

**INSTRUCTIONS FOR PREPARING AND PUBLISHING
THE ANNUAL FINANCIAL STATEMENTS (WVDE 11-10-10)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

1. **County Board Requirements:** According to WVC 18-9-3a, every county board of education is required to prepare and publish its annual financial statements **within ninety (90) and one-hundred twenty (120) days, respectively**, after the beginning of the subsequent fiscal year on forms prescribed by the state superintendent of schools and the state auditor. Therefore, the county boards' financial statements for the fiscal year ended June 30, 2025, **must be prepared by September 29, 2025, and published by October 28, 2025.**
2. **ESCs and MCVCs Requirements:** ESCs and MCVCs are required to prepare their annual financial statements and submit copies both to this office and to their fiscal agent, but these agencies are not required to publish their financial statements. In order to provide time for the fiscal agents to include the financial statements of these agencies as fiduciary funds in their own financial statements, MCVCs are required to prepare their financial statements by **September 16, 2025**, and submit a signed copy to the fiscal agent and a signed copy to the Office of School Finance.
3. **Basis of Accounting:** All LEAs in the State must prepare their annual financial statements in accordance with generally accepted accounting principles (GAAP). This includes completion of the government-wide statements, the fund basis statements, the reconciliation schedules, the fiduciary statements, the notes to the financial statements, and management's discussion and analysis. The Governmental Accounting Standards Board (GASB) is the considered to be the authoritative source for GAAP for governmental entities in the United States.

For consistency in reporting, each fund maintained by an LEA in the State is to be considered a major fund, therefore, fund basis statements must be prepared for every fund maintained by an LEA, including the budgetary comparison schedules.

4. **Financial Statement Formats:** A financial statement template is provided for use by all boards of education, ESCs and MCVCs, as well as a template for the notes to the financial statements. The financial statement template includes all statements and schedules required for presentation of the entity-wide financial statements as well as the fund statements for all possible funds, and they also include all known financial categories. Remember, however, that the templates are provided for your convenience, but the completed financial statements are each agency's representation of their financial condition for the year. Modify or revise the templates as necessary to fit your particular situation, complete only the schedules and notes needed and delete or discard the rest. Do not submit blank forms or notes with the financial statements that are submitted to this office.
5. **Availability of Forms:** The financial statement formats and sample notes are available on the Department's home page at **<https://wvde.us/finance-and-administration/school-finance/>**. The blank forms can be accessed by clicking on "Forms, Checklists, Templates". The financial statements are presented in Excel and the notes in Microsoft Word.
6. **Submission of Financial Statements to the State Department of Education:** Every county board of education, ESC and MCVC is required to submit its annual financial statements for the year ended June 30, 2025, signed by the appropriate chief executive officers, to the State Department of Education, Office of School Finance by **September 29, 2025**. **The preferred method of submission is via email. The electronic West Virginia Education Information System (WVEIS) data file must be submitted by that date as well.**

The submission to the Office of School Finance must include the following:

- Management's Discussion and Analysis
- Government-wide statements
- All applicable fund basis statements, including the fiduciary fund statements
- Reconciliation Schedules
- Budgetary comparison schedules for each fund
- All applicable notes to the financial statements

- Special projects worksheet prepared on WVEIS
- Schedule of excess levy revenues and expenditures, if applicable
- Schedule of encumbrances outstanding at year-end
- Encumbrance distribution schedule

Additionally, the following schedules must be prepared by September 29, 2025, and maintained on file at the central office and copies must be made available upon request:

- List of expenditures in excess of \$250
- Schedule of salaries paid to each board member and superintendent
- Schedule of all debts owed by the board

These various reports are explained in greater detail in the following paragraphs and in the set of instructions for completing the district-wide statements.

7. **Consequences for Late Submission:** In past years, several county boards have failed to complete and submit their annual financial statements by the due date. This is not only a violation of the provisions of WVC 18-9-3a but also creates serious consequences for the WVDE in completing its required reports. WVC 18-9B-19 grants the State Superintendent of Schools the authority to withhold payment of state aid from a county that fails or refuses to comply with the provisions of code or the requirements of the state board. Therefore, WVDE will notify the auditors of any board that fails to submit its annual financial statements by the due date, and in addition, reserves the right to withhold a portion of state aid from any LEA that does not submit its financial statements to WVDE by the required deadline.

8. **Financial Statement Publication or Posting on Board Website:**

W.Va. Code §18-9-3a requires that within 120 days after the beginning of each fiscal year each the county board shall publish their financial statements using one of the two available methods detailed below:

- A Class I-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, with the publication area required to include the county. The publication is to be published one time in two qualified newspapers of opposite politics published in the publication area. The publication shall include, at a minimum, the basic financial statements which include the district-wide, fund basis statements, reconciliation schedules and fiduciary fund statements. County boards may, but are not required to, publish the budgetary comparison schedules, the notes to the financial statements or management's discussion and analysis. The financial statement shall not include the name of any person who has entered into a contract with the county board pursuant to the provisions of W.Va. Code §18A-2-2, §18A-2-3, §18A-2-4, and §18A-2-5. The county board shall pay the cost of publishing the financial statement from the maintenance fund of the board.

In addition to publication of the financial statements, West Virginia Code 18-9-3a, **requires** that the publication include a detailed schedule of expenditures listing the name of each firm, corporation and person to whom **more than two-hundred fifty (\$250) dollars** in the aggregate was paid during the year and the purpose for which paid. The listing is not to include the name of any employee who has entered into a contract with the board. The names of the board members and the superintendent, however, are to be included.

County boards are also **required** to publish, according to West Virginia Code 18-9-3a, a schedule of the salaries paid to board members and the superintendent and all debts of the board at year-end.

- Post the financial statements on the county board's website. Prior to publishing the financial statements on the county board's website for the first time the county must:
 - Hold a public hearing at which interested persons may express their views on whether the county board should publish the statement as a Class I-0 legal advertisement or on the

county board's website.

- Provide public notice of the availability of such website posting by publishing once a week in a qualified newspaper of general circulation for two successive weeks.

The financial statements, if published on the county board's website, shall remain posted on the county board's website at least until publication of the next annual statement, and shall, in addition to the information required when posting as a Class I-0 legal advertisement include:

- The name of every person who has entered into a contract with the county board pursuant to the provisions of W.Va. Code §18A-2-2, §18A-2-3, §18A-2-4, and §18A-2-5, and amounts paid to each;
 - Budget estimates; and
 - A list of the name of each firm, corporation, and person who received more than \$250 from any fund during such fiscal year showing the amount paid to each and the purpose for which paid.
- ESCs and MCVCs may, but are not required, to publish any of their financial statements.

9. **Publication of Notes to the Financial Statements:** As discussed in the preceding paragraph, inclusion of the notes to the financial statements in the Class I-0 publication is optional, but if they are not included, the following comment needs to be included in the publication: "The notes are an integral part of the financial statements, however, to conserve space, they are not included in the publication but are available for review at the board office."
10. **List of Salaries Paid and List of Expenditures less than \$500:** WVC 18-9-3a, requires every county board of education to provide to any resident of the county who requests the information, a copy of the published financial statement supplemented by a list of the names of all school personnel employed by the board showing the amount paid to each during the year and a list of the name of each firm, corporation, and person to whom **less** than \$500 was paid and the purpose for which paid.
11. **Deadline for Preparation and Publication:** According to WVC 18-9-3a, every county board of education is required to prepare and publish its annual financial statements within ninety (90) and one-hundred twenty (120) days, respectively, after the beginning of the subsequent fiscal year. One copy of the completed annual financial statements (WVDE 11-10-10) must be submitted to the Office of School Finance no later than **September 29, 2025**. If published as a class I-0 advertisement, each LEA must maintain the newspaper clippings of the publication for audit purposes.
12. **Approval and Signature:** Since these are the entity's financial statements, they must be presented to the board for approval before they are published in the newspaper or posted to the county website (for county boards) or submitted to this office. The certificate must be signed by the president of the board and county superintendent, or director in the case of an ESC or MCVC.
13. **Special Projects Worksheet:** Every county board, ESC and MCVC must maintain its special projects worksheet on WVEIS and mail or email a copy to the Office of School Finance at the same time as the financial statements are submitted. The report cannot be submitted electronically through the system along with the data file at this time. **The data presented in the WVEIS special projects worksheet must agree with the information reported in the financial statements.**
14. **Supporting Schedules:** LEAs must also maintain one printed copy of their encumbrance report printed from WVEIS as of June 30, 2025.
15. **Reconciliation with Data File:** In completing the annual financial statement forms (WVDE 11-10-10), **be certain that all amounts reported in the fund basis statements, INCLUDING BALANCE SHEET ACCOUNTS, agree with the amounts reflected in the financial data file maintained on WVEIS that has been submitted to this office.** If not, adjusting entries must be posted to the data file and a 13th month tape submitted to this office at the same time as the annual financial statements (WVDE 11-10-10). Also, be certain that the data file includes all funds reported in the annual financial statements.

Please submit a 13th month report even if no adjusting entries are required.

16. Changes: The following changes have been made to the instructions for preparing the financial statements for the fiscal year ended June 30, 2025:

- **Note disclosures** – some of the existing note disclosures have been expanded upon or revised. Those revisions are as follows:
 - **Note 1: Newly adopted statements issued by the GASB** – This section is updated annually for GASB pronouncements that are adopted by the county boards of education, ESCs, and MCVCs during the current fiscal year.
 - **Note 1: Recent statements issued by the GASB** – This section is updated annually for GASB pronouncements that have been issued but not yet adopted by the county boards of education.
 - **Note 18: Changes in Accounting Principles** – Language has been added here to describe the fact that GASB 101: Compensated Absences was implemented in the current year and that implementation requires a retroactive approach.
 - **Note 19: Concentrations of Revenue Sources** – This Footnote disclosure has been added to implement GASB 102: Certain Risk Disclosures.
- **Basic financial statement template:**
 - As a reminder, many of the tabs within the file are protected so users can only enter information into areas that require data input. Those areas are highlighted in yellow throughout the template. This feature was added in previous years to prevent users from inadvertently overwriting formulas within the template. However, the password to unprotect the worksheet (**BOE2025**) is provided within the file to enable financial statement preparers to tailor the template to their county's specific needs.

17. Basis of Accounting: All LEAs are required to present their financial statements on the basis of accounting principles generally accepted in the United States of America.

Fund Basis Statements: Governmental type fund basis statements are to be maintained on the modified accrual basis of accounting, and the financial data file maintained on the WVEIS must be on this basis.

Entity-Wide Statements: Entity-wide statements are to be maintained on the accrual basis of accounting. Conversion entries must be made to report the financial data presented on the modified basis of accounting in the fund basis statements to the entity-wide statements presented on the accrual basis of accounting. These conversion entries are made in the conversion work schedules only; the adjustments are NOT posted in the financial data file maintained on WVEIS.

The following are conversion entries that may be required but others may be needed that are not outlined below:

Eliminate expenditures that represent acquisition of capital assets. In an accrual-based accounting system, the acquisition or construction of a capital asset does not affect net assets. Likewise, expenditures to acquire or construct capital assets are not expenses and should not be included in the government-wide statement of activities.

Eliminate expenditures for debt service principal payments. From an accrual perspective, the payment of debt service principal has no effect on net assets. Consequently, debt service expenditures for principal payments are not expenses and should not be included in the government-wide statement of activities. The same approach should be taken to other financing uses reported in connection with current or advance refunding transactions.

Eliminate other financing sources, uses and expenditures associated with debt service. From an accrual perspective, debt issuance has no impact on net assets, but rather affects only accounts reported on the statement of net position (debt payable,

premiums, discounts, issuance costs, difference between the carrying value and reacquisition cost of refunded debt). Accordingly, all other financing sources, uses, and expenditures associated with the issuance of debt should not be included in the government-wide statement of activities.

Include donations of capital assets. Government funds do not report the donation of capital assets not held for resale. Such donations are, however, a transaction that must be reported in an accrual-based government-wide statement of activities.

Restate sales of capital assets on an accrual basis. Governmental funds report the full amount of the proceeds from a capital asset sale as either “other revenue” (if it is immaterial) or “other financing source”. From an accrual perspective, however, the sale of capital assets should be reported on the government-wide statement of activities only to the extent that there is a disparity between the amount of the sales proceeds and the carrying value of the asset sold (a gain or loss). Accordingly, other revenue and other financing sources arising from the sale of capital assets in governmental funds should be replaced by gains or losses in the government-wide statement of activities.

Eliminate revenues and expenditures related to prior periods. Governmental funds report revenue in the current period for amounts deferred in prior years because they were not considered available at that time. Likewise, governmental funds report expenditures during the current period in connection with accrued liabilities that arose in prior periods, including accrued interest, compensated absences, claims and judgments, special termination benefits, landfill closure and post-closure care costs, operating leases with scheduled rent increases, and the government’s net pension obligation as an employer. Revenues and expenditures related to transactions and events of prior periods should not be included as revenues and expenses in the accrual-based government-wide statement of activities.

Make all regular accrual adjustments. The regular closing process to prepare accrual-based financial statements routinely involves adjustments for the following items:

Recognition of **revenues earned but not yet available** (that is, earned but unavailable deferred inflows of resources)

Recognition of **expenses incurred during the period but not yet paid** (including interest payable, claims and judgment, compensated absences, special termination benefits, landfill closure and post-closure care costs, operating leases with scheduled rent increases, etc.)

Recognition of **depreciation expense** on depreciable capital assets

Recognition of the **amortization of issuance premiums, discounts**, and the difference between carrying amount and reacquisition cost of refunded debt.

Recognition of expense for **inventory consumed** during the period.

Consolidation of Interfund activity. There are three ways for funds of the board of education to interact, leading to the need for consolidation:

Interfund loan - One fund may loan money to another fund (interfund loans)

Interfund transfer - One fund may furnish resources to another fund with no expectation of repayment.

Interfund reimbursement - One fund may reimburse another fund for costs incurred on its behalf.

While all three types of interfund activity affect the statement of net position, all of them do not affect amounts reported in the statement of activities.

Eliminate the interfund receivables and payables in the government-wide statement of net assets. For example, there may be an interfund receivable and payable between the general fund and the special revenue fund. In that case, neither would be reported in the governmental activities of the entity-wide statement of net assets.

Interfund loans and the statement of activities. Except for interest (if any), interfund loans affect only the statement of net assets. Therefore, interfund loans do not need to be considered in preparing the statement of activities.

Interfund reimbursements and the statement of activities. Perhaps the most common example of an interfund reimbursement is the allocation of indirect costs to the special revenue fund. From a GAAP financial reporting perspective, interfund reimbursements should be treated as the allocation of expenditure from one to another with no net effect on the total amount of expenditure reported, thereby avoiding the need for consolidation. For internal bookkeeping and budgetary purposes, however, many governments account for interfund reimbursements as a revenue and expenditure. In that case, GAAP requires that related interfund revenues and expenditures be eliminated in both the government-wide financial statements and the fund financial statements.

Interfund transfers and the statement of activities. Interfund transfers should be consolidated by eliminating both the transfer in and transfer out from the statement of activities.

18. **Notes to the Financial Statements:** A template is provided for your convenience in completing the required notes to the financial statements but remember that the financial statements and notes are each entity's representation of their financial condition as of year-end. Modify or revise the notes as necessary to fit your particular situation, complete only the notes needed and delete or discard the rest. Do not submit blank notes with the financial statements that are submitted to this office.
19. **Fund Descriptions:** The following funds descriptions are provided to clarify usage in these instructions:

General Current Expense Fund – The general fund is a governmental fund type that is used to account for all financial resources except those that are required to be accounted for in another fund. The fund typically serves as the chief operating fund of a government. For school districts in the State, the fund is entitled the General Current Expense Fund.

Special Revenue Fund – A governmental fund type used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

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

Debt Service Fund - A governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Fund – One of three governmental funds used by school districts in the State to account for financial resources used for the acquisition or construction of major capital

facilities. This fund is used to account for financial resources for a specific capital construction project.

Permanent Improvement Fund – Another one of three funds used by school districts in the State and established under the provisions of West Virginia Code 18-9B-14 to account for the proceeds of the regular levy dedicated for this purpose, unexpended balances of other funds transferred to the fund, and any other financial resources dedicated for the support of building and permanent improvement projects.

Bond Construction Fund – The third capital projects fund used by school districts in the State to account for the proceeds of bond levies passed for the purpose of constructing major capital facilities.

Fiduciary Funds - Funds used to report assets held in a trustee or custodial capacity for others and which, therefore, cannot be used to support the government's own programs. The fiduciary funds category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Custodial Funds - One of four types of fiduciary funds. Custodial funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private-purpose Trust Funds - A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

- 20. Budgetary Comparison Schedules:** A budgetary comparison schedule must be prepared for each fund maintained by the entity, except fiduciary fund statements. According to GAAP, budgetary comparison schedules for the general current expense and special revenue funds are considered "required supplementary information" and their placement in the financial statements is immediately following the notes to the financial statements; budgetary comparison schedules for all other funds for which a budget is adopted are considered "supplementary information" and their placement is after the "required supplementary information". The budgetary comparison schedules do not need to be included in the newspaper publication, but they must be submitted to this office as a part of the financial statements.

The budgetary comparison schedules must show the original budget, the final budget, actual results, and a variance column that compares actual results of operations for the year to the final budget. The Office of School Finance has recognized that the budgetary comparison schedules for most county boards of education have shown unfavorable variances due to unbudgeted amounts for accrued other post-employment benefits (the OPEB Annual Required Contribution beyond the pay-as-you-go portion which is expended under object code 217). Because there is no revenue source for the expenditures coded to object 217 and because funds are not remitted to the Retiree Health Benefit Trust for those expenses, county boards of education are instructed not to include those expenditures in their budgets in the annual budget instructions. Therefore, the budgetary comparison schedules cannot be considered GAAP basis schedules. Rather, all budgets that exclude the unfunded portion of OPEB are considered to be prepared on the regulatory basis of accounting. The budgetary comparison schedules that are included in the financial statement template include columns for GAAP basis actual expenditures, adjustments for regulatory basis reporting, and regulatory basis actual expenditures. County boards should only include the amounts coded to object code 217 within the adjustments column to arrive at regulatory basis actual expenditures, because this is the only expenditure item the Office of School Finance has allowed county boards of education to exclude from their budgets. Please note that county boards of education are instructed to include in their budget's expenditures related to the unfunded retirement liability allocation (object 235).

NOTE: The original budget column consists of the amounts budgeted in the proposed budget

submitted to the State Board of Education for approval prior to the beginning of the fiscal year.

21. **Fiduciary Fund Statements:** Various County boards are responsible for accounting for a variety of funds that are to be reported as fiduciary funds. These may include school activity funds, RESA funds, ESC funds, MCVC funds, scholarship funds, or retirement trust funds.

RESA and MCVC Funds: For the county boards that serve as fiscal agents for the dissolved RESAs and the county boards that serve as fiscal agents for the MCVCs, the financial activity of these entities are also to be reported as a custodial fund in the financial statements of the county boards. These county boards must complete the "Statement of Fiduciary Net Assets".

Scholarship Funds: For the boards of education that have scholarship funds that are material in nature, a determination must be made as to whether the funds are administered by the board or by a third party. If administered by the board, the scholarship fund must be reported as a private-purpose trust using the "Statement of Fiduciary Net Assets" and the "Statement of Changes in Fiduciary Net Assets". If administered by a third party, only the "Statement of Fiduciary Net Assets" is to be completed.

Retirement Trust Funds: For those county boards that provide a supplemental retirement benefit to their retired employees under the authority of West Virginia Code 18-7A-2 and account for the funds as a separate fund, the fund must be reported as a retirement trust fund in the "Statement of Fiduciary Net Assets" and the "Statement of Changes in Fiduciary Net Assets".

22. **Excess Levy Supplemental Schedule:** County Boards with excess levies are required to complete the supplemental schedule of excess levy revenues and expenditures as part of their annual financial statements. The schedule presents both current and levy-to-date collections and expenditures compared to the amounts projected in the original levy call. This schedule is considered "other supplementary information" and should be placed after the "required supplementary information" section of the financial statements.

23. **Encumbrance Distribution Schedule:** All county boards are required to complete an encumbrance distribution schedule for the fiscal year ended June 30, 2025. This schedule reports encumbrances based upon their allocation among the various fund balance categories, which is not otherwise available within the basic financial statements or the note disclosures.