-06/30/21	7,500.00	6,173.98	0.00	6,173.98	0.00	0.00
WVDE	28100	Stem Minded Grant	GRTAWD04022100004523	01/29/21-06/30/21	8,000.00	64.91	0.00	64.91	0.00	0.00
WVDE	28101	Teacher Leader Framework	GRTAWD04022100005514	04/27/21-03/31/23	2,000.00	2,000.00	0.00	2,000.00	0.00	0.00
WVDE	28116	Math4Life Grant	GRTAWD04022100000265	07/01/20-06/30/21	10,000.00	3,598.24	0.00	3,598.24	0.00	0.00
WVDE	28200	WV Social Studies Fair	GRTAWD04022200002836	10/12/21-03/31/24	4,000.00	4,000.00	0.00	1,122.70	2,877.30	0.00
WVDE	28202	Math4Life Teacher Grant	GRTAWD04022200005394	05/05/22-03/31/24	2,000.00	2,000.00	0.00	2,000.00	0.00	0.00
WVDE	28203	Teacher Leadership	GRTAWD04022200005564	05/11/22-03/31/24	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00
WVDE	28300	Teacher Leadership	GRTAWD04022300004214	03/06/23-03/31/25	2,000.00	0.00	2,000.00	0.00	2,000.00	0.00
WVDE	28301	Region Social Studies Fair	GRTAWD04022300002182	09/12/22-03/31/25	4,000.00	0.00	4,000.00	3,717.59	282.41	0.00
WVDE	28302	Teacher of Year 2022	GRTAWD04022300003854	02/01/23-03/31/25	300.00	0.00	300.00	300.00	0.00	0.00
WVDE	28380	Grow Your Own Pathway	GRTAWD04022300002810	10/13/22-03/31/25	1,650.00	0.00	1,650.00	0.00	1,650.00	0.00
WVDE	28381	Grow Your Own Pathway - Spring	GRTAWD04022300004155	03/06/23-03/31/25	1,350.00	0.00	1,350.00	0.00	1,350.00	0.00
WVDE	62311	Ace Advantage Grant	GRTAWD040222000006108	06/01/22-03/31/24	55,000.00	0.00	55,000.00	55,000.00	0.00	0.00
WVDE	71211	Program Modernization	GRTAWD04022200000830	07/01/21-03/31/24	19,346.00	6,245.45	0.00	0.00	6,245.45	0.00
WVDE	88193	SRM Supplement Grant	GRTAWD040222000006141	06/22/22-03/31/24	4,350.00	0.00	4,350.00	0.00	4,350.00	0.00
WVDE	88290	Non Trad Hunger (Backpack)	GRTAWD040222000002792	10/01/21-03/31/24	36,526.55	10,052.04	0.00	10,052.04	0.00	0.00
WVDE	88291	SNA Scholarship Grant	GRTAWD040222000005710	05/24/22-03/31/24	1,000.00	1,000.00	0.00	1,000.00	0.00	0.00
WVDE	88310	From Scratch Training	GRTAWD040223000002222	07/01/22-03/31/25	3,000.00	0.00	3,000.00	0.00	3,000.00	0.00
WVDE	88315	CNP Equipment Grant - MMS	GRTAWD040223000005136	05/01/23-03/31/25	25,000.00	0.00	25,000.00	0.00	25,000.00	0.00
WVDE	88317	CNP State Matching Grant	GRTAWD04022300004624	04/01/23-03/31/25	22,811.00	0.00	22,811.00	22,811.00	0.00	0.00
WVDE	88390	Back Pack Grant 2023	GRTAWD040223000002463	07/01/22-03/31/25	31,353.76	0.00	31,353.76	24,656.51	6,697.25	0.00
					TOTAL	\$ 272,573.12	\$ 625,291.35	\$ 564,210.42	\$ 333,654.05	\$ 0.00

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
Marshall County Board of Education
Moundsville, 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 Marshall County Board of Education (Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Marshall County Board of Education's basic financial statements and have issued our report thereon dated March 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Marshall 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 Marshall County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Marshall 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 #2023-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshall 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*.

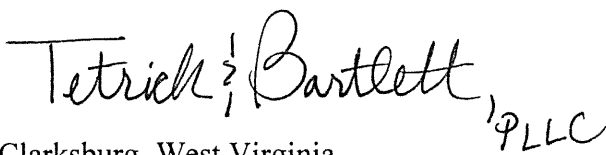
We noted certain matters that we reported to management of Marshall County Board of Education in a separate letter dated March 24, 2024.

Marshall County Board of Education's Response to Findings

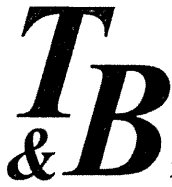
Government Auditing Standards requires the auditor to perform limited procedures on the Marshall County Board of Education's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Marshall County Board of Education's response was 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.

Tetric & Bartlett, PLLC

Clarksburg, West Virginia
March 24, 2024



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
Marshall County Board of Education
Moundsville, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Marshall 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 Marshall 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 Marshall 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 Marshall 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 Marshall 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 Marshall 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 Marshall 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 Marshall 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,
PLLC

Clarksburg, West Virginia
March 24, 2024

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

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

MARSHALL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023

B. Findings - Financial Statements Audit

Questioned
Costs

#2023-001 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 Marshall 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 Marshall County Board of Education's June 30, 2021 financial statements, this condition was applicable and therefore was reported in the prior year's audit.

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 Marshall County Board of Education remain involved in the financial affairs of the Individual Schools of Marshall 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.

**MARSHALL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

Questioned
Costs

Views of Responsible Officials and Planned Corrective Action: Marshall 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 at the school level. At the County Office, a professional accountant and an accounting clerk that oversees the individual schools software system will include oversight and periodic independent review of transactions as part of their position. For this coming year, these two employees will visit and perform testing at the schools on a weekly basis. The Chief Financial Officer will perform periodic checks monthly.

Total Questioned Costs

\$ -0-

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

None

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

<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	\$ 19,882
<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	183,472
<i>Passed-through the West Virginia Department of Education</i>			
National School Lunch Program	10.555	88	<u>2,042,259</u>
Total Federal Expenditures AL #10.555			<u>2,225,731</u>
School Breakfast Program	10.553	88	848,175
Summer Food Service Program for Children	10.559	88	323,372
Fresh Fruit and Vegetable Program	10.582	88	<u>43,797</u>
<i>Total Child Nutrition Cluster</i>			<u>3,441,075</u>
Total U.S. Department of Agriculture			\$ <u>3,460,957</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	\$ 935,557

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

**MARSHALL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

<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>Special Education Cluster (IDEA)</i>			
Special Education – Grants to States	84.027	43	\$ 1,540,064
COVID-19 – Special Education – Grants to States	84.027X	43	<u>148,087</u>
Total Federal Expenditures AL #84.027			<u>1,688,151</u>
Special Education – Preschool Grants	84.173	43	<u>45,885</u>
Total Special Education Cluster (IDEA)			<u>1,734,036</u>
Student Support and Academic Enrichment Program	84.424	42	78,396
Career and Technical Education – Basic Grants to States	84.048	50	83,474
Supporting Effective Instruction State Grants (formerly, Improving Teacher Quality State Grants)	84.367	40	255,112
Adult Education – Basic Grants to States	84.002	61	35,295
Education Stabilization Fund (ESF)			
<i>Passed-through the West Virginia Department of Education</i>			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	52	237,092
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	52	1,153,501
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	52	3,624,282
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	52	<u>3,718</u>
Total Federal Expenditures AL #84.425			<u>5,018,593</u>
Total U.S. Department of Education			\$ <u>8,140,463</u>

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

**MARSHALL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2023**

<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 Health and Human Services			
<i>Passed-through the West Virginia Department of Education</i>			
<u>Program Title</u>			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	49	\$ <u>27,458</u>
Total U.S. Department of Health and Human Services			\$ <u>27,458</u>
 U.S. Department of the Treasury			
<i>Passed-through the West Virginia Department of Education</i>			
<u>Program Title</u>			
COVID-19 – Coronavirus Relief Fund	21.019	52	\$ <u>1,037</u>
Total U.S. Department of the Treasury			\$ <u>1,037</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ <u>11,629,915</u>

N/A = Not available

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Marshall County Board of Education under programs of the federal government for the year ended June 30, 2023. 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 Marshall County Board of Education, it is not intended to and does not present the financial position and changes in net position of the Marshall 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, 2023, total expenditures were \$183,472.

Note 4. Indirect Cost Rate

The Marshall 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.

Marshall County Schools

Dr. Shelby Haines, Superintendent
214 Middle Grave Creek Road, P. O. Box 578
Moundsville, WV 26041
Phone: (304) 843-4400 Fax: (304) 843-4409
boe.mars.k12.wv.us



March 24, 2024

CORRECTIVE ACTION PLAN

U.S. Department of Education

Marshall County Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2023.

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

Audit period: July 1, 2022 through June 30, 2023.

The findings from the June 30, 2023 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

#2023-001 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 Marshall County Board of Education remain involved in the financial affairs of the Individual Schools of Marshall 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: Marshall 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 at the school level. At the County Office, a professional accountant and an accounting clerk that oversees the individual schools software system will include oversight and periodic independent review of transactions as part of their position. For this coming year, these two employees will visit and perform testing at the schools on a weekly basis. The Chief Financial Officer will perform periodic checks monthly.

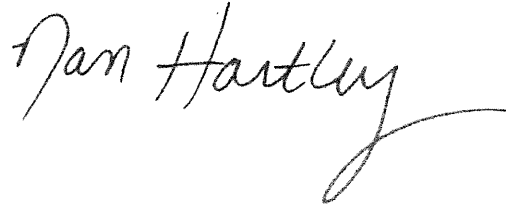
Nan Hartley, CPA Chief Financial Officer is responsible for implementing these procedures by June 30, 2024.

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 Nan Hartley, CPA Chief Financial Officer at (304) 843-4400.

Sincerely yours,

A handwritten signature in cursive script that reads "Nan Hartley". The signature is written in black ink and is positioned below the "Sincerely yours," text.

Nan Hartley, CPA Chief Financial Officer
Marshall County Board of Education

Marshall County Schools

Dr. Shelby Haines, Superintendent
214 Middle Grave Creek Road, P. O. Box 578
Moundsville, WV 26041
Phone: (304) 843-4400 Fax: (304) 843-4409
boe.mars.k12.wv.us



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2023

Findings

#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.

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 Marshall County Board of Education remain involved in the financial affairs of the Individual Schools of Marshall 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.

Current Status: This condition was reported in the audit as finding #2023-001. Management of the Marshall County Board of Education remains involved in the financial affairs of the Individual Schools of Marshall County, and frequently provides oversight and independent review functions to strengthen the internal controls for each school.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

Honorable Members and Management of the
Marshall County Board of Education
214 Middle Grave Creek Road
Moundsville, West Virginia

In planning and performing our audit of the financial statements of the Marshall County Board of Education as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Marshall 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 certain 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 24, 2024.) This letter does not affect our report dated March 24, 2024, on the financial statements of the Marshall 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:

Indirect Costs Incorrectly Charged

We noted during our audit that the Marshall County Board of Education had overcharged amounts in (1) project with indirect costs, which should be based on expenditures and applicable rates. The following projects were overcharged:

<u>Project</u>	<u>Overcharge Amount</u>
# 43211	\$ 112

We recommend that the Management of Marshall County Board of Education review these indirect charges made and reimburse or make adjustments to subsequent drawdowns for the project that remains active that was overcharged. Furthermore, we recommend that the Marshall County Board of Education management establish procedures to annually review the indirect charges made during the year, and then make the necessary changes to adjust for the amounts allowable.

Drug-Free Workplace Verification Statement

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

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

Purchase Order Process

We noted during our audit procedures that two cash disbursements were made for invoices or other support documentation which was not in compliance with the Board of Education's purchase order policy. More specifically, two cash disbursements for purchases that require the use of a purchase order were made where no purchase order was prepared and properly approved before the purchase was made.

We recommend that the Marshall County Board of Education management take the necessary steps to ensure that all purchase orders be prepared and approved before the purchases are made and that the purchase order be approved to obligate the estimated maximum amount of the purchase.

Continuing Contract for Employment

During our tests of 25 employee personnel files, we noted that one personnel file did not contain a signed "*continuing contract for employment*".

We recommend that the Marshall County Board of Education Personnel Department review all personnel files to ensure that each file contains an applicable "*continuing contract for employment*", as required.

***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 one School's 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 School's 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.

- **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, one School's cash collections reported on the cash summary reports were reported as a total instead of detailing from whom the cash was remitted from.

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.

- **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.

- **Ticket Reconciliation Reports**

During our tests of two schools, we noted that one School's ticket reconciliation reports were not always completed properly, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. More specifically, the ticket reconciliation reports tested did not always agree to the difference between the beginning ticket number sold and the ending ticket number sold.

The manual states in part that...

A ticket reconciliation report must be prepared for each event to reconcile tickets sold to cash collected. The report must show the following: beginning cash balance; first and last numbers of each type of ticket sold (student, adult, other); total number of tickets sold by type; price of each type of ticket; total sales; ending cash balance; total cash in cash box; and differences, if any. In addition, total sales from tickets sold prior to the event must be shown. The reconciliation report must also show the activity and date, and must be signed by the preparer and the principal.

We recommend that the School's management adhere to the policy and ensure that the ticket reconciliation reports reconcile tickets sold with mathematical accuracy and that the reconciliation reports document the required information.

- **Adequate Support Documentation**

During our test of two schools, we noted that one School's management did not always provide adequate support documentation for all disbursements made, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

Schools are not permitted to expend any funds unless an itemized claim (invoice) for payment is filed by the claimant. If the claim is for services rendered, the invoice must identify the kind of service, the date performed, the person performing the service, address and the amount due. If the claim is for materials, equipment or supplies, the invoice must identify in detail the vendor, address, phone number, the items provided, the quantity, the date provided, to whom provided and the amount due.

We recommend that the School's management adhere to this policy, and verify that all disbursements made are supported by adequate documentation.

- **Ticket Log**

During our test of two schools, we noted that one School's management did not maintain a ticket log to account for all ticket stock used by the school, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

A ticket log must be maintained by the school to account for all ticket stock used by the school. The ticket log should be updated as tickets are distributed for each event. Each roll of tickets sold during the school year must be reconciled to the ticket log on an annual basis to ensure that all ticket numbers are accounted for.

We recommend that the School's management adhere to the policy and ensure that a ticket log is maintained to account for all ticket stock used by the school.

- **Negative Ending Account Balances**

During our test of two schools, we noted that two Schools' 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, as a result of not properly utilizing the purchase order system overall, various individual sub-accounts at year end had a **negative** ending balance.

The manual state in part that...

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 Schools' 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 to ensure that the funds are available before the purchase is made.

- **Purchase Order System**

During our test of two schools, we noted that two Schools' 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 Schools' 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.

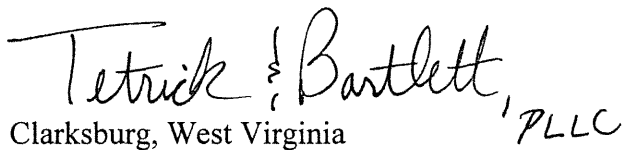
- **Ticket Collection and Sales**

During our test of two schools, we noted that one School's management permitted the same individual to sell and/or collect tickets more than five times per year, 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 that...

Whenever practical, separate individuals should be used to sell and collect the tickets and no individual should be used more than five times per year.

We recommend that the School's management adhere to the policy and ensure that no individual is used more than five times to sell and/or collect tickets.

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.


Clarksburg, West Virginia
March 24, 2024