

County: Randolph

RFP: 22-131

# RANDOLPH COUNTY BOARD OF EDUCATION

Financial Statements

June 30, 2023

RANDOLPH COUNTY BOARD OF EDUCATION  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Randolph County Board of Education  
Elkins, West Virginia

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Randolph County Board of Education 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 Randolph 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 Randolph County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Management's Responsibility for the Financial Statements***

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

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

## ***Auditors' Responsibility***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Randolph 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 Randolph County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information on pages 5 through 13 and 53 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance

on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Randolph County Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards, budgetary comparison information for the other major funds, the schedule of changes in school activity funds, and the schedule of state grant receipts and expenditures is presented as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, budgetary comparison information for the other major funds, the schedule of changes in school activity funds, and the schedule of state grant receipts and expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the Board's internal control over financial reporting and our testing of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



THE FYFFE JONES GROUP, AC

Huntington, West Virginia

March 18, 2024

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

Our discussion and analysis of the Randolph County Board of Education's (Board) 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 approximately \$47 million (*net position*) at the close of the most recent fiscal year. Of this amount, approximately \$4.3 million (*unrestricted net position*) which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Board's total net position increased by approximately \$4.1 million. This increase is primarily attributable to the increase in state aid.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$9.4 million, a decrease of approximately \$2.1 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund represented a fund balance of approximately \$1.4 million.

### **Overview of the Financial Statements**

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

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

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

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

The district-wide financial statements can be found on pages 14 and 15 of this report.



RANDOLPH COUNTY BOARD OF EDUCATION  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

The Board maintains seven 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, special revenue federal stimulus fund, special revenue school activity fund, debt service fund, permanent improvement fund, and the capital projects fund, all of which are considered major funds as found on pages 16 and 18.

**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 20 through 52 following the basic financial statements.

### **District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$47 million at the close of the most recent fiscal year.



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

The following summarizes the statement of net position at June 30, 2023, in comparison with June 30, 2022:

	<b>2023</b>	<b>2022</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>OF RESOURCES:</b>			
Current and other assets	\$ 16,124,512	\$ 16,100,932	\$ 23,580
Capital assets	35,647,467	34,668,939	978,528
ROU assets	279,195	-	279,195
Net other post employment benefit (OPEB) asset - Proportionate share	-	21,394	(21,394)
Deferred outflows of resources	1,397,788	995,506	402,282
<b>Total assets and deferred outflows of resources</b>	<b>\$ 53,448,962</b>	<b>\$ 51,786,771</b>	<b>\$ 1,662,191</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>Liabilities and deferred inflows of resources:</b>			
Current and other liabilities	\$ 3,525,764	\$ 3,864,269	\$ (338,505)
Long-term liabilities outstanding	400,000	1,779,704	(1,379,704)
Deferred inflows of resources	712,323	2,485,385	(1,773,062)
Net pension liability - Proportionate share	1,722,100	754,963	967,137
Net other post employment benefit (OPEB) - Proportionate share liability - Proportionate share	89,413	-	89,413
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 6,449,600</b>	<b>\$ 8,884,321</b>	<b>\$ (2,434,721)</b>
<b>Net position:</b>			
Net investment in capital assets	\$ 35,247,467	\$ 34,668,939	\$ 578,528
Restricted	7,483,760	6,797,297	686,463
Unrestricted	4,268,135	1,436,214	2,831,921
<b>Total net position</b>	<b>\$ 46,999,362</b>	<b>\$ 42,902,450</b>	<b>\$ 4,096,912</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 53,448,962</b>	<b>\$ 51,786,771</b>	<b>\$ 1,662,191</b>

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 \$23 thousand which represents an increase in cash and cash equivalents.
- Capital assets increased by approximately \$978 thousand which represents the net amount of capital asset additions in excess of depreciation expense.
- GASB 68/71 requires the Board to record its proportionate share of the net pension liability, deferred outflows, and deferred inflows. The net pension liability increased by approximately \$967 thousand at June 30, 2023.

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

- GASB 75 requires the Board to record its proportionate share of the net OPEB liability, deferred outflows, and deferred inflows. The net OPEB liability increased by approximately \$110 thousand at June 30, 2023.
- Deferred outflows increased by approximately \$402 thousand and deferred inflows decreased by approximately \$1.7 million.
- Long-term liabilities outstanding decreased by approximately \$1.3 million primarily due to the principal payments on the finance lease liability.
- The largest portion of the Board's net position, approximately \$35.2 million reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, and 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 of approximately \$7.4 million represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for a scholarship fund endowment and capital projects.
- The remaining balance of unrestricted net position, approximately \$4.2 million, represents cash and other receivable balances and may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

The Board's net position increased by approximately \$4.1 million during the current year. The following summarizes the statement of activities for the year ended June 30, 2023, in comparison with the year ended June 30, 2022:

	<b>2023</b>	<b>2022</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 640,887	\$ 650,294	\$ (9,407)
Operating grants and contributions	15,958,745	15,731,855	226,890
Capital grants and contributions	-	178,497	(178,497)
General revenues:			
Property taxes	8,883,571	8,727,210	156,361
Unrestricted state aid	20,072,390	19,063,141	1,009,249
Unrestricted investment earnings	154,236	12,791	141,445
Unrestricted grants and contributions	-	887	(887)
<b>Total revenues</b>	<b>\$ 45,709,829</b>	<b>\$ 44,364,675</b>	<b>\$ 1,345,154</b>

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

**Expenses:**

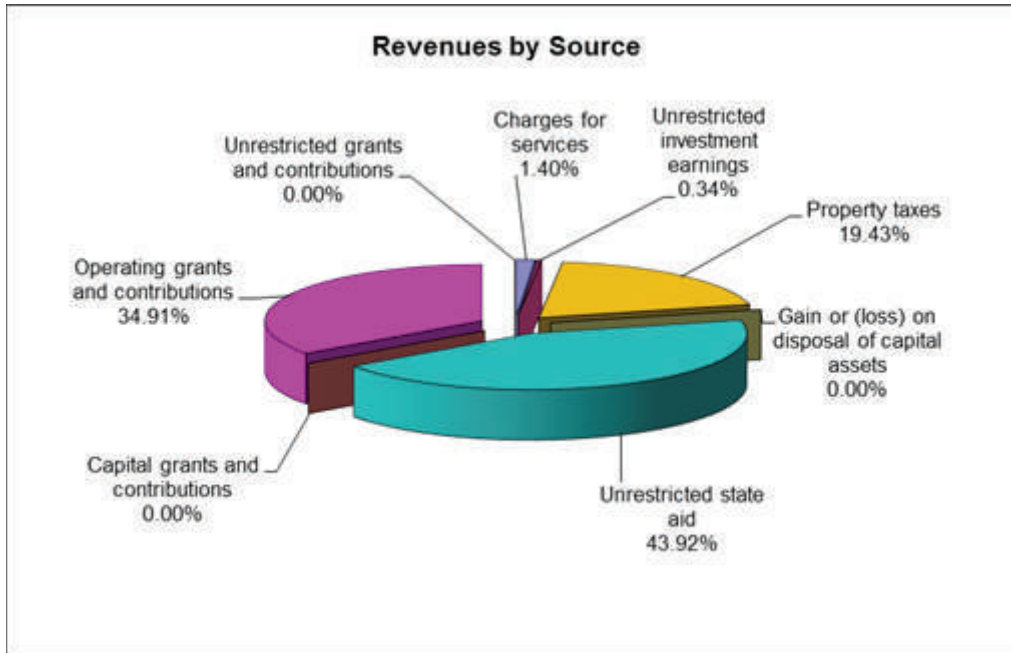
Instruction	\$ 20,998,165	\$ 21,302,935	\$ (304,770)
Supporting services:			
Students	2,218,004	1,994,459	223,545
Instructional staff	3,296,487	3,839,331	(542,844)
General administration	941,999	986,653	(44,654)
School administration	2,280,628	2,038,264	242,364
Central services	556,137	512,851	43,286
Operation and maintenance of facilities	5,322,008	4,502,583	819,425
Student transportation	2,559,373	2,342,675	216,698
<b>Total supporting services</b>	<u>17,174,636</u>	<u>16,216,816</u>	<u>957,820</u>
Food services	3,388,906	3,147,408	241,498
Community services	11,352	11,331	21
Interest on long-term debt	50,768	25,942	24,826
<b>Total Expenses</b>	<u>\$ 41,623,827</u>	<u>\$ 40,704,432</u>	<u>\$ 919,395</u>
 <b>Change in net position</b>	 \$ 4,086,002	 \$ 3,660,243	 \$ 425,759
<b>Net position - Beginning</b>	<u>42,902,450</u>	<u>39,242,208</u>	<u>3,660,242</u>
<b>Prior period adjustment</b>	10,910	-	10,910
<b>Net position - Beginning, as restated</b>	<u>42,913,360</u>	<u>39,242,208</u>	<u>3,671,152</u>
<b>Net position - Ending</b>	<u>\$ 46,999,362</u>	<u>\$ 42,902,451</u>	<u>\$ 4,096,911</u>

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

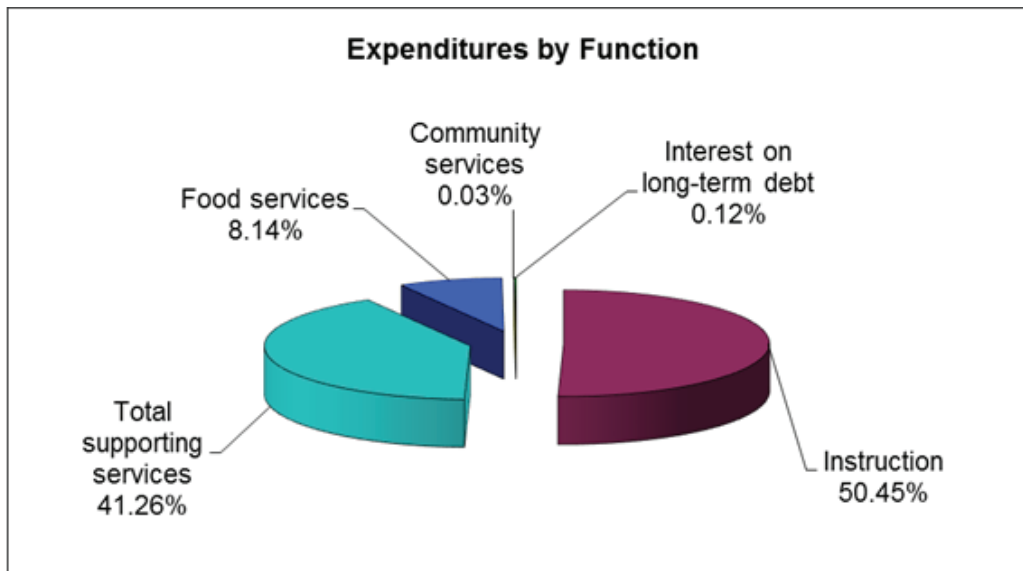
- Operating grants and contributions increased by approximately \$227 thousand which was primarily the result of an increase in various federal and state grants for COVID-19.
- Property taxes increased by approximately \$156 thousand which is primarily a result of the increase in assessed values.
- Unrestricted state aid increased by approximately \$1.0 million which was a result of certain decreases in various state allocations and the allocations from GASB 68 and 75.
- Overall expenses of the Board increased by approximately \$919 thousand which was a result of the decrease in instruction and student support services.

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

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



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

RANDOLPH COUNTY BOARD OF EDUCATION  
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Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$9.4 million. The net change in fund balance was a decrease of approximately \$2.1 million which was primarily the result of the timing of federal drawdowns after the 60 day period for the Special Revenue ESSERF Fund that will be received in FY 2024.

In addition, the Board had restricted fund balance for the special revenue fund of approximately \$7.5 million, \$2.0 million for capital projects, \$1.4 million for the individual schools, \$750 thousand for the permanent improvement fund, \$2.4 million deficit for the special revenue ESSERF fund, and approximately \$350 thousand for debt service.

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 expendable financial resources in governmental funds. The Board had an unassigned fund balance of approximately \$1.4 million.

The Board had seven major funds for the fiscal year ended June 30, 2023. Those funds are the General Current Expense Fund, the Special Revenue Fund, the Special Revenue Federal Stimulus Fund, the Special Revenue School Activity Fund, Debt Service Fund, the Permanent Improvement Fund, and the Capital Projects 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 decreased from a balance approximately \$4.7 million (prior year fund balance) to \$4.3 million (current year fund balance) during the fiscal year ended June 30, 2023. This decrease of approximately \$378 thousand was due primarily to the large transfers to the capital projects fund.

*Special Revenue Fund*

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance increased from approximately \$2.7 million (prior year fund balance) to \$2.9 million (current year fund balance) during the fiscal year ended June 30, 2023. This increase of approximately \$191 thousand was due to the timing of certain grant awards received in advance in the current year that will be disbursed in future years.

*Special Revenue Federal Stimulus and Stabilization Fund*

This is a separate special revenue fund to account for all revenue and expenditures attributable to funds received as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act, which are legally restricted to expenditures for specific purposes. The fund balance decreased from

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

approximately \$28 thousand (prior year fund balance) to a deficit of approximately \$2.4 million (current year fund balance). This decrease is due to the federal revenue not being received within the 60 day recognition period.

*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 \$1.4 million to \$1.4 million during the fiscal year ended June 30, 2023. This increase of \$11 thousand was due to normal activity of the individual schools.

*Debt Service Fund*

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to the servicing of debt. The fund balance increased from approximately \$140 thousand (prior year fund balance) to \$351 thousand (current year fund balance) during the fiscal year ended June 30, 2023. This increase of approximately \$210 thousand was due to the transfer in of funds from the general current expense fund.

*Permanent Improvement Fund*

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance remained the same at approximately \$750 thousand during the fiscal year ended June 30, 2023.

*Capital Projects Fund*

This is a separate fund used to account for all financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. The fund balance increased from approximately \$1.7 million (prior year fund balance) to \$2.0 million (current year fund balance) during the fiscal year ended June 30, 2023. This increase of approximately \$305 thousand was due to the transfer in from the general fund offset by certain capital project expenditures.

**General Fund Budgetary Highlights**

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of approximately \$1.5 million or four percent in total general fund expenditures.

**Capital Asset and Debt Administration**

**Capital assets** - The Board's investment in capital assets for its governmental activities as of June 30, 2023, amounts to approximately \$35.7 million (net of accumulated depreciation). This investment in

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 approximately \$1.4 million. Major capital asset events during the current fiscal year included the following:

	<b>2023</b>	<b>2022</b>	
	<b>Governmental</b>	<b>Governmental</b>	
<b>Capital assets</b>	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
Land and improvements	\$ 2,326,098	\$ 637,200	\$ 1,688,898
Buildings and improvements	28,053,324	28,920,124	(866,800)
Furniture and equipment	1,055,988	800,017	255,971
Vehicles	2,321,887	2,503,530	(181,643)
Construction in process	1,890,170	1,808,068	82,102
<b>Total Capital assets</b>	<b>\$ 35,647,467</b>	<b>\$ 34,668,939</b>	<b>\$ 978,528</b>

Capital assets increased by approximately \$979 thousand which represents the net amount of capital asset additions above depreciation expense. Capital asset additions included additions to buildings, the purchase of miscellaneous furniture and equipment, and the purchase of buses for transportation. The Board also had construction in process of approximately \$1.8 million at June 30, 2023.

**Right-of-use Assets** – The Board adopted GASB 96 and recorded the SBITA Right of Use Assets in the amount of approximately \$279 thousand as of June 30, 2023.

	<b>2023</b>	<b>2022</b>	
	<b>Governmental</b>	<b>Governmental</b>	
<b>Right-of-use Assets</b>	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
SBITAs	\$ 279,195	\$ -	\$ 279,195
<b>Total Right-of-use Assets</b>	<b>\$ 279,195</b>	<b>\$ -</b>	<b>\$ 279,195</b>

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

**Long-term debt** - At the end of the current fiscal year, the Board had total bonded debt outstanding of approximately \$0 and finance lease and QZAB obligations of approximately \$400 thousand. The Board's proportionate share of the net pension liability increased approximately \$967 thousand to approximately \$1.7 million at June 30. The Board's proportionate share of the net OPEB liability increased by approximately \$111 thousand to a net OPEB liability of approximately \$89 thousand at June 30. The following summarizes long-term debt at June 30:



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

The following summarizes long term debt as of June 30, 2023:

	<b>2023</b>	<b>2022</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
Finance lease obligations	\$ 489,413	\$ 1,779,704	\$ (1,290,291)
<b>Total debt outstanding</b>	<b>\$ 489,413</b>	<b>\$ 1,779,704</b>	<b>\$ (1,290,291)</b>

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

### Factors Bearing on the Board's Future

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

- As disclosed in the notes to the financial statements, these financials include the June 30, 2022 adjustments for the Medicaid Cost Report settlement. The financials do not reflect any adjustments for the June 30, 2023 adjustments for the Medicaid Cost Report settlement.
- The COVID-19 Pandemic has resulted in numerous changes in how the Board conducts its operations on a day to day basis. In some areas, the Board has reduced costs such as a reduction in fuel costs and substitute costs; however, costs have increased in purchasing certain protective equipment. During 2023, the Board spent an estimated \$5.3 million in expenditures related to COVID-19 and anticipates spending approximately \$4.9 million in 2024. The Board did receive various grants from the CARES Act funding of approximately \$19 million which was received in 2020-2023

### 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 Randolph County Board of Education, Office of the Superintendent, 40 11<sup>th</sup> Street, Elkins, West Virginia 26241, (304) 636-9150.

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,956,549
Prepaid expenses	120,807
Taxes receivable, net of allowance for uncollectible taxes	617,867
Other receivables	649,290
Due from other governments:	
PEIA allocation receivable	468,692
Reimbursements receivable	5,311,307
Capital Assets:	
Land and improvements	2,326,098
Buildings and improvements	61,037,757
Furniture and equipment	8,605,442
Vehicles	6,085,012
Construction in process	1,890,170
Less accumulated depreciation	(44,297,012)
Total capital assets, net of depreciation	<u>35,647,467</u>
Right-of-Use Assets:	
Subscription-based information technology arrangements (SBITAs)	367,290
Less accumulated amortization	(88,095)
Total ROU assets, net of amoritization	<u>279,195</u>
<b>Total assets</b>	<u><u>52,051,174</u></u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred outflows from pension activity	1,238,518
Deferred outflows from other post employment benefit (OPEB) activity	159,270
<b>Total deferred outflows of resources</b>	<u><u>1,397,788</u></u>
 <b>Total assets and deferred outflows of resources</b>	<u><u>\$ 53,448,962</u></u>
 <b>LIABILITIES</b>	
Salaries payable and related payroll liabilities	\$ 2,284,714
PEIA premiums payable	1,067,820
Accounts payable	173,230
Long-term obligations:	
Due within one year:	
Finance lease obligation	133,334
Due beyond one year:	
Finance lease obligation	266,666
Net pension liability - proportionate share	1,722,100
Net other post employment benefit (OPEB) liability - proportionate share	89,413
<b>Total liabilities</b>	<u><u>5,737,277</u></u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows from pension activity	179,310
Deferred inflows from other post employment benefit (OPEB) activity	533,013
<b>Total deferred inflows of resources</b>	<u><u>712,323</u></u>
 <b>Total liabilities and deferred inflows of resources</b>	<u><u>6,449,600</u></u>
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	35,247,467
Restricted for:	
Debt Service	350,519
Capital Projects	2,774,204
Special projects	4,359,037
Unrestricted	4,268,135
<b>Total net position</b>	<u><u>\$ 46,999,362</u></u>

See Notes to the Basic Financial Statements.

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions	Program Revenues			Net (Expense), Revenue & Changes in Net Position Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 20,998,165	\$ 462,175	\$ 8,133,281	\$ -
Supporting services:				
Students	2,218,004	48,819	610,515	-
Instructional staff	3,296,487	72,557	890,278	-
General administration	941,999	20,734	254,405	-
School administration	2,280,628	50,197	615,927	-
Business services	556,137	12,241	150,195	-
Operation and maintenance of facilities	5,322,008	117,139	1,437,309	-
Student transportation	2,559,373	56,333	691,207	-
Food services	3,388,906	(199,308)	3,175,628	-
Community services	11,352	-	-	-
Interest on long-term debt/finance leases	50,768	-	-	-
Total governmental activities	\$ 41,623,827	\$ 640,887	\$ 15,958,745	\$ -
General revenues:				
Property taxes				8,883,571
Unrestricted state aid				20,072,390
Unrestricted investment earnings				154,236
Total general revenues and transfers				29,110,197
Change in net position				4,086,002
Net position - beginning				42,902,450
Prior period adjustment				10,910
Net position - beginning, as restated				42,913,360
Net position - ending				\$ 46,999,362

See Notes to the Basic Financial Statements.

RANDOLPH COUNTY BOARD OF EDUCATION  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - Stimulus and Stabilization	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
<b>Assets:</b>								
Cash and cash equivalents	\$ 3,438,157	\$ 973,686	\$ 1,445,375	\$ -	\$ 350,519	\$ 750,000	\$ 1,998,812	\$ 8,956,549
Prepaid expenses	120,807	-	-	-	-	-	-	120,807
Taxes receivable, net	617,867	-	-	-	-	-	-	617,867
Other receivables	417,828	201,320	-	-	-	-	30,142	649,290
Due from other governments								
PEIA allocation receivable	313,616	127,068	-	28,008	-	-	-	468,692
Reimbursements receivable	38,561	2,753,388	-	2,519,358	-	-	-	5,311,307
Due from other funds	2,257,690	-	-	-	-	-	-	2,257,690
<b>Total assets</b>	<b>7,204,526</b>	<b>4,055,462</b>	<b>1,445,375</b>	<b>2,547,366</b>	<b>350,519</b>	<b>750,000</b>	<b>2,028,954</b>	<b>18,382,202</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 7,204,526</b>	<b>\$ 4,055,462</b>	<b>\$ 1,445,375</b>	<b>\$ 2,547,366</b>	<b>\$ 350,519</b>	<b>\$ 750,000</b>	<b>\$ 2,028,954</b>	<b>\$ 18,382,202</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Salaries payable and related payroll liabilities	\$ 1,528,772	\$ 619,412	\$ -	\$ 136,530	\$ -	\$ -	\$ -	\$ 2,284,714
PEIA premiums payable	714,511	289,498	-	63,811	-	-	-	1,067,820
Accounts payable	75,578	31,573	-	61,329	-	-	4,750	173,230
Due to other funds	-	-	-	2,257,690	-	-	-	2,257,690
<b>Total liabilities</b>	<b>2,318,861</b>	<b>940,483</b>	<b>-</b>	<b>2,519,360</b>	<b>-</b>	<b>-</b>	<b>4,750</b>	<b>5,783,454</b>
<b>Deferred inflows of resources</b>	<b>537,638</b>	<b>201,320</b>	<b>-</b>	<b>2,462,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,201,290</b>
<b>Total deferred inflows of resources</b>	<b>537,638</b>	<b>201,320</b>	<b>-</b>	<b>2,462,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,201,290</b>
<b>Fund Balances:</b>								
Nonspendable	120,807	-	-	-	-	-	-	120,807
Restricted	-	2,913,659	1,445,375	-	350,519	750,000	2,024,204	7,483,757
Assigned	436,144	-	-	-	-	-	-	436,144
Unassigned	3,791,076	-	-	(2,434,326)	-	-	-	1,356,750
<b>Total fund balances</b>	<b>4,348,027</b>	<b>2,913,659</b>	<b>1,445,375</b>	<b>(2,434,326)</b>	<b>350,519</b>	<b>750,000</b>	<b>2,024,204</b>	<b>9,397,458</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,204,526</b>	<b>\$ 4,055,462</b>	<b>\$ 1,445,375</b>	<b>\$ 2,547,366</b>	<b>\$ 350,519</b>	<b>\$ 750,000</b>	<b>\$ 2,028,954</b>	<b>\$ 18,382,202</b>

See Notes to the Basic Financial Statements.

RANDOLPH COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023

Total fund balance on the governmental fund's balance sheet	\$ 9,397,458
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	35,647,467
Right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	279,195
Property taxes receivable and food service billings will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore in deferred funds	2,473,833
Other deferred charges that are not reported in the funds	727,457
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,238,518
Deferred outflows of resources related to OPEB	159,270
Deferred inflows of resources related to pensions	(179,310)
Deferred inflows of resources related to OPEB	(533,013)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Finance lease liability	(400,000)
Net OPEB liability - proportionate share	(89,413)
Net pension liability - proportionate share	(1,722,100)
Net position of governmental activities	<u>\$ 46,999,362</u>

See Notes to the Basic Financial Statements.

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - Stimulus and Stabilization	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>								
Property taxes	\$ 8,838,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,838,156
Other local sources	278,607	5,113	907,322	-	339	-	30,142	1,221,523
State sources	26,672,562	1,653,825	-	-	-	-	-	28,326,387
Federal sources	581,474	6,513,143	-	3,385,535	-	-	-	10,480,152
<b>Total revenues</b>	<b>36,370,799</b>	<b>8,172,081</b>	<b>907,322</b>	<b>3,385,535</b>	<b>339</b>	<b>-</b>	<b>30,142</b>	<b>48,866,218</b>
<b>Expenditures:</b>								
Instruction	20,050,043	1,759,136	957,690	3,261,797	-	-	-	26,028,666
Supporting services:								
Students	1,793,234	485,630	-	414,252	-	-	-	2,693,116
Instructional staff	398,017	1,973,317	26,638	1,033,203	-	-	-	3,431,175
General administration	586,503	408,960	-	11,418	-	-	-	1,006,881
School administration	2,683,325	-	-	-	-	-	-	2,683,325
Central services	501,551	537	-	110,604	-	-	-	612,692
Operation and maintenance of facilities	3,965,183	110,343	-	454,943	-	-	-	4,530,469
Student transportation	3,017,796	16,999	-	17,625	-	-	-	3,052,420
Food services	193,630	3,576,969	-	-	-	-	-	3,770,599
Community services	11,000	-	-	-	-	-	-	11,000
Capital outlay		13,193	-	-	-	-	1,725,359	1,738,552
Debt service:								
Principal retirement	1,379,704	-	-	-	-	-	-	1,379,704
Interest and fiscal charges	50,768	-	-	-	-	-	-	50,768
<b>Total expenditures</b>	<b>34,630,754</b>	<b>8,345,084</b>	<b>984,328</b>	<b>5,303,842</b>	<b>-</b>	<b>-</b>	<b>1,725,359</b>	<b>50,989,367</b>
Excess (deficiency) of revenues over expenditures	1,740,045	(173,003)	(77,006)	(1,918,307)	339	-	(1,695,217)	(2,123,149)
<b>Other financing sources (uses):</b>								
Transfers in	596,716	527,152	110,300	-	210,000	-	2,000,000	3,444,168
Transfers (out)	(2,714,574)	(162,940)	(22,578)	(544,076)	-	-	-	(3,444,168)
<b>Total other financing sources (uses)</b>	<b>(2,117,858)</b>	<b>364,212</b>	<b>87,722</b>	<b>(544,076)</b>	<b>210,000</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(377,813)</b>	<b>191,209</b>	<b>10,716</b>	<b>(2,462,383)</b>	<b>210,339</b>	<b>-</b>	<b>304,783</b>	<b>(2,123,149)</b>
<b>Fund balances - beginning</b>	<b>4,725,840</b>	<b>2,722,450</b>	<b>1,437,189</b>	<b>28,057</b>	<b>140,180</b>	<b>750,000</b>	<b>1,719,421</b>	<b>11,523,137</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>(2,530)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,530)</b>
<b>Fund balances - beginning, as restated</b>	<b>4,725,840</b>	<b>2,722,450</b>	<b>1,434,659</b>	<b>28,057</b>	<b>140,180</b>	<b>750,000</b>	<b>1,719,421</b>	<b>11,520,607</b>
<b>Fund balances - ending</b>	<b>\$ 4,348,027</b>	<b>\$ 2,913,659</b>	<b>\$ 1,445,375</b>	<b>\$ (2,434,326)</b>	<b>\$ 350,519</b>	<b>\$ 750,000</b>	<b>\$ 2,024,204</b>	<b>\$ 9,397,458</b>

See Notes to the Basic Financial Statements.

RANDOLPH COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Net change in fund balances - total governmental funds	\$ (2,123,149)
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Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net position is the amount by which capital outlays exceed depreciation in the current period.

Depreciation expense	(1,536,535)
Capital outlays	4,203,961

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	(61,215)
Capital outlays	326,970

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	11,919
Operating Grants and Contributions	2,475,845

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

Cost of assets disposed	(1,698,465)
Accumulated depreciation of assets disposed	9,567

Governmental funds report 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.

Pension contributions	340,393
Cost of benefits earned net of employee contributions	(37,382)

Governmental funds report OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions is reported as pension expense.

OPEB contributions	27,094
Cost of benefits earned net of employee contributions	767,295

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.

1,379,704

Change in net position of governmental activities	\$ <u>4,086,002</u>
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RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL 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 Randolph County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

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

**B. District-wide and Fund Financial Statements:**

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

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

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

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

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

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

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

The funds maintained by the Board are:

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

Special Revenue Fund - School Activity: – 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.

Special Revenue Fund - Federal Stimulus and Stabilization: – A governmental fund type used to account for the financial resources 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.

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 Fund: 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

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

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

legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The *governmental fund financial statements* were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded generally when the related fund liability is incurred, except for 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.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the West Virginia Municipal Bond Commission (MBC) for investment purposes, or to invest such funds in the following classes of securities: obligations of the United States or any agency thereof; certificates of deposit; and repurchase agreements. Funds of the Board are temporarily invested by the MBC specifically on behalf of the Board as part of the MBC’s consolidated investment pool.

Deposits with the State Consolidated Investment Pool are held by the West Virginia Board of Treasury Investments (BTI). The deposits with the MBC are held for debt service requirements of the Board. The deposits with the BTI and MBC are not separately identifiable as to specific types of securities. Investment income is prorated to the Board at rates specified by the BTI and MBC. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying basic financial statements. These investments are considered cash and cash equivalents due to their liquid nature. The BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia code, policies set by the BTI, and by provisions of bond indentures and trust agreements, when applicable. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

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 Board at June 30, 2023 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
State investment pool	\$ 3,934,274	\$ 3,934,274	\$ 3,934,274
Deposits with financial institutions - individual schools	1,445,375	1,445,375	1,445,375
Deposits with financial institutions - Board of Education	3,576,900	3,576,900	4,311,971
Total	<u>\$ 8,956,549</u>	<u>\$ 8,956,549</u>	<u>\$ 9,691,620</u>

Deposits with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

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

Cash on 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.

**Investments and Deposits**

The BTI has adopted an investment policy in accordance with the "Uniform Prudent Investor Act." The "prudent investor rule" guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The BTI's investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments.

Due to the short-term nature of the 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 Consolidated Fund.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Two of the BTI's pools, the WV Money Market and WV Government Money Market Pools, have been rated AAAM by Standard & Poor's. A fund rated "AAAM" has extremely strong capacity to maintain

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont)**

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. Neither the BTI itself nor any of the other Consolidated Fund pools or accounts has been rated for credit risk by any organization. Of the Consolidated Fund pools and accounts, six are subject to credit risk: WV Money Market Pool, WV Government Money Market Pool, WV Short Term Bond Pool, WV Bank Pool, Loan Pool, and School Fund Account.

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

Security Type	Rating	Carrying Value (in thousands)	Percentage of Pool Assets
U.S. Treasury notes*	AA+	\$ 11,997	3.20%
U.S. Treasury bills*	A-1+	3,949	1.05%
U.S. agency bonds and notes	AA+	49,500	13.20%
U.S. agency discount notes	A-1+	146,775	39.14%
Money market funds	AAAm	257	0.07%
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	85,000	22.67%
U.S. Agency bonds and notes*	AA+	77,500	20.67%
		<u>\$ 374,978</u>	<u>100%</u>

\* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All 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:

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

Security Type	Carrying Value (in thousands)	WAM (days)
U.S Treasury notes	\$ 11,997	62
U.S. Treasury bills	3,949	34
U.S. agency bonds and notes	49,500	9
U.S. agency discount notes	146,775	28
Repurchase agreements	162,500	1
Money market funds	257	1
	<u>\$ 374,978</u>	<u>19</u>

**Other Risks of Investing**

Other risks of investing 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. 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. The WV Money Market Pool contains funds totaling approximately \$824,000 in its' custody account related to a trade failure. The WV Bank Pool contains nonnegotiable certificates of deposit valued at \$20,100,000. The Reserve Pool contains funds totaling approximately \$19,986,000 in a bank depository account. 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 \$10,496, for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.



RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

**G. Interfund Receivables and Payables:**

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

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

**H. 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.

**I. Capital Assets:**

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. The board defines capital assets as assets with an initial, individual cost of \$5,000, or more for land, furniture, vehicles, and equipment and \$100,000, for buildings and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets’ lives are not capitalized.

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

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

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

**J. 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 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



RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

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 Board are amortized using the straight-line method over the shorter period of the lease term or the useful life of the asset.

The 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 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 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.

**K. Deferred Outflow of Resources:**

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The Board's deferred outflows for the government wide financials include the Board's current year retirement contributions for pension expense that will impact future reporting periods.

**L. Pensions:**

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

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

**Compensated Absences:**

It is the Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits can be accumulated up to unlimited days, and carried forward to the subsequent fiscal year. Upon termination, employees are not compensated for vacation benefits accumulated; therefore, no liability is reported for unpaid vacation benefits.

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

**Other Post Employment Benefit (OPEB) Liability:**

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

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

**N. Long-term Obligations:**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**O. Deferred Inflow of Resources:**

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

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

**P. Restricted Net Position:**

For the district-wide statement of net position, net position is reported as restricted when constraints placed on its use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Q. Fund Equity:**

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

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 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 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.

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 1 - Summary of Significant Accounting Policies (Cont.):**

**R. Net Position:**

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

- **Invested in capital assets, net of related debt** - This represents the Board's total investment in capital assets, net of accumulated depreciation and reduced by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested capital assets, net of related debt.
- **Restricted net position, expendable** - This includes resources in which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Restricted net position, nonexpendable** - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The Board does not have any restricted nonexpendable assets at June 30, 2023.
- **Unrestricted net position** - This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

**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.

RANDOLPH COUNTY BOARD OF EDUCATION  
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**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.

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

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 modified accrual basis of accounting for all governmental funds but do not include amounts for other post-employment benefits billed by PEIA beyond the retiree subsidy amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds and the special revenue school activity fund. The following procedures are followed in preparing the annual budget:

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

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

**Note 3 - Risk Management:**

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

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

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 3 - Risk Management (Cont.):**

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

Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

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

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

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

**Note 4 - Property Taxes:**

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

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

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



RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 4 - Property Taxes (Cont.):**

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

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

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

<u>Class of Property</u>	<u>Assessed Valuations for Tax Purposes</u>	<u>Current Expense</u>
Class I	\$ -	19.40¢
Class II	618,025,418	38.80¢
Class III	632,373,685	77.60¢
Class IV	202,061,915	77.60¢

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 as of June 30, 2023, for the Board's funds is as follows:

	<u>General Current Expense Fund</u>
Taxes Receivable	\$ 703,600
Less: Allowance for Uncollectable	<u>85,733</u>
Taxes Receivable, net	<u>\$ 617,867</u>



RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 5 - Capital Assets:**

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

Governmental Activities	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets, non-depreciable:				
Land	\$ 637,200	\$ -	\$ -	\$ 637,200
Land improvements	-	1,688,898	-	1,688,898
Construction in process	1,808,068	1,771,000	(1,688,898)	1,890,170
Total non-depreciable capital assets	2,445,268	3,459,898	(1,688,898)	4,216,268
Capital assets, depreciable:				
Buildings and improvements	60,898,914	144,189	(5,346)	61,037,757
Furniture and equipment	8,146,775	462,888	(4,221)	8,605,442
Vehicles	5,948,026	136,986	-	6,085,012
Total depreciable capital assets	74,993,715	744,063	(9,567)	75,728,211
Less: accumulated depreciation:				
Buildings and improvements	(31,978,790)	(1,010,989)	5,346	(32,984,433)
Furniture and equipment	(7,346,758)	(206,917)	4,221	(7,549,454)
Vehicles	(3,444,496)	(318,629)	-	(3,763,125)
Total accumulated depreciation	(42,770,044)	(1,536,535)	9,567	(44,297,012)
Total depreciable capital assets, net	32,223,671	(792,472)	-	31,431,199
Capital Assets - Net	\$ 34,668,939	\$ 2,667,426	\$ (1,688,898)	\$ 35,647,467

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 836,338
Supporting services:	
Students	86,534
Instructional Staff	110,248
Central administration	32,353
School administration	86,219
Business	19,687
Operation and maintenance of facilities	145,570
Transportation	98,079
Food services	121,155
Community Services	352
	<u>\$ 1,536,535</u>

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 6 - Long-Term Debt:**

Long-term liability activity for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Retirement	Balance June 30, 2023	Amounts due within one year	Amounts due past one year
Finance lease liability	\$ 1,779,704	\$ -	\$ (1,290,291)	\$ 489,413	\$ 133,334	\$ 356,079
Total long-term liabilities	\$ 1,779,704	\$ -	\$ (1,290,291)	\$ 489,413	\$ 133,334	\$ 356,079

**Note 7 – Leases that Transfer Ownership, Short-Term Leases, and Right-of-Use Assets:**

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

Short-term leases with the lease payments recorded as expenditures during the life of the lease. Short-term leases are defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less, including any option to extend, regardless of their probability of being exercised. Short-term lease expenditures for the year ended June 30, 2023 were \$0.

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

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 Board did not have any Right of Use or SBITAs at June 30.

**Finance Lease Obligations**

The Board has entered into various capital lease-purchase agreements pursuant to the provisions of West Virginia Code §18-5-9a, whereby vehicles have been leased and certain structures and equipment has been installed in several of the schools. The equipment is leased for a period through 2021 and 2026. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 7 – Leases that Transfer Ownership, Short-Term Leases, and Right-of-Use Assets:**

year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2023, are as follows:

Fiscal Year	QZAB - Third Ward
2024	\$ 156,333
2025	148,667
2026	141,000
2027	-
2028	-
Thereafter	-
Less: amount representing interest	(46,000)
Present value of minimum lease payments	<u>\$ 400,000</u>

**SBITA**

The Board entered into various SBITA agreements for the purchase of various software leases which cover different years and subscription periods. At the end of the contract period, the Board will not have ownership of the subscription software. All of the subscription payments are paid in the year incurred and not SBITA lease liability exists.

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

Governmental Activities	Balance June 30, 2022	Restatement	Additions	Disposals	Balance June 30, 2023
Right-of-use assets					
SBITAs	\$ -	\$ 40,320	\$ 326,970	\$ -	\$ 367,290
Total lease assets	-	40,320	326,970	-	367,290
Less: accumulated amortization					
SBITAs	-	(26,880)	(61,215)	-	(88,095)
Total accumulated amortization	-	(26,880)	(61,215)	-	(88,095)
Total ROU assets - Net	<u>\$ -</u>	<u>\$ 13,440</u>	<u>\$ 265,755</u>	<u>\$ -</u>	<u>\$ 279,195</u>

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 61,215
	<u>\$ 61,215</u>

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 - 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 (TDCRC). For the year ended June 30, 2023, the Board's total payroll for all employees was \$25,645,008, and the payroll was \$24,330,989, for employees covered by the two retirement programs.

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

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

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

**Plan Description:**

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

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

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 8 - Employee Retirement System (Cont.):**

regular occupation, and the Retirement Board expects the disability to be permanent. With the passage of Senate Bill 529, to qualify for full benefits, employees hired for the first time and first becoming a member of TRS on or after July 1, 2015, must meet the following conditions:

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

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

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

Upon retirement members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan.

Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

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.

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 8 - Employee Retirement System (Cont.):**

**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 net pension liability	\$ 1,722,100
State's proportionate share of the net pension liability associated with the School Board	<u>24,754,785</u>
Total portion of net pension liability associated with the School Board	<u>\$ 26,476,885</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 0.066954 percent, which was an increase of 0.018645 from its proportion measured as of June 30, 2021 of 0.048309 percent.

For the year ended June 30, 2023, the School Board recognized pension expense of \$1,902,403 and for support provided by the State, revenue of \$1,865,021. 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	\$ 69,852	\$ -
Differences between expected and actual experience	71,509	14,044
Changes in proportion and differences between School Board contributions and proportionate share of contributions	659,472	165,266
Changes in assumptions	97,292	-
School Board contributions subsequent to the measurement date	<u>340,393</u>	<u>-</u>
Total	<u>\$ 1,238,518</u>	<u>\$ 179,310</u>

School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 8 - Employee Retirement System (Cont.):**

Year ending June 30:	
2024	\$ 121,731
2025	150,083
2026	157,043
2027	278,582
2028	11,376
Thereafter	-
Total	\$ 718,815

**Actuarial Assumptions:**

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

**Investment rate of return** – 7.25%, net of investment expense

**Projected salary increases:**

**Educators** – 2.75% - 5.90%

**Non-Educators** – 2.75% - 6.5%

**Inflation rate** – 2.75%

**Discount rate** – 7.25%

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

**Mortality – Active:** Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. **Retired:** *healthy male retirees* – 100% of Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, *healthy female retirees* – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; *disabled males* – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, *disabled females* – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019, *beneficiary males* – 101% of Pub-2010 Contingent Survivor Male Table, headcount-weighted, projected with Scale MP-2019, *beneficiary females* – 113% of Pub-2010 Contingent Survivor Female Table, headcount-weighted, projected with Scale MP-2019.

**Withdrawal Rates:**

**Educators** – 7.00% - 35.00%

**Non-Educators** – 2.30% - 18.00%

**Disability Rates** – 0.004% - 0.563%

**Retirement rates** – 15% - 100%

**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



RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 8 - Employee Retirement System (Cont.):**

allocation percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.5%	5.3%
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%
	<u>100%</u>	

**Discount Rate:**

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

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

	<u>1.0% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1.0% Increase 8.50%</u>
School Board's proportionate share of the TRS net pension liability	\$ 2,532,998	\$ 1,722,100	\$ 1,033,411

**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.

**B. Teachers' Defined Contribution Retirement System:**

**Plan Description:**

All Board employees hired after July 1, 1991, but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 8 - Employee Retirement System (Cont.):**

deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

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

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

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

*Funding Status:* There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon.

Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

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

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 8 - Employee Retirement System (Cont.):**

Total payments reflected in the Board's financial statements to the defined contribution plan for 2023 were:

Employees' contributions (4.5%)	\$	37,756
Employer's contributions (7.5%)		62,925
Total contributions	\$	<u>100,681</u>

**Note 9 - Post-Employment Benefits Other Than Pension:**

**General Information:**

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

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

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

**Plan Description:**

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

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

Retiree contributions are set each year by the RHBT and approved by the PEIA Finance Board. Increases to retiree contributions may reflect healthcare inflation, claim experience, and premium increases above the plan sponsor capped pay-as-you-go subsidy. Retiree contributions depend on date of hire and years of

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 9 - Post-Employment Benefits Other Than Pension (Cont.):**

service at retirement. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy. Members hired before July 1, 2010, pay retiree healthcare contributions that are reduced by a sponsor subsidy which depends on the member's years of service at retirement.

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

**Benefits provided:**

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

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

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage. Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

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

**Contributions:**

WVC §5-16D-3 states that contribution requirements of the members and the participating employers are set each year by the RHBT and approved by the PEIA Finance Board. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for June 30, 2021 and 2020, respectively, were:

	February 1, 2022 – June 30, 2022	July 1, 2021 – January 31, 2022	2021
Paygo Premium	\$ 48	\$ 116	\$ 160

RANDOLPH COUNTY BOARD OF EDUCATION  
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**Note 9 - Post-Employment Benefits Other Than Pension (Cont.):**

Contributions to the OPEB plan from the School Board were \$298,901 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.

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, 2017, 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 net OPEB liability (asset)	\$ 89,413
State's proportionate share of the net OPEB liability (asset) associated with the School Board	<u>359,659</u>
Total portion of net OPEB liability (asset) associated with the School Board	<u><u>\$ 449,072</u></u>

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2020, was based on a measurement date of June 30, 2021, and was prepared for the purposes of complying with the requirements of GASB Statement 75 for the Plan Employer's fiscal year ended June 30, 2023, financial reporting. An addendum to the valuation was provided on April 13, 2023, updating the recognition of deferred inflows and deferred outflows of resources and OPEB expense to the measurement date of June 30, 2021. This addendum can be found on the PEIA website at [www.peia.wv.gov](http://www.peia.wv.gov).

For the year ended June 30, 2022, the School Board's proportion was 0.080335992 percent, which was an increase of 0.008385321 from its proportion measured as of June 30, 2021 at 0.071950671 percent.

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Post-Employment Benefits Other Than Pension (Cont.):**

For the year ended June 30, 2023, the School Board recognized OPEB expense of \$(2,106,568) and for support provided by the State, revenue of \$(1,339,273). 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>
Net difference between projected and actual earnings on OPEB plan investments	\$ 13,879	\$ -
Differences between expected and actual experience	-	114,064
Changes in proportion and differences between School Board contributions and proportionate share of contributions	60,956	191,396
Changes in assumptions	57,341	227,183
Reallocation of opt-out employer change in proportionate share	-	370
School Board contributions subsequent to the measurement date	<u>27,094</u>	<u>-</u>
Total	<u>\$ 159,270</u>	<u>\$ 533,013</u>

School Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	\$ (436,383)
2025	(2,659)
2026	3,458
2027	34,747
2028	-
Thereafter	<u>-</u>
Total	\$ (400,837)

**Actuarial Assumptions:**

The net OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions. These assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2022 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



RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Post-Employment Benefits Other Than Pension (Cont.):**

**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.

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

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

Asset Class	Target Allocation	Target Allocation
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Core Real Estate	10.0%	6.8%
Hedge Funds	10.0%	2.4%
Private Equity	10.0%	4.1%
Total	100.0%	



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

**Note 9 - Post-Employment Benefits Other Than Pension (Cont.):**

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies.

Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2025, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

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

	1.0% Decrease 5.65%	Current Discount Rate 6.65%	1.0% Increase 7.65%
School Board's proportionate share of the WV-RHBT net OPEB liability (asset)	\$ 229,826	\$ 89,413	\$ (31,045)

**Healthcare Cost Trend Rate:**

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

	1.0% Decrease	Current Healthcare Cost Trend Rate	1.0% Increase
School Board's proportionate share of the WV-RHBT net OPEB liability (asset)	\$ (50,833)	\$ 89,413	\$ 255,361

**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.

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

**Note 9 - Post-Employment Benefits Other Than Pension**

**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.

**Note 10 - 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	\$ 1,527,890
Retirement allocation by the State unfunded	3,417,155
PEIA allocation by the State	2,502,522
Donated foods	223,757
RHBT allocation by the State	29,002

**Note 11 - Interfund Balances and Transfers:**

During the year ended June 30, 2023, the general current expense fund and special revenue school activity fund transferred \$527,152 to the special revenue fund to cover food service expenditures and other various development items. The Board also transferred \$162,940 from the special revenue fund to the general current expense and the special revenue school activity fund for various project and \$544,076 special revenue federal stimulus to the general current expense fund for its share of indirect costs. The special revenue school activity fund transferred \$22,578 to the general current expense fund and special revenue fund for various projects. The Board also transferred \$210,000 from the general current expense fund to the debt service fund for its share of the sinking fund loan. The Board transferred from the general current expense fund \$2,000,000 to the capital projects fund for future capital projects.

As of June 30, 2023 the Special Revenue Federal Stimulus Fund owed the General Current Expense Fund \$2,257,690 for advances.

**Note 12 - Pending Litigation:**

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

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

**Note 13 - Fund Balance:**

The detailed components of the various fund balance categories as of June 30, 2023 are as follows:

Fund Balances	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - Stimulus and Stabilization	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
<b>Nonspendable:</b>								
Prepaid items	\$ 120,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,807
<b>Restricted for:</b>								
Debt Service	-	-	-	-	350,519	-	-	350,519
Special Projects	-	2,913,659	1,445,375	-	-	-	-	4,359,034
Capital Projects	-	-	-	-	-	750,000	2,024,204	2,774,204
<b>Assigned to:</b>								
Encumbrances	436,144	-	-	-	-	-	-	436,144
<b>Unassigned</b>	<u>3,791,076</u>	<u>-</u>	<u>-</u>	<u>(2,434,326)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,356,750</u>
<b>Total Fund Balances</b>	<u>\$ 4,348,027</u>	<u>\$ 2,913,659</u>	<u>\$ 1,445,375</u>	<u>\$ (2,434,326)</u>	<u>\$ 350,519</u>	<u>\$ 750,000</u>	<u>\$ 2,024,204</u>	<u>\$ 9,397,458</u>

**Note 14 - Commitments and Contingencies:**

The School Board had encumbrances totaling \$2,830,820 as of June 30, 2023 in the following funds:

General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - Stimulus and Stabilization	Capital Projects
\$ 436,144	\$ 116,046	\$ 257,793	\$ 2,020,837

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

**Contingencies**

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 Board's financial statements. Management of the Board believes that the Board is in compliance with applicable laws and regulations, in all material respects. Based on prior experience, the 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, 2019 was received by the School Board during August 2021. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2021 will not be available until spring or summer of 2021. Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management of the School Board believes that it is in compliance, in all material respects, with all applicable laws and regulations

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

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

and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on its financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation. Accordingly, such reviews could lead to disallowances and/or significant regulatory action, including fines, penalties and exclusion from the Medicaid program resulting in reimbursement of previously reported revenue, which could be material to the School Board's financial statements.

The Board owns various buildings which are known to contain asbestos and/or other environmental issues. The Board is not required by federal, state or local law to remove the asbestos from its buildings. The 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 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 Board also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

**Note 15 - Major Sources of Revenue:**

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

**Note 16 - COVID-19 Pandemic:**

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

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. The School Board received approximately \$1.4 million from these funds to help mitigate the expenses incurred directly from COVID-19.

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

**Note 16 - COVID-19 Pandemic (Cont.):**

On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted. The CRRSA Act provided federal stimulus dollars to assist local school districts during the COVID-19 pandemic. The School Board received approximately \$5.6 million from these funds to help mitigate the expenses incurred directly from COVID-19. On March 11, 2021, The American Rescue Plan Elementary and Secondary School Emergency Relief (“ARP ESSER”) Fund, authorized under the American Rescue Plan (“ARP”) Act of 2021, provided federal stimulus dollars to assist local school districts during the COVID-19 pandemic. The School Board received approximately \$12.3 million 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 17 - 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. Also the Board restated there special revenue school activity fund for a small difference. As a result, certain subscriptions are now reflected as right-of-use assets and beginning net position has been restated as follows:

	Governmental Activities
Beginning net position as previously reported at June 30, 2022	\$ 42,902,450
School Activity Fund correction of error	(2,530)
Implementation of GASB 96	13,440
Total prior period adjustments	10,910
June 30, 2022 net position, as restated	\$ 42,913,360
	Governmental Funds
Fund Balance as previously reported at June 30, 2022	\$ 11,523,137
School Activity Fund correction of error	(2,530)
June 30, 2022 fund balance, as restated	\$ 11,520,607

**Note 18 - Subsequent Events:**

All other commitments, contingencies, and subsequent events have been evaluated by management and have been properly disclosed up through March 18, 2024, the date of this report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ 8,411,345	\$ 8,853,670	\$ 8,838,156	\$ -	\$ 8,838,156	\$ (15,514)
Other local sources	159,000	164,623	278,607	-	278,607	113,984
State sources	26,706,966	26,675,530	26,672,562	-	26,672,562	(2,968)
Federal sources	375,000	375,000	581,474	-	581,474	206,474
<b>Total revenues</b>	<b>35,652,311</b>	<b>36,068,823</b>	<b>36,370,799</b>	<b>-</b>	<b>36,370,799</b>	<b>301,976</b>
<b>Expenditures:</b>						
Instruction	22,346,439	22,030,821	20,050,043	-	20,050,043	1,980,778
Supporting services:						
Students	1,826,140	1,826,238	1,793,234	-	1,793,234	33,004
Instructional staff	680,340	867,898	398,017	-	398,017	469,881
Central administration	609,044	618,425	586,503	-	586,503	31,922
School administration	2,566,694	2,566,694	2,683,325	-	2,683,325	(116,631)
Business	527,128	550,939	501,551	-	501,551	49,388
Operation and maintenance of facilities	4,318,578	4,534,678	3,965,183	-	3,965,183	569,495
Student transportation	3,230,760	3,414,447	3,017,796	-	3,017,796	396,651
Food services	237,717	237,717	193,630	-	193,630	44,087
Community services	-	11,000	11,000	-	11,000	-
Debt service:						
Principal retirement	-	1,176,335	1,379,704	-	1,379,704	(203,369)
Interest and fiscal charges	-	-	50,768	-	50,768	(50,768)
<b>Total expenditures</b>	<b>36,342,840</b>	<b>37,835,192</b>	<b>34,630,754</b>	<b>-</b>	<b>34,630,754</b>	<b>3,204,438</b>
Excess (deficiency) of revenues over expenditures	(690,529)	(1,766,369)	1,740,045	-	1,740,045	3,506,414
<b>Other financing sources (uses):</b>						
Transfers in	145,000	145,000	596,716	-	596,716	451,716
Transfers (out)/reserves	(1,104,471)	(3,104,471)	(2,714,574)	-	(2,714,574)	389,897
<b>Total other financing sources (uses)</b>	<b>(959,471)</b>	<b>(2,959,471)</b>	<b>(2,117,858)</b>	<b>-</b>	<b>(2,117,858)</b>	<b>841,613</b>
<b>Change in fund balances</b>	<b>(1,650,000)</b>	<b>(4,725,840)</b>	<b>(377,813)</b>	<b>-</b>	<b>(377,813)</b>	<b>4,348,027</b>
<b>Fund balances - beginning</b>	<b>1,650,000</b>	<b>4,725,840</b>	<b>4,725,840</b>	<b>-</b>	<b>4,725,840</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,348,027</b>	<b>\$ -</b>	<b>\$ 4,348,027</b>	<b>\$ 4,348,027</b>

See Notes to the Required Supplementary Information.



RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Local sources	\$ 28,075	\$ 28,075	\$ 5,113	\$ -	\$ 5,113	\$ (22,962)
State sources	732,023	1,640,803	1,653,825	-	1,653,825	13,022
Federal sources	5,025,236	8,129,303	6,513,143	-	6,513,143	(1,616,160)
<b>Total revenues</b>	<b>5,785,334</b>	<b>9,798,181</b>	<b>8,172,081</b>	<b>-</b>	<b>8,172,081</b>	<b>(1,626,100)</b>
<b>Expenditures:</b>						
Instruction	3,934,859	2,512,993	1,759,136	-	1,759,136	753,857
Supporting services:						
Students	-	408,168	485,630	-	485,630	(77,462)
Instructional staff	-	3,934,652	1,973,317	-	1,973,317	1,961,335
Central administration	-	559,548	408,960	-	408,960	150,588
Business	-	16,714	537	-	537	16,177
Operation and maintenance of facilities	-	-	110,343	-	110,343	(110,343)
Student transportation	-	40,204	16,999	-	16,999	23,205
Food services	3,019,946	3,342,628	3,576,969	-	3,576,969	(234,341)
Capital outlay	-	10,000	13,193	-	13,193	(3,193)
<b>Total expenditures</b>	<b>6,954,805</b>	<b>10,824,907</b>	<b>8,345,084</b>	<b>-</b>	<b>8,345,084</b>	<b>2,479,823</b>
Excess (deficiency) of revenues over expenditures	(1,169,471)	(1,026,726)	(173,003)	-	(173,003)	853,723
<b>Other financing sources (uses):</b>						
Transfers in	1,104,471	1,104,471	527,152	-	527,152	(577,319)
Transfers (out)	(35,000)	(88,241)	(162,940)	-	(162,940)	(74,699)
<b>Total other financing sources (uses)</b>	<b>1,069,471</b>	<b>1,016,230</b>	<b>364,212</b>	<b>-</b>	<b>364,212</b>	<b>(652,018)</b>
<b>Change in fund balances</b>	<b>(100,000)</b>	<b>(10,496)</b>	<b>191,209</b>	<b>-</b>	<b>191,209</b>	<b>201,705</b>
<b>Fund balances - beginning</b>	<b>100,000</b>	<b>10,496</b>	<b>2,722,450</b>	<b>-</b>	<b>2,722,450</b>	<b>2,711,954</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,913,659</b>	<b>\$ -</b>	<b>\$ 2,913,659</b>	<b>\$ 2,913,659</b>

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - SCHOOL ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Local sources	\$ -	\$ -	\$ 907,322	\$ (907,322)	\$ -	\$ -
<b>Total revenues</b>	-	-	907,322	(907,322)	-	-
<b>Expenditures:</b>						
Instruction	-	-	957,690	(957,690)	-	-
Supporting services:						
Instructional staff	-	-	26,638	(26,638)	-	-
<b>Total expenditures</b>	-	-	984,328	(984,328)	-	-
Excess (deficiency) of revenues over expenditures	-	-	(77,006)	77,006	-	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	110,300	(110,300)	-	-
Transfers (out)	-	-	(22,578)	22,578	-	-
<b>Total other financing sources (uses)</b>	-	-	87,722	(87,722)	-	-
<b>Change in fund balances</b>	-	-	10,716	(10,716)	-	-
<b>Fund balances - beginning</b>	-	-	1,437,189	(1,437,189)	-	-
<b>Restatement of fund balance</b>	-	-	(2,530)			-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 1,445,375	\$ -	\$ -	\$ -

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - STIMULUS AND STABILIZATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Federal sources	\$ 11,271,453	\$ 13,156,099	\$ 3,385,535	\$ -	\$ 3,385,535	\$ (9,770,564)
<b>Total revenues</b>	<u>11,271,453</u>	<u>13,156,099</u>	<u>3,385,535</u>	<u>-</u>	<u>3,385,535</u>	<u>(9,770,564)</u>
<b>Expenditures:</b>						
Instruction	5,935,155	4,979,627	3,261,797	-	3,261,797	1,717,830
Supporting services:						
Students	769,125	641,632	414,252	-	414,252	227,380
Instructional staff	2,851,565	2,812,577	1,033,203	-	1,033,203	1,779,374
Central administration	-	-	11,418	-	11,418	(11,418)
Business	64,002	62,719	110,604	-	110,604	(47,885)
Operation and maintenance of facilities	1,022,662	624,433	454,943	-	454,943	169,490
Student transportation	313,688	317,534	17,625	-	17,625	299,909
Food services	205,256	203,532	-	-	-	203,532
<b>Total expenditures</b>	<u>11,161,453</u>	<u>9,642,054</u>	<u>5,303,842</u>	<u>-</u>	<u>5,303,842</u>	<u>4,338,212</u>
Excess (deficiency) of revenues over expenditures	<u>110,000</u>	<u>3,514,045</u>	<u>(1,918,307)</u>	<u>-</u>	<u>(1,918,307)</u>	<u>(5,432,352)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers (out)	(110,000)	(1,155,985)	(544,076)	-	(544,076)	611,909
<b>Total other financing sources (uses)</b>	<u>(110,000)</u>	<u>(1,155,985)</u>	<u>(544,076)</u>	<u>-</u>	<u>(544,076)</u>	<u>611,909</u>
<b>Change in fund balances</b>	<u>-</u>	<u>2,358,060</u>	<u>(2,462,383)</u>	<u>-</u>	<u>(2,462,383)</u>	<u>(4,820,443)</u>
<b>Fund balances - beginning</b>	<u>-</u>	<u>(2,358,060)</u>	<u>28,057</u>	<u>-</u>	<u>28,057</u>	<u>2,386,117</u>
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,434,326)</u>	<u>\$ -</u>	<u>\$ (2,434,326)</u>	<u>\$ (2,434,326)</u>

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Reported Fiscal Year (Measurement Date) 2023 (2022)	Reported Fiscal Year (Measurement Date) 2022 (2021)	Reported Fiscal Year (Measurement Date) 2021 (2020)	Reported Fiscal Year (Measurement Date) 2020 (2019)	Reported Fiscal Year (Measurement Date) 2019 (2018)	Reported Fiscal Year (Measurement Date) 2018 (2017)	Reported Fiscal Year (Measurement Date) 2017 (2016)	Reported Fiscal Year (Measurement Date) 2016 (2015)
School Board's proportion of the net pension liability (asset)	0.066954%							
School Board's proportionate share of net pension liability (asset)	\$ 1,722,100	\$ 754,963	\$ 1,056,952	\$ 1,263,049	\$ 1,366,737	\$ 1,794,893	\$ 2,803,626	\$ 1,694,163
State's proportionate share of the net pension liability (asset) associated with the district	24,754,785	12,058,311	17,244,873	20,269,741	24,416,291	27,595,888	38,899,387	29,442,359
Total	26,476,885	12,813,274	18,301,825	21,532,790	25,783,028	29,390,781	41,703,013	31,136,522
School Board's covered-employee payroll	\$ 22,904,431	\$ 22,294,264	\$ 22,072,505	\$ 21,687,842	\$ 20,821,842	\$ 20,770,162	\$ 22,069,457	\$ 22,610,302
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.519%	3.386%	4.789%	5.824%	6.564%	8.642%	12.704%	7.493%
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%

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE BOARD'S PENSION CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,868,283	\$ 1,830,256	\$ 1,826,013	\$ 1,833,684	\$ 1,842,403	\$ 1,813,750	\$ 1,902,772	\$ 2,035,213
Contributions in relation to the contractually required contribution	(1,868,283)	(1,830,256)	(1,826,013)	(1,833,684)	(1,842,403)	(1,813,750)	(1,902,772)	(2,035,213)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Board's covered-employee payroll	\$ 23,491,979	\$ 22,904,431	\$ 22,294,264	\$ 22,072,505	\$ 21,687,842	\$ 20,821,842	\$ 20,770,162	\$ 22,069,457
School Board's proportionate share of the net pension liability (asset)	7.953%	7.991%	8.191%	8.508%	8.495%	8.711%	9.161%	9.222%
as a percentage of its covered-employee payroll								

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE  
SHARE OF THE NET OPEB LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Reported Fiscal Year (Measurement Date) 2023 (2022)	Reported Fiscal Year (Measurement Date) 2022 (2021)	Reported Fiscal Year (Measurement Date) 2021 (2020)	Reported Fiscal Year (Measurement Date) 2020 (2019)	Reported Fiscal Year (Measurement Date) 2019 (2018)
School Board's proportion of the net OPEB liability (asset)	0.071951%	0.071951%	0.073868%	0.078012%	0.166960%
School Board's proportionate share of net OPEB liability (asset)	\$ 89,413	\$ (21,394)	\$ 326,269	\$ 1,294,316	\$ 3,582,012
State's proportionate share of the net OPEB liability (asset) associated with the district	359,659	(96,566)	1,511,878	5,888,667	9,258,203
Total	449,072	(117,960)	1,838,147	7,182,983	12,840,215
School Board's covered-employee payroll	\$ 19,034,628	\$ 18,941,599	\$ 18,508,369	\$ 18,344,403	\$ 17,959,971
School Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.470%	-0.113%	1.763%	7.056%	19.944%
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	39.69%	30.98%

See Notes to the Required Supplementary Information.

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE BOARD'S OPEB CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 298,901	\$ 381,416	\$ 793,068	\$ 868,454	\$ 991,288
Contributions in relation to the contractually required contribution	<u>(298,901)</u>	<u>(381,416)</u>	<u>(793,068)</u>	<u>(868,454)</u>	<u>(991,288)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Board's covered-employee payroll	\$ 18,771,814	\$ 19,034,628	\$ 18,941,599	\$ 18,508,369	\$ 18,344,403
School Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	1.592%	2.004%	4.187%	4.692%	5.404%

See Notes to the Required Supplementary Information.



RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL 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). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

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

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

**B. Excess of Expenditures over Appropriations:**

For the year ended June 30, 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.

Function	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund
General administration	\$ -	\$ -	\$ 11,418
Supporting services - students	-	77,462	-
School administration	116,631	-	-
Central services	-	-	47,885
Operation and maintenance of facilities	-	110,343	110,343
Food service	-	234,341	234,341
Capital outlay	-	3,193	3,193
Principal payment	203,369	-	-
Interest and fiscal charges	50,768	-	-

The over-expenditures in these programs were funded by revenues received in excess of the anticipated amounts budgeted.

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL 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 the table below which summarizes the actuarial assumptions used for the respective measurement dates.

Inflation Salary Increases	2022		2021		2015 - 2020		2014 - 2019		2014 - 2015	
	2022: 2.75%	2021: 2.75%	2021: 2.75%	2020: 2.75%	State - 3.00%-6.00%	Non-State - 3.00%-6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	
Investment Rate of Return	Educators - 2.75%-5.90%	Educators - 2.75%-5.90%	Educators - 2.75%-5.90%	Non-Educators - 2.75%-6.50%	State - 3.00%-6.00%	Non-State - 3.00%-6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%	
	Non-Educators - 2.75%-6.50%	Non-Educators - 2.75%-6.50%	Non-Educators - 2.75%-6.50%							
Mortality	2022	2021	2020	2019	2014 - 2020	2014 - 2020	2014 - 2015	2014 - 2015	2014 - 2015	
	7.25%, net of pension plan investment expense	7.25%, net of pension plan investment expense	7.25%, net of pension plan investment expense	7.25%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense, including inflation	Active: RP-2000, Non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	Active: RP-2000, non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	Active: RP-2000, non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	
Discount Rate	2022	2021	2020	2019	2014 - 2020	2014 - 2020	2014 - 2015	2014 - 2015	2014 - 2015	
	7.25%	7.25%	7.25%	7.25%	7.5%	7.5%	Active: RP-2000, Non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	Active: RP-2000, non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	Active: RP-2000, non-amnuitant monthly mortality table; Retired - RP2000 healthy amnuitant, scale AA; Disabled - RP2000 disabled amnuitant mortality table, scale AA	

**RANDOLPH COUNTY BOARD OF EDUCATION**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL 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.

	2022	2021	2020	2019	2018	2017
<b>Inflation</b>						
Salary Increases	2.25% Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	2.25% Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	2.25% Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	2.75% Dependent upon pension system. Ranging from 3.0% to 6.5%	2.75% Dependent upon pension system. Ranging from 3.0% to 6.5%	2.75% Dependent upon pension system. Ranging from 3.0% to 6.5%
<b>Investment Rate of Return</b>						
	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation
<b>Mortality</b>						
	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-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 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post Retirement: RP - 2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post Retirement: RP - 2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis
<b>Discount Rate</b>	6.65%	6.65%	6.65%	7.15%	7.15%	7.15%
<b>Healthcare Cost Trend Rates</b>						
	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 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 31.11% 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 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

## **OTHER SUPPLEMENTARY INFORMATION**

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Other local sources	\$ -	\$ -	\$ 339	\$ -	\$ 339	\$ 339
<b>Total revenues</b>	-	-	339	-	339	339
<b>Expenditures:</b>						
Principal retirement	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	339	-	339	339
<b>Other financing sources (uses):</b>						
Transfers in	-	-	210,000	-	210,000	210,000
Transfers (out)/reserves	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	210,000	-	210,000	210,000
<b>Change in fund balances</b>	-	-	210,339	-	210,339	210,339
<b>Fund balances - beginning</b>	-	-	140,180	-	140,180	140,180
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 350,519	\$ -	\$ 350,519	\$ 350,519

RANDOLPH COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Other local sources	\$ -	\$ -	\$ 30,142	\$ -	\$ 30,142	\$ 30,142
<b>Total revenues</b>	-	-	30,142	-	30,142	30,142
<b>Expenditures:</b>						
Capital outlay	-	3,719,421	1,725,359	-	1,725,359	1,994,062
<b>Total expenditures</b>	-	3,719,421	1,725,359	-	1,725,359	1,994,062
Excess (deficiency) of revenues over expenditures	-	(3,719,421)	(1,695,217)	-	(1,695,217)	2,024,204
<b>Other financing sources (uses):</b>						
Transfers in	-	2,000,000	2,000,000	-	2,000,000	-
<b>Total other financing sources (uses)</b>	-	2,000,000	2,000,000	-	2,000,000	-
<b>Change in fund balances</b>	-	(1,719,421)	304,783	-	304,783	2,024,204
<b>Fund balances - beginning</b>	-	1,719,421	1,719,421	-	1,719,421	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 2,024,204	\$ -	\$ 2,024,204	\$ 2,024,204

RANDOLPH COUNTY BOARD OF EDUCATION  
NOTES TO THE BUDGET AND ACTUAL SCHEDULES  
FOR THE FISCAL 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 for all governmental funds. Budgets are not adopted for agency funds and the special revenue school activity fund. 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

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



RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Cash Balance 7/1/21	Revenues Received	Expenditures Paid	Cash Balance 6/30/22
<b>High schools:</b>				
Elkins High School	\$ 249,320	\$ 276,638	\$ 267,610	\$ 258,348
Tygarts Valley High School	186,425	204,067	209,686	180,806
Harman High School	126,198	87,565	96,144	117,619
Pickens High School	41,035	25,742	23,760	43,017
Randolph Technical Center	440,513	114,748	110,274	444,987
<b>Total high schools</b>	<u>1,043,491</u>	<u>708,760</u>	<u>707,474</u>	<u>1,044,777</u>
<b>Middle and junior high schools:</b>				
Elkins Middle School	92,186	114,592	100,203	106,575
<b>Total middle and junior high schools</b>	<u>92,186</u>	<u>114,592</u>	<u>100,203</u>	<u>106,575</u>
<b>Elementary schools:</b>				
Coalton Elementary	19,980	22,928	20,224	22,684
Beverly Elementary	19,321	18,963	20,711	17,573
Jennings Randolph Elementary	37,910	31,572	32,584	36,898
Third Ward Elementary	81,463	21,310	18,494	84,279
George Ward Elementary	50,790	38,455	43,955	45,290
Midland Elementary	45,189	39,406	45,210	39,385
North Elementary	44,330	21,635	18,051	47,914
<b>Total elementary schools</b>	<u>298,983</u>	<u>194,269</u>	<u>199,229</u>	<u>294,023</u>
<b>Total</b>	<u>\$ 1,434,660</u>	<u>\$ 1,017,621</u>	<u>\$ 1,006,906</u>	<u>\$ 1,445,375</u>

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF STATE GRANT EXPENDITURES AND AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/22)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/23)
WVDE	STATE SP ED CO ENTITLEMENT	GRTAWD04022100001511	09/30/2022	\$ 99,601	\$ 6,227	\$ -	\$ 6,227	\$ -
WVDE	SCHOOL AGE/RESCHOOL	GRTAWD04022200001703	09/30/2023	100,455	29,606	-	28,590	1,016
WVDE	HIGH COST/ACTIVITY STATE	GRTAWD04022200003127	09/30/2023	8,981	5,721	-	-	-
WVDE	OUT OF COUNTY INSTRUCTION	GRTAWD04022200003667	09/30/2022	7,256	7,256	-	-	-
WVDE	SP ED-COUNTY ENTITLEMENT	GRTAWD04022300001330	09/30/2024	96,083	96,083	96,083	42,754	53,329
WVDE	SP ED-OT OF CNTY INSTRUCT	GRTAWD04022300004864	06/30/2024	6,051	6,051	6,051	-	6,051
WVDE	CTE SALARIES MATH/ENGLISH	GRTAWD04022200000612	03/31/2024	149,772	78,958	-	-	-
WVDE	CTE SALARIES MATH/ENGLISH	GRTAWD04022300000418	03/31/2025	88,678	88,678	88,678	33,949	54,729
WVDE	SECONDARY BLOCK	GRTAWD04022200000727	03/31/2024	96,145	38,225	-	-	-
WVDE	GLDN HORSESHOE WINNER GRT	GRTAWD04022200005640	03/31/2024	2,000	2,000	2,000	-	2,000
WVDE	DISCOV YOUR FUTURE EMS	GRTAWD04022200006104	03/31/2024	4,673	4,673	4,673	-	4,673
WVDE	CTE EQUIPMENT REPLACEMENT	GRTAWD04022200000664	03/31/2024	11,908	10,735	-	10,735	-
WVDE	VOC ED-SECONDARY BLOCK	GRTAWD04022300000553	03/31/2025	116,400	116,400	116,400	71,671	44,729
WVDE	AET TRACKER TVHS AGRICULT	GRTAWD04022300002303	03/31/2025	335	335	335	-	335
WVDE	CTE PROGRAM MODERNIZATION	GRTAWD04022300000641	03/31/2025	22,000	22,000	22,000	20,415	1,585
WVDE	TECH CENTERS THAT WORK	GRTAWD04022300000396	03/31/2025	2,500	2,500	2,500	-	2,500
WVDE	SEC-EQUIP. REPLACEMENT	GRTAWD04022300000474	03/31/2025	12,775	12,775	12,775	-	-
WVDE	ECEF EXTRACURRICULAR FUND	GRTAWD04022100004996	09/30/2022	56,550	731	856	731	-
WVDE	CAMPAIGN GRADE LEVEL READ	GRTAWD04022200000947	03/31/2024	49,885	24,674	-	20,540	4,134
WVDE	CAMPAIGN GRADE LEVEL READ	GRTAWD04022300000818	03/31/2025	47,718	47,718	47,718	19,966	27,752
WVDE	YRC STUDENT TRANSPORTAION	GRTAWD04022200004431	06/30/2023	30,000	27,918	-	9,039	18,879
WVDE	STATE ESL FUNDS	GRTAWD04022300001503	03/31/2025	305	305	305	-	305
WVDE	COMMUNITIES IN SCHOOLS	GRTAWD04022300001963	03/31/2025	285,000	285,000	285,000	223,172	61,828
WVDE	OPTION PATHWAY SUPPLIES	GRTAWD04022300003966	06/30/2024	2,900	2,900	-	1,867	1,033
WVDE	TCTW MAKING SCHLS WORK PD	GRTAWD04022200000522	03/31/2024	2,500	2,143	-	1,746	397
WVDE	TOOLS FOR SCHOOLS (TFS)	GRTAWD04022200003898	03/31/2024	128,532	33,263	-	33,263	-
WVDE	TOOLS FOR SCHOOLS (TFS)	GRTAWD04022300002655	03/31/2025	123,387	123,387	123,387	-	-
WVDE	ADVANCED PLACEMENT	GRTAWD04022100005787	03/31/2023	432	432	-	432	-
WVDE	COUNTY TEACHER LEADERSHIP	GRTAWD04022100005531	03/31/2023	2,000	2,000	2,000	-	-
WVDE	AP TEST FEES	GRTAWD04022200005749	03/31/2024	624	624	624	-	624
WVDE	SREB HIGH SCHOOLS TO WORK	GRTAWD04022200001163	03/31/2024	2,500	2,066	-	337	1,729
WVDE	TEACHER OF THE YEAR SUPPL	GRTAWD04022200003088	03/31/2024	300	300	-	293	7
WVDE	MATH4LIFE CLASSROOM GRANT	GRTAWD04022200005400	03/31/2024	1,750	1,750	-	1,750	-
WVDE	PROF DEV TO IMPROVE MATH	GRTAWD04022300000995	03/31/2025	5,500	5,500	5,500	-	-
WVDE	SREB HIGH SCHOOLS THAT WK	GRTAWD04022300002193	03/31/2025	2,500	2,500	-	650	1,850
WVDE	MATH4LIFE PROF LEARNING	GRTAWD04022300003355	03/31/2025	5,000	5,000	5,000	-	-
WVDE	MATH GRANT EMS E DOUGLAS	GRTAWD04022300004093	03/31/2025	1,000	1,000	1,000	-	1,000
WVDE	INVEST CONFERENCE STIPEND	GRTAWD04022300004938	03/31/2025	61,250	61,250	61,250	-	61,250
WVDE	TEACHER LEADERSHIP SUPPOR	GRTAWD04022300004231	03/31/2025	2,000	2,000	2,000	-	2,000
WVDE	TEACHER OF THE YEAR SUPPL	GRTAWD04022300003871	06/30/2023	300	300	-	300	-
WVDE	EDUCATION ALLOWANCE PICKE	GRTAWD04022300002694	06/30/2023	150,000	150,000	150,000	-	-
WVDE	STUDENT SUPPORT FEE REIMB	GRTAWD04022200003577	03/31/2024	1,295	1,295	1,295	-	-
WVDE	TUITION REIMBURSEMENT	GRTAWD04022300005296	06/30/2024	2,200	2,200	-	2,200	-
WVDE	NAT BOARD REIMBURSEMENT	GRTAWD04022300005262	06/30/2024	1,520	1,520	-	1,520	-
WVDE	STATE ADULT BASIC	GRTAWD04022200000500	06/30/2022	84,046	3,405	-	3,405	-
WVDE	ADULT BASIC-STATE	GRTAWD04022300000911	06/30/2023	91,525	91,525	91,525	85,799	5,726
WVDE	ACE PROGRAM/BLOCK RTC	GRTAWD04022100006243	03/31/2023	79,368	17,625	-	17,625	-
WVDE	STATE LPN NURSING PROGRAM	GRTAWD04022300001054	03/31/2025	144,362	144,362	-	111,987	-
WVDE	ENTREP PILOT WVU MU RTC	GRTAWD04022100004963	06/30/2022	7,000	5,270	144,362	-	32,375
WVDE	EHS VIRTUAL SCHOOL IMPROV	GRTAWD04022100003845	03/31/2023	10,160	9,160	-	5,270	-
WVDE	AET TRACKER EHS AND TVHS	GRTAWD04022200002325	03/31/2024	825	825	-	2,150	7,010
WVDE	CHILD NUTRITION SRM GRANT	GRTAWD04022200006158	03/31/2024	4,350	4,350	4,350	-	315
WVDE	CHILD NUTRITION EQUIPMENT	GRTAWD04022200005183	03/31/2024	27,037	27,037	-	27,037	-
WVDE	FROM SCRATCH TRAINING	GRTAWD04022300002239	03/31/2025	3,000	3,000	3,000	-	-
WVDE	FOOD SVC EQUIP COMP WELLN	GRTAWD04022300004641	03/31/2025	20,760	20,760	20,760	-	-
WVDE	BACKPACK GRANT 2023	GRTAWD04022300002480	03/31/2025	31,225	31,225	-	31,225	-
WVDE	STATE REVENUE MATCHING	GRTAWD04022100005133	7/31/2022	20,578	20,578	-	20,578	-
WVDE	CHILD NUTRITION EQUIPMENT	GRTAWD04022200005183	6/30/2024	27,037	27,037	27,037	-	27,037
WVDE	COUNTY BACKPACK PROG NTHS	GRTAWD04022200002809	6/30/2024	33,321	33,321	33,321	-	-
Total:					\$ 1,754,185	\$ 1,359,784	\$ 1,304,227	\$ 456,198

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

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Paid</u>
U.S. Department of Agriculture			
Passed Through West Virginia Department of Agriculture			
Child Nutrition Cluster:			
Donated Foods (Non-cash)	10.555	88	\$ 80,870
Passed Through West Virginia Department of Education			
National School Breakfast Program	10.553	88	1,122,176
National School Lunch Program	10.555	88	1,807,897
Total Child Nutrition Cluster			<u>3,010,943</u>
Child and Adult Care Food Care Program	10.558	88	3,394
Passed Through West Virginia State Auditor's Office			
Secure Payments for States and Counties Contain Federal Lands	10.665	N/A	<u>250,041</u>
Total U.S. Department of Agriculture			<u>3,264,378</u>
U.S. Department of the Interior			
Passed Through West Virginia Department of Education			
National Forests	15.438	N/A	<u>15,113</u>
Total U.S. Department of the Interior			15,113
U.S. Department of Education			
Passed Through West Virginia Department of Education			
Adult Basic Education	84.002	61	7,821
Title I Grants to Local Educational Agencies	84.010	41	1,480,518
Vocational Education	84.048	50	80,277
Special Education Cluster:			
Special Education Grants to States	84.027	43	1,309,692
Special Education - Pre-School	84.173	43	28,258
Total Special Education Cluster			<u>1,337,950</u>
Title VI Rural and Low Income	84.358	59	92,521
Title II Improving Teacher Quality	84.367	40	289,359
Title IV Student Support Academic Enrichment	84.424A	42	127,398
COVID-19 Stimulus Funding Under 84.425:			
Elementary and Secondary School Emergency Relief Fund (ESSERF) 2	84.425D	52	2,192,188
ESSERF - American Rescue Plan	84.425U	52	3,594,761
Total COVID-19 Stimulus Funding Under 84.425			<u>5,786,949</u>
Total U.S. Department of Education			<u>9,202,793</u>
U.S. Department of Health and Human Services			
Passed Through West Virginia Department of Education			
Public Health Workplace	93.354	49	4,032
Oral Health Program	93.366	49	<u>8,000</u>
Total U.S. Department of Health and Human Services			<u>12,032</u>
Total Federal Expenditures			<u>\$ 12,494,316</u>

See Notes to the Schedule of Expenditures of Federal Awards

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

**Note 1 – 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 2 – Indirect Cost:**

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

**Note 3 – Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Board 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 (CFR) 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 the Board, it is not intended to and does not present the financial position and changes in net position of the Board.

**Note 4 – Donated Food Commodities Value:**

Donated food commodities represent surplus agricultural commodities received from the U.S. Department of Agriculture (ALN #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 \$80,870.



The  
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Group, AC

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304-525-8592

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

To the Randolph County Board of Education  
Elkins, 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 Randolph County Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Randolph County Board of Education's basic financial statements, and have issued our report thereon dated March 18, 2024.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "The Fyffe Jones Group, AC". The signature is written in a cursive, flowing style.

THE FYFFE JONES GROUP, AC

Huntington, West Virginia

March 18, 2024



**The  
Fyffe  
Jones  
Group, AC**

**The Fyffe Jones Group, AC**

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

To the Randolph County Board of Education  
Elkins, West Virginia

**Report on Compliance for Each Major Federal Program**

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

We have audited the Randolph County Board of Education's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Randolph County Board of Education's major federal programs for the year ended June 30, 2023. Randolph County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Management's Responsibility***

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



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

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

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

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

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

### ***Report on Internal Control Over Compliance***

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

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

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

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

A handwritten signature in blue ink that reads "The Fyffe Jones Group, AC". The script is cursive and fluid.

THE FYFFE JONES GROUP, AC

Huntington, West Virginia  
March 18, 2024

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

**Section I – Summary of Auditors’ Results**

Financial Statements

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

Federal Awards

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

Programs tested:

Assistance Listing Numbers	Name of the Federal Program/Cluster
84.010	Title I
84.425D	Elementary and Secondary School Emergency Relief Fund 2
84.425U	ESSERF - American Rescue Plan

Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as a low-risk auditee:	Yes

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

RANDOLPH COUNTY BOARD OF EDUCATION  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

There were no findings in the prior audit.