CABELL COUNTY BOARD OF EDUCATION
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CABELL COUNTY BOARD OF EDUCATION
SCHOOL BOARD OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Office	**Name**	**Term**
	Elective	
School Board Members:	Garland B. Parsons	07/01/2016 ï 06/30/2020
	Mary I. Neely	07/01/2018 ï 06/30/2022
	Carole Garrison	07/01/2018 ï 01/31/2022
	Gordon Ramey	07/01/2016 ï 06/30/2020
	Rhonda Smalley	07/01/2018 ï 06/30/2022
	Appointive	
School Board President	Mary I. Neely	07/01/2019 ï 06/30/2020
School Board Vice President:	Rhonda Smalley	07/01/2019 ï 06/30/2020
Superintendent	Ryan S. Saxe	07/01/2019 ï 06/30/2020
Treasurer	Drew M. Rottgen	07/01/2019 ï 06/30/2020

INDEPENDENT AUDITORS' REPORT

To the Board of Education

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Cabell County Board of Education, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the managementôs discussion and analysis, budgetary comparison information, pension, and OPEB information on pages 5 through 15 and 65 through 74 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 managementôs 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

Our discussion and analysis of the Cabell County Board of Educa

The key elements of the increase of the Boardôs net position for the year ended June 30, 2020, are as follows:

Current and other assets increased by approximately $421 thousand, which primarily represents increased property taxes receivable, increased debt service collections, and an overall increase in cash balances.

Capital Assets increased by approximately $10.3 million, which primarily represents an increase due to the construction of major capital projects, including a new Highlawn Elementary.

Deferred outflows of resources decreased by $1.7 million, which was primarily the result of a change in the proportionate share of the districtôs net OPEB liability.

Current and other liabilities increased by approximately $1.6 million, which was primarily the result of salaries, related payroll liabilities, and accounts payable.

Long-term liabilities decreased by $7.0 million, which was primarily the result of annual debt service.

Deferred inflows of resources increased by approximately $3.1 million, which was primarily the result of changes in the Boardôs proportionate share of the OPEB liability.

At the end of the current fiscal year, the Board is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

Restricted net position decreased by approximately $4.2 million during the year ended June 30, 2020. This decrease resulted primarily from the use of restricted capital project funds.

Financial Analysis of the Boardôs Funds

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

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

- The General Current Expense Fund showed an increase in fund balance; however, it was minimized by transfers-out for capital projects
- The Special Revenue Fund showed an increase in fund balance mostly due to the collection of revenue reported as deferred inflows of resources in the prior year.
- The Special Revenue ï Federal Stimulus and Stabilization Fund showed a decrease in fund balance due to delays in receiving federal reimbursements from the State of West Virginia.
- The Debt Service Fund showed an increase in fund balance mainly due to a decrease in principal retirement, interest and fiscal charges.
- The Permanent Improvement Fund showed a decrease in fund balance due to an increase in capital spending.
- The Capital Projects Fund showed a decrease in fund balance, mainly due to an increase in capital spending.

The Board had six major funds for the fiscal year ended June 30, 2020. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue ï Federal Stimulus and Stabilization Fund, Debt Service Fund, 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 $34.8 million to $37.1 million during the fiscal year ended June 30, 2020. This increase of $2.3 million was due primarily to an increase in revenue from property taxes and state sources.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance increased from $842 thousand to $3.9 million during the fiscal year ended June 30, 2020. This increase of $3.1 million was due primarily to the collection of revenue reported as deferred inflows of resources in the prior year.

Special Revenue – Federal Stimulus and Stabilization Fund

This is an operating of the Board and accounts for all revenues and expenditures attributable to federal stimulus funds. The fund balance was opened during the spring of 2020 in response to the COVID-19 pandemic. The fund balances decreased from $0 to $(231 thousand) during the fiscal year ended June 30, 2020. This decrease of $231 thousand was due primarily to delays in receiving federal reimbursements from the State of West Virginia.

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2020

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	64,989,381
Investments		4,062,848

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Position Governmental Activities
Governmental activities:					
Instruction	$ 88,330,331	$ 239,444	$ 9,834,194	$ 3,192,007	$ (75,064,686)
Supporting services:					
Students	9,262,997	-	1,371,748	321,738	(7,569,511)
Instructional staff	5,623,250	-	832,742	195,316	(4,595,192)
General administration	1,776,721	-	263,113	61,712	(1,451,896)
School administration	8,124,173	-	1,203,101	282,182	(6,638,890)
Business services	1,890,084	-	279,901	65,650	(1,544,533)
Operation and maintenance of facilities	15,664,673	-	2,319,767	544,092	(12,800,814)
Student transportation	9,530,316	-	1,411,335	331,023	(7,787,958)
Food services	12,275,148	-	9,599,973	-	(2,675,175)
Community services	2,216,369	-	-	-	(2,216,369)
Interest on long-term debt	(39,886)	-	-	-	39,886
Total governmental activities	$ 154,654,176	$ 239,444	$ 27,115,874	$ 4,993,720	(122,305,138)

General revenues:	
Property taxes	55,591,504
Unrestricted state aid	80,849,084
Unrestricted investment earnings	1,758,307
Unrestricted grants and contributions	1,006,825
Gain / (loss) on disposition of capital assets	(113,800)
Transfers in	9,580,279
Transfers (out)	(9,580,279)
Total general revenues and transfers	139,091,920
Change in net position	16,786,782
Net position - beginning	216,814,167
Net position - ending	$ 233,600,949

CABELL COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	General Current Expense Fund	Special Revenue Fund	Federal Stimulus and Stabilization Fund	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
Assets:							
Cash and cash equivalents	$ 44,560,535	$ 3,222,307	$ -	$ 23	$ 5,737,793	$ 11,468,723	$ 64,989,381
Investments	-	-	-	4,062,848	-	-	4,062,848
Taxes receivable, net	4,261,815	-	-	658,779	129,141	-	5,049,735
Deposit with retirement board	217,540	-	-	-	-	-	217,540
Prepaid workers' comp	197,847	-	-	-	-	-	197,847
Other prepaid expense	154,937	-	-	-	-	-	154,937
Food service receivable, net	-	731,740	-	-	-	-	731,740
Other receivables	11,575	-	-	-	-	-	11,575
Due from other governments:							
State aid receivable - -	633,677	-					

CABELL COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balance on the governmental fund's balance sheet	$ 61,182,781
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet	187,945,244
Deferred charges are not reported in the funds	1,456,488
Property taxes receivable, e-rate, 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	3,868,742
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	2,319,743
Deferred outflows of resources related to OPEB	3,559,705
Deferred inflows of resources related to pensions	(852,300)
Deferred inflows of resources related to OPEB	(5,611,923)
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	(5,220,000)
Bond premium, amortization	(235,595)
Accrued interest on bonds	(17,162)
Capital lease payable	(2,071,128)
Compensated absences	(643,774)
Net pension liability - proportionate share	(7,567,199)
Net OPEB liability - proportionate share	(4,512,673)
Net position of governmental activities	$ 233,600,949

See Notes to the Basic Financial Statements.

CABELL 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, 2020

Amounts reported for governmental activities in the statement of activities are different due to:	
Net change in fund balances - total governmental funds	$ 2,565,791
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 position is the amount by which capital outlays exceed depreciation in the current period.	
Depreciation expense	(6,275,989)
Capital outlays	17,806,953
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	(501,503)
Operating grants and contributions	(3,122,593)
A portion of the change in fund balances is the current year amortization of the premium on	
	282,714
	6,667,434

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds School Activity Funds

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 Cabell County Board of Education (School Board) is a corporation created under the authority of West Virginia Code Ä18-5-1 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 districtôs 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 ñsharedò 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 m є an separB le.

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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

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

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2020, were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

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

Deposits (money market/sweep accounts) with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the boardôs name. Custodian credit risk is the risk that in event of a bank failure, the Boardôs deposits may not

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

All deposit accounts and investments of the School Board at June 30, 2020, consisted of the following:

The School Board had no fixed-term investments at June 30, 2020.

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

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

The BTI has adopted an investment policy in accordance with the ñUniform Prudent Investor Act.ò The ñprudent investor ruleò guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek

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

I. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. On June 30, 2020, the Board had $570 thousand in prepaid items.

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 assetsô 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:

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 as of June 30, 2020:

Deferred outflows of resources related to pensions	$	2,319,743
Deferred outflows of resources related to OPEB		3,559,705
	$	5,879,448

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

L. Pensions:

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

M. Compensated Absences and Other Post Employment Benefit Liability:

Compensated Absences:

It is the School Boardôs 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 School Boardôs policy to permit employees to accumulaM ʿ ʿ]rebe
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Note 1 - Summary of Significant Accounting Policies (Cont.):

N. Long-term Obligations:

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

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

O. Deferred Inflow of Resources:

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. The Boardôs deferred inflows of the fund financial statements include property taxes, child nutrition, and other receivables. Deferred inflows for the government-wide financial statements include the proportionate share of the Boardôs net difference between projected and actual earnings and the differences between the employer contributions and proportionate share of contributions.

Deferred Inflows of Resources as of June 30, 2020:

Deferred inflows of resources related to pensions	$	852,300
Deferred inflows of resources related to OPEB		5,611,923
	$	6,464,223

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

P. Net Position:

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

Invested in capital assets, net of related debt - This represents the Boardôs 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.

Q. Fund Equity:

The Board follows GASB Statement No. 54 ñFund Balance Reporting and Governmental Fund Type Definitions,ò 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.

<u>Note 1 - Summary of Significant Accounting Policies (Cont.):</u>

U. <u>Newly Adopted Statements Issued by the GASB:</u>

The Governmental Accounting Standards Board has issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, effective immediately. This Statement extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation
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Note 1 - Summary of Significant Accounting Policies (Cont.):

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. 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,13

Note 2 - Stewardship, Compliance and Accountability (Cont.):

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 i

Note 4 - Property Taxes (Cont.):

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,

Note 5 - Excess Levy (Cont.):

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2020, are as follows:

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020

Note 8 ï Leases (Cont.):

The School Board has entered into a capital lease-purchase agreement to purchase classroom technology devices from Apple, Inc. The equipment is leased directly from Apple, Inc. for a period of 3 years beginning February 15, 2019. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2020 for the School Boardôs capital leases:

Year Ending June 30,	Principal
2021	$ 490,761
	$ 490,761
	552

The School Board has entered into a capital lease-purchase agreement to purchase classroom technology devices from Apple, Inc. The equipment is leased directly from Apple, Inc. for a period of 3 years beginning February 15, 2019. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2020 for the School Boardôs capital leases:

The School Board has entered into a capital lease-purchase agreement to purchase classroom monitors. The lease funds have been provided by United Bank for a period of 3 years beginning May 29, 2019. Funds will be used to purchase equipment for classrooms. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

Note 9 - Employee Retirement System (Cont.):

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

Note 9 - Employee Retirement System (Cont.):

For the year ended June 30, 2020, the School Board recognized pension expense of $14,877,417, and for support provided by the State, revenue of $13,669,944. At June 30, 2020, 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	$ -	$ 205,808
Differences between expected and actual experience	37,811	258,643
Changes in proportion and differences between School Board contributions and proportionate share of contributions	888,459	387,849
Changes in assumptions	163,389	-
District contributions subsequent to the measurement date	1,230,084	-
Total	$ 2,319,743	$ 852,300

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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows

Note 9 - Employee Retirement System (Cont.):

Actuarial Assumptions:

For TRS, the actuarial assumptions used in the July 1, 2018 valuation, with update procedures used to roll forward the total pension liability to June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2010, to June 30, 2015. These assumptions are as follows:

Inflation ï 3.0%

Salary increases ï For teacher members, salary increases are based on member experience dependent on age and gender, ranging from 3.00-6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00%-6.50%.

Investment rate of return ï 7.5%, net of pension plan investment expense, including inflation.

Mortality ï Active: RP-2000, Non-Annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males ï 97% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis, healthy females ï 94% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; disabled males ï 96 % of RP-2000 D ᴀ l’ ʿ o]

Note 9 - Employee Retirement System (Cont.):

Discount Rate:

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

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

Payables to the pension plan:

At June 30, 2020, the School Board reported a liability of $1,366,456 for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries p _ ol B l'

Note 9 - Employee Retirement System (Cont.):

Effective July 1, 2005, the Teachersô Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachersô Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachersô Defined Contribution Plan were given the option to transfer membership to the Teachersô 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 plansô 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.

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Note 9 - Employee Retirement System (Cont.):

Former RESA Fiscal Agent:

In 2017, W. Va. Code Ä18-2-26 was amended and reenacted by the State legislature, leading to the ultimate abolishment and dissolution of all regional education service agencies (RESAs) by no later than July 1, 2018.

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Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

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 insura

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

The State is a nonemployer contributing entity that provides funding through Senate Bill 419, effective July 1, 2012 and amended by West Virginia Code Ä11-21-96. 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 Ä11B-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, 2020.

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

At June 30, 2020, 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

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

For the year ended June 30, 2019, the School Board recognized OPEB expense of $2,490,237 and for support provided by the State, revenue of $936,787. At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2018 and a measurement date of June 30, 2019. The net effect of assumptions change was approximately $236 million. The assumption changes that significantly impacted the Total OPEB Liability were an approximate $11.8 million decrease in the per capita claims costs for Pre-Medicare and Medicare, as well as an approximate $224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the Total OPEB Liability.

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 allocatio£ ʿ a ˙ p ᴰtd ÔMr ʿ s ᴀ ȝM a

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

A single discount rate of 7.15% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.15% 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 3.62% as of the beginning of the year and 3.13% 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, 2033, the OPEB planôs fiduciary net positio

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

Opt-Out Employer Balance Reallocation

Certain employers that meet the planôs 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.

Former RESA Fiscal Agent

In 2017, W. Va. Code Ä18-2-26 was amended and reenacted by the State legislature, leading to the ultimate abolishment and dissolution of all regional education service agencies (RESAs) by no later than July 1, 2018.

The School Board is a formal fiscal agent of RESA 2. For financial statement purposes up through the fiscal year ended June 30, 2018, the amounts presented on the audited CPRB allocation schedules for the fiscal agent county board of education were split proportionately between the School Board and the RESA by estimating the RESA amount of net OPEB liability, OPEB expense, deferred inflows, and deferred outflows. The estimate was based on the breakdown of payroll data available to the School Board. Specifically, each entityôs contributions for the fiscal year pertaining to the measurement date to the plan were used to estimate their proportionate share of the net OPEB liability, OPEB expense, deferred inflows, and deferred outflows.

Note 12 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and

Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling $10,328,054 as of June 30, 2020 in the following funds:

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

As of June 30, 2020 the following amounts will be used for construction and other capital improvements, which are included in the restricted fund balance reflected in the accompanying financial statements:

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 Boardôs 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, 2020 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2019 was received by the School Board during August 2020. As such, Medicaid revenue has been adjusted accordingly ici Ҟ Q b i ή

Note 14 - Commitments, Contingencies and Subsequent Events (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:

The composition of interfund balances as of June 30, 2020 is as follows:

Note 16 - Major Sources of Revenue:

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

Note 17 ï COVID-19 Pandemic:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a ñPublic Health Emergency of International Concernò 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

Note 17 ï COVID-19 Pandemic (Cont.):

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. As a state, West Virginia received more than a billion dollars under the federal CARES Act. Approximately $86.6 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund (ESSERF). This allocation is specifically earmarked to assist schools to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in West Virginia. Of the $86.6 million ESSERF appropriation, 90% ($78 million) of the fund goes directly to county school districts to use at their discretion. The CARES Act provided that the West Virginia Departmey l ꞇ m l Ɉ mɥ l m ꞇ ᴀ buῆ - M n tɃ or Y ionon

REQUIRED SUPPLEMENTARY INFORMATION

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE - FEDERAL STIMULUS AND STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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:						
Federal sources	$ -	$ 4,986,882	$ -	$ -	$ -	$ (4,986,882)
Total revenues	-	4,986,882	-	-	-	(4,986,882)
Expenditures:						
Instruction	-	3,372,701	163,351	-	163,351	3,209,350
Supporting services:						
Students	-	70,323	44,100	-	44,100	26,223
School administration	-	52,512	-	-	-	52,512
Operation and maintenance of facilities	-	400,000	19,240	-	19,240	380,760
Total expenditures	-	3,895,536	226,691	-	226,691	3,668,845
Excess (deficiency) of revenues over expenditures	-	1,091,346	(226,691)	-	(226,691)	(1,318,037)
Other financing sources (uses):						
Transfers (out)	-	(109,736)	(4,624)	-	(4,624)	105,112
Total other financing sources (uses)	-	(109,736)	(4,624)	-	(4,624)	105,112
Change in fund balances	-	981,610	(231,315)	-	(231,315)	(1,212,925)
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	$ -	$ 981,610	$ (231,315)	$ -	$ (231,315)	$ (1,212,925)

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 5,753,153	$ 5,523,609	$ 5,425,733	$ 5,545,249	$ 5,682,889	$ 5,873,101
Contributions in relation to the contractually required contribution	(5,753,153)	(5,523,609)	(5,425,733)	(5,545,249)	(5,682,889)	(5,873,101)
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	$ 71,612,934	$ 67,379,277	$ 65,021,019	$ 64,906,533	$ 64,804,053	$ 64,709,775
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.034%	8.198%	8.345%	8.543%	8.769%	9.076%

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Reported Fiscal Year (Measurement Date) 2020 (2019)	Reported Fiscal Year (Measurement Date) 2019 (2018)	Reported Fiscal Year (Measurement Date) 2018 (2017)
District's proportion of the net OPEB liability (asset)	0.271990%	0.451351%	0.230301%
District's proportionate share of net OPEB liability (asset)	$ 4,512,673	$ 9,683,446	$ 5,663,071
State's proportionate share of the net OPEB liability (asset) associated with the district	20,531,012	25,028,198	26,485,583
Total	25,043,685	34,711,644	32,148,654
District's covered-employee payroll	$ 63,037,553	$ 61,807,504	$ 62,254,190
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	7.159%	15.667%	9.097%
Plan fiduciary net position as a percentage of the total OPEB liability	39.69%	30.98%	25.10%

Data prior to 2018 is unavailable

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020	2019	2018
Contractually required contribution	$ 2,945,307	$ 3,176,032	$ 3,159,288
Contributions in relation to the contractually required contribution	(2,945,307)		

A. <u>Budgets and Budgetary Accounting:</u>

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 Boardôs 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

OTHER SUPPLEMENTARY INFORMATION

CABELL 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, 2020

	Original	Final	Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
Revenues:						
State Sources	$ -	$ 6,498,132	$ 4,869,750	$ -	$ 4,869,750	$ (1,628,382)
Total revenues	-	6,498,132	4,869,750	-	4,869,750	(1,628,382)
Expenditures:						
Instruction	-	860,000	40,011	-	40,011	819,989
Supporting services:						
Instructional staff	-	100,000	-	-	-	100,000
Capital outlay	-	19,107,775	14,196,585	-	14,196,585	4,911,190
Total expenditures	-	20,067,775	14,236,596	-	14,236,596	5,831,179
Excess (deficiency) of revenues over expenditures	-	(13,569,644)	(9,366,846)	-	(9,366,846)	4,202,797
Other financing sources (uses):						
Transfers in	-	311,080	6,461,080	-	6,461,080	6,150,000
Transfers (out)/reserves	-	(6,800)	(6,800)	-	(6,800)	-
Total other financing sources (uses)	-	304,280	6,454,280	-	6,454,280	6,150,000
Change in fund balances	-	(13,265,364)	(2,912,566)	-	(2,912,566)	10,352,797

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 Boardôs 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 Ñ Î Ḿ א ! llm פ n ʿ я

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Cash Balance 7/1/19	Revenues Received	Expenditures Paid	Cash Balance 6/30/20
Altizer Elementary	$ 33,569	$ 16,080	$ 20,814	$ 28,835
Central City Elementary	125,101	17,829	18,715	124,215
Cox Landing Elementary	5,647	10,008	9,882	5,773
Culloden Elementary	36,569	27,548	31,089	33,028
Davis Creek Elementary	53,341	42,975	27,424	68,892
Explorer Academy	21,200	44,934	55,766	10,368
Guyandotte Elementary	3,159	11,000	10,157	4,002
Highlawn Elementary	19,624	26,930	26,862	19,693
Hite Saunders Elementary	31,240	34,536	27,560	38,215
Martha Elementary	15,865	38,876	41,410	13,330xpendiiiiiii ` Elementar

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

				Levy To Date		
	Estimated Per Levy Call	**Actual**	**Variance**	**Estimated Per Levy Call**	**Actual**	**Variance**
Excess Levy Collections	$ 23,373,201	$ 27,090,458	$ 3,717,257	$ 116,866,005	$ 131,447,572	$ 14,581,567
Expenditures Cabell County Levy Call:						
Professional Salary ï Including, but not limited to, professional salaries, salaries of personnel in excess of 200 days, salaries for professionals in excess of state funding limit, salaries of non-certified personnel, and minimum salaries fixed by law and supplemental salaries.	7,057,547	7,057,547	-	35,287,735	38,661,932	3,374,197
Service Salary ï Including, but not limited to, service personnel salaries, salaries of service personnel in excess of 200 days, salaries for service personnelExcoday						

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number		Expenditures Paid
U.S. Department of Agriculture				
Passed Through West Virginia Department of Education				
Healthier US School Challenge: Smarter Lunchrooms	10.543	88	$	8,439
Child Nutrition Cluster:				
Passed Through West Virginia Department of Agriculture				
Donated Foods (Non-cash)	10.555	88		805,784

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 Cabell County Board of Education
Huntington, 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 Cabell County Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Cabell County Board of Education's basic financial statements, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cabell County Board of Educationôs 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 Cabell County Board of Educationôs internal control. Accordingly, we do not express an opinion on the effectiveness of the Cabell County Board of Educationôs 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

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

To the Cabell County Board of Education
Huntington, West Virginia

Report on Compliance for Each Major Federal Program

We have audited the Cabell County Board of Educationôs compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Cabell County Board of Educationôs major federal programs for the year ended June 30, 2020. Cabell County Board of Educationôs major federal programs are identified in the summary of auditorôs results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Cabell County Board of Educationôs major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cabell County Board of Educationôs compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cabell County Board of Educationôs compliance.

Opinion on Each Major Federal Program

In our opinion, the Cabell 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, 2020.

Report on Internal Control Over Compliance

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

There were no findings in the prior audit.