



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**KANAWHA COUNTY COMMISSION
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024**

**#23-291
KANAWHA COUNTY**

KANAHWA COUNTY, WEST VIRGINIA

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KANAWHA COUNTY, WEST VIRGINIA

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INDEPENDENT AUDITOR'S REPORT

Kanawha County Commission
 407 Virginia St. East
 Charleston, WV 25301

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Adverse, Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Kanawha County**, West Virginia (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Qualified
Coal Severance Fund	Unmodified
Shawnee Multi-Sport Complex	Adverse
Assessor's Valuation	Unmodified
ARPA	Unmodified
Aggregate Remaining Fund Information	Adverse

Adverse Opinion on the Shawnee Multi-Sport Complex Fund

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse, Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Shawnee Multi-Sport Complex Fund of the County, as of June 30, 2024, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Governmental Activities

In our opinion, except for the possible effects of the matters described in the *Basis for Adverse, Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the County, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units, General Fund, Coal Severance Fund, Assessor's Valuation Fund, and the ARPA Fund of Kanawha County, West Virginia, as of June 30, 2024, and the respective changes in its financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Kanawha County Emergency Ambulance Authority, Metro Emergency Operations Center of Kanawha County, Regional Development Authority of Charleston-Kanawha, or Kanawha County Parks and Recreation Commission, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Kanawha County Emergency Ambulance Authority, Metro Emergency Operations Center of Kanawha County, Regional Development Authority of Charleston-Kanawha, and Kanawha County Parks and Recreation Commission is based solely on the report of other auditors.

Basis for Adverse, Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 County, 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.

Matter Giving Rise to Adverse Opinion on Shawnee Multi-Sport Complex Fund

Management has presented its Shawnee Multi-Sport Complex Fund as a special revenue fund instead of as an enterprise fund. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses of the Shawnee Multi-Sport Complex Fund has not been determined.

Matter Giving Rise to Adverse Opinion on Aggregate Remaining Fund Information

Management has not properly presented the aggregate remaining fund information due to the omission of additions and deductions related to fiduciary activities in the Statement of Changes in Fiduciary Net Position. The effects this departure would have on the additions, deductions, and net position of the aggregate remaining fund information has not been determined.

Matter Giving Rise to Qualified Opinion on General Fund

Management has not properly presented the General Fund due to inaccurate presentation of interfund activity, including transfers, due from other funds, and due to other funds.. The effects this departure would have on the assets, liabilities, revenues, expenditures, and fund balance of the General Fund has not been determined.

Matter Giving Rise to Qualified Opinion on Governmental Activities

Management has not properly implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, or Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accounting principles generally accepted in the United States of America require that a lessee recognize a lease liability and an intangible right-to-use asset, and a lessor recognize a lease receivable and a deferred inflow of resources. They also require that a government recognize an intangible right-to-use subscription asset and a corresponding subscription liability.

They also require that a government recognize capital assets and corresponding depreciation in the period acquired and incurred. The amount by which these departures would affect the assets, liabilities, deferred inflows of resources, net position, revenues, and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 County'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 County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion is not modified with respect to this matter.

Accounting principles generally accepted in the United States of America require that the schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions and required budgetary comparisons for the General, Coal Severance Tax, and Assessor's Valuation Funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund financial statements, Schedule of State Grant Receipts and Expenditures, and the Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2025, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 15, 2025

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		Component Units			
	Governmental Activities	Kanawha County Emergency Ambulance Authority	Metro Emergency Operations Center of Kanawha County	Regional Development Authority of Charleston- Kanawha	Kanawha County Parks and Recreation Commission	
ASSETS						
Cash and cash equivalents	\$ 51,365,907	\$ 9,876,509	\$ 9,150,555	\$ 1,203,140	\$ 729,387	
Taxes receivable, net	4,968,270	659,634	-	-	-	
Accounts receivable, net	35	2,849,454	10,744	123,777	3,440	
Current portion lease receivable	-	-	13,975	-	-	
Other	5,166	570,482	372,042	-	36,499	
Restricted assets:						
Restricted cash and cash equivalents	-	-	-	190,424	-	
Noncurrent assets:						
Long term lease receivable	-	-	182,388	-	-	
Net pension asset	39,712	1,627,198	50,410	1,906	1,906	
Net OPEB asset	550,529	234,615	-	-	25,295	
Construction in progress	-	-	-	-	-	
Capital assets, net	42,073,647	6,373,323	6,462,096	14,459,484	5,277,865	
Total assets	<u>99,003,266</u>	<u>22,191,215</u>	<u>16,242,210</u>	<u>15,976,825</u>	<u>6,074,392</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Related to post-employment benefits	1,738,678	64,693	-	-	9,965	
Related to pensions	6,353,562	3,027,385	738,226	-	106,004	
Total deferred outflows of resources	<u>8,092,240</u>	<u>3,092,078</u>	<u>738,226</u>	<u>-</u>	<u>115,969</u>	
Total assets and deferred outflows of resources	<u><u>\$ 107,095,506</u></u>	<u><u>\$ 25,283,293</u></u>	<u><u>\$ 16,980,436</u></u>	<u><u>\$ 15,976,825</u></u>	<u><u>\$ 6,190,361</u></u>	
LIABILITIES AND DEFERRED INFLOW OF RESOURCES						
Current Liabilities						
Accounts payable	\$ 533,287	\$ 334,390	\$ 87,661	\$ 544,972	\$ 331,703	
Due to other funds	35	-	-	-	-	
Other	29,944	3,170,923	546,781	496,735	206,962	
Current portion of long-term liabilities	-	553,399	263,548	270,901	-	
Noncurrent liabilities:						
Net pension liability	4,445,082	-	-	-	-	
Compensated absences	2,221,977	-	-	-	-	
Due in more than one year	-	920,432	55,342	5,552,073	36,509	
Total liabilities	<u>7,230,325</u>	<u>4,979,144</u>	<u>953,332</u>	<u>6,864,681</u>	<u>575,174</u>	
DEFERRED INFLOW OF RESOURCES						
Related to postemployment benefits other than pensions	1,614,506	383,319	-	-	40,784	
Related to pensions	124,763	462,719	55,489	-	211	
Related to leases	-	-	167,671	-	112,880	
Total deferred inflows of resources	<u>1,739,269</u>	<u>846,038</u>	<u>223,160</u>	<u>-</u>	<u>153,875</u>	
NET POSITION						
Net investment in capital assets	42,073,647	4,899,492	6,413,875	8,663,706	5,096,735	
Restricted	14,943,036	4,191,864	50,410	190,424	-	
Unrestricted (deficit)	41,109,229	10,366,755	9,339,659	258,014	364,577	
Total net position	<u><u>\$ 98,125,912</u></u>	<u><u>\$ 19,458,111</u></u>	<u><u>\$ 15,803,944</u></u>	<u><u>\$ 9,112,144</u></u>	<u><u>\$ 5,461,312</u></u>	

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
JUNE 30, 2024

Functions/Programs	Program Services					Net (Expenses) Revenues and Changes in Net Position				
	Primary Government					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Kanawha County Emergency Ambulance Authority	Metro Emergency Operations Center of Kanawha County	Regional Development Authority of Charleston-Kanawha	Kanawha County Parks and Recreation Commission	
Governmental activities:										
General government	\$47,140,793	\$ 9,977,776	\$ 3,397,141	\$ -	\$ (33,765,876)	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	24,219,255	-	-	-	(24,219,255)	-	-	-	-	-
Health and sanitation	453,545	-	-	-	(453,545)	-	-	-	-	-
Culture and recreation	5,619,626	-	-	-	(5,619,626)	-	-	-	-	-
Total primary government	<u>\$77,433,219</u>	<u>\$ 9,977,776</u>	<u>\$ 3,397,141</u>	<u>\$ -</u>	<u>(64,058,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component units:										
Kanawha County Emergency Ambulance Authority	\$25,927,423	\$ 16,075,694	\$ 495,262	\$ -	-	(9,356,467)	-	-	-	-
Metro Emergency Operations Center of Kanawha County	8,349,440	7,601,584	-	170,797	-	-	(577,059)	-	-	-
Regional Development Authority of Charleston-Kanawha	154,409	3,252,287	-	-	-	-	-	3,097,878	-	-
Kanawha County Parks and Recreation Commission	2,927,625	2,689,727	644,661	-	-	-	-	-	406,763	-
Total component units	<u>\$37,358,897</u>	<u>\$ 29,619,292</u>	<u>\$ 1,139,923</u>	<u>\$ 170,797</u>	<u>-</u>	<u>(9,356,467)</u>	<u>(577,059)</u>	<u>3,097,878</u>	<u>406,763</u>	<u>-</u>
General revenues:										
Taxes					55,152,053	6,063,120	-	-	-	-
Licenses and permits					121,887	-	-	-	-	-
Interest and investment					1,513,433	605,246	456,697	(342,583)	741	
Gain (Loss) on Sale of Capital Assets					(815,731)	10,686	-	-	-	-
Miscellaneous					11,469,165	-	19,581	-	-	-
Total general revenues					<u>67,440,807</u>	<u>6,679,052</u>	<u>476,278</u>	<u>(342,583)</u>	<u>741</u>	<u>-</u>
Change in net position					3,382,505	(2,677,415)	(100,781)	2,755,295	407,504	
Net position, beginning of year					<u>94,743,407</u>	<u>22,135,526</u>	<u>15,904,725</u>	<u>6,356,849</u>	<u>5,053,808</u>	
Net position, end of year					<u>\$ 98,125,912</u>	<u>\$ 19,458,111</u>	<u>\$ 15,803,944</u>	<u>\$ 9,112,144</u>	<u>\$ 5,461,312</u>	

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Coal Severance Fund	Shawnee Multi-sports Complex	Assessors Valuation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Assets:							
Cash and cash equivalents	\$ 34,095,437	\$ 1,144,690	\$ 140,252	\$ 707,613	\$ 5,821,260	\$ 9,456,655	\$ 51,365,907
Taxes receivable, net	4,709,979	-	-	-	-	258,291	4,968,270
Due from other funds	878,243	2,700	4,922	54,539	-	17,880	958,284
Grants and other receivables	810	4,356	-	-	-	-	5,166
Total assets	\$ 39,684,469	\$ 1,151,746	\$ 145,174	\$ 762,152	\$ 5,821,260	\$ 9,732,826	\$ 57,297,627
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 417,643	\$ 1,669	\$ 4,282	\$ 9,060	\$ 68,433	\$ 32,200	\$ 533,287
Due to other funds	895,525	62,500	-	224	-	35	958,284
Other	29,944	-	-	-	-	-	29,944
Total liabilities	1,343,112	64,169	4,282	9,284	68,433	32,235	1,521,515
Deferred inflows of resources:							
Taxes	3,898,635	-	-	-	-	216,022	4,114,657
Total deferred inflows of resources	3,898,635	-	-	-	-	216,022	4,114,657
Total liabilities and deferred inflows of resources	5,241,747	64,169	4,282	9,284	68,433	248,257	5,636,172
Fund balances:							
Restricted	1,888,700	-	-	752,868	5,752,827	6,548,641	14,943,036
Committed	18,920,710	1,087,577	140,892	-	-	3,011,033	23,160,212
Unassigned	13,633,312	-	-	-	-	(75,105)	13,558,207
Total fund balances	34,442,722	1,087,577	140,892	752,868	5,752,827	9,484,569	51,661,455
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,684,469	\$ 1,151,746	\$ 145,174	\$ 762,152	\$ 5,821,260	\$ 9,732,826	\$ 57,297,627

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances on governmental funds balance sheet	\$ 51,661,455
Amounts reported for governmental activities in the statement of net position are different due to:	
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds balance sheet.	42,073,647
Deferred revenue relates to long-term receivables that are not available for expenditure at year end, and is reported as a liability in the governmental funds balance sheet.	4,114,657
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(4,405,370)
Some liabilities, or assets including other post employment benefits (OPEB) are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	550,529
Deferred outflows of resources related to OPEB are applicable to future periods and, therefore, not reported in the governmental funds balance sheet	1,738,678
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, not reported in the governmental funds balance sheet	6,353,562
Deferred inflows of resources related to OPEB are applicable to future periods and, therefore, not reported in the governmental funds balance sheet.	(1,614,506)
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, not reported in the governmental funds balance sheet.	(124,763)
Compensated absences not due and payable in the current period and are not reported in the governmental funds balance sheet.	<u>(2,221,977)</u>
Net position of governmental activities	<u>\$ 98,125,912</u>

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Coal Severance Fund	Shawnee Multi-sports Complex	Assessor's Valuation Fund	American Rescue Plan Act Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:							
Taxes (including interest and penalties)	\$ 50,390,215	\$ 1,476,545	\$ -	\$ -	\$ -	\$ 3,285,293	\$ 55,152,053
Licenses and permits	5,250	-	-	-	-	116,637	121,887
Intergovernmental:	-	-	-	-	-	-	-
Federal	813,275	-	-	-	50,000	-	863,275
State	2,411,634	-	-	-	-	-	2,411,634
Local	122,232	-	-	-	-	-	122,232
Charges for services	4,850,898	5,614	532,376	2,568,388	-	2,020,500	9,977,776
Interest	1,026,569	-	-	-	434,640	52,224	1,513,433
Miscellaneous	8,142,823	-	42,768	280	15,026	3,268,268	11,469,165
Total revenues	67,762,896	1,482,159	575,144	2,568,668	499,666	8,742,922	81,631,455
Expenditures:							
General government	40,437,780	1,286,086	1,112,542	2,599,382	-	1,598,491	47,034,281
Public safety	18,531,394	-	-	-	3,273,516	2,602,227	24,407,137
Health and sanitation	456,905	-	-	-	-	-	456,905
Culture and recreation	5,661,271	-	-	-	-	-	5,661,271
Capital projects	506,923	-	-	-	-	-	506,923
Debt service:	-	-	-	-	-	-	-
Principal	381,783	-	-	-	-	-	381,783
Interest	-	-	-	-	-	-	-
Total expenditures	65,976,056	1,286,086	1,112,542	2,599,382	3,273,516	4,200,718	78,448,300
Excess (deficiency) of revenues							
Over expenditures	1,786,840	196,073	(537,398)	(30,714)	(2,773,850)	4,542,204	3,183,155
Other financing sources (uses):							
Operating transfers in	2,370,138	44,210	548,524	11,660	390	377,189	3,352,111
Operating transfers (out)	(2,800,000)	-	-	(23,116)	-	(528,995)	(3,352,111)
Total other financing sources (uses)	(429,862)	44,210	548,524	(11,456)	390	(151,806)	-
Net change in fund balances	1,356,978	240,283	11,126	(42,170)	(2,773,460)	4,390,398	3,183,155
Fund balances, beginning of year	33,085,744	847,294	129,766	795,038	8,526,287	5,094,171	48,478,300
Fund balances, end of year	\$ 34,442,722	\$ 1,087,577	\$ 140,892	\$ 752,868	\$ 5,752,827	\$ 9,484,569	\$ 51,661,455

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
JUNE 30, 2024

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

Net change in fund balances - total governmental funds	\$ 3,183,155
Governmental funds report capital outlays as expenditures while the cost of capital assets is allocated over their useful lives in the statement of activities.	(750,335)
Depreciation expense related to capital assets which is not reported in the governmental funds because it does not affect current financial resources.	(1,731,791)
Governmental funds report pension contributions as expenditures while the cost of pension benefits earned net of employee contributions is allocated based on pension expense determined from the WV Public Employees' Retirement System.	52,580
Governmental funds report other post employment benefits other than pension payments as expenditures while the cost of these benefits is allocated based on actuarial evaluation.	2,011,017
Governmental funds report principal payments on long-term debt as expenditures while the repayment of such principal does not affect the statement of activities.	381,783
Compensated absences reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.	<u>236,096</u>
Change in net position of governmental activities	<u>\$ 3,382,505</u>

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Sheriff's Fiduciary Fund Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,747,523	\$ 17,150,506
Taxes receivable	363,714	-
Real and personal property	2,214,884	-
Other	<u>3,185,625</u>	<u>-</u>
 Total assets	 <u>\$ 7,511,746</u>	 <u>\$ 17,150,506</u>
 LIABILITIES		
Due to other governmental entities	\$ -	\$ 9,483,039
Due to other third parties	<u>698,867</u>	<u>7,667,467</u>
 Total liabilities	 <u>698,867</u>	 <u>\$ 17,150,506</u>
 NET POSITION		
Net position, held for individuals	<u>\$ 6,812,879</u>	

See accompanying notes to the financial statements

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Sheriff's
Fiduciary Fund
Private-Purpose
Trust Fund

ADDITIONS:

Contributions	\$ 5,215,229
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DEDUCTIONS:

Payments on behalf of beneficiaries	5,344,146
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Changes in net position	(128,917)
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Net position, beginning of year	7,561,401
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Net position, end of year	\$ 7,432,484
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See accompanying notes to the financial statements

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial statements of Kanawha County, West Virginia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) prescribes the accounting principles generally accepted in the United States of America for state and local governmental entities.

The County is a local government corporation governed by an elected three-member commission and various other elected officials with various responsibilities. GAAP requires the financial statements to present the financial information of the primary government and its component units. Component units are entities for which the government is considered financially accountable, or whose exclusion may be misleading to the users of the financial statements. Blended component units, although legally separate entities are, in substance, part of the government's operations. For financial reporting purposes, in accordance with accounting principles generally accepted in the United States of America, data from these units should be combined with data of the primary government. Discretely presented component units, on the other hand, should be reported in a separate column on the government-wide statements to emphasize they are legally separate from the government.

Discretely Presented Component Units

The County has determined that the following four entities meet the criteria established by GASB for a discretely presented component unit of the government. The County either appoints the board or members of the County to serve on the board, a financial benefit/burden relationship exists, or the component unit is fiscally dependent upon the County.

The Regional Development Authority of Charleston-Kanawha County (the Development Authority) was formed to promote, develop, and advance the economic welfare and business prosperity and the environmental, educational, cultural and recreation growth of the metropolitan region. The County Commission appoints all nineteen members on the board.

The Kanawha County Emergency Ambulance Authority (the Ambulance Authority) was formed to provide emergency ambulance service to all residents of the County as well as provide basic life support and medical transport services. There are fourteen board members, all appointed by the County.

Metro Emergency Operations Center of Kanawha County (the Center) was formed to provide an emergency telephone operations center for the County. The County Commission appoints all eighteen members on the board for a term of six years.

Kanawha County Parks and Recreation Commission (the Parks) was formed to establish, develop, improve, operate and maintain a public park and recreation system for the County. There are eleven members, all appointed by the County Commission for a six-year term.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

Blended Component Unit

The entity below is legally separate from the County and meets GASB criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the County.

The Kanawha County Building Commission serves Kanawha County, West Virginia, and is governed by a board comprised of five members appointed by the County Commission. The Building Commission acquires property and debt on behalf of the County and is reported as a special revenue fund.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Organizations

The County's officials are also responsible for appointing the members of boards of other organizations, but the County's accountability for this organization does not extend beyond making the appointments. The County Commission appoints board members to the following organizations:

Board of Appeals under the Adult Entertainment Ordinance
Central Regional Airport Authority
Central West Virginia Convention Visitor's Bureau
Charleston Area Alliance
Charleston Kanawha Housing
Clay Center
Deputy Sheriff's Civil Service Commission
Elk Public Service District
Enact
Greater Saint Albans Public Service District
Hatfield McCoy Trail
Kanawha Charleston Health Department
Kanawha County Extension Services
Kanawha Enforcement Agency
Kanawha Public Service District
Kanawha Valley Regional Transportation Authority
Malden Public Service District
Planning Commission
Public Safety Grant Committee
Regional Intergovernmental Council
Sissonville Public Service District
Union Public Service District

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government.

The effect of Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business- type activities, which rely to a significant extent on fees and charges for support. The accompanying financial statements do not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Within the governmental fund financial statements, property taxes, licenses, permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The County reports the following major government funds:

The *General Fund* accounts for the County's operating funds. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. In accordance with generally accepted accounting principles, certain previously reported special revenue governmental funds have been combined within the County's general fund on the Balance Sheet – Governmental Funds (see Combined Balance Sheet – General Fund included with supplementary information).

The *Coal Severance Fund* accounts for the revenues derived from taxes levied on the extraction of coal. This fund is established by the West Virginia Code.

The *Shawnee Multi-Sport Complex Fund* accounts for the revenues derived from the fees collected from the use of the Shawnee Multi-Sport Complex. This fund is established by a court order issued by the Kanawha County Commission.

The *Assessors Valuation Fund* accounts for the revenues derived from taxes levied on property and are associated with the revaluation of property. This fund is established by the West Virginia Code.

The *American Rescue Plan Act Fund* accounts for the revenues derived from the federal grant money received from the American Rescue Plan Act. This fund is established by a court order issued by the Kanawha County Commission.

Additionally, the County reports the following fund types:

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust by the Sheriff's Department for the benefit of individuals whose finances have been remanded to the Sheriff's Department by court order. All resources of the fund, including any earnings on invested resources must be used to support the beneficiaries. There is no requirement that any portion of these resources be preserved as capital.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *Custodial Fund* is custodial in nature and does not present results of operations or have a measurement focus. Custodial funds are accounted for using the modified accrual basis of accounting. The fund is used to account for assets that the County holds for others.

The effect of Interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with the modified accrual basis of accounting for the general, coal severance, and assessor's valuation funds. The budgets are then submitted for approval by the West Virginia State Auditor's Office. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by function and department for each budgeted fund. Transfers of appropriations budget classifications require the approval of the County Commission. The legal level of budgetary control is the budgetary fund and function. Transfers of appropriations between budget classifications require the approval of the Commission and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts.

Cash Equivalents

Cash equivalents include amounts in demand deposit accounts as well as short-term investments which have maturity dates within three months of the County's fiscal year and are readily convertible to cash.

Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Pension Liability

For purposes of measuring the net pension asset/liability, deferred outflows/inflows of the resources related to pensions, and pension expenses, information about the fiduciary net position of the County's Public Employee Retirement System (PERS) and Deputy Sheriffs' Retirement System (DSRS) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the PERS and DSRS. 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. Detailed information on investment valuation can be found in the plans' financial statements.

Net OPEB Liability

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to other post-employment benefits, and other post-employment benefit expenses, information about the fiduciary net position of the County's Other Post-Employment Benefits Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBTF) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the RHBTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information on the investment valuation can be found in the plans' financial statements.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of individual assets are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	15 – 40
Improvements	5 – 25
Vehicles	3 – 10
Equipment	5 – 15
Computer Equipment	5

Interfund Transactions

During the normal course of operations of the County, certain transactions, including expenditures and transfer of resources to provide services, take place between funds. Interfund transactions are recorded as operating transfers in the fund financial statements and have been eliminated in the government-wide financial statements. The County was unable to provide detailed information to support interfund transfers, receivables, and payables. Therefore, detailed information has been omitted from disclosure for the year ended June 30, 2024.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance

The County has classified in the governmental fund financial statements its fund balances in the following categories: nonspendable, restricted, committed, assigned and unassigned as applicable.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for specified purposes stipulated by outside parties, such as creditors, grantors, or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes self-imposed by a formal action of the Kanawha County Commission (the Commission). Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned fund balances include amounts intended to be used for specific purposes but that do not meet the criteria for Restricted or Committed fund balance. The Commission and other elected officials or their representatives will have the responsibility to assign fund balances for specific purposes.

Unassigned fund balance is the residual classification for the general fund. It is available for any purpose and is not subject to any constraints.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance category could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

It shall be the objective of the County to maintain a minimum unassigned fund balance in the general fund of ten percent of the subsequent year's budgeted expenditures and outgoing transfers. Should the unassigned fund balance in the general fund exceed the maximum thirty percent allowable by the State Code, the County will ensure that the financial stabilization fund has cash reserves of twenty percent of the budget before considering nonrecurring expenditures which will not require future outlays for maintenance, staffing, or any other recurring expenditure.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of June 30, 2024, the County's fund balances are composed of the following:

	Coal	Shawnee	Assessors	Nonmajor	Total
	General	Severance	MSC	ARPA	Governmental
	Fund	Fund	Fund	Fund	Funds
Restricted:					
Public safety	2,255				\$5,251,116 5,253,371
Debt service	1,665,705				1,665,705
Dog license					1,404 1,404
Capital projects					25,047 25,047
Other purposes	220,740		752,868	\$5,752,827	1,271,074 7,997,509
Committed:					
Public safety	94,637	845,426			2,457,462 3,397,525
Economic stabilization	10,178,695				10,178,695
Community development	4,754,956	242,151			4,997,107
Capital projects	3,838,215				3,838,215
Parks & recreation		140,892			140,892
Other purposes	54,207				553,571 607,778
Assigned					
Encumbrances					
Unassigned	13,633,312				(75,105) 13,558,207
Total fund balances	\$34,442,722	\$1,087,577	\$140,892	\$752,868	\$5,752,827 9,484,569 \$51,661,455

Use of Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures during the period reported. These estimates may include the collectability of taxes receivable and the useful lives or impairment of both tangible and intangible assets. Any estimates or assumptions are periodically reviewed, and any revisions are reflected in the financial statements in the period determined to be necessary. Actual results may differ from these estimates.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes Receivable

The allowance for uncollectible is seven percent of the total current, approximately ninety percent greater than one year but less than five, and one hundred percent greater than five years of delinquent taxes receivable at June 30, 2024. The total allowance represents approximately 1.84% of the original levy call for all open years.

	General	Nonmajor	Custodial
Gross taxes receivable	\$ 4,752,440	\$ 263,292	\$ 363,714
Allowance for uncollectible	<u>(42,461)</u>	<u>(5,001)</u>	<u> </u>
Net taxes receivable	<u><u>\$ 4,709,979</u></u>	<u><u>\$ 258,291</u></u>	<u><u>\$ 363,714</u></u>

2 – DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash Deposits – At June 30, 2024, the County had deposits reported as cash and cash equivalents with carrying balances of \$51,365,907, of which bank balances are \$49,618,384 and \$1,747,523 was held in the Sheriff's Fiduciary Private Purpose Trust Fund. All deposits are either insured by FDIC or are collateralized with securities held by the County's agent in the County's name.

Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit.

At June 30, 2024, \$1,747,523 included in cash and cash equivalents was held at various local financial institutions and brokerage firms by the Sheriff in his capacity as fiduciary agent. No one investment or group of investments held in this fiduciary capacity represents a significant concentration of credit risk.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance			Balance	
	June 30, 2023	Increases	Decreases		
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,723,778	\$ -	\$ -	\$ 1,723,778	
Total capital assets not being depreciated	<u>1,723,778</u>	<u>-</u>	<u>-</u>	<u>1,723,778</u>	
Capital assets being depreciated:					
Buildings	28,649,144	-	-	28,649,144	
Building improvements	35,903,387	-	-	35,903,387	
Furniture, fixtures, and equipment	14,884,033	65,396	(1,661,103)	13,288,326	
Infrastructure	4,858,619	-	-	4,858,619	
Total capital assets being depreciated	<u>84,295,183</u>	<u>65,396</u>	<u>(1,661,103)</u>	<u>82,699,476</u>	
Less accumulated depreciation for:					
Buildings	(15,699,257)	(464,219)	-	(16,163,476)	
Building improvements	(12,799,609)	(505,169)	-	(13,304,778)	
Furniture, fixtures, and equipment	(12,591,905)	(594,016)	845,372	(12,340,549)	
Infrastructure	(372,417)	(168,387)	-	(540,804)	
Total accumulated depreciation	<u>(41,463,188)</u>	<u>(1,731,791)</u>	<u>845,372</u>	<u>(42,349,607)</u>	
Total capital assets being depreciated, net	<u>42,831,995</u>	<u>(1,666,395)</u>	<u>(815,731)</u>	<u>40,349,869</u>	
Governmental activities capital assets, net	<u>\$ 44,555,773</u>	<u>\$ (1,666,395)</u>	<u>\$ (815,731)</u>	<u>\$ 42,073,647</u>	

For the year ended June 30, 2024, depreciation expense for the governmental activities in the government-wide financial statements was \$1,731,791, comprised of \$1,055,610 charged to general government, \$893,268 charged to public safety, and \$858,772 charged to culture and recreation.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

4 – LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due within one year
Revenue bonds payable	\$ 381,783	\$ -	\$ (381,783)	\$ -	-
Net OPEB liability	\$ 418,074	\$ (418,074)	\$ -	\$ -	-
Net pension liability	\$ 5,908,265	\$ (1,463,183)	\$ -	\$ 4,445,082	-
Compensated absences	\$ 2,458,073	\$ -	\$ (236,096)	\$ 2,221,977	-
 Total governmental activity					
Long term liabilities	<u>\$ 9,166,195</u>	<u>\$ (1,881,257)</u>	<u>\$ (617,879)</u>	<u>\$ 6,667,059</u>	<u>\$ -</u>

5 – PROPERTY TAXES

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 the county may distrain for delinquent taxes any good 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 the first day of September in the year for which the assessment is made, and becomes delinquent on October first; 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.

All counties within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, fourteen and thirty-tenths cents (14.30¢); on Class II property, twenty-eight and sixty-tenths cents (28.60¢); and on Class III and IV property, fifty-seven and twenty-tenths cents (57.20¢). In addition, counties may provide for an election to lay an excess levy, the rates of which are not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor in of the excess levy. An excess levy has been approved by the voters of the County to provide additional funding for the Kanawha Valley Regional Transit Authority and the Kanawha County Emergency Ambulance Authority.

The rates levied (including the excess levy) by the County per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2024, were as follows:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess
Class I	\$ -	14.30¢	6.09¢
Class II	\$4,108,498,226	28.60¢	12.18¢
Class III	\$2,816,272,041	57.20¢	24.36¢
Class IV	\$3,404,542,472	57.20¢	24.36¢

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

6 – LEASES

The Commission has identified and recorded the following leases:

The Kanawha County Commission (lessee) entered into a lease agreement with Lake Eerie Golf Cars (lessor) on July 23, 2020. The lease is for a term of five years that will end on September 20, 2025. The Kanawha County Commission agreed to pay monthly installments of \$2,123.24.

7 – RETIREMENT SYSTEMS

West Virginia Public Employees' Retirement System

The County participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of County employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

All of the County's cost-sharing, multiple-employer plans are administered by the West Virginia Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods, and benefits provisions:

Public Employees Retirement System

Eligibility to participate: All county full-time employees, except those covered by other pension plans.

Authority establishing contribution obligations and benefit provisions: West Virginia State Code Section 5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia.

Tier I Plan member's contribution rate hired before 7/1/2015: 4.50%
County's contribution rate hired before 7/1/2015: 9.00%

Tier 2 Plan member's contribution rate hired after 7/1/2015: 6.00%

County's contribution rate hired after 7/1/2015: 9.00%

Period required to vest Tier 1: 5 years

Period required to vest Tier 2: 10 years

Benefits and eligibility for distribution Tier 1: A member who has attained age 60 and has earned 5 years or more of contributing service, or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (3 highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

7 – RETIREMENT SYSTEMS (continued)

Benefits and eligibility for distribution Tier 2: Qualifications for normal retirement is age 62 with 10 years of service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (3 highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

Deferred retirement portion: No
Provisions for –

Cost of living: No

Death benefits: Yes

West Virginia Deputy Sheriff Retirement Fund (DSRS)

Eligibility to participate: West Virginia deputy sheriffs first employed after the effective date and any deputy sheriffs hired prior to the effective date who elect to become members.

Authority establishing contribution obligations and benefit provisions: West Virginia State Code Section 5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia. The WVDSRS is also discussed in West Virginia State Code Section 7- 14d.

Funding policy and contributions: Certain fees for reports generated by the sheriff's offices are paid to this plan in accordance with West Virginia State Code. WVDSRS members are required to contribute 8.5% of their annual covered salary and the county is required to contribute 13.0%. The contribution requirements of WVDSRS members are established and may be amended only by the State of West Virginia Legislature.

Period required to vest: 5 years

Benefits and eligibility for distribution: A member who has attained age 60 and has earned 5 years or more of contributing service, or age 50 if the sum of his/her age plus years of credited service is equal to or greater than 70. The final average salary (3 highest consecutive years in the last 10) times the years of service times 2.25% equals the annual retirement benefit.

Deferred retirement portion: No

Provisions for –

Cost of living: No

Death benefits: Yes

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

7 – RETIREMENT SYSTEMS (continued)

Trend Information

Fiscal Year	Public Employees Retirement System (PERS)		West Virginia Deputy Sheriff Retirement System (DSRS)	
	Annual Pension Cost	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2024	\$ 2,212,632	100%	\$ 1,974,468	100%
2023	\$ 2,181,209	100%	\$ 1,705,592	100%
2022	\$ 2,285,662	100%	\$ 1,546,627	100%

PERS and DSRS issue a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Consolidated Public Employees Retirement Board, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the County reported the following (assets)/liabilities for its proportionate share of the net pension (assets)/liabilities. The net pension (assets)/liabilities were measured as of June 30, 2023, and the total pension (asset)/liability used to calculate the net pension (assets)/liabilities was determined by an actuarial valuation as of that date. The County's proportion of the net pension (assets)/liabilities was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2024, the County reported the following proportions and increases/decreases from its proportion measured as of June 30, 2023:

	PERS	DSRS
Amount for proportionate share of net pension (asset)/liability	\$ 1,415,118	\$ 4,493,147
Percentage for proportionate share of net pension (asset)/liability	0.950260%	11.313192%
Increase/(decrease) % from prior proportion measured	0.008025%	-6.970150%
	PERS	DSRS
Pension expense	\$ 653,741	\$ 629,060

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

7 – RETIREMENT SYSTEMS (continued)

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 256,855	\$ -
Net differences between projected and actual earnings on pension plan investments	241,314	-
Changes in proportion and differences between government contributions and proportionate share of contributions	42,747	11,540
Differences between expected and actual experience	336,342	-
	<hr/> \$ 877,258	<hr/> \$ 11,540
	<hr/>	<hr/>

Deputy Sheriffs Retirement System (DSRS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 991,654	\$ -
Net differences between projected and actual earnings on pension plan investments	187,795	-
Changes in proportion and differences between government contributions and proportionate share of contributions	208,908	92,790
Differences between expected and actual experience	1,375,631	20,433
	<hr/> \$ 2,763,988	<hr/> \$ 113,223
	<hr/>	<hr/>

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

7 – RETIREMENT SYSTEMS (continued)

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS		DSRS	
Year ended June 30:		Year ended June 30:	
2025	\$ 8,880	2025	\$ 1,423,124
2026	(843,520)	2026	443,271
2027	1,960,838	2027	913,255
2028	(260,480)	2028	(108,452)
Thereafter	-	Thereafter	-
	<u>\$ 865,718</u>		<u>\$ 2,671,198</u>

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward to June 30, 2023 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System (PERS)

Actuarial assumptions:

Inflation Rate: 2.75%

Salary Increases: 2.75% - 6.75%

Investment Rate of Return: 7.25%

Mortality Rates: Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP=2018; Healthy Male Retirees-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Healthy Female Retirees-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General/Teachers Disabled Male table, below-median headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted projected with scale MP-2018.

The economic assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. All other assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Deputy Sheriffs Retirement System (DSRS)

Actuarial assumptions:

Inflation Rate: 2.75%

Salary Increases: 3.75% - 5.25%

Investment Rate of Return: 7.25%

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

7 – RETIREMENT SYSTEMS (continued)

Mortality Rates: Actives-100% of Pub-2010 Safety Employees table, amount weighted, projected generationally with scale MP-2020; Healthy Male Retirees-98% of Pub-2010 Safety Retiree Male table, amount weighted, projected generationally with scale MP-2020; Healthy Female Retirees- 99% of Pub-2010 Safety Retiree Female table, amount weighted, projected generationally with Scale MP-2020; Disabled males-124% of Pub-2010 Safety Disabled Male table, amount weighted, projected generationally with scale MP-2020; Disabled females-100% of Pub-2010 Safety Disabled Female table, amount weighted projected generationally with scale MP-2020.

The actuarial assumptions used in the July 1, 2023, DSRS valuations were based on the results of an actuarial experience study for the period of July 1, 2023 to June 30, 2028.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimated of expected real rates of returns (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 percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included are summarized in the following chart:

<u>Investment</u>	Long-term		
	Expected Real Rate of Return	PERS Target Asset Allocation	DSRS Target Asset Allocation
US Equity	6.5%	27.5%	27.5%
International Equity	9.1%	27.5%	27.5%
Core Fixed Income	4.3%	15.0%	15.0%
Real Estate	5.8%	10.0%	10.0%
Private Equity	9.2%	10.0%	10.0%
Hedge Funds	4.6%	10.0%	10.0%
	100.0%		100.0%

The following chart presents the sensitivity of the net pension (asset)/liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension (asset)/liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
PERS net pension liability share	\$ (8,231,712)	\$ 39,712	\$ 7,019,285
DSRS net pension liability share	\$ (10,284,928)	\$ (4,445,082)	\$ 363,307

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

8 – OTHER POST EMPLOYMENT BENEFITS

The County participates in the West Virginia Other Post-Employment Benefit Plan (the Plan), a cost-sharing multiple-employer defined benefit post-employment healthcare 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 Section 5-16(D)-2 (the Code). The Plan is administered by a combination of the West Virginia Public Employee Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as the Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

RHBT issues publicly available reports that include a full description of the other post-employment benefit plan regarding benefit provisions, assumptions and membership information that can be obtained by contacting Public Employees Insurance Agency, 601 57th Street, Charleston, WV 25304-2345, by calling (888) 680-7342, or can be found on the PEIA website at www.peia.wv.gov.

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

At June 30, 2024, the County reported a liability (asset) for its proportionate share of the RHBT net OPEB liability (asset) that reflected a reduction for State OPEB support provided to the Authority. The amount recognized by the Authority as its proportionate share of the net OPEB liability (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the Authority was as follows:

Amount for proportionate share of net OPEB liability	\$ (1,273,177)
Percentage for proportionate share of net OPEB liability	0.347887427%
Increase/(decrease) % from prior proportion measure	-0.027745031%

For the year ended June 30, 2024, the County recognized OPEB expense of \$479,959.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

8 – OTHER POST EMPLOYMENT BENEFITS (continued)

The County 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
Changes of assumptions	\$ 151,804	\$ (307,151)
Net differences between projected and actual earnings on pension plan investments	-	(9,181)
Reallocation of Opt-out Employer Change in Proportionate Share	-	-
Difference between expected and actual experience	-	(320,466)
Deferred difference in assumption	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,586,874	(413,873)
County contributions subsequent to the measurement date	-	-
	\$ 1,738,678	\$ (1,050,671)

The amount report as deferred outflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ 72,461
2026	28,493
2027	50,175
2028	(26,957)
Thereafter	-
	\$ 124,172

Actuarial assumptions. The total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2022 and a measurement date of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

8 – OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB	June 30, 2023
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Fair value
Amortization Method	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2017
Actuarial Assumptions:	
Investment Rate of Return	7.40% net of OPEB plan investment expense, including inflation.
Projected Salary Increases	Dependent upon pension system. Ranging from 2.75% to 5.18% including inflation
Inflation Rate	2.50%
Discount Rate	6.65%
Healthcare Cost Trends	Trend rates for pre-Medicare per capita costs start at 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until the ultimate trend rate of 4.50% is reached in plan year 2032
Mortality Rates	Post retirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Date Range in Most Recent Experience Study	July 1, 2015 to June 30, 2020

The long-term expected rates of return of 7.40% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with WV Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the WV Board of Treasury Investments.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which estimates 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 forecast returns 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 BTI was estimated based on the WV-IMB assumed inflation of 2.50% plus a 25 basis point spread. The best estimates of geometric rates of return for each asset class are summarized in the following table:

<u>June 30, 2023</u>		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	45.0%	7.4%
Fixed income	15.0%	3.9%
Private Credit and Income	6.0%	7.4%
Private Equity	12.0%	10.0%
Real Estate	12.0%	7.2%
Hedge Funds	10.0%	4.5%

Discount Rate

A single discount rate of 7.40% 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 7.40%. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

8 – OTHER POST EMPLOYMENT BENEFITS (continued)

The following table presents the sensitivity of the net OPEB liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current	1% Increase
	(5.65%)	(6.65%)	(7.65%)
Net OPEB Liability/(Asset)	<u>\$ (93,154)</u>	<u>\$ (550,529)</u>	<u>\$ (1,052,164)</u>

Healthcare Cost Trend Rate

The following table presents the County's proportionate share of its net OPEB liability calculated using the healthcare cost trend rate and the impact of using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current	1% Increase
	(5.65%)	(6.65%)	(7.65%)
Net OPEB Liability/(Asset)	<u>\$ (1,402,425)</u>	<u>\$ (550,529)</u>	<u>\$ 462,537</u>

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

9 – DEFERRED COMPENSATION PLAN

The County offers two deferred compensation plans to its employees created in accordance with Internal Revenue Code Section 457. The plans, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The plans are controlled and handled through Nationwide Insurance and the State of West Virginia and are funded by voluntary contributions by the employees with no employer matching contributions.

10 – COMMITMENTS AND CONTINGENCIES

The County has pledged funding for various purposes under nonbinding letters of intent, subject to meeting certain criteria, to fund various projects. Because of the nonbinding nature of these letters of intent, the County has not committed fund balances or recorded a liability for these commitments.

The Kanawha County Metro Emergency Operations Center entered into a lease agreement with the Kanawha County Building Commission effective August 1, 2001 to lease a building in which the Metro Emergency Operations Center is located. The lease is subject to annual renewals through August 1, 2024, at which point the deed to the premises will pass to the Kanawha County Metro Emergency Operations Center. The annual lease payment is variable and corresponds to the repayment of bonds used to finance the project as defined in Note 12. The Kanawha County Commission is obligated as guarantor of the lease payments should the Metro Emergency Operations Center fail to meet its payment obligations.

11 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; public officials and law enforcement actions and other acts of the County or its representatives. The County has transferred its risks in exchange for premiums to purchase general liability, property loss, law enforcement liability, employee practice liability and workers compensation coverage insurance, from various high credit quality insurance companies which carry various deductibles and aggregates per year.

12 – CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2024, there have been 136 series of Industrial Revenue Bonds, one series of local government Lease Revenue Bonds, and one series of Student Housing Revenue Bonds issued by the Kanawha County Commission. The aggregate principal amount payable for the one local government series issued after June 1, 1995 (Metro Emergency Operations Center, originally issued November 2004 - \$4,500,000 authorized, and refunded in 2011 with Series A) was paid in full at June 30, 2022. The aggregate principal amount payable for the one student revenue bond series issued after July 1, 1995 (West Virginia State Student Housing Revenue Bonds, originally issued September 2013 - \$25,305,000 authorized and refunded in 2021 with series A) was \$36,861,688. The aggregate principal amount payable for the two industrial revenue bonds issued after July 1995, could not be determined; however, that original authorized amount totaled \$797,940,000.

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
GENERAL OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustment for Budgetary Basis	Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final				
Revenues:						
Taxes (including interest and penalties)	\$ 50,097,026	\$ 50,097,026	\$ 50,390,215	\$ -	\$ 50,390,215	\$ (293,189)
Licenses and permits	5,500	5,500	5,250	-	5,250	250
Intergovernmental:						
Federal	421,815	848,452	813,275	-	813,275	35,177
State	125,000	890,200	2,411,634	-	2,411,634	(1,521,434)
Local	160,000	192,500	122,232	-	122,232	70,268
Charges for services	1,439,000	1,439,000	4,850,898	-	4,850,898	(3,411,898)
Interest	50,000	50,000	1,026,569	-	1,026,569	(976,569)
Miscellaneous	1,230,000	1,325,205	8,142,823	-	8,142,823	(6,817,618)
Total revenue	53,528,341	54,847,883	67,762,896	-	67,762,896	(12,915,013)
Expenditures:						
General government	32,002,158	37,867,848	40,437,780	-	40,437,780	(2,569,932)
Public safety	18,338,961	18,420,711	18,531,394	-	18,531,394	(110,683)
Health and sanitation	456,568	516,966	456,905	-	456,905	60,061
Culture and recreation	5,930,654	5,991,477	5,661,271	-	5,661,271	330,206
Capital outlay	100,000	1,191,219	506,923	-	506,923	684,296
Debt service:						
Principal	-	-	381,783	-	381,783	(381,783)
Interest	-	-	-	-	-	-
Total expenditures	56,828,341	63,988,221	65,976,056	-	65,976,056	(1,987,835)
Excess(deficiency) of revenues over (under) expenditures	(3,300,000)	(9,140,338)	1,786,840	-	1,786,840	(10,927,178)
Other financing sources (uses):						
Operating transfers in	400,000	400,000	680,826	-	680,826	(280,826)
Operating transfers out	(1,100,000)	(2,800,000)	(2,800,000)	-	(2,800,000)	-
Total other financing sources and uses	(700,000)	(2,400,000)	(2,119,174)	-	(2,119,174)	(280,826)
Net change in fund balances	(4,000,000)	(11,540,338)	(332,334)	-	(332,334)	(11,208,004)
Fund balances, beginning of year	12,549,128	12,549,128	12,549,128	-	4,063,015	8,486,113
Fund balances, end of year	\$ 8,549,128	\$ 1,008,790	\$ 12,216,794	\$ -	\$ 3,730,681	\$ (2,721,891)

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
COAL SEVERANCE TAX FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes (including interest and penalties)	\$ 1,300,000	\$ 1,300,000	\$ 1,476,545	\$ (176,545)
Interest	500	500	-	500
Charges for services	-	-	5,614	(5,614)
Total revenue	1,300,500	1,300,500	1,482,159	(181,659)
Expenditures:				
General government	1,700,500	2,214,819	1,286,086	928,733
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	1,700,500	2,214,819	1,286,086	928,733
Excess(deficiency) of revenues over (under) expenditures	(400,000)	(914,319)	196,073	(1,110,392)
Other financing sources (uses):				
Operating transfers in	-	-	44,210	(44,210)
Operating transfers out	-	-	-	-
Total other financing sources and uses	-	-	44,210	(44,210)
Net change in fund balances	(400,000)	(914,319)	240,283	(1,154,602)
Fund balances, beginning of year	847,294	847,294	847,294	-
Fund balances, end of year	\$ 447,294	\$ (67,025)	\$ 1,087,577	\$ (1,154,602)

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
ASSESSOR'S VALUATION FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustment for Budgetary Basis	Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final				
Revenues:						
Taxes (including interest and penalties)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	660	660	280	-	280	380
Charges for Services	2,408,024	2,408,024	2,568,388	-	2,568,388	(160,364)
Total revenue	2,408,684	2,408,684	2,568,668	-	2,568,668	(159,984)
Expenditures:						
General government	3,158,684	3,158,684	2,599,382	-	2,599,382	1,866,651
Total expenditures	3,158,684	3,158,684	2,599,382	-	2,599,382	1,866,651
Excess(deficiency) of revenues over (under) expenditures	(750,000)	(750,000)	(30,714)	-	(30,714)	(2,026,635)
Other financing sources (uses):						
Operating transfers in	-	-	11,660	-	-	2,026,635
Operating transfers out	-	-	(23,116)	-	-	-
Total other financing sources and uses	-	-	(11,456)	-	-	2,026,635
Net change in fund balances	(750,000)	(750,000)	(42,170)	-	(30,714)	-
Fund balances, beginning of year	795,038	795,038	795,038	-	795,037	795,037
Fund balances, end of year	\$ 45,038	\$ 45,038	\$ 752,868	\$ -	\$ 1,900,791	\$ (1,900,791)

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Public Employees' Retirement System									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion percentage of net pension liability	0.886044%	0.950260%	0.942235%	97.097500%	99.096100%	1.035096%	1.023137%	1.023137%	1.036176%	1.001338%
Proportion dollar share of net pension liability	(39,712)	1,415,118	(8,272,220)	5,133,263	2,130,695	2,673,157	4,403,314	9,403,833	5,786,048	3,695,713
Covered employee payroll	15,654,955	15,387,945	14,999,080	15,088,408	14,548,548	14,352,956	14,014,838	14,102,016	14,052,002	13,432,419
Proportionate share of net pension liability as percentage of covered employee payroll	-0.25%	9.20%	-55.15%	34.02%	14.65%	18.62%	31.42%	66.68%	41.18%	27.51%
Plan fiduciary net position as a percentage of total pension liability	93.98%	98.24%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%
	Deputy Sheriff's Retirement System									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion percentage of net pension liability	11.811031%	11.313192%	12.010207%	11.403058%	10.899319%	11.103795%	11.207011%	11.236356%	11.648759%	11.672465%
Proportion dollar share of net pension liability	4,445,082	4,493,147	(723,734)	4,088,338	2,190,327	(596,051)	419,925	3,577,208	2,389,393	1,991,016
Covered employee payroll	7,196,550	7,194,016	7,271,550	6,539,317	6,092,882	5,740,096	5,625,920	5,540,730	5,551,410	5,401,638
Proportionate share of net pension liability as percentage of covered employee payroll	61.77%	62.46%	-9.95%	62.52%	35.95%	-10.38%	7.46%	64.56%	43.04%	36.86%
Plan fiduciary net position as a percentage of total pension liability	90.52%	88.11%	101.95%	101.34%	92.08%	102.16%	98.17%	84.48%	89.31%	90.52%

See accompanying notes to the required supplementary information

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF RETIREMENT CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

Public Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,352,768	\$ 1,538,300	\$ 1,538,315	\$ 1,499,908	\$ 1,509,033	\$ 1,454,856	\$ 1,578,824	\$ 1,677,161	\$ 1,903,779	\$ 1,967,281
Contributions in relation to the contractually required contribution	1,352,768	1,538,300	1,538,315	1,499,908	1,509,033	1,454,856	1,578,824	1,677,161	1,903,779	1,967,281
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 13,527,680	\$ 15,654,955	\$ 15,387,945	\$ 14,999,080	\$ 15,088,408	\$ 14,548,548	\$ 14,352,956	\$ 14,014,836	\$ 14,102,016	\$ 14,052,002
Contributions as a percentage of covered-employee payroll	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	11.0%	12.0%	13.5%	14.0%

Deputy Sheriff's Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,040,795	\$ 935,223	\$ 935,136	\$ 872,586	\$ 784,717	\$ 731,145	\$ 688,812	\$ 675,111	\$ 664,888	\$ 693,927
Contributions in relation to the contractually required contribution	1,040,795	935,223	935,136	872,586	784,717	731,145	688,812	675,111	664,888	693,927
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 8,006,115	\$ 7,196,550	\$ 7,194,016	\$ 7,271,550	\$ 6,539,317	\$ 6,092,882	\$ 5,740,096	\$ 5,625,920	\$ 5,540,730	\$ 5,551,410
Contributions as a percentage of covered-employee payroll:	13.0%	13.0%	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.5%

See accompanying notes to the required supplementary information

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
FOR THE YEAR ENDED JUNE 30, 2024

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion percentage of Net OPEB liability	0.347887427%	0.375632458%	0.448523664%	0.158401307%	0.168042528%	0.165556640%	0.171783271%	0.21027672%
Proportion dollar share of Net OPEB liability	\$ (550,529)	\$ 418,074	\$ (133,367)	\$ 699,645	\$ 2,788,048	\$ 3,551,912	\$ 4,224,132	\$ 5,221,754
Plan fiduciary net position as a percentage of total OPEB liability	109.66%	93.59%	101.81%	73.49%	30.98%	25.10%	21.64%	21.64%

Fiscal year 2017 was the first year of implementation for the West Virginia

See accompanying notes to the required supplementary information

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF OTHER POST-EMPLOYMENT BENEFIT PLAN CONTRIBUTIONS
FOR THE LAST 10 FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 348,880	\$ 441,652	\$ 379,979	\$ 817,920	\$ 306,171	\$ 346,215	\$ 338,314	\$ 352,783	\$ 358,589
Contribution in relation to the contractually required contribution	<u>348,880</u>	<u>441,652</u>	<u>379,979</u>	<u>817,920</u>	<u>306,171</u>	<u>346,215</u>	<u>338,314</u>	<u>352,783</u>	<u>358,589</u>
Contribution excess (deficiency)	<u>\$ -</u>								
County's covered payroll	\$ 21,533,795	\$ 22,851,505	\$ 21,627,725	\$ 20,651,430	\$ 20,093,052	\$ 19,640,758	\$ 19,642,836	\$ 19,603,412	\$ 19,603,412
Contributions as a percentage of covered payroll	1.62%	1.93%	1.76%	3.96%	1.52%	1.76%	1.72%	1.80%	1.83%

*Data prior to 2016 is unavailable.

See accompanying notes to the required supplementary information

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 - Changes in Assumptions PERS

There were no changes in the assumptions between the 2022 and 2023 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

There were no changes in the assumptions between the 2021 and 2022 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

Changes in the assumptions between the 2021 and 2020 valuations:

Projected salary increases went from 3.1-5.3% (state) and 3.35-6.5% (nonstate) in 2020 to 2.75-5.55% (state) and 3.60-6.75% (nonstate) in 2021; the inflation rate dropped from 3% in 2020 to 2.75% in 2021. These changes in assumptions lead to deferred outflows of \$236,067,000 in 2021.

There were no changes in the assumptions between the 2020 and 2019 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

Changes in the assumptions between the 2019 and 2018 valuations:

Projected salary increases went from 3-6% in 2018 to 3.1-6.5% in 2019; the inflation rate remained at 3% in 2019 from 2018; mortality rates changed due to changing from the RP-2000 model to the Pub-2010 model; withdrawal rates went from 1.75-35.88% in 2018 to 2.28-35.88% in 2019; disability rates went from 0-675% in 2018 to 0-54% in 2019. The range of the experience study was 2004-2009 in 2018 and 2013-2018 in 2019. These changes in assumptions lead to deferred inflows of \$55,650,000 in 2019.

Changes in the assumptions between the 2015 and 2014 valuations:

Projected salary increases went from 4.25-6% in 2014 to 3-6% in 2015; the inflation rate went from 2.2% in 2015 to 1.9% in 2015; mortality rates changed due to from the Gam model to RP-2000 model; withdrawal rates went from 1-31.2% in 2014 to 1.75-35.8% in 2015; disability rates went from 0-8% in 2014 to 0-675% in 2015; The range of the experience study was 2004-2009 in 2014 and 2009-2014 in 2015. These changes in assumptions lead to deferred inflows of \$89,556,000 in 2015.

Note 2 - Changes in Assumptions DSRS

There were no changes in the assumptions between the 2022 and 2023 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

There were no changes in the assumptions between the 2021 and 2022 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

The investment rate of return decreased from 7.50% to 7.25%, projected salary increases changed from a range of 3.50%- 7.50% to a range of 3.75%-7.25%, the inflation rate decreased from 3.0% to 2.75%, the discount rate decreased from 7.50% to 7.25%, the mortality rates changed from the RP-2014 model to the Pub-2010 model, the withdrawal rates changed from a range of 4.0%-12.0% to a range of 4.93%-12.32%, disability rates changed from a range of 0.04%-0.60% to a range of 0.03%-0.40% in 2021.

There were no changes in the assumptions between the 2020 and 2019 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

There were no changes in the assumptions between the 2019 and 2018 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

There were no changes in the assumptions between the 2018 and 2017 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Note 3 – Changes in Assumptions OPEB

The actuarial valuation as of June 30, 2022, reflects changes to the following healthcare-related assumptions which include:

- Per capita claim costs;
- Healthcare trend rates;
- Aging factors;
- Participation rates

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the WV Investment Management Board (WVIMB) and an expected short-term rate of return of 2.75% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI. The long-term rates of return on OPEB plan investments are determined using a building block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including West Virginia Investment Management Board (WVIMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WVBTI) was estimated.

Changes in the assumptions between the 2021 and 2022 valuations:

The revisions encompass key assumptions: projected capped subsidies, per capita claim costs, healthcare trend rates, coverage and continuance, percentage eligible for tobacco-free premium discounts, and retired employee assistance program participation.

There were no assumption changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 to a roll-forward measurement date of June 30, 2021.

Changes in the assumptions between the 2020 and 2019 valuations:

Certain assumptions have been changed since the prior actuarial valuation as of June 30, 2018 and a measurement date of June 30, 2020. The net effect of the assumption changes was approximately \$1,147 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2019 and 2018 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the per capita claims costs for Pre-Medicare and Medicare decreased the liability by approximately \$12 million and a capped subsidy costs implemented in December 2019 decreased the liability by approximately \$224 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Changes in the assumptions between the 2018 and 2017 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2016 and 2015 valuations:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR <i>Pass Through Grantor Program / Cluster Title</i>	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE <i>Passed Through WV Department of Criminal Justice</i>				
Crime Victim Assistance	16.575	24-VA-038	-	\$ 83,106
Crime Victim Assistance	16.750	24-VA-039	-	45,825
Total Crime Victim Assistance			-	128,931
Total U.S. Department of Justice			-	128,931
U.S. DEPARTMENT OF TRANSPORTATION <i>Passed Through West Virginia Department of Transportation</i>				
State and Community Highway Safety:				
State and Community Highway Safety	20.600	GHSP F24-HS-20-402	-	7,896
Total State and Community Highway Safety			-	7,896
National Priority Safety Program:				
National Priority Safety Program	20.616	GHSP F24-HS-20-405	-	48,077
Total National Priority Safety Program			-	48,077
Passed Through West Virginia Department of Transportation				
Recreation Trails Program	20.219	U320-ELK/R-2.00	-	12,997
Total U.S. Department of Transportation			-	68,970
U.S. DEPARTMENT OF TREASURY <i>Direct Program:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,273,516	3,273,516
Total U.S. Department of Treasury			3,273,516	3,273,516
APPALACHIAN REGIONAL COMMISSION <i>Direct Program</i>				
Appalachian Area Development	23.002	N/A	-	46,854
Total Appalachian Area Development			-	46,854
U.S. ENVIRONMENTAL PROTECTION AGENCY <i>Passed Through West Virginia Department of Environmental Protection</i>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	96387701	-	419,408
Total U.S. Environmental Protection Agency			-	419,408
U.S. Department of Housing and Urban Development <i>Direct Program</i>				
Economic Development Initiative	14.251	N/A	-	189,396
Total Economic Development Initiative			-	189,396
Total U.S. Department of Housing and Urban Development			-	189,396
U.S. DEPARTMENT OF HOMELAND SECURITY <i>Passed Through West Virginia Department of Homeland Security</i>				
Disaster Grants - Public Assistance	97.036	DR-4605	-	27,950
Disaster Grants - Public Assistance	97.036	DR-4756	-	105,741
Disaster Grants - Public Assistance			-	133,691
Total Disaster Grants - Public Assistance			-	
Homeland Security Grant Program	97.067	20-LE-24	-	2,642
Homeland Security Grant Program	97.067	20-LE-58	-	13,750
Homeland Security Grant Program			-	16,392
Total Homeland Security Grant Program			-	
Total U.S. Department of Homeland Security			-	150,083
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,273,516	\$ 4,277,158

See accompanying notes to the Schedule of Expenditures of Federal Awards

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OR FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Kanawha County**, West Virginia (the County) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The County passes certain federal awards received from the U.S. Department of Treasury to other governments or not-for-profit agencies (subrecipients). As Note B describes the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

Grant Name	Grant ID Number	Period of Award	Total Grant Award	Beginning Balance 7/1/23	FY 24 Receipts	FY 24 Expenditures	Ending Balance at 6/30/24
Community Corrections Grant (Day Report)	24-CC-08	07/01/23-06/30/24	\$ 155,000	\$ -	\$ 77,500	\$ 155,000	\$ (77,500)
Courthouse Facilities Improvement (CFIA)	21cycKanaw-2024	01/01/24-12/31/24	100,000	-	75,920	75,920	-
REAP Litter Control	24-585	07/01/23-06/30/24	2,000	-	2,000	2,000	-
Commission on Drunk Driving Prevention (CDDP)	24-08	07/01/23-09/29/23	15,000	-	12,194	12,194	-
Commission on Drunk Driving Prevention (CDDP)	24-12	10/21/23-01/21/24	15,000	-	11,678	11,678	-
Commission on Drunk Driving Prevention (CDDP)	24-15	02/23/24-05/26/24	15,000	-	-	14,977	(14,977)
Records Management Preservation Board (RMPB)	RMPB FY24	07/01/23-06/30/24	16,500	-	-	-	-
Local Economic Development Grant	N/A	07/01/23-06/30/24	24,150	-	24,150	24,150	-

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Kanawha County Commission
407 Virginia St. East
Charleston, WV 25301

To the Board of Commissioners:

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, discretely presented component units, each major fund, and the aggregate remaining fund information of **Kanawha County Commission**, West Virginia (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 15, 2025. In that report, our opinion was adverse on the Shawnee Multi-Sport Complex Fund due to not being properly classified as an enterprise fund and aggregate remaining fund information due to the omission of additions and deductions related to custodial funds. Also in that report, our opinion was qualified on governmental activities and the General Fund because management did not properly implement Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* or Statement No. 96, *Subscription-Based Information Technology Agreements*, and inaccurately presented pension and OPEB balances and activity, capital asset balances and activity, and interfund balances and activity. Our report includes a reference to other auditors who audited the financial statements of the Kanawha County Emergency Ambulance Authority, Metro Emergency Operations Center of Kanawha County, Regional Development Authority of Charleston-Kanawha, and Kanawha County Parks and Recreation Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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Kanawha County Commission
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 through 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 15, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Kanawha County Commission
407 Virginia St. East
Charleston, WV 25301

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited **Kanawha County's** (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2024. The County's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 County 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 the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The County's 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 County's federal programs.

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Kanawha County Commission
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County'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 GAAS, *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 County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 County'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 County'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 County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Kanawha County Commission
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

May 15, 2025

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse, Qualified, Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL #21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2024-001

Material Weakness

Controls Over Financial Statement Preparation

Condition: We noted during our audit that the County did not have controls in place to ensure that financial statements were prepared timely and accurately in accordance with accounting principles generally accepted in the United States of America. Several pervasive misstatements and omissions were identified across critical areas of the financial statements, including:

- Failure to recognize and present lease obligations in accordance with GASB Statement No. 87.
- Lack of implementation of GASB Statement No. 96 for subscription-based IT arrangements.
- Failure to capitalize material capital asset additions.
- Inaccurate and incomplete
- Material misstatement and inability to support transfers in and out at the fund level.
- Inaccurate reporting of due to/from other fund balances, indicating a lack of reconciliation controls.
- Inaccurate presentation of principal and interest expenditures in the General Fund.
- Misstatements and incomplete presentation of net pension (GASB 68) and net OPEB (GASB 75) information including the omission and inaccurate presentation of required supplementary information.

The effects of these misstatements have not all been determined.

Criteria: Indicators of material weakness in internal control include:

- Identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity's internal control; and
- Ineffective oversight of the entity's financial reporting and internal control by those charged with governance leading to material misstatements including, but not limited to, leases, subscription-based information technology arrangements, capital assets, deferred inflows, and fiduciary activities.

Cause: Inadequate policies and procedures were in place related to controls necessary to minimize the risk of material misstatement of the financial statements prepared in accordance with generally accepted accounting principles.

Effect: A significant potential exists for misstatements to occur in the financial statements, without being detected by employees or management in a timely manner. Several adjustments are reflected in the financial statements and have been approved by the County and posted in its accounting system. Footnote disclosures also reflect the results of these adjustments, as well as additional adjustments made for incorrect or omitted disclosures.

Recommendation: Management should develop policies and procedures to ensure financial statements are prepared in accordance with generally accepted accounting principles. This may be accomplished by employing qualified personnel that are knowledgeable about the complex requirements associated with governmental financial statements prepared in accordance with generally accepted accounting principles. The County officials may also consider contracting with an outside accounting firm knowledgeable in this specialized area to facilitate this management function.

Management's Response: See corrective action plan.

**KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Material Weakness

Shawnee Multi-Sports Complex Fund

Condition: The County classified its Shawnee Multi-Sports Complex Fund as a special revenue fund in its financial statements. The Fund was established to account for activities of the complex, which focus on sports leagues and tournaments that charge users a fee for field use and concessions. Based on the central revenue source of the fund being fees charged to users for providing goods or services, the fund should be classified as an enterprise fund.

Criteria: The Governmental Accounting Standards Board (GASB) describes enterprise funds in its Codification of Governmental Accounting and Financial Reporting Standards as follows:

An enterprise fund is a type of fund used in governmental accounting to account for activities that provide goods or services to the public for a fee. An enterprise fund uses a private sector accounting framework and follows generally accepted accounting principles (GAAP).

Cause: The County did not have a procedure in place to evaluate the fund for proper classification.

Effect: The County improperly classified its Shawnee Multi-Sports Complex Fund as a special revenue fund instead of an enterprise fund. This contributed to the modification of opinion.

Recommendation: The County should review the GASB definition of an enterprise fund and reclassify its Shawnee Multi-Sports Complex Fund as an enterprise fund within its accounting system and in future reporting. Any new funds should be evaluated to determine whether they fit the definition of an enterprise fund.

Management's Response: See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None

KANAWHA COUNTY, WEST VIRGINIA
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
FOR THE YEAR ENDED JUNE 30, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	The County Clerk will be exploring options over the next few months to significantly improve the preparation of its financial statements. Options to be considered include in-depth training for the accounting staff to better equip them to complete creation of the financial statements. The County will also explore the option of having an outside firm complete the financial statements. Once of these or both to some extent will be implemented to display financial statements more correctly.	June 30, 2025	Kim Fleck, Director Finance
2024-002	The County Clerk will begin the process to transform Fund 013 from a Special Revenue Fund into an Enterprise Fund. The County will seek out help from other counties that have an already established Enterprise Fund as well as seeking out any training available that outlines the processes involved with establishing and maintaining an Enterprise Fund.	June 30, 2025	Kim Fleck, Director of Finance

**KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	Leases	Not Corrected	Repeated as 2024-001
2023-002	Subscription-Based Information Technology Arrangements	Not Corrected	Repeated as 2024-001
2023-003	Controls Over Financial Reporting	Not Corrected	Repeated as 2024-001
2023-004	Shawnee Multi-Sports Complex Fund	Not Corrected	Repeated as 2024-002