

County: Mingo
RFP: 21-069

MINGO COUNTY BOARD OF EDUCATION

Financial Statements

June 30, 2022

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

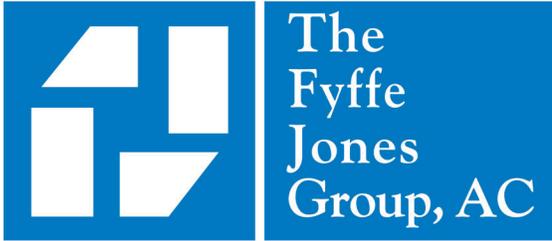
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MINGO COUNTY BOARD OF EDUCATION
SCHOOL BOARD OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Office	Name	Term
	<u>Elective</u>	
School Board Members:	Sabrina Grace	07/01/2020 – 01/29/2022
	John Warren Preece	07/01/2018 – 06/30/2022
	Thomas Slone	07/01/2018 – 06/30/2022
	Brandon Sammons	02/22/2022 – 06/30/2022
	Machelle McCormick	07/01/2020 – 06/30/2024
	<u>Appointive</u>	
School Board President	James Ed Baisden	07/01/2018 – 06/30/2022
Superintendent	Johnny Branch	07/01/2021 – 06/30/2022
Treasurer	Beth Daniels	07/01/2021 – 06/30/2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Mingo County Board of Education
Williamson, 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 Mingo County Board of Education as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mingo 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 Mingo 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 Mingo 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 Mingo 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 14 and 55 through 65 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 Mingo County Board of Education’s basic financial statements. The accompanying schedule of expenditures of federal awards, budgetary comparison information for the other major funds, the schedule of changes in school activity funds, the schedule of excess levy revenues and expenditures, and the schedule of state grant receipts and expenditures is presented as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, budgetary comparison information for the other major funds, the schedule of changes in school activity funds, the schedule of excess levy revenues and expenditures, and the schedule of state grant receipts and expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023, on our consideration of the Board’s internal control over financial reporting and our testing of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board’s internal control over financial reporting and compliance.



THE FYFFE JONES GROUP, AC

Huntington, West Virginia
March 13, 2023

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

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

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$97 million at the close of the most recent fiscal year. Of this amount, \$14.4 million may be used to meet the Board's ongoing obligations to citizens and creditors.
- The Board's total net position increased by approximately \$3.9 million.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$20.5 million, an increase of approximately \$3 million in comparison with the prior year. Approximately \$11.4 million of this total amount is available for spending at the Board's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$11.4 million or 29 percent of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

The district-wide financial statements can be found on pages 15 and 16 this report.

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

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. The Board only operates governmental funds.

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

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

The Board maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue funds, the permanent improvement fund, and the capital projects fund, all of which are considered major funds as found on pages 17 and 19.

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 21 through 54 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 \$97 million at the close of the most recent fiscal year.

- The largest portion of the Board's net position, \$78 million, or 81%, reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the Board's net position, \$4.4 million, or 5%, represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.

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

- The remaining balance of *unrestricted net position*, \$14.4 million, or 14%, may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

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

	2022	2021	
	Governmental	Governmental	
	Activities	Activities	Variance
	<u> </u>	<u> </u>	<u> </u>
ASSETS AND DEFERRED OUTFLOWS			
OF RESOURCES:			
Current and other assets	\$ 26,829,587	\$ 23,717,217	\$ 3,112,370
Capital assets	78,748,423	79,876,979	(1,128,556)
ROU assets	35,069	-	35,069
Deferred outflows of resources	1,550,179	985,487	564,692
Net other post employment benefit (OPEB) asset - Proportionate share	18,683	-	18,683
Total assets and deferred outflows of resources	<u>\$ 107,181,941</u>	<u>\$ 104,579,683</u>	<u>\$ 2,602,258</u>
LIABILITIES, DEFERRED INFLOWS OF			
RESOURCES, AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 5,488,009	\$ 5,517,552	\$ (29,543)
Long-term liabilities	574,418	522,019	52,399
Deferred inflows of resources	3,018,643	3,329,577	(310,934)
Net other post employment benefit (OPEB) liability - Proportionate share	-	491,432	(491,432)
Net pension liability - Proportionate share	1,088,413	1,620,681	(532,268)
Total liabilities and deferred inflows of resources	<u>\$ 10,169,483</u>	<u>\$ 11,481,261</u>	<u>\$ (1,311,778)</u>
Net position:			
Net investment in capital assets	\$ 78,224,134	\$ 79,101,896	\$ (877,762)
Restricted	4,427,968	2,626,484	1,801,484
Unrestricted	14,360,356	11,370,042	2,990,314
Total net position	<u>\$ 97,012,458</u>	<u>\$ 93,098,422</u>	<u>\$ 3,914,036</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 107,181,941</u>	<u>\$ 104,579,683</u>	<u>\$ 2,602,258</u>

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

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

- Current and other assets increased by approximately \$3 million, which primarily represents an increase in revenue over expenses across all funds.
- Capital assets decreased by approximately \$1.1 million, which represents a decrease in vehicles due to sale and retirement of buses, and the disposal of equipment no longer in service.
- Right-of-Use assets increased by approximately \$35 thousand which represents an addition of equipment used in school operations.
- Current and other liabilities decreased by approximately \$29 thousand, which was the result of a decrease in accrued salaries and benefits payable at year end.
- Long-term liabilities increased by approximately \$52 thousand, which was primarily the result of the implementation of GASB 87 and the recognition of related long term lease liabilities.
- Deferred inflows of resources decreased by approximately \$311 thousand, which was primarily the result of changes associated with pension and OPEB related accounts.
- At the end of the fiscal year, the Board is able to report positive balances in all of the three categories of net position. The same situation held true for the prior fiscal year.
- Restricted net position increased by \$1.8 million during the fiscal year ended June 30, 2022. This was primarily the result of a transfer from the general fund to a restricted fund for a capital expenditure in the coming fiscal year.
- The Board's net position increased by \$3.9 million during the current year.

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

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

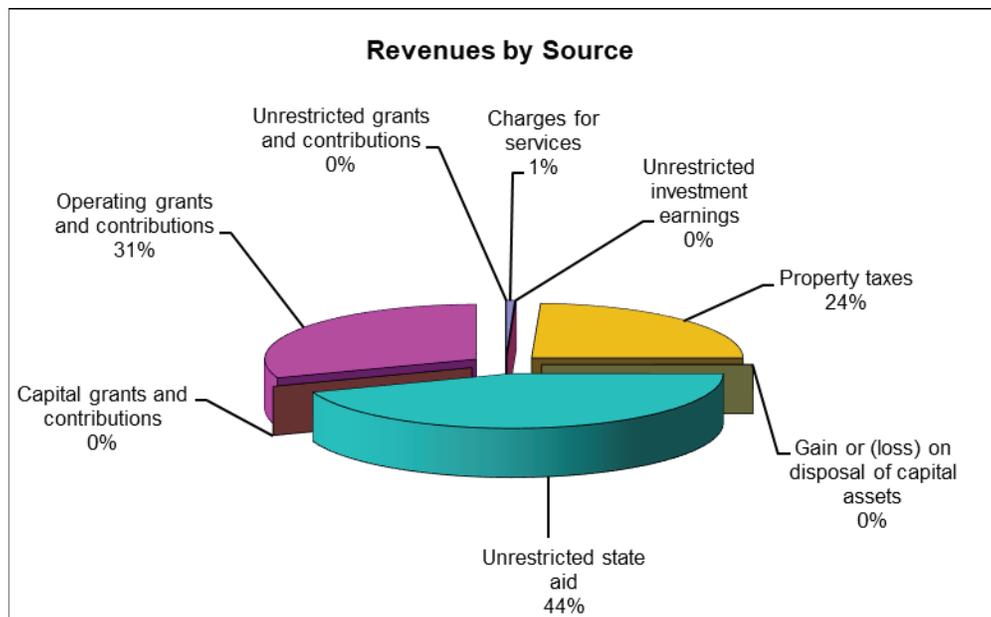
	2022	2021	
	Governmental	Governmental	Variance
	Activities	Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 308,060	\$ 290,188	\$ 17,872
Operating grants and contributions	15,094,901	11,656,203	3,438,698
Capital grants and contributions	5,000	-	5,000
General revenues:			
Property taxes	12,005,087	13,755,747	(1,750,660)
Unrestricted state aid	21,958,039	26,072,184	(4,114,145)
Unrestricted investment earnings	30,354	2,391	27,963
Gain/(Loss) on sale of capital assets	22,864	18,277	4,587
Gain/(Loss) on termination of ROU assets	(3,660)	-	(3,660)
Total revenues	\$ 49,420,645	\$ 51,794,990	\$ (2,374,345)
Expenses:			
Instruction	\$ 24,746,826	\$ 26,445,057	\$ (1,698,231)
Supporting services:			
Students	2,458,050	2,806,225	(348,175)
Instructional staff	1,740,807	1,431,046	309,761
General administration	539,875	734,008	(194,133)
School administration	2,155,276	2,366,722	(211,446)
Central services	721,173	439,706	281,467
Operation and maintenance of facilities	5,867,747	5,934,986	(67,239)
Student transportation	4,145,993	3,819,865	326,128
Other	30,108	-	30,108
Total supporting services	17,659,029	17,532,558	126,471
Food services	2,885,589	3,324,526	(438,937)
Community services	192,500	192,500	-
Interest on long-term debt	22,666	38,950	(16,284)
Total Expenses	\$ 45,506,610	\$ 47,533,591	\$ (2,026,981)
Change in net position	\$ 3,914,035	\$ 4,261,399	\$ (347,364)
Net position - Beginning	\$ 96,751,797	\$ 91,837,533	\$ 4,914,264
Prior period adjustments	\$ (3,653,374)	\$ 652,865	\$ (4,306,239)
Net position - Beginning, as restated	\$ 93,098,423	\$ 92,490,398	\$ 608,025
Net position - Ending	\$ 97,012,458	\$ 96,751,797	\$ 260,661

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

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

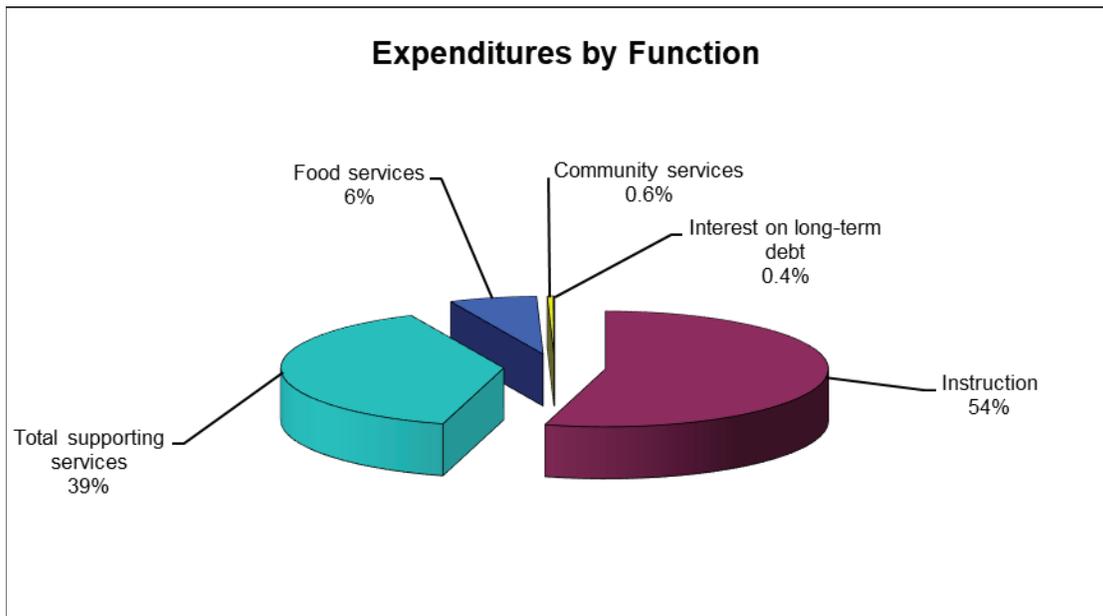
- Charges for services increased by approximately \$18 thousand which was primarily the result of an increase in Medicaid receipts.
- Operating grants and contributions increased by approximately \$3.4 million which was primarily the result of increased federal revenue related to the ongoing COVID-19 pandemic.
- Capital grants and contributions increased by approximately \$5 thousand which was primarily the result of a grant to improve athletic facilities.
- General revenues from property taxes decreased by approximately \$1.8 million which was primarily the result of a decrease in local property values.
- General revenues from unrestricted state aid decreased by approximately \$4.1 million which was primarily the result decreased enrollment.
- Overall expenses decreased by approximately \$2 million.

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



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

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



Financial Analysis of the Board's Funds

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

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of \$20.5 million. Included in this year's change in the combined fund balance is non-spendable fund balance of \$289 thousand, a restricted fund balance of \$4.4 million, and an assigned balance of \$4.4 million.

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

The Board had six major funds for the fiscal year ended June 30, 2022. Those funds are the General Current Expense Fund, three Special Revenue Funds, Permanent Improvement Fund, and 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 increased from \$14.9 million to

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

\$15.3 million during the fiscal year ended June 30, 2022. As previously discussed, this increase of \$400 thousand was due primarily to a reduction in expenses as a result of ESSERF Funding.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance decreased from \$1.6 million to \$1.2 million during the fiscal year ended June 30, 2022. This decrease of \$400 thousand was due primarily to an increase in spending related to the instructional staff functional area.

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 decreased from \$786 thousand to \$742 thousand during the fiscal year ended June 30, 2022.

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. There is no change to report at this time and the current balance of the fund at June 30, 2022 is \$0.

Permanent Improvement Fund

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance increased from \$570 thousand to \$800 thousand during the fiscal year ended June 30, 2022. This increase of \$230 thousand was due primarily to an increase in transfers into the fund for various capital projects.

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 \$437 to \$2.4 million during the fiscal year ended June 30, 2022. This increase of \$1.9 million was due primarily to a transfer from the general current expense fund for the construction of career and technical facility at Tug Valley High School.

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

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1.4 million or 4% in total general fund expenditures.

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

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$78.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total decrease in the Board's investment in capital assets for the current fiscal year was 1%.

Major capital asset events during the current fiscal year included the purchase of school buses, technology vehicle, field lighting upgrades, addition of a new football press box, as well as other various equipment acquisitions.

	2022	2021	
	Governmental	Governmental	
	Activities	Activities	Variance
Land	\$ 7,038,858	\$ 7,038,858	\$ -
Land improvements	3,189,819	2,909,594	280,225
Buildings and improvements	64,676,484	66,575,455	(1,898,971)
Furniture and equipment	1,362,396	915,087	447,309
Vehicles	2,480,866	2,437,985	42,881
Total capital assets	\$ 78,748,423	\$ 79,876,979	\$ (1,128,556)

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

Right-of-Use assets – The Board's investment in Right-of-Use assets for its governmental activities as of June 30, 2022, amounts to \$35 thousand (net of accumulated amortization). This investment in right-of-use assets includes land, buildings, furniture and equipment, and vehicles. The total increase in the Board's investment in right-of-use assets for the current fiscal year was 100%.

	2022	2021	
	Governmental	Governmental	
	Activities	Activities	Variance
Furniture and equipment	\$ 35,069	\$ -	\$ 35,069
Total ROU assets	\$ 35,069	\$ -	\$ 35,069

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

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

Long-term debt - At the end of the current fiscal year, the Board had total financed purchase obligations of \$524 thousand. The obligation for finance leases are \$36 thousand and \$138 thousand for compensated absences at June 30, 2022.

	2022	2021	
	Governmental	Governmental	
	Activities	Activities	Variance
General obligation bonds	\$ 524,289	\$ 775,083	\$ (250,794)
Finance lease obligations	35,690	-	35,690
Compensated absences	137,992	115,535	22,457
Total debt outstanding	\$ 697,971	\$ 890,618	\$ (192,647)

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:

- Decreasing property valuations in the county which result in decreased revenue.
- Decreased enrollment which result in decreased revenue.
- The COVID-19 pandemic is ever changing and the uncertainty of the future implications bear some strain on the financial position of the Board.

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 Mingo County Board Office, Route 2, Box 310, Williamson, WV 25661, or by phone at (304) 235-3333.

MINGO COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 19,436,230
Taxes receivable, net of allowance for uncollectible taxes	1,600,798
Deposit with Retirement Board	100,661
Other receivables	199,804
Prepaid workers' compensation	54,759
Other prepaid expenses	133,735
Due from other governments:	
State aid receivable	217,913
PEIA allocation receivable	540,944
Reimbursements receivable	4,544,743
Total current assets:	26,829,587
Capital Assets:	
Land	7,038,858
Land Improvements	3,940,260
Buildings and improvements	105,559,621
Furniture and equipment	4,661,294
Vehicles	6,713,773
Less accumulated depreciation	(49,165,383)
Total capital assets, net of depreciation	78,748,423
Right-of-Use Assets:	
Equipment	55,365
Less accumulated amortization	(20,296)
Total finance lease assets, net of amortization	35,069
Other Assets:	
Net other post employment benefit (OPEB) asset - proportionate share	18,683
Total assets	105,631,762
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension activity	1,033,871
Deferred outflows from other post employment benefit (OPEB) activity	516,308
Total deferred outflows of resources	1,550,179
Total assets and deferred outflows of resources	\$ 107,181,941
 LIABILITIES	
Salaries payable and related payroll liabilities	\$ 3,576,034
PEIA premiums payable	737,428
Compensated absences	137,992
Accounts payable	1,036,555
Current portion of long-term debt:	
Bonds and contracts	255,353
Accrued interest	14,439
Finance lease liability	17,297
Total current liabilities	5,775,098
Debt due beyond one year:	
Bonds and contracts	268,936
Finance lease liability	18,393
Net pension liability - proportionate share	1,088,413
Total liabilities	7,150,840
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension activity	1,106,037
Deferred inflows from other post employment benefit (OPEB) activity	1,912,606
Total deferred inflows of resources	3,018,643
Total liabilities and deferred inflows of resources	\$ 10,169,483
 NET POSITION	
Invested in capital assets, net of related debt	\$ 78,224,134
Restricted for:	
Special projects	1,242,511
Capital projects	3,185,457
Unrestricted	14,360,356
Total net position	\$ 97,012,458

See Notes to the Basic Financial Statements.

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

Functions	Program Revenues			Net (Expense), Revenue & Changes in Net Position Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 24,746,826	\$ 6,436	\$ 8,049,564	\$ -
Supporting services:				
Students	2,458,050	639	414,450	(2,042,961)
Instructional staff	1,740,807	297,484	403,271	(1,040,052)
General administration	539,875	140	91,028	(448,707)
School administration	2,155,276	561	363,400	(1,791,315)
Business services	721,173	188	121,597	(599,388)
Operation and maintenance of facilities	5,867,747	1,526	1,867,419	(3,993,802)
Student transportation	4,145,993	1,078	880,293	(3,264,622)
Other support services	30,108	8	5,076	(25,024)
Food services	2,885,589	-	2,898,803	13,214
Community services	192,500	-	-	(192,500)
Interest on long-term debt	22,666	-	-	(22,666)
Total governmental activities	\$ 45,506,610	\$ 308,060	\$ 15,094,901	\$ (30,098,649)

General revenues:

Property taxes	12,005,087
Unrestricted state aid	21,958,039
Unrestricted investment earnings	30,354
Gain (loss) on disposal of capital assets	22,864
Gain (loss) on termination of ROU assets	(3,660)
Total general revenues and transfers	34,012,684
Change in net position	3,914,035
Net position - beginning	96,751,797
Prior period adjustments - See Note 17	(3,653,374)
Net position - beginning, as restated	93,098,423
Net position - ending	\$ 97,012,458

See Notes to the Basic Financial Statements.

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

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - FSSF	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and cash equivalents	\$ 18,262,136	\$ (281,133)	\$ 742,148	\$ (2,495,471)	\$ 818,923	\$ 2,389,627	\$ 19,436,230
Taxes receivable, net of allowance for uncollectible taxes	1,544,095	-	-	-	56,702	-	1,600,797
Deposit with Retirement Board	100,661	-	-	-	-	-	100,661
Other receivables	199,804	-	-	-	-	-	199,804
Prepaid workers' compensation	54,759	-	-	-	-	-	54,759
Other prepaid expenses	133,735	-	-	-	-	-	133,735
Due from other governments:							
State aid receivable	217,913	-	-	-	-	-	217,913
PEIA allocation receivable	540,944	-	-	-	-	-	540,944
Reimbursements receivable	17,128	1,767,991	-	2,759,624	-	-	4,544,743
Total assets	21,071,175	1,486,858	742,148	264,153	875,625	2,389,627	26,829,586
Deferred outflows of resources							
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 21,071,175	\$ 1,486,858	\$ 742,148	\$ 264,153	\$ 875,625	\$ 2,389,627	\$ 26,829,586
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	\$ 3,320,520	\$ 7,562	\$ -	\$ 247,952.00	\$ -	\$ -	\$ 3,576,034
PEIA premiums payable	737,428	-	-	-	-	-	737,428
Accounts payable	739,252	236,786	-	16,201	40,291	4,025	1,036,555
Total liabilities	4,797,200	244,348	-	264,153	40,291	4,025	5,350,017
Deferred inflows of resources							
Total deferred inflows of resources	966,070	-	-	-	35,478	-	1,001,548
Fund Balances:							
Nonspendable	289,155	-	-	-	-	-	289,155
Restricted	-	1,242,510	-	-	799,856	2,385,602	4,427,968
Assigned	3,615,821	-	742,148	-	-	-	4,357,969
Unassigned	11,402,929	-	-	-	-	-	11,402,929
Total fund balances	15,307,905	1,242,510	742,148	-	799,856	2,385,602	20,478,021
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 21,071,175	\$ 1,486,858	\$ 742,148	\$ 264,153	\$ 875,625	\$ 2,389,627	\$ 26,829,586

See Notes to the Basic Financial Statements.

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

Total fund balance on the governmental fund's balance sheet	\$ 20,478,021
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet	78,748,423
Finance lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	35,069
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	1,001,548
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 pension	1,033,871
Deferred outflows of resources related to OPEB	516,308
Deferred inflows of resources related to pension	(1,106,037)
Deferred inflows of resources related to OPEB	(1,912,606)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable, due within one year	(255,353)
Bonds payable, due beyond one year	(268,936)
Compensated absences	(137,992)
Accrued interest on long-term debt	(14,438)
Finance lease liability, due within one year	(17,297)
Finance lease liability, due beyond one year	(18,393)
Net pension liability - proportionate share	(1,088,413)
Net OPEB asset - proportionate share	18,683
Net position of governmental activities	\$ 97,012,458

See Notes to the Basic Financial Statements.

MINGO COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - FSSF	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
Revenues:							
Property taxes	\$ 10,857,715	\$ -	\$ -	\$ -	\$ 403,380	\$ -	\$ 11,261,095
Other local sources	252,720	26,701	822,358	-	30	-	1,101,809
State sources	29,789,383	1,242,444	-	-	-	-	31,031,827
Federal sources	297,032	7,831,465	-	4,839,792	-	-	12,968,289
Miscellaneous sources	-	116,662	-	-	12,548	-	129,210
Total revenues	41,196,850	9,217,272	822,358	4,839,792	415,958	-	56,492,230
Expenditures:							
Instruction	20,819,958	4,539,345	892,858	2,466,506	-	-	28,718,667
Supporting services:							
Students	2,229,718	686,504	-	118,137	-	-	3,034,359
Instructional staff	566,308	1,203,359	-	110,140	-	-	1,879,807
General administration	494,727	-	-	23,628	-	-	518,355
School administration	2,620,264	25,428	-	155,396	-	-	2,801,088
Central services	812,741	-	-	51,735	-	-	864,476
Operation and maintenance of facilities	5,356,462	48,350	-	878,663	8,141	-	6,291,616
Student transportation	5,210,823	180	-	183,040	-	-	5,394,043
Other support services	30,000	108	-	-	-	-	30,108
Food services	-	3,046,572	-	71,630	-	-	3,118,202
Community services	192,500	-	-	-	-	-	192,500
Capital outlay	313,720	-	-	202,598	349,315	403,898	1,269,531
Debt service:							
Principal retirement	-	-	-	-	250,794	-	250,794
Interest and fiscal charges	-	-	-	-	22,214	-	22,214
Finance Leases:							
Principal payment expense	23,336	-	-	-	-	-	23,336
Interest expense	452	-	-	-	-	-	452
Total expenditures	38,671,009	9,549,846	892,858	4,261,473	630,464	403,898	54,409,548
Excess (deficiency) of revenues over expenditures	2,525,841	(332,574)	(70,500)	578,319	(214,506)	(403,898)	2,082,682
Other financing sources (uses):							
Proceeds from disposal of real or personal property	62,489	-	-	-	-	-	62,489
Proceeds from finance lease	10,947	-	-	-	-	-	10,947
Transfers in	638,881	118,360	115,243	-	537,027	2,402,223	3,811,734
Transfers (out)	(2,839,362)	(162,649)	(88,905)	(578,319)	(92,499)	(50,000)	(3,811,734)
Total other financing sources (uses)	(2,127,045)	(44,289)	26,338	(578,319)	444,528	2,352,223	73,436
Net change in fund balances	398,796	(376,863)	(44,162)	-	230,022	1,948,325	2,156,118
Fund balances - beginning	14,909,109	1,619,373	786,310	-	569,834	437,277	18,321,903
Fund balances - ending	\$ 15,307,905	\$ 1,242,510	\$ 742,148	\$ -	\$ 799,856	\$ 2,385,602	\$ 20,478,021

See Notes to the Basic Financial Statements.

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

Amounts reported for governmental activities in the statement of activities are different due to:	
Net change in fund balances - total governmental funds	\$ 2,156,118
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	(2,678,948)
Capital outlays	1,590,210
Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of lease assets is allocated over their estimated useful lives and reported as amortization expense. The effect on net position is the amount by which capital outlays exceed amortization in the current period.	
Amortization expense	(20,296)
Capital outlays	10,947
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	740,747
A portion of the change in fund balances is the proceeds from finance leases. Those proceeds are not considered revenue items for the purpose of this statement.	
	(10,947)
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net position.	
	250,795
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	(1,264,746)
Accumulated depreciation of assets disposed	1,224,928
Differences in the ROU asset and accumulated amortization on ROU asset terminated agreements are reported as a loss and reduction in net position in the statement of activities.	
Right-of-Use assets terminated	(3,660)
Compensated absences are reported as liabilities in the statement of net position, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
	(22,458)
Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
District pension contributions	303,556
Cost of benefits earned net of employee contributions	294,851
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.	
	23,336
Governmental funds report district OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned net of employee contributions is reported as pension expense.	
District OPEB contributions	223,183
Cost of benefits earned net of employee contributions	1,096,419
Change in net position of governmental activities	<u>\$ 3,914,035</u>

See Notes to the Basic Financial Statements.

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

Note 1 - Summary of Significant Accounting Policies:

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

A. Reporting Entity:

The Mingo 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.

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

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

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

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the 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 Student Activity Fund: This is a Special Revenue Fund, which is 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 Federal Stimulus and Stabilization Fund: This is a Special Revenue Fund, which is a governmental fund type used to account for the financial resources of LEAs, MCVCs, and ESCs received through the federal government; most notably in regard to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Permanent Improvement Fund: The Permanent Improvement Fund is used to account for various building and permanent improvement projects.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the 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.

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

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

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

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

	Carrying Amount	Estimated Fair Value	Bank Balance
Deposits with financial institutions - Board of Education	\$ 18,694,083	\$ 18,694,083	\$ 20,212,314
Deposits with financial institutions - Individual Schools	742,147	742,147	742,147
Total cash and cash equivalents	\$ 19,436,230	\$ 19,436,230	\$ 20,954,461

F. 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.

G. Inventories:

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

The Board did not operate a centralized warehouse for inventories at June 30, 2022.

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. On June 30, 2022 the Board reported approximately \$289 thousand in prepaid items. \$100 thousand as a deposit with the retirement board, \$55 thousand as pre-paid workers compensation premium, board of risk insurance payment of \$100 thousand, and \$34 thousand in various prepaid software subscriptions.

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

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

I. Receivables

Receivables are reported net of any estimated uncollectible amounts.

J. Capital Assets:

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

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

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

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

K. Deferred Outflow of Resources:

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

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

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

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

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

L. Deferred Outflow of Resources:

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred Outflows of resources for June 30, 2022 are approximately \$1.5 million on the district-wide statements and relates to pension and OPEB activity.

M. Pension:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teacher Retirement System (TRS) and additions to/deductions from the TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 for further discussion.

N. Compensated Absences and Other Post Employment Benefit Liability:

Compensated Absences:

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

Other Post Employment Benefit (OPEB) Liability:

It is the 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 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 benefit terms. Investments are reported at fair value. See Note 11 for further discussion.

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

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

O. Long-term Obligations:

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts, 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.

P. Deferred Inflow of Resources:

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. Deferred Inflow of Resources as of June 30, 2022 are approximately \$3 million on the district-wide statements and relates to pension and OPEB activity. The fund-level Deferred Inflow of Resources represent Property Taxes Receivables in the amount of \$1 million.

Q. Net Position:

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

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

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

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

R. Fund Equity:

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

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

S. Elimination and Reclassifications:

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

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

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

T. Accounting Estimates:

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

U. Restricted Resources:

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

V. Newly Adopted Statements Issued by the GASB:

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

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

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

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

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

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

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

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

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

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

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

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

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

W. Recent Statements Issued by the GASB:

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

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

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

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

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

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

Note 2 – Stewardship, Compliance, and Accountability:

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

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

Fund	Amount
Special Revenue	\$ (376,862)
Special Revenue - School Activity	(44,162)

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

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.

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

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

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

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

Note 3 - Risk Management (Cont.):

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

Note 4 - Property Taxes:

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

Class I - All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.

Class II - All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III - All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV - All real and personal property situated inside of municipalities, exclusive of Class I and II property.

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

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

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

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

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

Note 4 - Property Taxes (Cont.):

Class of Property	Assessed Valuations			Permanent Improvement
	for Tax Purposes	Current Expense	Excess Levy	
Class I	\$ -	19.40¢	22.95¢	1.50¢
Class II	143,649,310	35.80¢	45.90¢	3.00¢
Class III	544,906,655	71.60¢	91.80¢	6.00¢
Class IV	106,832,079	71.60¢	91.80¢	6.00¢

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

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

Taxes Receivable

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

	General Current Expense Fund	Permanent Improvement Fund
Taxes Receivable	\$ 2,469,761	\$ 90,692
Less: Allowance for Uncollectable	(925,665)	(33,990)
Taxes Receivable, net	<u>\$ 1,544,096</u>	<u>\$ 56,702</u>

Note 5 - Excess Levy:

The School Board had an excess levy in effect during the fiscal year ended June 30, 2022. The levy was authorized by the voters of the county at an election held on November 6, 2018 for the fiscal years ended June 30, 2020 through June 30, 2024 to provide funds for the various purposes. A total of \$5,385,442 was received by the School Board from the excess levy during the fiscal year ended June 30, 2022.

Note 6 – Tax Abatement:

The Board has no current tax abatement as of June 30, 2022.

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

Note 7 - Capital Assets:

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

Governmental Activities	Balance June 30, 2021	Restatement	Additions	Disposals	Balance June 30, 2022
Capital assets, non-depreciable:					
Land	\$ 10,618,837	\$ (3,579,979)	\$ -	\$ -	\$ 7,038,858
Total non-depreciable capital assets	\$ 10,618,837	\$ (3,579,979)	\$ -	\$ -	\$ 7,038,858
Capital assets, depreciable:					
Land improvements	\$ -	\$ 3,579,979	\$ 360,281	\$ -	\$ 3,940,260
Buildings and improvements	105,383,158	-	176,463	-	105,559,621
Furniture and equipment	4,562,449	-	588,222	(489,377)	4,661,294
Vehicles	7,023,898	-	465,243	(775,368)	6,713,773
Total depreciable capital assets	\$ 116,969,505	\$ 3,579,979	\$ 1,590,209	\$ (1,264,745)	\$ 120,874,948
Less: accumulated depreciation:					
Land improvements	\$ (73,231)	\$ (597,154)	\$ (80,056)	\$ -	\$ (750,441)
Buildings and improvements	(35,943,467)	(2,864,236)	(2,075,434)	-	(40,883,137)
Furniture and equipment	(3,549,745)	(97,617)	(139,461)	487,925	(3,298,898)
Vehicles	(4,491,545)	(94,368)	(383,997)	737,003	(4,232,907)
Total accumulated depreciation	\$ (44,057,988)	\$ (3,653,375)	\$ (2,678,948)	\$ 1,224,928	\$ (49,165,383)
Total depreciable capital assets, net	\$ 72,911,517	\$ (73,396)	\$ (1,088,739)	\$ (39,817)	\$ 71,709,565
Capital Assets - Net	\$ 83,530,354	\$ (3,653,375)	\$ (1,088,739)	\$ (39,817)	\$ 78,748,423

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 2,104,866
Supporting services:	
Students	3,318
Instructional staff	4,786
Central administration	102,859
Operation and maintenance of facilities	46,400
Transportation	389,030
Food services	27,689
	<u>\$ 2,678,948</u>

Note 8 - Long-Term Debt:

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

	Balance June 30, 2021	Additions	Retirement	Balance June 30, 2022	Amounts due within one year	Amounts due past one year
General obligation debt - QZAB	\$ 775,083	\$ -	\$ 250,794	\$ 524,289	\$ 255,353	\$ 268,936
Compensated absences	115,535	22,457	-	137,992	137,992	-
Total long-term liabilities	\$ 890,618	\$ 22,457	\$ 250,794	\$ 662,281	\$ 393,345	\$ 268,936

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

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

The School Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, 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 capital leases and are considered noncancelable for financial reporting purposes.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation, which authorizes the issuance of qualified zone academy bonds (QZABs). The funding is to be used for furniture and equipment for Mingo Central High School and those assets are leased from Branch Banking and Trust (BB&T) for a period of fourteen years beginning August 26, 2009. 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 year, if funding for the lease payments for the next fiscal year is not available. The total amount of outstanding principal for the Mingo Central High BB&T QZAB as of June 30, 2022 is \$80 thousand.

The Board has also entered into a second capital lease-purchase agreement pursuant to the federal legislation authorizing the issuance of qualified zone academy bonds (QZABs). The funding will also be used for furniture and equipment for Riverside and Matewan K-8 schools and are leased from First Bank of Charleston, Inc. (“FBC”) for a period of ten years beginning November 20, 2012. 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 year, if funding for the lease payments for the next fiscal year is not available. The total amount of outstanding principal for the Riverside and Matewan FBC QZAB as of June 30, 2022 is \$42 thousand.

The Board has also entered into a third capital lease-purchase agreement pursuant to the federal legislation authorizing the issuance of qualified zone academy bonds (QZABs). The funding will also be used for furniture and equipment for Mingo Central High School and are leased from United Bank for a period of fifteen years beginning December 31, 2009. 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 year, if funding for the lease payments for the next fiscal year is not available. The total amount of outstanding principal for the Mingo Central High United Bank QZAB as of June 30, 2022 is \$400 thousand.

The following is a summary of the future minimum required payments by year under the lease purchase agreements together with the present value of the net minimum payments as of June 30, 2022 for the Board’s capital leases:

Fiscal Year	Mingo Central High BB&T QZAB	Riverside and Matewan FBC QZAB	Mingo Central High United Bank QZAB	Total Payment of Principal for Capital Leases
2023	\$ 79,673	\$ 44,617	\$ 133,333	\$ 257,623
2024	-	-	133,333	133,333
2025	-	-	133,333	133,333
Total	\$ 79,673	\$ 44,617	\$ 399,999	\$ 524,289

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

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

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

Governmental Activities	Balance June 30, 2021	Restatement	Additions	Disposals	Balance June 30, 2022
Lease Assets:					
Furniture and equipment	\$ -	\$ 48,078	\$ 10,947	\$ (3,660)	\$ 55,365
Total lease assets	\$ -	\$ 48,078	\$ 10,947	\$ (3,660)	\$ 55,365
Less: accumulated amortization:					
Furniture and equipment	\$ -	\$ -	\$ (20,296)	\$ -	\$ (20,296)
Total accumulated amortization	\$ -	\$ -	\$ (20,296)	\$ -	\$ (20,296)
Total lease assets, net	\$ -	\$ 48,078	\$ (9,349)	\$ (3,660)	\$ 35,069

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 20,296
Supporting services:	
Students	-
Instructional staff	-
Central administration	-
Operation and maintenance of facilities	-
Transportation	-
Food services	-
	<u>\$ 20,296</u>

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

	Balance June 30, 2021	Restatement	Additions	Retirement	Balance June 30, 2022	Amounts due within one year	Amounts due past one year
Lease Liability	\$ -	\$ 48,078	\$ 10,947	\$ 23,335	\$ 35,690	\$ 17,297	\$ 18,393
Total long-term liabilities	\$ -	\$ 48,078	\$ 10,947	\$ 23,335	\$ 35,690	\$ 17,297	\$ 18,393

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

Year ending June 30	Principal	Interest	Total
2023	\$ 17,297	\$ 267	\$ 17,564
2024	10,190	129	10,319
2025	6,793	46	6,839
2026	1,410	3	1,413
2027	-	-	-
Thereafter	-	-	-
Total	\$ 35,690	\$ 445	\$ 36,135

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

Note 10 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDCRC). For the year ended June 30, 2022, the Board's total payroll for all employees was \$24,238,379, and the payroll was \$24,238,379, 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.

MINGO COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 10 - Employee Retirement System (Cont.):

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

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

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

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

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

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.

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

Note 10 - Employee Retirement System (Cont.):

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

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

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

School Board's proportionate share of net pension liability	\$	1,088,413
State's proportionate share of the net pension liability associated with the School Board		17,384,127
Total portion of net pension liability associated with the School Board	\$	18,472,540

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

For the year ended June 30, 2021, the School Board's proportion was 0.069646%, which was an increase of 0.019329% from its proportion measured as of June 30, 2020 (0.050317%).

For the year ended June 30, 2022, the School Board recognized pension expense of \$(246,582), and for support provided by the State, revenue of \$48,269. At June 30, 2022, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 869,881
Differences between expected and actual experience	88,669	31,870
Changes in proportion and differences between School Board contributions and proportionate share of contributions	506,529	204,286
Changes in assumptions	135,117	-
School Board contributions subsequent to the measurement date	303,556	-
Total	\$ 1,033,871	\$ 1,106,037

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

Note 10 - Employee Retirement System (Cont.):

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

Year ending June 30:	
2023	\$ (175,855)
2024	(42,414)
2025	(67,800)
2026	(99,158)
2027	9,505
Thereafter	-
Total	\$ (375,722)

Actuarial Assumptions:

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

Inflation – 2.75%

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

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

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

Discount Rate – 7.25%

Investment Asset Allocation:

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

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

Note 10 - Employee Retirement System (Cont.):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.5%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.6%
Private Equity	10.0%	8.5%
Hedge Funds	10.0%	4.0%
	100%	

Discount Rate:

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

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

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
School Board's proportionate share of the TRS net pension liability	\$ 1,923,301	\$ 1,088,413	\$ 378,965

Payables to the pension plan:

At June 30, 2022, the School Board reported a liability of \$383,178 for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

B. Teachers' Defined Contribution Retirement System:

Plan Description:

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

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

Note 10 - Employee Retirement System (Cont.):

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

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at any time. The investment options are: Great-West SF Balanced Trust, Great-West Lifetime 2015 Trust II, Great-West Lifetime 2025 Trust II, Great-West Lifetime 2035 Trust II, Great-West Lifetime 2045 Trust II, Great-West Lifetime 2055 Trust II, American Funds EuroPacific R5, Franklin Mutual Global Discovery Fund – Z, DFA US Targeted Value R1, T. Rowe Price Diversified Small Cap Growth, Vanguard Small-Cap Index Fund – Inv, American Century Heritage Inv, Scout Mid Cap, Fidelity New Millennium, Putnam Equity Income Y, Vanguard Large Cap Index Inv, 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, 2021, this plan had approximately \$705.1 million in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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

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

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

Employees' contributions (4.5%)	\$	43,338
Employer's contributions (7.5%)		72,230
Total contributions	<u>\$</u>	<u>115,568</u>

MINGO COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 11 - Post-Employment Benefits Other Than Pension:

General Information:

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

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

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

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2021. These transfers were not extended past FY 21.

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

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

Note 11 - Post-Employment Benefits Other Than Pension (Cont.):

State of West Virginia, established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of PEIA and RHBT staff. The Plan administers and provides medical and prescription drug

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

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

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

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

Benefits provided:

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

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

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.

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

Note 11 - Post-Employment Benefits Other Than Pension (Cont.):

Contributions:

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

		2021		2020	
Paygo Premium	\$	160	\$	168	

Contributions to the OPEB plan from the School Board were \$637,453 for the year end June 30, 2022. Employees are not required to contribute to the OPEB plan.

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

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

School Board's proportionate share of net OPEB liability (asset)	\$	(18,683)
State's proportionate share of the net OPEB liability (asset) associated with the School Board		(84,330)
Total portion of net OPEB liability (asset) associated with the School Board	\$	(103,013)

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

For the year ended June 30, 2020, the School Board's proportion was 0.0628%, a decrease of 0.0484% from its proportion measured as of June 30, 2019 (0.1113%).

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

Note 11 - Post-Employment Benefits Other Than Pension (Cont.):

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$(2,477,819) and for support provided by the State, revenue of \$(1,381,400). At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 128,940
Differences between expected and actual experience	-	128,701
Changes in proportion and differences between School Board contributions and proportionate share of contributions	293,125	1,249,205
Changes in assumptions	-	395,351
Reallocation of opt-out employer change in proportionate share	-	10,409
School Board contributions subsequent to the measurement date	223,183	-
 Total	 \$ 516,308	 \$ 1,912,606

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

Year ending June 30:	
2022	\$ (824,785)
2023	(543,238)
2024	(214,009)
2025	(37,449)
2026	-
Thereafter	-
Total	\$(1,619,481)

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as June 30, 2018, using the following actuarial assumptions. These assumptions were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 and applied to all periods included in the measurement, unless otherwise specified. These assumptions are as follows:

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

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

Note 11 - 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 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

Actuarial cost method – Entry Age Normal Cost Method

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

Asset valuation method – Market Value

Wage inflation – 2.75%

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

Aging factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”

Mortality Post Retirement – Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females

Mortality Pre-Retirement – Pub-2010 General Employee Mortality Tables projected with MP-2019.

Discount rate – 6.65%

Investment Asset Allocation:

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan’s investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal 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 estimates annualized long-term expected real returns assuming a 10-year horizon are summarized below:

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

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

Note 11 - 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 7.15% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 5.65%	Current Discount Rate 6.65%	1.0% Increase 7.65%
School Board's proportionate share of the RHBT net OPEB liability	\$ 100,258	\$ (18,683)	\$ (117,439)

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 RHBT net OPEB liability	\$ (137,949)	\$ (18,683)	\$ 126,595

Payables to the OPEB Plan:

At June 30, 2022, the School Board reported an asset of \$18,683 for its unpaid legally required contributions to the OPEB plan. The asset is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

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

Note 11 - Post-Employment Benefits Other Than Pension (Cont.):

Opt-Out Employer Balance Reallocation

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

Note 12 - Pending Litigation:

The Board could be involved in a number of legal proceedings and claims, involving students, employees and citizens that could sue the Board for damages. The Board’s insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 13 - Fund Balance:

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

Fund Balances	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Act.	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 289,155	\$ -	\$ -	\$ -	\$ -	\$ 289,155
Restricted for:						
Special projects	-	1,242,510	-	-	-	1,242,510
Capital projects	-	-	-	799,856	2,385,602	3,185,458
Assigned to:						
FY23 budget balance	2,273,507	-	742,148	-	-	3,015,655
Open encumbrances	477,314	-	-	-	-	477,314
Dingess Emergency Repairs	200,000	-	-	-	-	200,000
Facility upgrades	665,000	-	-	-	-	665,000
Unassigned	11,402,929	-	-	-	-	11,402,929
Total Fund Balances	<u>\$ 15,307,905</u>	<u>\$ 1,242,510</u>	<u>\$ 742,148</u>	<u>\$ 799,856</u>	<u>\$ 2,385,602</u>	<u>\$ 20,478,021</u>

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

Note 14 - Commitments, Contingencies and Other Items:

The School Board had encumbrances totaling \$3,576,512 as of June 30, 2022 in the following funds:

General Current Expense Fund	Special Revenue Fund	Federal Stimulus and Stabilization Fund	Permanent Improvement Fund	Capital Projects Fund
\$ 477,313	\$ 795,772	\$ 2,026,746	\$ 165,079	\$ 111,602

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

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

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2022 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2019 was received by the School Board during June 2022. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2022 will not be available until spring or summer of 2023. Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management of the School Board believes that it is in compliance, in all material respects, with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on its financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation. Accordingly, such reviews could lead to disallowances and/or significant regulatory action, including fines, penalties and exclusion from the Medicaid program resulting in reimbursement of previously reported revenue, which could be material to the School Board’s financial statements.

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

Note 14 - Commitments, Contingencies and Other Items (Cont.):

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

Note 15 - Interfund Balances and Transfers:

Advances From/To Other Funds

During the year ended June 30, 2022, the General Current Expense Fund transferred \$2,954,605 to the Permanent Improvement Fund, the Capital Projects Fund, the Special Revenue Fund, and the Special Revenue – School Activity Fund. The Special Revenue and the Special Revenue – Federal Stimulus and Stabilization Fund transferred \$638,881 to the General Current Expense Fund. The Special Revenue – School Activity Fund Transferred \$75,749 to the Special Revenue Fund. The Capital Projects Fund transferred \$50,000 into the Permanent Improvement Fund, and there was also an intrafund transfer of \$92,499 within the Permanent Improvement Fund.

Interfund Transfers

The General Current Expense fund transferred \$394,528 to the Permanent Improvement Fund for various projects including HVAC projects, athletic bleacher installation and site work, and other athletic projects. The General Current Expense fund also transferred \$2,402,223 to the Capital Projects fund for the construction of a new CTE Facility at Tug Valley High School and the county portion of an SBA project for Lenore K8 Roof replacement. The General Current Expense transferred \$42,611 to the Special Revenue Fund for staff development council and food service. Finally, the General Current Expense Fund transferred \$115,243 to the Special Revenue – School Activity Fund for faculty senate payments. The Capital Projects Fund transferred \$50,000 into the Permanent Improvement Fund, this was unused funds from a field lighting project. The Special Revenue fund and the Special Revenue – Federal Stimulus and Stabilization fund transferred \$638,881 for indirect cost related to federal programs. The Special Revenue – School Activity Fund transferred \$75,749 mostly for adult tuition. Finally the Permanent Improvement Fund transferred \$92,499 with the fund for overages on permanent improvement projects.

Note 16 - Major Sources of Revenue:

The largest single source of revenue received by the School Board is state aid funds through the Public School Support Program. In addition, the School Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the School Board's independent auditor and state and federal regulatory agencies.

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

Note 16 - Major Sources of Revenue (Cont.):

Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

Note 17 – Prior Period Adjustment:

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

A. Changes in Accounting Principles

	Governmental Funds
Beginning fund balance as previously reported at June 30, 2021	\$ 18,321,903
Implementation of GASB 87 - ROU Asset	-
June 30, 2021 fund balance, as restated	\$ 18,321,903

B. Fixed Assets

During the year ended June 30, 2022 the Board conducted a thorough inventory its fixed assets and doing so, determined that a restatement Accumulated Depreciation balances was needed.

	Governmental Activities
Beginning net position as previously reported at June 30, 2021	\$ 96,751,797
Implementation of GASB 87 - ROU Asset	\$ 48,078
Implementation of GASB 87 - Lease Liability	(48,078)
Restatement of Beginning Accumulated Depreciation	(3,653,374)
Total net position restatement	(3,653,374)
June 30, 2021 net position, as restated	\$ 93,098,423

Note 18 – COVID-19 Pandemic:

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

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

Note 18 – COVID-19 Pandemic (Cont.):

on the economies and financial markets of many counties, including the geographical area in which the 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 \$1,868,906 from these funds to help mitigate the expenses incurred directly from COVID-19.

On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted. The CRRSA Act provided federal stimulus dollars to assist local school districts during the COVID-19 pandemic. The School Board received \$7,264,328 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 \$17,130,381 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 19 - Subsequent Events:

All other commitments, contingencies, and subsequent events have been evaluated by management and have been properly disclosed up through March 13, 2023, the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION

MINGO COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Property taxes	\$ 11,090,816	\$ 11,090,816	\$ 10,857,715	\$ -	\$ 10,857,715	\$ (233,101)
Other local sources	-	11,029	252,720	-	252,720	241,691
State sources	29,862,096	29,789,655	29,789,383	-	29,789,383	2,728
Federal sources	50,000	50,000	297,032	-	297,032	247,032
Total revenues	41,002,912	40,938,500	41,196,850	-	41,196,850	258,350
Expenditures:						
Instruction						
Supporting services:						
Students	22,983,698	23,254,564	20,819,958	-	20,819,958	2,434,606
Instructional staff	2,506,290	2,541,106	2,229,718	-	2,229,718	311,388
Central administration	817,920	639,512	566,308	-	566,308	73,204
School administration	790,770	778,727	494,727	-	494,727	284,000
Business	2,720,420	2,767,527	2,620,264	-	2,620,264	147,263
Operation and maintenance of facilities	482,300	887,066	812,741	-	812,741	74,325
Student transportation	5,313,823	5,759,130	5,356,462	-	5,356,462	402,668
Other	5,456,167	5,448,667	5,210,823	-	5,210,823	237,844
Community services	-	30,000	30,000	-	30,000	-
Capital outlay	195,000	195,000	192,500	-	192,500	2,500
	1,500	359,773	313,720	-	313,720	46,053
Total expenditures	41,267,888	42,661,072	38,647,221	-	38,647,221	4,013,851
Excess (deficiency) of revenues over expenditures	(264,976)	(1,722,572)	2,549,629	-	2,549,629	4,272,201
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	62,489	-	62,489	62,489
Transfers in	101,310	101,310	638,881	-	638,881	537,571
Transfers (out)/reserves	(395,600)	(4,101,094)	(2,839,362)	-	-	4,101,094
Total other financing sources (uses)	(294,290)	(3,999,784)	(2,137,992)	-	701,370	4,701,154
Change in fund balances	(559,266)	(5,722,356)	411,637	-	3,250,999	8,973,355
Fund balances - beginning	1,291,800	14,909,109	14,909,109	-	14,909,109	-
Fund balances - ending	\$ 732,534	\$ 9,186,753	\$ 15,320,746	\$ -	\$ 18,160,108	\$ 8,973,355

See Notes to the Required Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Local sources	\$ -	\$ 5,500	\$ 26,701	\$ -	\$ 26,701	\$ 21,201
State sources	482,806	1,305,100	1,242,444	-	1,242,444	(62,656)
Federal sources	6,666,413	9,506,496	7,831,465	-	7,831,465	(1,675,031)
Miscellaneous sources	-	116,662	116,662	-	116,662	-
Total revenues	7,149,219	10,933,758	9,217,272	-	9,217,272	(1,716,486)
Expenditures:						
Instruction	3,030,308	5,697,157	4,539,345	-	4,539,345	1,157,812
Supporting services:						
Students	255,589	699,232	686,504	-	686,504	12,728
Instructional staff	196,582	1,791,327	1,203,359	-	1,203,359	587,968
Central services	25,336	44,911	25,428	-	25,428	19,483
Operation and maintenance of facilities	-	74,621	48,350	-	48,350	26,271
Student transportation	-	180	180	-	180	-
Other	-	-	108	-	108	(108)
Food services	3,051,567	4,106,133	3,046,572	-	3,046,572	1,059,561
Community Services	-	5,000	-	-	-	5,000
Capital outlay	-	504,989	-	-	-	504,989
Total expenditures	6,559,382	12,923,550	9,549,846	-	9,549,846	3,373,704
Excess (deficiency) of revenues over expenditures	589,837	(1,989,792)	(332,574)	-	(332,574)	1,657,218
Other financing sources (uses):						
Transfers in	395,600	468,780	118,360	-	118,360	(350,420)
Transfers (out)	(50,757)	(72,546)	(162,649)	-	(162,649)	(90,103)
Total other financing sources (uses)	344,843	396,234	(44,289)	-	(44,289)	(440,523)
Change in fund balances	934,680	(1,593,558)	(376,863)	-	(376,863)	1,216,695
Fund balances - beginning	-	1,619,373	1,619,373	-	1,619,373	-
Fund balances - ending	\$ 934,680	\$ 25,815	\$ 1,242,510	\$ -	\$ 1,242,510	\$ 1,216,695

See Notes to the Required Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Local sources	\$ -	\$ -	\$ 822,358	\$ (822,358)	\$ -	\$ -
Total revenues	-	-	822,358	(822,358)	-	-
Expenditures:						
Instruction	-	-	892,858	(892,858)	-	-
Total expenditures	-	-	892,858	(892,858)	-	-
Excess (deficiency) of revenues over expenditures	-	-	(70,500)	70,500	-	-
Other financing sources (uses):						
Transfers in	-	-	115,243	(115,243)	-	-
Transfers (out)	-	-	(88,905)	88,905	-	-
Total other financing sources (uses)	-	-	26,338	(26,338)	-	-
Change in fund balances	-	-	(44,162)	44,162	-	-
Fund balances - beginning	-	-	786,310	(786,310)	-	-
Fund balances - ending	\$ -	\$ -	\$ 742,148	\$ (742,148)	\$ -	\$ -

See Notes to the Required Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - FEDERAL STIMULUS AND STABILIZATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Federal sources	\$ 4,000,000	\$ 24,969,385	\$ 4,839,792	\$ -	\$ 4,839,792	\$ (20,129,593)
State sources	-	38,720	-	-	-	(38,720)
Total revenues	4,000,000	25,008,105	4,839,792	-	4,839,792	(20,168,313)
Expenditures:						
Instruction	689,918	4,811,131	2,466,506	-	2,466,506	2,344,625
Supporting services:						
Students	-	622,952	118,137	-	118,137	504,815
Instructional staff	-	1,560,385	110,140	-	110,140	1,450,245
General administration	-	24,500	23,628	-	23,628	872
School administration	-	181,554	155,396	-	155,396	26,158
Central services	-	53,864	51,735	-	51,735	2,129
Operation and maintenance of facilities	716,857	901,068	878,663	-	878,663	22,405
Student transportation	-	311,778	183,040	-	183,040	128,738
Food services	-	173,551	71,630	-	71,630	101,921
Capital outlay	-	13,164,904	202,598	-	202,598	12,962,306
Total expenditures	1,406,775	21,805,687	4,261,473	-	4,261,473	17,544,214
Excess (deficiency) of revenues over expenditures	2,593,225	3,202,418	578,319	-	578,319	(2,624,099)
Other financing sources (uses):						
Transfers (out)	(50,553)	(859,881)	(578,319)	-	(578,319)	281,562
Total other financing sources (uses)	(50,553)	(859,881)	(578,319)	-	(578,319)	281,562
Change in fund balances	2,542,672	2,342,537	-	-	-	(2,342,537)
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	\$ 2,542,672	\$ 2,342,537	\$ -	\$ -	\$ -	(2,342,537)

See Notes to the Required Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
SCHEDULE OF THE SCHOOL BOARD'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 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)	0.069646%	0.050317%	0.055428%	0.053672%	0.051810%	0.070458%	0.062707%
School Board's proportionate share of net pension liability (asset)	\$ 1,088,413	\$ 1,620,681	\$ 1,649,078	\$ 1,675,778	\$ 1,790,021	\$ 2,895,695	\$ 2,172,957
State's proportionate share of the net pension liability (asset) associated with the district	17,384,127	26,442,899	26,464,696	29,936,917	27,521,327	40,176,809	37,762,773
Total	18,472,540	28,063,580	28,113,774	31,612,695	29,311,348	43,072,504	39,935,730
School Board's covered-employee payroll	\$ 23,337,741	\$ 22,968,899	\$ 21,910,789	\$ 21,449,674	\$ 21,704,437	\$ 22,730,860	\$ 23,402,252
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	4.664%	7.056%	7.526%	7.813%	8.247%	12.739%	9.285%
Plan fiduciary net position as a percentage of the total pension liability	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%

See Notes to the Required Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
SCHEDULE OF THE SCHOOL BOARDS PENSION CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,852,226	\$ 1,871,753	\$ 1,855,542	\$ 1,847,858	\$ 1,771,941	\$ 1,813,266	\$ 1,984,050
Contributions in relation to the contractually required contribution	(1,852,226)	(1,871,753)	(1,855,542)	(1,847,858)	(1,771,941)	(1,813,266)	(1,984,050)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Board's covered-employee payroll	\$ 23,275,312	\$ 23,337,741	\$ 22,968,899	\$ 21,910,789	\$ 21,449,674	\$ 21,704,437	\$ 22,730,860
School Board's proportionate share of the net pension liability (asset)	7.958%	8.020%	8.078%	8.434%	8.261%	8.354%	8.728%
as a percentage of its covered-employee payroll							

MINGO COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE SCHOOL BOARD'S PROPORTIONATE
 SHARE OF THE NET OPEB LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 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)	0.062834%	0.111261%	0.098432%	0.186082%
School Board's proportionate share of net OPEB liability (asset)	\$ (18,683)	\$ 491,432	\$ 1,633,112	\$ 3,992,276
State's proportionate share of the net OPEB liability (asset) associated with the district	<u>(84,330)</u>	<u>2,277,219</u>	<u>7,430,060</u>	<u>10,318,587</u>
Total	<u>(103,013)</u>	<u>2,768,651</u>	<u>9,063,172</u>	<u>14,310,863</u>
School Board's covered-employee payroll	\$ 19,967,204	\$ 19,755,272	\$ 19,353,860	\$ 18,419,297
School Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-0.094%	2.488%	8.438%	21.674%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%

See Notes to the Required Supplementary Information.

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

	2022	2021	2020	2019
Contractually required contribution	\$ 637,453	\$ 877,930	\$ 931,500	\$ 1,179,277
Contributions in relation to the contractually required contribution	(637,453)	(877,930)	(931,500)	(1,179,277)
Contribution deficiency (excess)	-	-	-	-
School Board's covered-employee payroll	\$ 19,836,489	\$ 19,967,204	\$ 19,755,272	\$ 19,353,860
School Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	3.214%	4.397%	4.715%	6.093%

See Notes to the Required Supplementary Information.

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

A. Budgets and Budgetary Accounting:

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

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

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

B. Excess of Expenditures over Appropriations:

For the year ended June 30, 2022 there were no such material instances where 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.

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

C. Changes in Assumptions

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

	2021	2020	2019	2018	2017	2016	2015	2014	
Inflation	2.75%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.2%	
Salary Increases	Educators - 2.75%-5.9% Non-Educators - 2.75%-6.50%	State - 3.0%-6.00% Non-State 3.0%-6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%.
Investment Rate of Return	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	7.5%, 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	7.5%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense, including inflation	
Mortality	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019, Retired: healthy males - Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females - 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019; disabled females - 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019, Retired: healthy males - Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females - 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019; disabled females - 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis	Active: RP-2000, Non-Amnuitant table, projected with Scale AA on a fully generational basis. 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Retired: healthy males - 97% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Females - 94% of RP-2000 Healthy Amnuitant table, projected with Scale AA on a fully generational basis; fully generational basis; disabled males - 96% of RP-2000 Disabled Amnuitant table, projected with a Scale AA on a fully generational basis; disabled females - 101% of RP-2000 Disabled Amnuitant table, projected with Scale AA on a fully generational basis
Discount Rate	7.25%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	

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

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

	2021	2020	2019	2018	2017
Inflation	2.25%	2.25%	2.75%	2.75%	2.75%
Salary Increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation
Mortality	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP - 2000 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
Discount Rate	6.65%	6.65%	7.15%	7.15%	7.15%
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 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 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 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

MINGO COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Property taxes	\$ 375,407	\$ 375,407	\$ 403,380	\$ -	\$ 403,380	\$ 27,973
Other Local Sources	-	-	30	-	30	30
Miscellaneous sources	-	-	12,548	-	12,548	12,548
Total revenues	375,407	375,407	415,958	-	415,958	40,551
Expenditures:						
Operation and maintenance of facilities	-	8,141	8,141	-	8,141	-
Capital outlay	-	580,025	349,315	-	349,315	230,710
Debt service:						
Principal retirement	274,150	275,284	250,794	-	250,794	24,490
Interest and fiscal charges	-	-	22,214	-	22,214	(22,214)
Total expenditures	274,150	863,450	630,464	-	630,464	232,986
Excess (deficiency) of revenues over expenditures	101,257	(488,043)	(214,506)	-	(214,506)	273,537
Other financing sources (uses):						
Transfers in	-	319,494	537,027	-	537,027	217,533
Transfers (out)	-	-	(92,499)	-	(92,499)	(92,499)
Total other financing sources (uses)	-	319,494	444,528	-	444,528	125,034
Change in fund balances	101,257	(168,549)	230,022	-	230,022	398,571
Fund balances - beginning	-	569,834	569,834	-	-	(569,834)
Fund balances - ending	\$ 101,257	\$ 401,285	\$ 799,856	\$ -	\$ 230,022	\$ (171,263)

See Notes to the Other Supplementary Information.

MINGO COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Expenditures:						
Capital outlay	-	2,787,277	403,898	-	403,898	2,383,379
Total expenditures	-	2,787,277	403,898	-	403,898	2,383,379
Excess (deficiency) of revenues over expenditures	-	(2,787,277)	(403,898)	-	(403,898)	2,383,379
Other financing sources (uses):						
Transfers in	-	2,400,000	2,402,223	-	2,402,223	2,223
Transfers (out)	-	(50,000)	(50,000)	-	(50,000)	-
Total other financing sources (uses)	-	2,350,000	2,352,223	-	2,352,223	2,223
Change in fund balances	-	(437,277)	1,948,325	-	1,948,325	2,385,602
Fund balances - beginning	-	437,277	437,277	-	437,277	-
Fund balances - ending	\$ -	\$ -	\$ 2,385,602	\$ -	\$ 2,385,602	\$ 2,385,602

See Notes to the Other Supplementary Information.

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

A. Budgets and Budgetary Accounting:

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

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

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

B. Excess of Expenditures over Appropriations:

For the year ended June 30, 2022, there were no such material instances where expenditures exceeded appropriations in the funds listed at the function level, which, according to state board policy, is the level at which budgetary control must be maintained.

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

	Cash Balance 7/1/21	Revenues Received	Expenditures Paid	Cash Balance 6/30/22
Burch PreK	\$ 35,767	\$ 72,681	\$ 71,085	\$ 37,363
Dingess Elementary	24,084	5,696	4,355	25,425
Gilbert K-8	88,891	44,723	51,437	82,177
Kermit PreK-8	43,333	45,638	47,175	41,796
Lenore PreK-8	33,475	68,552	69,296	32,731
Matewan PreK-8	72,769	68,369	48,537	92,601
Mingo Central High	158,414	265,836	239,654	184,596
Mingo Extended Learning Center	149,640	108,995	202,465	56,170
Tug Valley High	118,451	174,331	158,985	133,797
Williamson PreK-8	61,484	82,780	88,773	55,491
Total	\$ 786,308	\$ 937,601	\$ 981,762	\$ 742,147

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

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	\$ 6,004,312	\$ 5,385,442	\$ (618,870)	\$ 18,012,936	\$ 16,596,096	\$ (1,416,840)
Expenditures Mingo County Levy Call:						
Textbooks, Equipment, and Supplies	300,000	410,278	110,278	900,000	948,005	48,005
Including, but not limited to, providing free textbooks, books, workbooks and electronic textbooks to students, as well as providing technology equipment, supplies, and technology support services to install and maintain equipment in all Mingo County School facilities.						
Additional Educational Opportunities	35,600	23,190	(12,410)	106,800	93,244	(13,556)
Including, but not limited to, providing additional educational opportunities for students of Mingo County by offering evening classes, summer school, remedial programs, spelling bees, social studies fair, math field day, as well as other academic competitions. Also including funding for academic field trips and travel for in state competitions.						
Support for Schools	79,140	69,033	(10,107)	237,420	210,461	(26,959)
Including, but not limited to, providing supplies and equipment for music, theater arts, school libraries, instruction, and other school operations.						
Support for Band and Choral	20,000	17,552	(2,448)	60,000	53,434	(6,566)
To provide support for Band and Choral grades 5 -12.						
Facilities Repairs/Maintenance, Safety, and Security	682,905	836,126	153,221	2,048,715	2,196,342	147,627
Including, but not limited to, furnishing, equipping, repairing, renovating any board facility where necessary. As well as providing funds to achieve and maintain compliance with safety standards, as well as ensuring a safe and healthy environment for the students and staff of Mingo County Schools.						
Support for Community Services	230,000	227,500	(2,500)	690,000	682,500	(7,500)
Including support for Mingo County Health Department, Mingo County Extension Office 4H program, Mingo County Libraries and the Williamson Library						
Support for Sports/Athletics	523,200	491,705	(31,495)	1,569,600	1,548,203	(21,397)
Including, but not limited to, providing funding to maintain all athletic programs at the K8 and High School level. Funding for the two county high schools in the fixed amount of \$12,000.00 per high school, with additional funding of \$26,000.00 to be divided between the high schools based on student participation. To continue support of middle school programs in the amount of \$9,000.00 per PreK-8. To provide funding for facility rentals for athletic events per written contract(s) in the total amount of \$50,000.00. Also providing funding for student travel to athletic events and providing athletic insurance for all student athletes.						
Employee Support	4,033,467	3,679,458	(354,009)	12,100,401	10,986,825	(1,113,576)
Including, but not limited to, providing professional salary supplements for all supervisory personnel, directors, principals, teaching personnel per approved salary schedule and payment of related expenses for fixed cost as well as providing salaries and fixed cost for positions not funded by the state basic public education support program. Providing salary supplements and fixed cost for service personnel, secretaries, aides, bus operators, truck drivers, mechanics, custodian's cooks and maintenance personnel per approved salary schedule. Providing substitute cost for professional and service positions as well as funding for the sick leave incentive and related fixed cost. Continuation of the dental and optical plan for employees and dependents.						
Improvement of Facilities	100,000	186,623	86,623	300,000	433,104	133,104
Including, but not limited to, improvements and upgrades to facilities.						
Total Expenditures	6,004,312	5,941,465	(62,847)	18,012,936	17,152,118	(860,818)
Excess of Collections over Expenditures	\$ -	\$ (556,023)	\$ (556,023)	\$ -	\$ (556,022)	\$ (556,022)

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

Awarding Agency	Grant Name	Grant Identification	Total Grant Award	Beginning Balance (7/1/21)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/22)
WV Department of Education	State Special Education	02010	\$ 50,562	\$ 2,405	\$ -	\$ 2,405	\$ -
WV Department of Education	State Special Education	02060	25,548	4,596	-	4,596	-
WV Department of Education	State Special Education	02110	45,889	43,325	-	43,325	-
WV Department of Education	State Special Education	02151	20,490	20,460	-	20,460	-
WV Department of Education	State Special Education	02160	26,738	26,738	-	26,738	-
WV Department of Education	State Special Education	02210	64,945	-	64,945	3,044	61,901
WV Department of Education	State Special Education	02250	55,509	-	55,509	1,506	54,003
WV Department of Education	Career & Technical Ed	05010	49,068	2,953	-	2,953	-
WV Department of Education	Career & Technical Ed	05022	40,000	43	-	43	-
WV Department of Education	Career & Technical Ed	05030	9,681	517	-	517	-
WV Department of Education	Career & Technical Ed	05080	10,609	130	-	130	-
WV Department of Education	Career & Technical Ed	05110	49,068	21,970	-	20,308	1,662
WV Department of Education	Career & Technical Ed	05129	25,000	25,000	-	25,000	-
WV Department of Education	Career & Technical Ed	05130	9,681	6,933	-	5,983	950
WV Department of Education	Career & Technical Ed	05180	10,609	3,183	-	3,183	-
WV Department of Education	Career & Technical Ed	05210	100,390	-	100,390	35,274	65,116
WV Department of Education	Career & Technical Ed	05221	5,000	-	5,000	-	5,000
WV Department of Education	Career & Technical Ed	05222	5,000	-	5,000	-	5,000
WV Department of Education	Career & Technical Ed	05223	7,500	-	7,500	-	7,500
WV Department of Education	Career & Technical Ed	05224	9,400	-	-	-	-
WV Department of Education	Career & Technical Ed	05280	12,434	-	12,434	8,704	3,730
WV Department of Education	Career & Technical Ed	05811	49,068	1,097	-	1,097	-
WV Department of Education	Career & Technical Ed	05910	49,068	626	-	626	-
WV Department of Education	Covid Response	10121	100,000	19,977	-	19,977	-
WV Department of Education	ECEF	10130	53,250	-	32,969	32,969	-
WV Department of Education	05SA ELLEA	14110	61,466	15,475	-	15,475	-
WV Department of Education	Early Literacy	14210	54,796	-	54,796	54,796	-
WV Department of Education	Alternate Ed	17110	-	5,983	-	5,983	-
WV Department of Education	Alternate Ed	17210	-	-	67,312	65,775	1,537
WV Department of Education	05SA.ESL	18110	895	101	-	101	-
WV Department of Education	English as a 2nd Language	18210	911	-	911	-	-
WV Department of Education	05SADCIS	19120	384,000	246,991	-	244,431	2,560
WV Department of Education	05SARSFSC	23111	2,438	2,438	-	2,438	-
WV Department of Education	05SARHSED	24111	3,500	2,862	-	2,131	731
WV Department of Education	05SARHSED	24112	3,500	3,500	-	3,500	-
WV Department of Education	High School Testing Equiv.	24611	5,000	439	-	439	-
WV Department of Education		25290	-	-	5,000	-	5,000
WV Department of Education	05SA.TCTW	26010	18,000	9,605	-	9,605	-
WV Department of Education	05SA.TFS	26030	101,323	46,941	-	46,941	-
WV Department of Education	05SA.TFS	26130	131,023	131,023	-	131,023	-
WV Department of Education	SREB Tech Centers That Work	26210	2,500	-	2,500	344	2,156
WV Department of Education	SREB Tech Centers That Work	26211	6,000	-	6,000	-	6,000
WV Department of Education	Tools for Schools	26232	139,571	-	139,571	139,571	-
WV Department of Education	Tools for Schools	26233	19,595	-	19,595	19,595	-
WV Department of Education	05SA.TCTW	26910	10,000	4,834	-	4,834	-
WV Department of Education	05SA.HSTW	28010	20,000	20,000	-	20,000	-
WV Department of Education	05SAR.AP	28014	10,848	4,104	-	4,104	-
WV Department of Education	07CO TOY	28113	-	300	-	300	-
WV Department of Education	99UCRRSCF	28114	100	100	-	100	-
WV Department of Education	09TRRRSCF	28115	100	100	-	100	-
WV Department of Education	05AID7D	28116	2,000	2,000	-	-	2,000
WV Department of Education	Teacher Leadership	28118	2,000	-	2,000	-	2,000
WV Department of Education	SREB High Schools to Work	28213	2,500	-	2,500	-	2,500
WV Department of Education	2022 Teacher of the Year	28214	300	-	300	-	300
WV Department of Education	TVHS Academic Show Down Team	28215	500	-	500	500	-
WV Department of Education	Math 4 Life	28216	5,000	-	5,000	161	4,839
WV Department of Education	AP Test Fees	28217	11,184	-	-	-	-
WV Department of Education	Nursing Expansion (ELC)	28251	-	-	155,315	53,430	101,885
WV Department of Education	05SA.HSTW	28810	15,000	7,723	-	7,723	-
WV Department of Education	05SAR.ITN	28812	6,000	6,000	-	3,025	2,975
WV Department of Education	STATE ATTENDANCE	29040	-	83	-	83	-
WV Department of Education	Tuition Reimbursement	29220	3,018	-	3,018	3,018	-
WV Department of Education	Tuition Reimbursement	29240	-	-	24,374	24,374	-
WV Department of Education	Advance Career	62211	137,999	-	137,999	137,999	-
WV Department of Education	05SaTTRNG	68112	7,000	7,000	-	6,822	178
WV Department of Education	05SA.PREE	68912	5,000	-	-	2,809	-
WV Department of Education	Program Mod	70211	45,018	-	45,018	717	44,301
WV Department of Education	05SA.SIM	70912	6,245	1,934	-	1,934	-
WV Department of Education	05SA.PGMMD	71013	54,597	2,175	-	2,175	-
WV Department of Education	05SA.PGMMD	71113	16,283	16,283	-	15,173	1,110
WV Department of Education	05SAMMOD	71114	644	-	-	644	-
WV Department of Education	Program Mod	71210	27,030	-	27,030	6,591	20,439
WV Department of Education	05SA.PGMMD	71910	19,985	4,695	-	4,695	-
WV Department of Education	05SA.ADVCR	72010	50,000	9,474	-	9,474	-
WV Department of Education	05SA.ELRE	72013	325	325	-	325	-
WV Department of Education	05SA.ELRE	72014	30,334	9,139	-	9,139	-
WV Department of Education	05SA.ELRE	72113	18,345	7,870	-	2,800	5,070
WV Department of Education	Agricultural	72211	325	-	325	-	325
WV Department of Education	05SA.TAST	72815	940	690	-	690	-
WV Department of Education	05SA.ELRE	72912	30,187	728	-	728	-
WV Department of Education	05SAHSPAD	80112	3,300	-	-	273	-
WV Department of Education	05SAHSPAD	80113	2,800	2,800	-	2,800	-
WV Department of Education	05SAHSPAD	80114	-	500	-	-	500
WV Department of Education	05SAHSPAD	80115	2,000	2,000	-	-	2,000
WV Department of Education	Prostart	80211	255	-	255	-	255
WV Department of Education	03CX.CN	88112	27,703	27,703	-	27,703	-
WV Department of Education	03CX.CN	88113	3,000	3,000	-	-	3,000
WV Department of Education	03CXRNTE	88196	21,030	346	-	346	-
WV Department of Education	Child Nutrition State Match	88217	26,927	-	26,927	-	26,927
WV Department of Education	Non Traditional Hunger Solutions	88294	42,060	-	42,060	-	42,060
				\$ 790,943	\$ 1,052,053	\$ 1,357,486	\$ 485,510

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

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal Assistance <u>Listing Number</u>	Pass-Through Grantor's <u>Number</u>	Expenditures <u>Paid</u>
U.S. Department of Agriculture			
Passed Through West Virginia Department of Agriculture			
Child Nutrition Cluster:			
National School Breakfast & Lunch Program	10.555	88	\$ 2,306,410
Donated Foods (Non-cash)	10.555	88	<u>189,605</u>
Total Child Nutrition Cluster			2,496,015
Summer Food Service Program for Children	10.559	88	271,519
Fresh Fruits and Vegetable Program	10.582	88	<u>81,272</u>
		Total U.S. Department of Agriculture	<u>2,848,806</u>
U.S. Department of the Treasury			
Passed Through West Virginia Department of Education			
Coronavirus Relief Fund - Vaccine Incentive (COVID-19)	21.019	52	<u>15,235</u>
		Total U.S. Department of the Treasury	<u>15,235</u>
U.S. Department of Education			
Passed Through West Virginia Department of Education			
Title I Grants to Local Educational Agencies	84.010	41	2,426,102
Special Education Cluster:			
Special Education Grants to States	84.027	43	1,513,544
Special Education - Pre-School	84.173	43	<u>62,986</u>
Total Special Education Cluster			1,576,530
Career and Technical Education	84.048	50	91,144
State Vocational Rehabilitation Services Program	84.126	49	67,505
Rural and Low Income	84.358	59	166,999
Title II Improving Teacher Quality	84.367	40	429,791
Title IV Part A: Student Support and Academic Enrichment	84.424	42	172,875
COVID-19 - Education Stabilization Fund:			
Elementary and Secondary School Emergency Relief Fund (ESSERF) (COVID-19)	84.425D	52	3,294,001
ESSERF - American Rescue Plan (COVID-19)	84.425U	52	<u>1,491,402</u>
Total COVID-19 - Education Stabilization Fund			4,785,403
Passed Through West Virginia Higher Education Policy Commission			
Gaining Early Awareness and Readiness for Undergraduate Programs (GEARUP)	84.334	74	<u>71,709</u>
		Total U.S. Department of Education	<u>9,788,058</u>
U.S. Department of Health and Human Services			
Passed Through West Virginia Department of Education			
Public Health Emergency Response Cooperative Agreement	93.354	49	<u>19,159</u>
		Total U.S. Department of Health and Human Services	<u>19,159</u>
		Total Federal Financial Assistance Expended	<u>\$ 12,671,258</u>

See Notes to the Schedule of Expenditures of Federal Awards

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

Note 1 – Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mingo County Board of Education and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Indirect Costs:

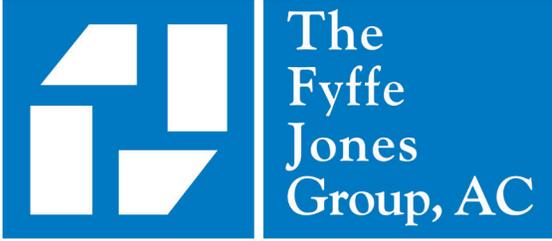
The Mingo County Board of Education did not elect to use the 10% de minimis indirect cost rate for its federal programs.

Note 3 – Food Distribution:

The Mingo County Board of Education's non-cash assistance received from the U.S. Department of Agriculture Donated Foods Program of \$189,605, is included in the Schedule of Expenditures of Federal Awards based upon the fair market value of the commodities at the time of receipt and reflects the amount distributed for the year ended June 30, 2022.

Note 4 – Subrecipients:

The Mingo County Board of Education did not pass through any federal funds to subrecipients during the year ended June 30, 2022.



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

To the Mingo County Board of Education
Williamson, 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 Mingo County Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Mingo County Board of Education's basic financial statements, and have issued our report thereon dated March 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Mingo 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 Mingo County Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mingo 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 Mingo 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 13, 2023



The
Fyffe
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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 Mingo County Board of Education
Williamson, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo 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 Mingo County Board of Education's internal control over compliance.

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

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

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

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Huntington, West Virginia
March 13, 2023

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

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Programs tested:

Assistance Listing Numbers	Name of the Federal Program/Cluster
84.027/84.173	Special Education Cluster
84.425D	ESSERF
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.

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

There were no findings in the prior audit.