

Comptroller's Directive No. 1-15
Attachment 24
Schedule of Cash, Cash Equivalents, and Investments as of June 30

Purpose

This attachment is used to gather uniform financial reporting information for CAFR footnote disclosures required by **GASBS No. 3**, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, as amended by **GASBS No. 40**, *Deposits and Investment Risk Disclosure*, and **GASBS No. 59**, *Financial Instruments Omnibus*. This attachment is similar to prior year's Attachment 24.

Note: For investments that are derivatives, agencies must provide additional footnote disclosures in a separate communication. Otherwise, agencies will apply the disclosure requirements for investments set forth in **GASBS No. 40**, *Deposits and Investment Risk Disclosures*.

Applicable agencies

Agencies as specified in the **Supplemental Information** section of this Directive.

All other agencies and funds (other than what is being reported for the financial statement templates) that have cash, cash equivalents, or investments not with Treasurer must complete the **Detail** tab of the Excel attachment.

The Department of Corrections must aggregate central office and all facilities using 701.

The Department of Behavioral Health and Developmental Services must aggregate central office and all facilities using 720.

The Supreme Court of Virginia must aggregate as follows:

- **Detail** tab: aggregate of agencies 103, 111, 112, 113, 114, 115, 116, 125, and 160 using 111
- **All other tabs:** provide by agency as applicable.

Note: **A separate attachment must be completed for each agency ONLY if it has cash, cash equivalents, or investments not with the Treasurer of Virginia.**

Note: Treasury provides the Department of Accounts with the investment type, maturity date, and risk category for cash equivalents and investments with the Treasurer.

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Questions For questions or to request detailed training from an analyst, please contact:
AttachmentAnalyst@doa.virginia.gov.

Please reference the attachment number in the subject line of the email.

Due Date **August 20, 2015**

Data entry Only cells highlighted in yellow allow for data entry. Error messages in cells are intended to alert preparers that established parameters are not being followed. **Failure to correct Errors or provide answers to all required questions prior to submission will prohibit acceptance of the attachment. Selected cells requiring a response will be populated with an “Answer Required” message until a response is entered.**

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 preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If agency staffing does not allow for a different preparer and reviewer, please contact DOA.**

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Submission requirements

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att24. For example, agency 151 should rename its Attachment 24.xlsx file as 151Att24.xlsx.*

Submit the Excel spreadsheet electronically to finrept-agvatt@doa.virginia.gov.

Please include **Agency Number** and **Attachment Number** in the **subject line** of the submission e-mail.

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

Do not submit paper copies of these Excel spreadsheets.

For your convenience, the yellow contact information cells have been linked to the remaining tabs. However, they remain unlocked to allow for more than one preparer to complete the attachment.

***Note: The attachment is in the Excel 2007 version (.xlsx). If the agency has an earlier version of Excel, the file can be saved in the earlier version (.xls). If the agency has an earlier version of Excel and has problems opening the file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

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**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log](#) tab in the Excel file attachment.**

Enter the revision date, applicable Excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Include “**REVISED – date**” in the **subject line** of the submission e-mail as well as in the **file name**. Resubmit the revised attachment; and ensure that the [Revision Control Log](#) tab has been completed.

Each time a revision is submitted the [Certification](#) tab should be updated with new signatures and dates.

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Recommended

It is recommended that each agency obtain copies of **GASBS No. 3**, **GASBS No. 40**, the most current Comprehensive Implementation Guide issued by GASB in 2013, and **GASBS No. 59** for better understanding of this attachment.

For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

Definitions

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, monies in the State Non-Arbitrage Program (SNAP) and Local Government Investment Pool (LGIP). 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 non-negotiable evidences of indebtedness or ownership.

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Directions for the Detail tab

Below are instructions as to the proper completion of the **Detail** tab in the Excel spreadsheet. **Amounts reported on the Detail tab should exclude any amounts reported on any financial statement template (Attachments 9-13).** Please follow these instructions carefully.

Part	Instruction
1a	<p>Report the agency's total cash not held with the Treasurer of Virginia, excluding any amount reported on Attachments 9-13. If this amount is not related to Energy Performance Contract(s) or if this attachment is not being completed as a result of a supplemental requirement, please contact DOA immediately.</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. Nonnegotiable* CDs should be reported as cash equivalents. Negotiable* CDs should be reported as cash equivalents and/or investments depending on the length of maturity.</p> <p>*Per the Comprehensive Implementation Guide – Guides updated through June 30, 2013, negotiable CDs are securities that normally are sold in \$1 million units and can be traded in a secondary market. Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and that generally are subject to a penalty if redeemed before maturity. Nonnegotiable CDs should be treated as deposits for purposes of GASBS 3/40 disclosures. The Detail tab is intended to obtain deposit disclosures for nonnegotiable CDs. Negotiable CDs should be treated as investments for purposes of GASBS 3/40 disclosures and the Cash Equiv. & Inv. Not W Tr tab obtains additional investment disclosures for negotiable CDs.</p> <p>Note: Funds held in money market accounts held by financial institutions (i.e. banks, savings and loan associations, and credit unions) which are similar to demand deposits versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of investments.</p> <p>Note: DO NOT report cash not held with the Treasurer of Virginia for which an advance is recorded on CARS, such as cash held in DOA-approved petty cash and travel advance accounts.</p>

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Directions for the Detail tab, continued

Part	Instruction
1b	Enter total cash not held with the Treasurer of Virginia deposited at bank as of June 30, 2015.
1c	Provide an explanation if the reported amount is negative.
1.1a	Report the agency's total nonnegotiable CDs not held with the Treasurer of Virginia excluding any amount reported on Attachments 9-13. If this amount is not related to Energy Performance Contract(s) or if this attachment is not being completed as a result of a supplemental requirement, please contact DOA immediately.
1.1b	Enter total nonnegotiable CDs not held with the Treasurer of Virginia per the financial institution as of June 30, 2015.
1.2	Sums the amounts in 1b plus 1.1b above. No action necessary.
2a	Of the amount reported in 1.2 above, provide the amount that is insured by federal depository insurance. The FDIC coverage for public units is as follows: 1) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.fdic.gov/ for FDIC coverage information and definitions.
2b	Of the amount reported in 1.2, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). The amount covered is usually the amount deposited in a qualified public depository less the amount covered by federal depository insurance (part 2a). The most current listing of qualified depositories is available on the Department of the Treasury's website at http://www.trs.virginia.gov . An agency can also contact the SPDA accountant at (804) 371-7987 to determine if their chosen financial institution has become a qualified public depository since the last update. Note: If all cash not held with the Treasurer of Virginia is included in 2a and 2b above, do not complete step 2c below. If not, the remaining amount should be classified in 2c below.

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Directions for the Detail tab, continued

Part	Instruction
2c	<p>If any cash balances or nonnegotiable CDs NOT with the Treasurer are NOT covered by the FDIC or the Security for Public Deposits Act, report the amount and bank balance for all applicable options below:</p> <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name <p>The total of the amounts provided must agree to the total amount in step 1.2 above.</p>
2d	Provide an explanation if the amount reported in Part 2a is greater than \$250,000.
3	Report the amount the agency has in the Local Government Investment Pool (LGIP). Provide the LGIP account number and amount (the amount listed for each account must come from the LGIP statement). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund/fund detail.
4	Report the amount the agency has in the State Non-Arbitrage Program (SNAP). Provide the SNAP account number and amount (the amount listed for each account must come from the SNAP statement). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund/fund detail.
5	Report the amount of cash equivalents and investments NOT held by the Treasurer of Virginia excluding nonnegotiable CDs reported in Part 1.1. <u>This amount should agree to the sum of all amounts in the "Reported Amount" column on the Cash Equiv. & Inv. NOT w Tr tab of the spreadsheet.</u>
6	List the total fair value of cash equivalent/investment types subject to foreign exchange risk. Foreign exchange risk is the risk of an investment's value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. This amount must equal the total of the fair value amount in the Foreign Currency Inv tab of the spreadsheet.

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[Directions for the Detail tab, continued](#)

Part	Instruction
7	The information on Cash Equiv. & Inv. Not w Tr tab should agree to the agency's audited financial statements if applicable. Any differences must be explained.
8	<p>Are any of the agency's cash equivalents or investments in debt securities not with the Treasurer of Virginia highly sensitive to interest rate changes? Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the Comprehensive Implementation Guide – Guides updated through June 30, 2013, issued by GASB.</p> <p>If the agency marked a “yes”, the agency will need to provide an explanation as to why these investments are considered highly sensitive.</p>
9	<u>GASBS No. 40</u> states it is the agency’s responsibility “to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments.” With this in mind, the agency should provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.
10	Submit the agency's investment policy along with this Attachment in the e-mail to finrept-agvatt@doa.virginia.gov . This is the investment policy that will officially be on record with the Department of Accounts. If the agency does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and DOES NOT have an investment policy, the agency should provide an explanation.

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**Directions for
the Cash Equiv.
& Inv. NOT w
Tr tab**

Agencies that have cash equivalents and investments not with the Treasurer of Virginia will need to report more detailed information about the risk of their cash equivalents and investments. This spreadsheet requests the necessary information DOA needs to properly report this information in the CAFR to comply with **GASBS No. 40**.

The **Cash Equiv & Inv. Not w Tr** tab is not password-protected so that agencies may add additional rows when needed without having to contact DOA or may copy and paste information into the sheet from their own records. In adding rows or copying information, care must be taken to preserve the existing spreadsheet layout and column and row labels. If rows are added, please also copy the "TYPE" and "INVESTMENT" descriptions at columns A and B and the formulas at columns N and P.

List cash equivalent or investment by type (Debt or Equity) and investment category:

Sections are provided for common investment types and categories. If a category for a specific investment is not provided, place it in the Other Debt Securities or Other Equities Securities section, as appropriate. Specify the issuer of the investment in the Description field. The individual investment issue must also be identified. For equity investments, the issue is usually identified by a ticker symbol. For debt investments, the issue is identified by a CUSIP number. Agencies must provide ticker symbol or CUSIP number information for all investments. This information is needed in order to satisfy the concentration of credit risk disclosure requirement of **GASBS No. 40**.

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Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

Note: **Ginnie Mae, EXIMBANK, and SBA** are the only asset-backed securities that should be included with U.S. Treasury and Agency Securities. This is because they are explicitly backed by the U.S. Government. Securities such as those issued by the Federal National Mortgage Association (FNMA or **Fannie Mae**), **Student Loan Marketing Corporation (Sallie Mae)**, and the **Federal Farm Credit Banks** are **NOT** explicitly backed by the U.S. Government and should not be included in U.S. Treasury and Agency Securities.

Note: Care should be taken when identifying securities as asset-backed. Only securities that are collateralized by other assets, such as mortgage or other consumer loans, should be categorized as asset-backed. Although entities such as Fannie Mae and Freddie Mac (Federal Home Loan Mortgage Corporation or FHLMC) issue many asset-backed securities, they also issue unsecured debt in the form of bonds and notes. These unsecured debt issues should be listed in the “Agency Unsecured Bonds and Notes” section of the **Cash Equiv. & Inv. Not w Tr** tab and **NOT** in the “Asset-Backed Securities” section. If there is doubt as to whether a security is asset-backed, this information can be obtained from a variety of sources, including the investment prospectus, the issuer, credit rating agencies or the financial institution that processed the purchase transaction. For example, a search of the investment by CUSIP number at the website of the credit rating agency, Moody’s, www.moodys.com, will indicate whether the debt instrument is unsecured or collateralized by some type of asset.

Example: For the cash equivalent or investment type “Common and Preferred Stocks,” the agency would list each issuer such as General Electric Corp. The agency would also list their ticker symbol “GE”. Because it is an equity security, no credit quality rating would need to be given. The agency would then classify the custodial credit risk for this security.

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Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

Credit Quality Rating (AAA, BB, Unrated, etc.):

List the applicable credit quality rating. The credit quality ratings of cash equivalents and investments in debt securities (corporate bonds, corporate notes, etc) as described by nationally recognized statistical rating organizations (rating agencies) must be disclosed.

Obligations of the U.S. Government or obligations **explicitly** guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. Repurchase agreements are exempt from credit quality ratings **only** if the underlying security is explicitly guaranteed by the U.S. Government. The credit quality ratings of external investment pools, money-market funds, bond mutual funds, and other pooled investments of fixed-income securities should be disclosed. **If a credit quality disclosure is required and the investment is unrated or not rated by any rating agency, the disclosure should indicate the fact that the investment is Unrated. Under no circumstance should the rating information be left blank.**

DOA's rating drop-down list in the **Cash Equiv. & Inv. NOT w Tr** tab provides standardized symbols for commonly used ratings of Standard & Poor's, Moody's and Fitch's. Agencies may also refer to these three rating agencies' websites for explanations of the ratings and the standardized rating symbols. Once a rating agency is selected for the investment, the list of rating symbols that may be selected in the next column is restricted to only valid ratings symbols for that rating agency. If there is no rating agency for the investment, "N/A" may be selected for both the rating agency and the rating.

Interest rate risk (i.e. maturity) of each cash equivalent and investment:

The interest rate risk of debt investments must be disclosed by investment type and amount. DOA has selected the segmented time distribution method as outlined in **GASBS No. 40**. This requirement will require the agencies to provide, by amount and issuer, the maturity of their debt investments.

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Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

GASBS No. 40 does not require separate disclosure for cash equivalents and investments. Therefore, cash equivalent and investment amounts should be listed in one of the investment column maturities (less than 1 year, 1-5 years, 6-10 years, greater than 10 years) depending on the investment securities that have maturities. Most equity type investments do not have a maturity and their total would only be reported in the “category 3” and/or “uncategorized” columns in the custodial credit risk section.

Custodial credit risk:

Per **GASBS No. 40**, the requirement to disclose cash equivalents and investments as categories 1 and 2 is not necessary. These amounts should be reported in the uncategorized column. If the security, however, meets the following criteria, the security must still be reported as Category 3:

- Uninsured,
- Not registered in the name of the government, and
- Is held by either the counterparty or the counterparty’s trust department or agent

Note: Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed because they are held by the buyer-lender.

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Directions for the Cash Equiv. & Inv. NOT w Tr tab, continued

List the total custodial credit risk that is considered category 3 and the amount that is uncategorized (remaining amount) for each issuer. For debt securities, the total of these two columns should equal the sum of the interest rate risk columns mentioned above or an “error” message will appear. Equity securities (common, preferred stock, index funds, equity index and pooled funds, and real estate) will not have a maturity, and their total would only be reported in the custodial credit risk section.

Total Reported Amount:

The reported amount column will automatically total from the amounts listed as category 3 and uncategorized in the custodial credit risk columns of the spreadsheet. **An “error” message will appear for debt securities if this amount does not agree to the sum of the interest rate risk (maturity risk) amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Step 5 in the **Detail** tab of the spreadsheet. If it does not, an “error” message will appear in the **Detail** tab.

Directions for the Foreign Currency Inv tab

List the **fair value** of **each** cash equivalent/investment type subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. The total amount must agree to Step 6 in the **Detail** tab.

Directions for the Recordation tab

Complete this tab to ensure cash equivalents and investments not held by the Treasurer of Virginia are appropriately valued in accordance with **GASBS No. 31**, as amended by **GASBS No. 59**.

Note: **GASBS No. 59** amended the reporting requirement of investments in 2a7-like pools to the net asset value per share provided by the pool.
