

**Comptroller’s Directive 2-09
Attachment HE-10
Financial Statement Template**

Purpose

To obtain **government-wide Statement of Net Assets (liquidity order) and Statement of Activities** from each higher education institution including any blended component units (HEI*) and discrete component units (i.e. Foundations**). A combined total for the HEI* and its component units (including foundations**) must be reported in the Commonwealth’s Comprehensive Annual Financial Report (CAFR) for each institution (per GASBS No. 39 paragraph 56).

To document the **reconciliation** between the institution’s individually published financial statements and the financial statement template’s government-wide Statement of Net Assets and Statement of Activities (CAFR format).

To obtain **elimination entries** for significant intrafund activity/balances between the HEI* and their foundations** and among the foundations** so the combined totals will not be overstated in the CAFR.

To obtain **applicable footnote/other information** to determine reasonableness/ propriety and/or prepare CAFR footnotes.

***HEI** referred to in this attachment is defined as the higher education institution and any blended component units of the institution.

****Foundation** referred to in this attachment is defined as a foundation/entity that is a discrete component unit of the institution as required by GASBS No. 39.

Applicable institutions

All institutions **must** complete this attachment.

Note: The following tabs must be completed by all HEIs: FST, TAB 6, TAB 7, TAB 8, Checklist and the Certification tab. The following tabs must be completed by all HEIs that have foundation(s): Combining FST, TAB F6, and TAB F7. The remaining tabs must be completed if the HEI or the foundation(s) have amounts reported on certain line items and/or certain conditions exist.

Due date

Staggered due dates	HEI acronyms
September 24	GMU, IALR, ITA, JMU, NCI, RU, RHEA, SVHEC, SWVHEC
September 28	CNU, LU, UMW, NSU, ODU, VMI, VPI&SU, VSU
September 30	CWM, UVA, VCU, VCCS

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Submission requirements

Contact DOA if the institution has any problems with the files.

After downloading the Excel file, rename the file using the institution’s acronym followed by -FST. For example, VCCS would save the file as VCCS-FST.xls. This file includes thirty-five tabs.

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of this spreadsheet.

Also submit the following **Supplemental Information Item 7 per the Comptroller’s Directive 2-09: Statement of Net Assets (SNA) and Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA)** that were used to prepare the reconciliation tabs. This should be submitted electronically in a Word, Excel, or pdf file and the filename should be as follows: institution’s acronym – Supplemental Information Item 7. For example, VCCS would have the following file name: VCCS – Supplemental Information Item 7.

No revision control log

Institutions are required to submit only one complete and accurate Attachment HE-10, Financial Statement Template, by the applicable staggered due date. Therefore, a revision control log is not included in this attachment.

Error messages

“ERROR” messages will appear if certain amounts within a tab do not agree and/or if certain amounts on the FST, Combining FST, or Elimination Entries to FST do not agree to the footnote/informational or reconciliation tabs.

Check figures are displayed in red and should help to determine why an “ERROR” message appears. In addition, there are variance check figures that should show how much the amounts that should agree are off. If you cannot determine why there is an “ERROR” message, contact DOA.

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GAAP

The financial statement template for the HEI must be completed in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Note: A GAAP Master List is available on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link. This list is for informational purposes only and is neither authoritative nor all-inclusive and does not include guidance issued by National Association of College and University Business Officers (NACUBO).

Information for foundations that issue individually published financial statements in accordance with GAAP as prescribed by the Financial Accounting Standards Board (FASB) must be recast/converted to the financial statement template line items.

NACUBO guidance

Position papers and other guidance issued by the NACUBO represent the lowest level of GAAP. This guidance should be followed by all HEIs in the absence of any guidance from the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), or the American Institute of Certified Public Accountants (AICPA).

Funds to be reported

All funds must be presented in the financial statement template, regardless of whether the funds are recorded on CARS. This includes all trust, local, and endowment funds.

Current implementation

The following Governmental Accounting Standards Board (GASB) statements are effective for the Commonwealth for fiscal year 2009:

- **GASBS No. 49**, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and
- **GASBS No. 52**, *Land and Other Real Estate Held as Investments by Endowments*.

The following GASB statements were issued in March 2009 and are effective upon issuance: **GASBS No. 55**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and **GASBS No. 56**, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

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Future imple- mentations

Below are statements that are effective for fiscal year 2010 and are provided for **informational / planning purposes** only:

- GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets*, and
 - GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
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No early imple- mentation of GASB statements

For consistency in reporting all agencies and institutions in the CAFR, the Commonwealth's policy is **no early implementation** of any GASB statement. If an institution early implements any GASB statement in its individually published financial statements, the Attachment HE-10, Financial Statement Template, must exclude the effects of any early implementations.

Verify prior year amounts & read instructions & checklist

Before you begin completing the tabs, perform the following:

- **Verify the prior year amounts** that are on the FST, TAB 3, and TAB 5. Select the institution's acronym on the applicable tabs and prior year amounts should appear. These amounts should be the amounts reported on the prior year's Attachment HE-10 as adjusted for correcting AJEs. If you cannot verify a prior year amount, contact DOA to discuss.
 - The **instructions to the Attachment HE-10 should be read and understood** prior to completing the attachment. If you do not understand the instructions and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
 - The checklist tab is to help ensure completeness and propriety. The **checklist tab should be read and understood** prior to completing this attachment and referenced as deemed necessary during the preparation process. If you do not understand items on the checklist and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
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Additional guidance

For additional information/guidance, see the Comptroller's Directive 2-09 and the following documents on DOA's website:

- Higher Education Institution Accounting Procedures*
- Manual Leave Liability Calculation Guidelines
- Additional Information: Attachment HE-10 – TAB 3 – Part 4 regarding GASBS No. 42
- Additional Information: Attachment HE-10 – TAB 7 – Part 16 regarding GASBS No. 49
- GASBS No. 48 – Commonwealth of Virginia Intra-Entity Reporting List**

Note*: This document provides information on the following programs for the HEI: VCBA 21st Century, VCBA Equipment Trust Fund (ETF), Treasury's GOB (9b), Virginia Public Building Authority (VPBA), VCBA Pooled Bonds, and Energy Performance Contracts.

Note**: This document is referred to in Attachment HE-10–TAB 7– Part 15. GASBS No. 48 includes guidance on how to report intra-entity transfers of assets and future revenues (including purchases / donations / transfers of capital assets) within the same financial reporting entity. Since HEIs are part of the Commonwealth's financial reporting entity, the definition of "intra-entity" for purposes of implementing GASBS No. 48 is not only the HEI and its foundations but also other entities reported in the CAFR. This document provides a listing of the Commonwealth's intra-entities.

Foundation information

The institution should request complete and accurate information from the foundations in order for the institution to complete this attachment by the applicable attachment due date.

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**Following
sections**

This document includes the following sections:

- Report Formats
 - Summary of Attachment Changes
 - Listing of Tabs
 - Financial Statement Template (FST)
 - Combining FST
 - Line Items
 - Miscellaneous Information – HEI
 - Fluctuation Analysis
 - Elimination Entries to FST
 - Footnote/Other Information for HEI (TABS 1A to 9)
 - Footnote/Other Information for Foundations (TABS F1 to F10)
 - Reconciliation Tabs – HEI & Foundations
 - Checklist & Certification
 - Errors Discovered after Submission
 - Appendix 1: Chart of Accounts
 - Appendix 2: Cash, Cash Equivalents, and Investments
 - Appendix 3: Revenue Classifications
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Report Formats

Background

GASBS No. 35, *Basic Financial Statements-and Management's Discussion and Analysis for Public Colleges and Universities*, amended GASBS No. 34. The institution's individually published financial statements include the following: Statement of Net Assets (SNA), Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA), Statement of Cash Flows, Notes, and Management's Discussion and Analysis. The SNA and SRECNA will be referred to as the **institution format**.

GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the institutions to report certain foundations as discrete component units of the institution. Foundations are primarily non-profit charitable entities that exist solely to assist and support the HEI and are exempt from federal income tax under the Internal Revenue Code Section 501(c) (3). These foundations report under FASB rather than GASB standards and issue individually published financial statements following FASB standards including SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. GASB reporting requirements allow flexibility in how institutions report these foundations in their individually published financial statements. Most institutions convert the foundation format into the institution format.

Each institution is a discrete component unit of the Commonwealth. GASBS No. 39 paragraph 56 requires the Commonwealth to combine the HEI and foundation amounts into one column in the Commonwealth's CAFR for reporting in the government-wide Statement of Net Assets and Statement of Activities. GASBS No. 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, provides guidance on these government-wide financial statements. These government-wide financial statements will be referred to as the **CAFR format**. Institutions must convert the institution format including the foundation information into the CAFR format.

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Report Formats, Continued

Similarities

The **CAFR format** is similar to the **institution format** in the following ways:

- Both are prepared using the economic resources measurement focus and accrual basis of accounting
 - Both have similar net asset line items (including invested in capital assets, net of related debt)
 - Infrastructure assets must be reported by the HEIs using the historical approach
 - Both have the following similar line items on the SRECNA (institution format) and Statement of Activities (CAFR format): Contributions to Term Endowments, Contributions to Permanent Endowments, Extraordinary Items, and Special Items
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Overall differences

Below are some of the overall differences between the CAFR format and the institution format:

- Institution format must be converted/recast to the CAFR format on the FST for the HEI & Combining FST for the foundations– see [Appendix 1: Chart of Accounts](#), for a listing of line items.
- For the CAFR format, **institutions must eliminate significant* intrafund activity/balances between the HEI and the foundations and among the foundations** so that activity/balances will not be overstated when the combined total amount is reported in the Commonwealth’s CAFR. In addition, there are disclosure requirements for significant intrafund activity/balances that cannot be eliminated because of differing year-ends.

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

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Report Formats, Continued

**Statement of
Net Assets -
differences**

Below are some additional differences between the CAFR format and the institution format for the Statement of Net Assets:

- Liquidity order rather than classified format;
- Detailed cash, cash equivalent, and investment line items for the HEI including “restricted” cash, cash equivalent, and investment line items for the HEI & foundations – see [Appendix 2: Cash, Cash Equivalents, and Investments](#), and checklist tab item 9 for guidance;
- More detailed and/or different line items for the following reasons: verification to other information on CARS or from other agencies / determine reasonableness / consistency in reporting;
- “Other” line items – descriptions are needed for the following line items to ensure consistent reporting in the CAFR: Other Assets, Other Restricted Assets, Accounts Payable-Other, Other Liabilities, and Long-term Liabilities – Other; and
- Invested in capital assets, net of related debt net asset amount must be calculated and reported for FASB foundations. (Since most institutions convert the FASB f/s to the GASB format, this conversion is usually already done when preparing the institution’s financial statements.)

**Statement of
Activities -
differences**

Below are some of the differences between the CAFR format (Statement of Activities) and the institution format (SRECNA):

- Different revenue line items as required and defined in [GASBS No. 34](#) and as amended by [GASBS No. 37](#) – see [Appendix 3: Revenue Classifications](#), for descriptions of these line items
- HEI only - more detailed line items for state appropriation revenue/revenue from the Commonwealth/VCBA to verify with information on CARS or from other agencies
- Nonoperating and operating expenses reported in total

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Summary of Attachment Changes

Changes

This section summarizes some of the changes that have been made to the Attachment HE-10 for FY 2009.

**TAB 1B –
Part 3
for HEI**

TAB 1B Part 3 is new and includes questions regarding the implementation of **GASBS No. 52**, *Land and Other Real Estate Held as Investments by Endowments*, since this statement is effective for FY 2009.

**TAB 7 –
Part 16
for HEI**

This part has been revised to include more detailed questions regarding the implementation of **GASBS No. 49**, *Accounting and Financial Reporting for Pollution Remediation Obligations*, because this statement is effective for FY 2009.

For additional information on this new part, see the **[Additional Information: Attachment HE-10 – TAB 7 – Part 16 regarding GASBS No. 49](#)** pdf document available on DOA's website after the instructions for the Attachment HE-10.

**TAB 7 –
Part 18
for HEI -
future
implement-
ation**

TAB 7 Part 18 is revised and includes questions regarding the **future** implementation of **GASBS No. 53**, *Accounting and Financial Reporting for Derivative Instruments*, which is effective for FY 2010. This part has been added for **planning purposes only**.

Note: Last year, Part 18 had a question regarding GASBS No. 52 and as noted above, TAB 1B Part 3 has questions regarding this statement.

**Certification –
HEI &
Foundation(s)**

The certification tab has been expanded to include that the instructions have also been read and are understood.

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Listing of Tabs

Tabs

Below is a listing of the tab names within this attachment and also documents if the tab includes HEI and/or foundation information. This file contains thirty-five tabs. Tabs are explained in more detail in the following sections:

Tab Name	HEI and/or Foundation(s)
FST	HEI/Foundation(s)
Combining FST	Foundation
Elimination Entries to FST	HEI/Foundation(s)
HEI Flux	HEI
Foundation Flux	Foundation(s)
Checklist	HEI/Foundation(s)
TAB 1A, GASBS 3	HEI
TAB 1B, GASBS 31 & 52	HEI
TAB 2, Receivables	HEI
TAB 3, Capital Assets	HEI
TAB 5, LT Liabilities	HEI
TAB 6, Commitments	HEI
TAB 7, Miscellaneous	HEI
TAB 8, Short-term Debt	HEI
TAB 9, Inv in Cap Assets	HEI
TAB F1, Cash, Cash Eqv & Inv	Foundation(s)
TAB F2, SNAP & LGIP	Foundation(s)
TAB F3, Receivables	Foundation(s)
TAB F4, Capital Assets	Foundation(s)
TAB F5, LT Liabilities	Foundation(s)
TAB F5.1 LT Liabilities	Foundation(s)
TAB F6, Commitments	Foundation(s)
TAB F7, Miscellaneous	Foundation(s)
TAB F8, Intrafund	HEI/Foundation(s)
TAB F9, Short-term Debt	Foundation(s)
TAB F10, Inv in Cap Assets	Foundation(s)
4 reconciliation tabs: HEI-Assets, HEI-Liabilities, HEI-Net Assets, HEI-Rev, Exp, and Chgs	HEI
4 reconciliation tabs: Foundations-Assets, Foundations-Liabilities, Foundations-Net Assets, Foundations-Rev, Exp, and Chgs	Foundation(s)
Certification	HEI/Foundation(s)

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Financial Statement Template (FST)

FST

HEI Total Year-End June 30, 2009 column: Amounts for the HEI must be keyed into this column. As noted on page 1, HEI is defined as the higher education institution and any blended component units. This tab has the government-wide Statement of Net Assets and Statement of Activities (CAFR format) as required by GASBS No. 34. **Footnote/informational TABS 1A to 9*** as well as the **HEI reconciliation tabs** must be completed for certain amounts reported in this column.

The following columns are **linked to other tabs** and those tabs are discussed in subsequent sections.

- Foundation(s) Year-End Totals (linked to Combining FST tab)
- Elimination Entries (linked to Elimination Entries to FST tab)

The **Combined Total** column sums the three columns and will be reported in the CAFR with some exceptions. DOA will make certain adjustments to these amounts; therefore, amounts in this column do not always equal the amounts reported in the CAFR.

HEI Total Prior Year & Foundation(s) Total Prior Year Totals & Fluctuations: For prior year adjusted amounts to appear, select the institution's acronym and prior year amounts will appear and the #N/As will disappear. The prior year amounts represent the amounts per the prior year's Attachment HE-10 submission as adjusted by correcting AJEs. This tab identifies the fluctuations that exceed the scope below and require an explanation:

Increases or decreases greater than 10% and \$2,220,000 or
Increases or decreases greater than \$7,400,000

Contact DOA if there is a fluctuation greater than the above scopes but do not have a "yes" in the "*Is an explanation required?*" column. Also, contact DOA if the prior year amounts including correcting AJEs do not agree to the institution's records.

Note *: If applicable, TAB F8 Part 2 must be completed for significant intrafund activity/balance amounts reported in this column that cannot be eliminated because a foundation reported on the Combining FST has a different year-end.

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Combining FST

Combining FST

The **Combining Financial Statement Template (Combining FST)** is similar to the FST; however, it is to record the amounts for the **foundations**. Most HEIs have at least one foundation. As stated on page 1, a foundation is defined for this attachment as a discrete component unit of the HEI as required by GASBS No. 39. The Combining FST has up to eight columns that can be used to record foundation amounts. A separate column must be used for each foundation. Record the foundation name, year-end date, and amounts. **Footnote/Informational TABS F1 to F10** must be completed for each foundation. The foundation name and year-end date are linked to the Combining FST. The **Foundation reconciliation tabs** must be completed for amounts in the Subtotals (Prior to Elimination Entries) or Foundation(s) Year-End Totals columns.

Differing Year-ends: Foundations with a different year-end must use the balances/activity as of the year-end that ends during the fiscal year-end of the institution. For example, balances/activity for the year-ended December 31, 2008 would be used to report amounts on the Combining FST for fiscal year ended June 30, 2009 if the foundation has a calendar rather than fiscal year-end.

Elimination Entries between Foundations: The HEI must key amounts in the column titled "Elimination Entries" to eliminate significant* intrafund balance/activity amounts among the foundations reported on the Combining FST. Generally, these elimination entries should not affect the ending net asset balances. Of course, this column does not apply to those HEIs with only one foundation. Any significant* intrafund activity/balances between the foundations that cannot be eliminated because the foundations have different year-ends must be disclosed on the TAB F8, Intrafund, Part 1.

Note *: Professional judgment must be used to determine what is considered "significant" to the institution's individually published financial statements for purposes of identifying what eliminations are required.

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Line Items

Informational

Appendix 1: Chart of Accounts, includes a listing of the FST and Combining FST line items for the HEI and the foundation(s). Many line items are self-explanatory; however, below is additional information on certain line items:

- **Cash, Cash Equivalent, and Investment line items:** Additional information on these line items can be found in **Appendix 2: Cash, Cash Equivalents, and Investments**, including what to report on the “Restricted” Cash, Cash Equivalent, and Investment line items.
- **Contributions Receivable, Net** represents a promise a donor makes to give the foundation a contribution that is, in substance, unconditional. They are reported at the present value of their estimated future cash flows. This line item can **only** be used for the foundations.
- **“Other” line items:** A description must be provided on the applicable footnote/informational tabs for line items with “Other” in the title.
- **Claims Payable – Due Within One Year & Due in More Than One Year:** This line item is to report claims payable for self-insurance programs.
- **Invested in Capital Assets, Net of Related Debt:** TABs 9 & F10 are to document the invested in capital assets, net of related debt net asset calculations.
- **Long-term Liabilities – Other Postemployment Benefits – Due in More than One Year:** This line item should be used to report any liabilities required to be reported in accordance with GASBS No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEBs). Since most institutions have OPEBs offered by the Commonwealth of Virginia, most institutions do not have this type of liability to report.

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Line Items, Continued

Informational,
continued

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- **Long-Term Liabilities – Trust and Annuity Obligations** represent obligations owed to beneficiaries under the terms of trust or annuity agreements. For example, split-interest agreements usually provide that the HEI or foundation act as trustee for the gift assets, with the requirement that an annual distribution be made to a specified beneficiary. These distributions are usually for a fixed dollar amount (annuity trust) or a fixed percentage of the trust's fair market value (unitrust). The amount due within one year and the amount due in greater than one year must be reported separately on the FST or Combining FST.
 - **Revenue:** The revenue line items are as follows and descriptions can be found in the **Appendix 3: Revenue Classifications:** Program Revenue-Charges for Services, Program Revenue-Operating Grants & Contributions, Program Revenue-Capital Grants & Contributions, Grants & Contributions not Restricted to Specific Programs, Investment Earnings* (not meeting program revenue definitions –see next item), Miscellaneous Revenue, Contributions to Permanent Endowments, Contributions to Term Endowments.
 - ***Investment earnings:** Investment earnings may be reported on more than one FST or Combining FST line item. Investment earnings that do not meet the definition of program revenue can be reported on the investment earnings line item; otherwise, they must be reported on the applicable program revenue line items.
 - **Extraordinary Items:** This represents transactions/events that are both unusual in nature and infrequent in occurrence. Descriptions must be provided for this item.
 - **Special Items:** This represents transactions/events that are within the control of management and are unusual in nature or infrequent in occurrence. Descriptions must be provided for this item.

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Miscellaneous Information – HEI

**HEI -
appropriation
available**

The amounts reported on the following line items represent GLA 101, Cash held with Treasurer of VA, reported on CARS as of year-end for the General Fund that will be reappropriated and were reported on the previously submitted Attachment HE-8. These reappropriated amounts must be supported by the Department of Planning and Budget authorizations.

- Appropriations Available – Capital Projects
 - Appropriations Available – Other
-

**HEI -
inventory**

Include materials and supplies in the inventory line item on the financial statement template. Disclose any liens from pledging or assigning inventory in the Part 1 Inventory section of Attachment HE-10 (TAB 7, Miscellaneous).

Do not include consigned inventory and donated food in inventory. Donated food must still be counted for federal reporting purposes, even though it is not reported on the financial statement template.

Use the **consumption method** when reporting inventory. This reporting method stipulates that inventory items to be used in operations must be reported as financial resources (assets) when acquired, and expenses must be recognized when the items are used. Many institutions may be currently recording inventory items as expenses when purchased (the purchase method); therefore, this accounting methodology requires an adjusting journal entry to record an asset and to reduce expenses for the unused inventory as follows:

Debit: Inventory	XXX
Credit: Expenses	XXX

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Miscellaneous Information - HEI, Continued

**HEI –
net assets for
endowments**

Contributions to permanent **and** term endowments should be reported as separate line items on the financial statement template. The line items are “Contributions to Permanent Endowments” and “Contributions to Term Endowments.” The net assets of permanent and term endowments **are** distinguished on the financial statement template as follows:

Permanent Endowment – Permanent endowment funds are funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal. Therefore, the principal portions should be reported as restricted net assets – nonexpendable and the investment income should be reported as restricted net assets – expendable. The unrealized appreciation may be nonexpendable or expendable depending on the donor’s specifications and applicable state law.

Term Endowment – Similar to permanent endowment funds except that, upon passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended. Therefore, only a temporary restriction on net assets exists and term endowment funds should be reported as restricted net assets – expendable.

Quasi-Endowment – Quasi-endowment funds are funds which the governing board of an institution, rather than a donor or outside agency, has determined are to be retained and invested. Since these funds are internally designated rather than externally restricted, the governing board has the right to decide at any time to expend the principal. Therefore, quasi-endowment funds may be either restricted or unrestricted. Quasi-endowments created with restricted resources must be reported as expendable restricted net assets. Those created with unrestricted resources must be reported with unrestricted net assets, but could be described in a note to the financial statements indicating that they have been designated for long-term investment.

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Miscellaneous Information – HEI, Continued

**Internal use
computer
software
costs**

Include any capitalized costs for internal use computer software in the Equipment line item. See CAPP Manual Topic 30305, “Software Purchased or Developed for Internal Use,” for additional information. Any inquiries may be addressed to the following:

Bobby Eddleton, Assistant Director of Financial Reporting
Phone: (804) 225-2257
E-mail: Bobby.Eddleton@doa.virginia.gov

Chris Di Rienzo, FAACS & LAS Coordinator
Phone: (804) 225-2002
E-mail: Chris.Dirienzo@doa.virginia.gov

Note: GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for FY 2010. CAPP Manual Topic 30325, “Software and Other Intangible Assets,” has additional information regarding this new statement.

**Scholarships
discounts and
allowances**

NACUBO published Advisory Report 2000-05, *Accounting and Reporting Scholarship Discounts and Allowances to Tuition and Other Fee Revenues by Public Institutions of Higher Education*. The “alternative method” described in this report represents preferred industry practice for all public schools, colleges, and universities in the absence of any guidance from the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the American Institute of Certified Public Accountants.

The GASBS No. 35 Implementation Guide developed by NACUBO and PricewaterhouseCoopers LLP, questions 79 through 87, also addresses specific scholarship issues.

**Summer school
sessions that
cross fiscal
years**

The GASBS No. 35 Implementation Guide developed by NACUBO and PricewaterhouseCoopers LLP, question 39, states that revenues and expenses for a summer session should be allocated between the two fiscal years. Appropriate amounts should be recognized in the accounting period in which they are earned or incurred and become measurable.

**Unrealized
gains and losses**

Unrealized gains and losses should be reported as revenue in accordance with paragraph 13 of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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Miscellaneous Information - HEI, Continued

Bonds payable The bonds payable amount reported on the financial statement template must be reconciled to the Department of Treasury schedules plus any institutional debt (i.e., debt not issued through Treasury). **If the amounts do not agree to Treasury's balances plus institutional debt, a reconciliation must be provided by the institution and submitted with Attachment HE-10.**

Lag pay Record any applicable lag pay accruals in the financial statement template. At a minimum, this will require recording of the July 1 (June 10-24 pay period) and a portion of the July 16 (June 25-30 pay period) payrolls.

Contract and grant revenues and indirect cost recoveries-individually published financial statements A contract or grant considered to be an exchange transaction will generally be for program activities and should be treated as operating revenue. Grants that represent nonexchange transactions are treated as nonoperating revenues. (See the GASBS No. 35 Implementation Guide developed by NACUBO and PricewaterhouseCoopers LLP, question 38.)

Indirect cost recoveries associated with exchange transactions should be recorded as operating revenues and indirect cost recoveries associated with nonexchange transactions should be recorded as nonoperating revenues. (See the GASBS No. 35 Implementation Guide developed by NACUBO and PricewaterhouseCoopers LLP, question 41.)

Pell Grants – individually published financial statements The Comprehensive Implementation Guide – Guides Issued through June 30, 2008 – question 7.72.10 clarified how colleges and universities should report Pell Grants. In summary, because of an institution's administrative involvement with Pell Grant requirements and because Pell Grants are nonexchange transactions, Pell Grant receipts should be reported as nonoperating revenues in the institution's individually published financial statements and any amounts applied to student receivables accounts should be recorded as scholarship discounts or allowances. Refer to the most current implementation guide for additional information.

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Fluctuation Analysis

**HEI Flux &
Foundation
Flux**

These tabs can be used to provide explanations for the material fluctuations reported on the FST. Using the filter function, select “yes” for the “*Is an explanation required?*” column and only those line items requiring an explanation will appear. Contact DOA if there is a fluctuation greater than the scopes noted below; however, these tabs do not have a “yes” for those line items in the “*Is an explanation required?*” column.

Increases or decreases greater than 10% and \$2,220,000 or
Increases or decreases greater than \$7,400,000

Most institutions elect to provide explanations on these tabs; however, an institution can provide explanations in a separate document. If explanations are provided in a separate document, it should include the following: FST line item, \$ fluctuation, % fluctuation, and explanation.

A fluctuation analysis is an important control to help ensure that amounts are properly classified and reported. **Explanations should be understandable and adequately explain the reason for the fluctuation.** If a misclassification or misstatement is identified when preparing the fluctuation analysis, corrections should be made to the FST and / or Combining FST tab prior to submission. Therefore, it is important to allow plenty of time to properly prepare and review the fluctuation analysis prior to submission to DOA.

Some explanations provided last year were not complete and did not clearly document the reason for the fluctuations. The preparer and reviewer should read the explanations from the perspective of an outside party and see if the explanation is reasonable. In addition, DOA may request explanations for other fluctuations that are not explained.

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Elimination Entries to FST

**Elimination
Entries to FST**

Elimination Entries to FST tab: All significant* elimination entries for intrafund balance/activity amounts among the HEI and the foundation(s) must be recorded on the “Elimination Entries to FST” tab. This tab has a column for elimination entries to the HEI amounts and another column for the elimination entries to the Foundation amounts. After entering all elimination entries, ensure there are no “ERROR” messages on this tab or the FST tab. The “Elimination Entries” column on the FST is linked to the “**Elimination Entries to FST – Combined Total**” column in this tab. Any significant* intrafund balance/activity amounts not eliminated because the foundation(s) has a differing year-end (i.e. December 31st) must be reported on TAB F8, Intrafund.

As noted previously, all significant* elimination entries for intrafund balance/activity amounts among the foundations reported on the Combining FST tab must be reported in the Elimination Entries column on the Combining FST tab.

The following FST and/or Combining FST line items can be used to report significant* intrafund activity/balances that must be eliminated. These line items are optional; however, if these line items are used the combined total amounts on the FST tab must be zero after entering all amounts and applicable elimination entries. If these line items are not used, the significant* intrafund activity/balances reported on other line items must be eliminated.

- Due from Foundation(s)
- Due to Foundation(s)
- Due from Higher Education Institution
- Due to Higher Education Institution
- Payments/Support from Foundation(s)
- Payments/Support to Foundation(s)
- Payments/Support from the Higher Education Institution
- Payments/Support to the Higher Education Institution

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

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Attachment HE-10
Financial Statement Template**

Footnote/Other Information for HEI (TABS 1A to 9)

Overview

This section discusses the **TABS 1A through 9 to obtain either HEI footnote and/or other information.**

“ERROR” messages will appear if the amounts do not agree to the amounts reported on the FST and/or Elimination Entries to FST tabs for the applicable HEI amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

**TAB 1A,
GASBS 3**

Follow the procedures below to provide cash, cash equivalents, and investment amounts for the HEI

Part	Guideline
1	Report the institution’s CARS GLA 101 balance by fund, excluding funds 0100 and 0965. This amount should agree to the applicable Cash held with Treasurer of VA line items on the Statement of Net Assets. If the total amount reported does not equal CARS GLA 101, excluding Fund 0100 and 0965, submit a reconciliation by fund with the attachment.
2	Amounts for the following line items are linked to the FST. <div style="text-align: center;"> <p>Cash not held with Treasurer of Virginia</p> <p>Restricted Cash not held with Treasurer of Virginia</p> </div> <p>The total of these amounts must be recorded on Attachment HE-12-detail tab – Part 1a. Attachment HE-12 requires additional footnote information on these line items.</p>
3	The amounts for the following line items are linked to the FST. <ul style="list-style-type: none"> • Restricted SNAP Individual Portfolio– Cash Equivalents • Restricted SNAP Individual Portfolio - Investments • Cash Equivalents & Restricted Cash Equivalents not held with Treasurer of Virginia • Investments & Restricted Investments not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-12-detail tab – Part 3. Attachment HE-12 requires additional footnote information on these line items.</p>

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 1A,
GASBS 3,
continued**

Follow the procedures below:

Part	Guideline
4a & b 4c & d	<p>Provide descriptions and amounts for the following amounts held with the Treasurer of VA:</p> <ul style="list-style-type: none"> • Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP) • Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP): • Investments held with Treasurer of VA (excludes SNAP) • Restricted Investments held with Treasurer of VA (excludes SNAP):
5a & b	For any Local Government Investment Pool (LGIP) and / or Restricted Local Government Investment Pool amounts, provide the LGIP account # and amounts.
6a	For any Restricted State Non-Arbitrage (SNAP) Fund amount, provide the SNAP account # and amounts.
6b	For any amounts reported on the two Restricted SNAP Individual Portfolio line items, provide the SNAP account # and amounts.

**TAB 1B,
GASBS 31 & 52**

Complete this for all cash equivalents and investments reported on the financial statement template for the HEI. Parts 1 & 2 are to determine if amounts were properly reported in accordance with GASBS No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

A **new Part 3** has been added regarding the implementation of GASBS No. 52, Land and Other Real Estate Held as Investments by Endowments. This statement requires that land and other real estate held as investments by permanent and/or term endowments be reported at fair value at the reporting date. This statement does not apply to quasi-endowments. (see GASBS No. 52 for additional information)

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 2,
Receivables**

Part 1) Provide the following footnote information:

- Gross amounts by category
- Description and gross amounts for “Other Receivables” category
- Allowance for doubtful accounts
- Net receivables expected to be collected in greater than one year.

Part 2) Provide the footnote information for elimination entries to the HEI amount reported on the Elimination Entries to FST tab.

**TAB 3, Capital
Assets**

Provide the following footnote information:

Part 1) Schedule of Changes in Capital Assets

Part 1a) Comparison of Beginning Balances to Prior Year’s Ending Balances: This compares the prior year’s ending balances to the current year’s beginning balances and calculates differences. After selecting the institution’s acronym, prior year’s ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year’s ending balances as adjusted for correcting TAB 3 AJEs. The amounts in the Balance July 1, 2008 column are linked to Part 1. Differences must be explained.

Part 2) Capital Asset Capitalization Policy

Part 3) Works of Art/Historical Treasures

Parts 4.1 to 4.3) [GASBS No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries](#): See **[Additional Information: Attachment HE-10 – TAB 3 – Part 4 regarding GASBS No. 42](#)** on DOA’s website for additional guidance.

Part 5) This is for **elimination entries** reported on the Elimination Entries to FST tab to the HEI’s capital asset line items.

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

TAB 5, LT
Liabilities

This tab provides the following footnote information:

Part 1) Schedule of Changes in Long-Term Liabilities and Claims Payable

Part 1a) Comparison of Beginning Balances to Prior Year Ending Balances:
This compares the prior year's ending balances to the current year's beginning balances and calculates differences. After selecting the institution's acronym, the prior year's ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year's ending balances as adjusted for correcting TAB 5 AJEs. The amounts in the Balance July 1, 2008 column are linked to Part 1. Differences must be explained.

Part 2) Schedule of Installment Purchase Obligations

Part 3) Schedule of Future Capital Lease Payments & Related Capital Asset Balances

Part 4) Bonds Payable (Institutional Debt)

Parts 5 to 8) These are for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's long-term liability line items.

TAB 6,
Commitments

This tab provides the following footnote information for the HEI:

Parts 1 and 3) Operating Leases

Parts 2 and 4) Other Commitments

Note: Amounts reported should exclude significant commitments between the HEI and the foundations.

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 7,
Miscellaneous**

This tab provides the following footnote information for the HEI. **Parts 16, 17, and 18 have been revised.**

Part 1) Inventory

Part 2) Restricted Cash and Cash Equivalents/Restricted Investments/Other Restricted Assets

Part 3) Unearned Revenue

Part 4) GASBS No. 20

Part 5) GASBS No. 33

Part 6) GASBS No. 38

Part 7) Contingent Liabilities

Part 8) Subsequent Events

Part 9) Flow Assumption for Restricted Resources

Part 10) Donor-Restricted Endowments

Part 11a & b) Other Liabilities & Accounts Payable – Other

Parts 12a & b) Other Assets & Other Restricted Assets

Part 13) GASBS No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEBs), & GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

Part 14) GASBS No. 47, *Accounting for Termination Benefits*

Part 15) GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

Parts 16), GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (effective FY 2009): For additional information on this part, see the **Additional Information: Attachment HE-10 – TAB 7 – Part 16 regarding GASBS No. 49** on DOA's website.

Parts 17, 18) Future Implementation of GASBS No. 51, *Accounting and Financial Reporting of Intangible Assets* (effective FY 2010), and GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments* (effective FY 2010). **DOA does not want the HEI to early implement these statements.** Parts 17 & 18 are to help DOA plan the future implementation of these statements.

TAB 8, Short-term Debt

This tab is to provide the detail for short-term debt activity during the year with a party **external** to the Commonwealth. This is a footnote disclosure required by GASBS No. 38.

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Footnote/Other Information for HEI (TABS 1A to 9), Continued

**TAB 9, Inv in
Cap Assets**

This tab is to document the calculation of the invested in capital assets, net of related debt amount. This is a net asset line item and is calculated as follows: Total capital assets less debt related to capital assets plus unspent debt proceeds plus unamortized bond issuance expenses. Below is a simple example of how to calculate this amount using the following information: total capital assets of \$10,000,000; bonds payable related to the construction of a building that total \$5,000,000, unspent bond proceeds reported as restricted cash related to this debt of \$2,000,000; and unamortized bond issuance expense of \$20,000.

Total Capital Assets (linked)	\$10,000,000	
Less: Bonds Payable (linked)	-5,000,000	*
Add: Unspent Bond Proceeds (excluding investment earnings)	2,000,000	*
Add: Unamortized Bond Issuance Expense	<u>20,000</u>	
Invested in Capital Assets, Net of Related Debt	<u>\$7,020,000</u>	

Note*: The difference between the bonds payable and the unspent bond proceeds of \$3,000,000 should represent the bond proceeds that have already been spent and included in the total capital asset amount as construction in progress.

The total capital asset and the debt amounts are linked to the FST. Since the total debt amounts are linked to the FST and will show as a negative amount, any of the debt amounts that are not related to capital assets must be recorded as a positive amount to exclude from the calculation. Unspent bond proceeds and unamortized bond issuance expense** on debt related to capital assets must be included in the calculation as positive amount. Short-term debt (i.e. lines of credit)** is not linked to the FST; therefore, any Short-term Debt (i.e. lines of credit) related to capital assets must be included in the calculation as a negative amount.

Some HEIs have eliminations entries that affect capital asset and/or debt line items. If the HEI has elimination entries that affect these line items, the second column is to document the calculation of the invested in capital assets, net of related debt based on the elimination entries.

Note **: This tab includes informational totals that show what amounts are reported on the FST and/or Elimination Entries to FST tabs for unamortized bond issuance expense and short-term debt (lines of credit) line items.

For additional guidance on this calculation, see GASBS No. 34 and the Comprehensive Implementation Guides.

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Footnote/Other Information for Foundations (TABS F1 to F10)

Background

Institutions are **not** expected to convert foundation FASB footnotes into GASB footnotes; however, there will be some additional information needed from foundations in order to report information in the CAFR. This section discusses **TABS F1 through F10** to obtain **foundation footnote and/or other information**.

“ERROR” messages will appear if amounts do not agree to the Combining FST and/or Elimination Entries to FST for the applicable foundation amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

TAB F1

Tab F1, Cash, Cash Eqv, and Inv, include the following for the foundations:

- Part 1) Answer questions regarding cash and cash equivalents (including restricted cash and cash equivalents).
 - Part 2a) Record the fair value of investments (including restricted investments). There are two columns to record footnote elimination entries to foundation investment and restricted investment amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.
 - Part 2b) State whether any amounts reported in Part 2a are reported at cost rather than fair value.
 - Part 3a) State whether the foundation has any investments in LGIP. If yes, complete TAB F2, SNAP & LGIP.
 - Part 3b) State whether the foundation has any investments in SNAP. If yes, complete TAB F2, SNAP & LGIP.
-

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Footnote/Other Information for Foundations (TABS F1 to F10),
Continued

TAB F4, Capital Assets Provide year-end capital asset amounts by category, gross amounts, and accumulated depreciation amounts. There are two columns to record footnote elimination entries to foundation capital asset amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

TABS F5 & F5.1 LT Liabilities The TAB F5 has four parts to obtain descriptions, payees, and outstanding balances for the following:

- Part 1) Notes Payable
- Part 2) Bonds Payable
- Part 3) Capital Lease Obligations
- Part 4) Installment Purchase Obligations

In addition, TAB F5 has the following three parts to obtain descriptions and outstanding balances of the following:

- Part 5) Long-term Liabilities – Other
- Part 6) Long-term Liabilities – Other Postemployment Benefits (OPEBs)
- Part 7) Claims Payable

TAB F5.1 has four parts to obtain future payments on the amounts reported on the TAB F5 Parts 1 to 4. The future payments are for the next five years and then a total for all years thereafter. Capital asset balances must be provided for any capital assets purchased with the capital leases. There are two columns to record footnote elimination entries to the applicable foundation line items reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

TAB F6, Commitments

- Part 1) Provide information on operating lease agreements.
- Part 2) Provide information on any other commitments reported by the foundation as of year-end.

Note: Amounts reported should exclude significant intrafund commitments between the foundations and the HEI and among the foundations.

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Footnote/Other Information for Foundations (TABS F1 to F10),
Continued

TAB F7,
Miscellaneous

This tab has questions in the following categories:

Part 1)	General
Part 2)	Restricted Cash and Cash Equivalents, Restricted Investments, Other Restricted Assets
Part 3)	Split-Interest Agreements
Part 4)	Contingent Liabilities
Part 5)	Subsequent Events
Part 6)	Significant Intrafund Balance/Activity Amounts not Eliminated because of Different Year-End Dates
Parts 7a & 7b)	Other Assets & Other Restricted Assets
Part 8)	Other Liabilities

TAB F8,
Intrafund

This tab must be completed if **both** of the following conditions are met.

1. The foundation has a December 31st year-end.
2. The HEI and the foundation(s) have significant intrafund balance/activity amounts reported on the FST that have not been eliminated because of different fiscal years **or** the foundations reported on the Combining FST have significant intrafund balance/activity amounts reported on the Combining FST that have not been eliminated because of different fiscal years.

If both conditions are met, provide the FST line items and amounts that were not eliminated. Part 1 is to report foundation amounts that cannot be eliminated and Part 2 is to report the HEI amounts that cannot be eliminated. Approximately three institutions have one or more foundations with a calendar year-end. This makes the elimination entries a little more complicated. Any significant intrafund activity/balances that are not eliminated because of different year-ends (either between the HEI & foundation(s) or among the foundation(s)), must be disclosed on TAB F8.

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Footnote/Other Information for Foundations (TABS F1 to F10),

Continued

TAB F8,
continued

Below is an example of how this type of activity/balances should be reported on the Attachment HE-10 for FY 2009:

Significant intrafund balances reported on the Statement of Net Assets

HEI / Foundation	As of 12/31/2008	As of 6/30/2009
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	n/a
HEI (fiscal year-end)	n/a	Disclose on TAB F8 – Part 2

Significant intrafund activity reported on the Statement of Activities

HEI / Foundation	1/1/2008 to 6/30/2008	7/1/2008 to 12/31/2008	1/1/2009 to 6/30/2009
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	Record on Elimination Entries to FST tab (Foundation column)	n/a
HEI (fiscal year-end)	n/a	Record on Elimination Entries to FST tab (HEI column)	Disclose on TAB F8 – Part 2

TAB F9,
Short-term Debt

Complete this tab if amounts are reported on the following line items:

Part 1) Short-term Debt line item

Part 2) Long-Term Liabilities – Bond Anticipation Notes Payable line items

TAB F10,
Inv in Cap Assets

This tab is to document the calculation of the invested in capital assets, net of related debt. This is similar to TAB 9 for the HEI. See instructions for TAB 9 for additional information.

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Reconciliation Tabs – HEI & Foundations

Reconciliation tabs

The following eight reconciliation tabs are to document the reconciliation between the institution’s individually published financial statements (institution format) and the FST/Combining FST (CAFR format):

HEI-Assets	Foundations-Assets
HEI-Liabilities	Foundations-Liabilities
HEI-Net Assets	Foundations-Net Assets
HEI-Rev, Exp, and Chgs	Foundations-Rev, Exp, and Chgs

Each tab is set up with column headers representing financial statement template (FST) or Combining FST line items and rows representing the institution’s individually published financial statement line items.

The institution’s individually published financial statement line items must be reported on the applicable rows. Amounts must be reported in the applicable columns and column totals must agree to the applicable FST or Combining FST line items (see Note A). The row line items and totals should agree to the SNA & SRECNA submitted along with the Attachment HE-10 as required by Supplemental Information Item 7 and the final SNA and SRECNA that will be submitted along with the Attachment HE-13 as required by Supplemental Information Item 8. The institution must ensure that the line item titles per the individually published financial statements are reasonable when compared to the FST or Combining FST.

Note A: The four HEI tabs will display an “ERROR” message if the column totals do not agree to the “HEI Total Year-End June 30, 2009” column on the FST. The column totals on the four foundation tabs should agree to either the “Subtotals (Prior to Elimination Entries)” or the “Foundation(s) Year-End Totals” columns reported on the Combining FST. If the institution does not include the elimination entries that are reported on the Combining FST in their individually published financial statements, then the column totals should agree to the “Subtotals (Prior to Elimination Entries)” column amounts. The four foundation tabs will not display an “ERROR” message if column totals do not agree to the Combining FST because some institutions exclude and some institutions include the elimination entries in the individually published financial statements. Informational totals have been provided to show the subtotal and year-end totals reported on the Combining FST. The column totals on the foundation reconciliation tabs should agree to one of these two amounts.

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Checklist & Certification

Checklist

This tab should be completed after completing all tabs except for the Certification tab. This tab includes questions regarding HEI and foundation amounts/information as a reasonableness check to determine the following: 1) completeness, 2) accuracy, and 2) consistency.

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. By typing a name, the individual is certifying that all tabs of this attachment have been reviewed; the information is both complete and accurate; and the preparer and reviewer were not the same individual for any tab. This tab has been revised to also certify that the instructions have also been read and are understood.

Note: For FY 2008, some institutions had a high number of DOA review questions and correcting AJEs to the Attachment HE-10. Information in this attachment should be accurate, complete, properly classified, and adequately reviewed prior to submitting to DOA. In addition, the institution should not rely on DOA to identify misclassifications and/or misstatements.

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Errors Discovered after Submission

**Errors
discovered after
submission**

Institutions must ensure that all efforts have been made to submit a complete and accurate Attachment HE-10. However, if the institution discovers an unexpected error in the attachment after the submission, the Fiscal Officer must send an e-mail with the subject line **“Error discovered after template submission”** to:

Sharon Lawrence, Director of Financial Reporting, at Sharon.Lawrence@doa.virginia.gov and copy:
Doug Page, Assistant Director of Financial Reporting, at Doug.Page@doa.virginia.gov, and
Christy Tuck, Senior Lead Financial Reporting Analyst, at Christy.Tuck@doa.virginia.gov, with the following information:

- Description of the error
- Dollar amount of the error
- Correcting AJE to the FST, Combining FST, and/or Elimination Entries to FST tabs
- Correcting entries to any other footnote/informational tabs
- Cause of the error
- Reason why the error was not discovered prior to the submission

In addition to sending this e-mail, call Sharon Lawrence at (804) 225-2414, Doug Page at (804) 225-3136, or Christy Tuck at (804) 225-3180 to verify they received the e-mail and discuss the reporting error. DOA will determine what additional information may be needed.

**Comptroller's Directive 2-09
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Financial Statement Template**

Appendix 1: Chart of Accounts

Statement of Net Assets – (GASBS No. 34 government-wide format)

Assets	HEI-FST tab	Foundation-Combining FST tab
Cash held with Treasurer of VA	X(1)	
Cash not held with Treasurer of VA	X(1)	
Local Government Investment Pool	X(1)	
Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Cash and Cash Equivalents		X(1)
Cash Equivalents (DOA Securities Lending AJE)	X(1)	
Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Investments		X(1)
Investments (DOA Securities Lending AJEs)	X(1)	
Appropriations Available – Capital Projects	X(2)	
Appropriations Available – Other	X(2)	
Due from Primary Government (interest/rebate allocation)	X	
Due from Component Units (VCBA 21 st Century)	X(3)	
Due from Component Units (VCBA – ETF)	X(3)	
Due from Primary Government (GOB)	X(3)	
Due from Primary Government (VPBA)	X(3)	
Receivables, Net	X	X
Contributions Receivable, Net		X
Due from Component Units	X	
Due from Higher Education Institution		X
Due from Foundation(s)	X	X
Inventory	X	X
Prepaid Items	X	X
Cash & Travel Advances	X	X
Advances (GASBS 33)	X	
Unamortized Bond Issuance Expenses	X	X
Other Assets	X	X

Note 1: See also **Appendix 2: Cash, Cash Equivalents, and Investments**

Note 2: Amounts per these line items should agree to the Attachment HE-8.

Note 3: Amounts per these line items should agree to the Attachment HE-9.

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**Comptroller's Directive 2-09
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Appendix 1: Chart of Accounts, Continued

Statement of Net Assets – (GASBS No. 34 government-wide format)

<i>Assets, Continued</i>	HEI- FST tab	Foundation- Combining FST tab
Loans Receivable from Primary Government	X	
Loans Receivable from Component Units	X	
Restricted Cash held with Treasurer of VA	X(1)	
Restricted Cash not held with Treasurer of VA	X(1)	
Restricted Local Government Investment Pool	X(1)	
Restricted State Non-Arbitrage Program (SNAP) Funds	X(1)	
Restricted SNAP Individual Portfolio – Cash Equivalents	X(1)	
Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Cash and Cash Equivalents		X(1)
Restricted SNAP Individual Portfolio - Investments	X(1)	
Restricted Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments		X(1)
Other Restricted Assets	X	X
Nondepreciable Capital Assets - Land	X	X
Nondepreciable Capital Assets – Construction in Progress	X	X
Nondepreciable Capital Assets – Inexhaustible Works of Art and/or Historical Treasures	X	X
Nondepreciable Capital Assets - Livestock	X	X
Depreciable Capital Assets - Buildings	X	X
Depreciable Capital Assets - Equipment	X	X
Depreciable Capital Assets – Infrastructure-Historical Approach	X	X
Depreciable Capital Assets – Improvements Other Than Buildings	X	X
Depreciable Capital Assets – Works of Art and/or Historical Treasures	X	X
Depreciable Capital Assets – Library Books	X	X

Note 1: See also **Appendix 2: Cash, Cash Equivalents, and Investments**

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Financial Statement Template**

Appendix 1: Chart of Accounts, Continued

Statement of Net Assets – (GASBS No. 34 government-wide format)

Liabilities	HEI-FST tab	Foundation-Combining FST tab
Accounts Payable, Vendor Payments	X	
Accounts Payable, Salaries/Wages	X	
Accounts Payable, Retainage Payable	X	
Accounts Payable, Other	X	
Advances from the Treasurer of VA	X	
Foundation(s) – Accounts Payable		X
Due to Other Governments (i.e. Federal/Local Govts.)	X	X
Due to Primary Government	X	
Due to Component Units	X	
Due to Higher Education Institution		X
Due to Foundation(s)	X	X
Unearned Revenue	X	X
Obligations Under Securities Lending Program	X	X
Accrued Interest Payable	X	X
Other Liabilities	X	X
Deposits Pending Distribution	X	X
Short-term Debt (i.e. lines of credit)	X	X
Grants Payable	X	X
Loans Payable to Primary Government (GLA 524)	X	
Loans Payable to Component Units	X	
Claims Payable – Due Within One Year	X	X
Claims Payable – Due in More Than One Year	X	X
*Long-Term Liabilities: Due Within One year & Due in More Than One Year:		
Compensated Absences	X	X
Capital Lease Obligations	X	X
Notes Payable	X	X
Bonds Payable	X	X
Bond Anticipation Notes Payable	X	X
Installment Purchases	X	X
Pension Liability	X	X
Other Postemployment Benefits (OPEB)	X	X
Trust and Annuity Obligations	X	X
Other Liabilities	X	X

Note *: Except for the Pension & OPEB liability, these amounts must be reported separately as due within one year and due in more than one year.

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Appendix 1: Chart of Accounts, Continued

Statement of Net Assets – (GASBS No. 34 government-wide format)

Net Assets	HEI- FST tab	Foundation- Combining FST tab
Invested in Capital Assets, Net of Related Debt	X	X
*Restricted/Nonexpendable for:		
Scholarships and fellowships	X	
Instruction	X	
Research	X	
Academic Support	X	
Hospitals	X	
Departmental Uses	X	
Permanently Restricted		X
Other	X	
*Restricted/Expendable for:		
Scholarships and fellowships	X	
Instruction	X	
Research	X	
Academic Support	X	
Debt Service	X	
Capital Projects	X	
Hospitals	X	
Auxiliary Operating	X	
Loans	X	
Departmental Uses	X	
Temporarily Restricted		X
Other	X	
Unrestricted	X	X

Note*: Restricted net assets in the CAFR for institutions are reported in total as one of the following:

- Restricted For: Nonexpendable: Higher Education
- Restricted For: Expendable: Higher Education

These detailed net asset line items for the HEI amounts are provided if HEIs include this level of detail in the HEI's individually published financial statements.

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Appendix 1: Chart of Accounts, Continued

Statement of Activities – (GASBS No. 34 government-wide format)

Line items	HEI-FST tab	Foundation-Combining FST tab
Program Revenues:		
Charges for Services	X(4)	X(4)
Operating Grants and Contributions	X(4)	X(4)
Capital Grants and Contributions	X(4)	X(4)
Program Expenses:		
Operating and Nonoperating Expenses	X	X
Loss on Sale/Disposal/Impairment of Capital Assets	X	X
State Appropriation Revenue/Other Funding from Commonwealth/VCBA:		
E&G Transfers (GLAs 969/970)	X(5)	
General Fund Transfers (GLAs 996/997)	X(5)	
Nongeneral Fund Transfers (GLAs 982/983)	X(5)	
Gen./Nongen. Fund Transfers (GLAs 984/985/986/987)	X(5)	
Other	X(5)	
State Appropriation Revenue – Capital Projects	X(5)	
Revenue from VCBA (21 st Century)	X(6)	
Revenue from VCBA (ETF)	X(6)	
Capital Contributions from Treasury (GOB)	X(6)	
Capital Contributions from Treasury (VPBA)	X(6)	
General Revenues & Other Items:		
Grants & Contributions not Restricted to Specific Programs	X(4)	X(4)
Investment Earnings (does not meet program revenue definitions)	X(4)	X(4)
Miscellaneous Revenues	X(4)	X(4)
Gain on Sale/Disposal/Impairment of Capital Assets	X	X
Contributions to Permanent Endowments	X(4)	X(4)
Contributions to Term Endowments	X(4)	X(4)
Payments/Support from Higher Education Institution		X
Payments/Support from Foundation(s)	X	X
Payments/Support to Higher Education Institution		X
Payments/Support to Foundation(s)	X	X
Increase in Split-Interest Agreements	X	X
Decrease in Split-Interest Agreements	X	X
Special Items	X	X
Extraordinary Items	X	X
Net Assets – beginning	X	X

Note 4: See also **Appendix 3: Revenue Classifications** for descriptions.

Note 5: Amounts per these line items should agree to the Attachment HE-8.

Note 6: Amounts per these line items should agree to the Attachment HE-9.

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Appendix 2: Cash, Cash Equivalents, and Investments

**Definitions -
HEI**

For purposes of this Directive, the following definitions apply:

Cash – the standard medium of exchange (paper currency) that must be readily available for the payment of current obligations, and it must be free from any contractual restriction that limits its use in satisfying debts.

Cash Equivalents – instruments or investments of such high liquidity (original maturity of 90 days or less) and low risk that they are virtually as good as cash. Examples are a nonnegotiable certificate of deposit, money market fund, Treasury bill, and monies in the State Non-Arbitrage Program (SNAP) fund*, and the Local Government Investment Pool. Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

Investments – securities and other assets acquired primarily for the purpose of obtaining income or profit with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

Security – generally, an instrument evidencing debt of or equity in a common enterprise in which a person invests on the expectation of financial gain. The term includes notes, stocks, bonds, debentures or other forms of negotiable and nonnegotiable evidences of indebtedness or ownership.

Note*: SNAP Individual Portfolios are different from the SNAP funds (pool) and may include cash equivalents and/or investments depending on what makes up the portfolio. This is why there is a Restricted SNAP Individual Portfolio – cash equivalent and a Restricted SNAP Individual Portfolio – investment line item.

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Appendix 2: Cash, Cash Equivalents, and Investments,

Continued

**HEI -
Overview**

There are **nineteen FST line items** for cash, cash equivalents, and investments for the **HEI**. These detailed line items are so that amounts can be agreed to one of the following: 1) information on CARS, 2) information from the Department of Treasury, or 3) information from entries provided by DOA. Basically these line items are broken into the following categories which are described in more detail in the following sections:

- Amounts held with the Treasurer of VA
- Amounts not held with the Treasurer of VA*
- State Non-Arbitrage Program (SNAP) Funds
- Local Government Investment Pool (LGIP)
- Cash Equivalents /Investments – DOA Securities Lending AJEs
- SNAP Individual Portfolios*

In addition, for each category listed above there are also “restricted” line items. See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for additional information.

Note *: GASBS No. 3/40 information must be provided on the Attachment HE-12 for the amounts not held with the Treasurer of VA and SNAP Individual Portfolios because this information is not provided by the Department of Treasury.

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Appendix 2: Cash, Cash Equivalents, and Investments,
Continued

**HEI -
Amounts held
with Treasurer
of VA, SNAP,
and LGIP**

The following line items are to report the applicable GLA 101 balances on CARS (excluding the general fund balances reported as appropriations available). TAB 1A Part 1 requires that institutions provide a reconciliation to explain differences between CARS and the financial statement template.

- Cash held with Treasurer of VA
- Restricted Cash held with Treasurer of VA*

DOA will provide asset, liability, income, and expense amounts for each institution’s share of securities lending transactions, if any, held in the General Account of the Commonwealth in accordance with GASBS No. 28. The asset portion of these securities lending entries should be reported on the following line items:

- Cash Equivalents (DOA Securities Lending AJEs)
- Investments (DOA Securities Lending AJE)

The amounts reported on the following line items will be agreed to information provided by Department of Treasury. The Restricted SNAP Funds represent amounts invested in the pool.

- Local Government Investment Pool
- Restricted Local Government Investment Pool*
- Restricted State Non-Arbitrage Program (SNAP) Funds*

The amounts reported on the following line items will be agreed to information provided by Treasury. In addition, Treasury will provide the GASBS 3/40 information on these line items.

- Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)
- Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)*
- Investments held with Treasurer of Virginia (excludes SNAP)
- Restricted Investments held with Treasurer of VA (excludes SNAP)*

Note *: See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

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Appendix 2: Cash, Cash Equivalents, and Investments,

Continued

**HEI -
Amounts not
held by
Treasurer of
VA &
SNAP
Individual
Portfolio**

The GASBS 3/40 information for the following line items will need to be provided on the Attachment HE-12.

- Cash not held with Treasurer of VA
- Restricted Cash not held with Treasurer of VA*
- Cash Equivalents not held with Treasurer of VA (excludes SNAP)
- Restricted SNAP Individual Portfolio – Cash Equivalents*
- Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)*
- Investments not held with Treasurer of Virginia (excludes SNAP)
- Restricted SNAP Individual Portfolio – Investments*
- Restricted Investments not held with Treasurer of VA (excludes SNAP)*

In earlier years, some institutions had their own SNAP individual portfolio which was different from the SNAP fund (pool). If institutions have an SNAP individual portfolio, DOA will verify amounts to information provided by Treasury; however, the institutions must provide the GASBS 3/40 information on the Attachment HE-12 for these amounts.

Note *: See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

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Appendix 2: Cash, Cash Equivalents, and Investments,

Continued

**Foundations -
overview**

There are **four Combining FST line items** for cash, cash equivalents, and investments for the **Foundations**. They are as follows:

- Cash and Cash Equivalents
- Investments
- Restricted Cash and Cash Equivalents*
- Restricted Investments*

Note*: See the next section titled **HEI & Foundation(s): “Restricted” cash, cash equivalent, and investment line items** for additional guidance.

**HEI &
Foundation(s):
“Restricted”
cash, cash
equivalent, and
investment line
items**

The Statement of Net Assets in the CAFR format is in **liquidity order** rather than in a classified format (current/noncurrent). Per the Comprehensive Implementation Guide – Guides Issued through June 30, 2008 question 7.22.3 permanently restricted/nonexpendable resources are essentially as illiquid as capital assets. Therefore, permanently restricted/nonexpendable cash/cash equivalents/investments must be reported on the restricted cash/cash equivalent/investment line items. For temporarily restricted assets, if restrictions are short lived they could be reported on the cash/cash equivalent/investment line items rather than on the restricted cash/cash equivalent/investment line items. For example, cash held in a bond and interest reserve account that is required to pay current maturities could be reported on the cash/cash equivalent/investment line items. Therefore, judgment must be used to determine whether temporarily restricted cash/cash equivalent/investment amounts should be reported on the restricted cash/cash equivalent/investment line items. In summary, report the following amounts on the FST and/or Combining FST restricted cash/cash equivalent/investment line items:

- Permanently restricted/nonexpendable cash, cash equivalents, and investments
- Unspent bond/note proceeds related to capital/construction projects*
- Unspent proceeds related to energy performance contracts
- Judgment must be used to determine if any other restricted cash, cash equivalent, or investment amounts should be reported on these line items.

Note*: In general, SNAP funds and SNAP individual portfolios represent unspent bond proceeds and therefore they would be reported on the applicable restricted cash/cash equivalent/investment line items.

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Appendix 3: Revenue Classifications

Revenue classifications

Revenue amounts must be analyzed to determine the proper reporting on the FST and the Combining FST in accordance with GASBS No. 34 and GASBS No. 35. See also GASBS No. 37 and the Comprehensive Implementation Guides for additional guidance. Below is a brief description of the revenue line items:

- **Program Revenues – Charges for Services:** This represents exchange or exchange-like transactions. These revenues arise from charges to customers, applicants or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services. Examples of this category are as follows: fees charged for specific services, licenses, permits, and other amounts charged to service recipients. In addition, fines and forfeitures are also included because they result from direct charges to those who are otherwise directly affected by the program or service even though they receive no benefit. (see GASBS No. 34, GASBS No. 37, paragraph 13 which amends GASBS No. 34, paragraph 49)
- **Program Revenues – Operating Grants and Contributions** (program-specific operating grants & contributions): This represents revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Also, if a program specific grant & contribution can be used for operating and capital purposes, they should be reported as Program Revenue-Operating Grants and Contribution. (see GASBS No. 34, paragraph 50)
- **Program Revenues – Capital Grants and Contributions:** This has the same definition as operating grants and contributions except the restriction is for capital purposes (see GASBS No. 34, paragraph 50).
- **Grants & Contributions not Restricted to Specific Programs:** (nonspecific grants & contributions): This represents grants & contributions that do not meet the definitions of program revenues (see GASBS No. 34, paragraph 50).

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Appendix 3: Revenue Classifications, Continued

**General
revenue-
investment
earnings**

Investment earnings: This represents interest, dividends, unrealized gains/losses on investments, realized gains/losses, and other investment earnings on investments that **do not** meet the definition of program revenue. For example, investment earnings on permanent or term endowments should be reported as program revenue if restricted to a program or programs specifically identified in the endowment agreement or contract. Investment earnings not meeting the definition of program revenues should be reported as General Revenues - Investment Earnings (see GASBS No. 34, paragraphs 51 & 52). **Based on this definition, investment earnings may be reported on more than one FST or Combining FST line item.**

**General
revenue -
miscellaneous
revenue**

Miscellaneous revenue: Represents revenue amounts that do not fall under any other financial statement template line item definition.

**Contributions
to permanent &
term
endowments**

Contributions to Permanent Endowments: Represents funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principal. (Note: A foundation's permanently restricted contributions should be reported on this line item.)

Contributions to Term Endowments: Similar to permanent endowments except that upon passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended.

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