

**Comptroller’s Directive 2-15
Attachment HE-10
Financial Statement Template**

Purpose

To obtain **government-wide Statement of Net Position (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 Position 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 17	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 21	CNU, CWM, GMU, LU, ODU, VMI, VPI&SU, VSU
September 23	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.xlsx*. This file includes 35 tabs.

Please include the **Institution's Acronym** and **Attachment Number** in the **subject line** of the submission e-mail.

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.

Note*: This attachment is in the Excel 2007 version (.xlsx). If the institution has an earlier version of Excel, the file can be saved in the earlier version (.xls). If the institution 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).

Also submit the following **Supplemental Information Item 7 per the Comptroller's Directive 2-15: Statement of Net Position (SNP) and Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)** 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 Item 7. For example, VCCS would have the following file name: VCCS – Supplemental Item 7. **If applicable**, the following supplemental information items per the Supplemental Information section of Comptroller's Directive 2-15 must also be submitted:

- **Supplemental Information Item 7a**:** Receivable Reconciliation (HEI only)
- **Supplemental Information Item 7b**:** Derivative Instruments as of June 30, 2015 (HEI only)
- **Supplemental Information Items 7c and 7d:** 9d Bonds Payable (issued by Institution – Institutional Debt) Information (UVA, VCU, and VCUHSA only)
- **Supplemental Information Item 7e:** Adjusting Journal Entries – VCSFA & ODU Research Foundation (ODU only)

Note**: These items are separate Excel files available on DOA's website.

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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.

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 the 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 Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), 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.

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**Current
imple-
mentation**

The following Governmental Accounting Standards Board (GASB) statements are effective for the Commonwealth for fiscal year 2015 and thereafter:

- GASBS No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*,
 - GASBS No. 69, *Government Combinations and Disposals of Government Operations*, and
 - GASBS No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.
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**Future
imple-
mentations**

The GASB statement effective in future years is listed below **for informational/planning purposes** only. The following statement is effective for the Commonwealth for FY 2016 and thereafter:

- GASBS No. 72, *Fair Value Measurement and Application*.
-

**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.

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**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. Correcting AJEs were identified during the prior year's CAFR cycle either based on correcting AJEs provided by the institution and/or based on the institution's response to DOA inquiries.
 - The **instructions to the Attachment HE-10 and the additional information documents 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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Comptroller's Directive 2-15 Attachment HE-10 Financial Statement Template

Additional guidance

For additional information/guidance, see the Comptroller's Directive 2-15 and the following documents on DOA's website:

- Higher Education Institution Reporting 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
- Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 17 regarding GASBS No. 51
- Additional Information: Attachment HE-10 - TAB 7 - Part 18 and Supplemental Item 7b regarding GASBS No. 53
- Additional Information: Attachments HE-6 & HE-10 - TAB 7 - Part 21 regarding GASBS No. 61
- Additional Information: Attachment HE-10 – TAB 7 – Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65
- GASBS No. 48 – Commonwealth of Virginia Intra-Entity Reporting List**
- Master Equipment Leasing Program (MELP) Listing (referred to in Attachment HE-10 TAB 5 Part 2 and Checklist tab Item 42)

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 and TAB 3-Part 2. 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 complying with 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
 - Appendix 4: GASBS No. 62 Overview
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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, GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, replaced the term “net assets” with “net position” and replaced “Invested in Capital Assets, Net of Related Debt” with “Net Investment in Capital Assets.” The institution’s individually published financial statements include the following: Statement of Net Position (SNP), Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), Statement of Cash Flows, Notes, and Management’s Discussion and Analysis. The SNP and SRECNP 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. These foundations report under FASB rather than GASB standards and issue individually published financial statements.

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 Position 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 position line items (including net investment in capital assets)
 - Infrastructure assets must be reported by the HEIs using the historical approach
 - Both have the following similar line items on the SRECNP (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 Position -
differences**

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

- 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, and 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
- Net investment in capital assets amount must be calculated and reported for FASB foundations. (Since most institutions convert the FASB financial statements 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 (SRECNP):

- 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/transfers 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 2015.

**FST,
& other
applicable tabs
for HEI only**

There is a **new** “Due to External Parties (Fiduciary Funds)” line item. This line item is only to report amounts owed to the Virginia Retirement System (VRS) as of year-end.

“Pension Liability” line item has been **renamed** to “Net Pension Liability (GASBS No. 68).” This line item is to be used to report net pension liability amounts required by GASBS No. 68, Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27.

**Combining
FST &
Other
applicable tabs
for foundations**

The “Net Pension Liability (GASBS No. 68)” line item is only to be used for GASB reporting. Pension liability amounts for foundations that follow FASB standards should be reported on the Long-Term Liabilities – Other Combining FST line item(s) and TAB F5 Part 5 should include a description of these amounts.

**Checklist tab
for HEI &
foundations**

Significant Fluctuation Explanations: The second question in Item 14 regarding significant fluctuation explanations has been **revised** to ensure explanations meet the following criteria:

- Reasonable and make sense,
- Include reasons why and not just what increased or decreased,
- Not too general, and
- Consistent or reasonable when compared to other information in the attachment.

Checklist tab: New Item 44 questions have been added regarding the Checklist tab to ensure completeness and reasonableness of answers.

**TAB 7
Part 4
for HEI only**

Part 4 regarding GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, has been **revised** to indicate if the financial statement template was prepared in accordance with GASBS No. 62 as amended by GASBS No. 63, GASBS No. 65, GASBS No. 66, GASBS No. 69, and GASBS No. 70.

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Summary of Attachment Changes, Continued

TAB 7
Part 22
for HEI only

Part 22a has been **revised** to include the following additional categories for deferred outflows of resources as required by GASBS No. 68, GASBS No. 69, and GASBS No. 71:

- Pension-Related – VRS defined benefit pension plans (GASBS No. 68, as amended by GASBS No. 71)
- Pension-Related – Other defined benefit pension plans (not with VRS) (GASBS No. 68, as amended by GASBS No. 71)
- Government Acquisition – Excess consideration provided by acquiring government in government acquisition (GASBS No. 69 paragraph 39)

Part 22b has been **revised** to include the following additional categories for deferred inflows of resources as required by GASBS No. 68:

- Pension-Related – VRS defined benefit pension plans (GASBS No. 68)
 - Pension-Related – Other defined benefit pension plans (not with VRS) (GASBS No. 68)
-

TAB 7-
Part 23
for HEI only

The wording in Parts 23a and 23b has been **revised**. Prior year’s wording was to indicate if the institution had items previously reported as an asset or liability that must be reported as expenses and/or revenue in accordance with GASBS No. 65 and to provide amounts. This year’s wording is to indicate if the institution has items that must be reported as expenses and/or revenue in accordance with GASBS No. 65 and to provide amounts.

TAB 7-
Part 25
for HEI only

The **new** Parts 25a to 25e are to obtain information regarding GASBS No. 69, *Government Combinations and Disposals of Government Operations*.

TAB F7-
Part 1b for
foundations

If audited financial statements for a foundation were not used to record amounts on the Attachment HE-10, the following question must be answered: When will the audit be completed and do you anticipate significant adjustments?

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Financial Statement Template**

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 35 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(s)
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 & 59	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, Net 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, Net Inv in Cap Assets	Foundation(s)
4 reconciliation tabs: HEI-Assets & Def. Outflows, HEI-Liabilities & Def. Inflows, HEI-Net Position, and HEI-Rev, Exp, and Chgs	HEI
4 reconciliation tabs: Foundations-Assets, Foundations-Liabilities, Foundations-Net Position, 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, 2015 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 Position and Statement of Activities (CAFR format) as required by GASBS No. 34 and modified by GASBS No. 63. **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. 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 \$2,600,000 or
- Increases or decreases greater than \$8,800,000 (regardless of percentage change)

Contact DOA if there is a fluctuation greater than the above scopes but it does not have a "yes" in the "*Is an explanation required?*" columns. 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 the HEI Total Year-End June 30, 2015, 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, 2014, would be used to report amounts on the Combining FST for fiscal year ended June 30, 2015, 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 position 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.
- **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. In addition, the Increase in Split-Interest Agreements line item should be used for positive changes (line item amount should be positive) and the Decrease in Split-Interest Agreements line item should be used for negative changes (line item amount should be negative).

 - **Net Investment in Capital Assets:** TABs 9 & F10 are to document the net investment in capital assets calculations.

 - **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), Miscellaneous Revenue, Contributions to Permanent Endowments, Contributions to Term Endowments.

 - **Extraordinary Items:** These represent transactions/events that are both unusual in nature and infrequent in occurrence. Descriptions must be provided for these items.

 - **Special Items:** These represent significant transactions/events that are within the control of management and are unusual in nature or infrequent in occurrence. Descriptions must be provided for these items.
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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 in inventory.

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

Donated food must be counted for federal reporting purposes. If the institution took physical custody of **donated food or other donated inventory** that was or will be distributed by the institution (excluding donated inventory in which the institution only acts in an administrative capacity) and eligibility requirements per GASBS No. 33 have been met; the fair value of the donated inventory must be recognized as revenue (credit) and inventory (debit). As the donated inventory is consumed (used), expenses would be debited and inventory would be credited. The year-end balances of the donated inventory would be included in the Inventory amount reported on the financial statement template. Questions regarding donated inventory are included in the Part 1 Inventory section of Attachment HE-10 (TAB 7, Miscellaneous).

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Miscellaneous Information - HEI, Continued

**HEI –
net position 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 position 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 position – nonexpendable and the investment income should be reported as restricted net position – 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 position exists and term endowment funds should be reported as restricted net position – 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 position. Those created with unrestricted resources must be reported with unrestricted net position, 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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Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI, Continued

**Internal use
computer
software
costs**

Computer software, including websites that must be capitalized in accordance with GASBS No. 51, must be reported on the applicable capital asset FST line items. For additional information, see the **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 17** regarding GASBS No. 51 pdf document available on DOA’s website.

Note: The CAPP Topic No. 30325, “Software and Other Intangible Assets,” has additional information regarding GASBS No. 51. Thresholds and/or capitalization criteria provided in the CAPP Manual for software and other intangible assets are from the Commonwealth’s perspective and may vary from the institution’s thresholds and/or capitalization criteria.

**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.

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Comptroller’s Directive 2-15
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Financial Statement Template

Miscellaneous Information – HEI, Continued

Summer school sessions that cross fiscal years

The answer to the Comprehensive Implementation Guide - Updated through June 30, 2013, question 7.72.13 requires revenues from tuition and fees for an academic term that encompasses two fiscal years to be allocated between the two years. The revenues should be accrued during the period earned.

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.*

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.

Pell Grants – individually published financial statements

The Comprehensive Implementation Guide – Updated through June 30, 2013 – 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 receivable accounts should be recorded as scholarship discounts or allowances. Refer to the most current implementation guide for additional information.

Note*: GASBS No. 65 includes amendments regarding the reporting of certain nonexchange transactions. Refer to GASBS No. 65 for guidance. NACUBO’s website under Business and Policy Areas/ Accounting/ Accounting News has a document dated March 2, 2012, titled “*GASB Issues Statement No. 65: Items Previously Reported as Assets and Liabilities.*” This document indicates federal Pell Grant dollars provided to the institution (for eligible students enrolled at the institution) before the fiscal year-end for a future semester would be reported as deferred inflows of resources.

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**Comptroller’s Directive 2-15
Attachment HE-10
Financial Statement Template**

Miscellaneous Information – HEI, Continued

Accounts Payable-Salaries/ Wages FST line item

The Accounts Payable – Salaries/Wages FST line item should include salaries, wages and employee benefits payable as of year-end, excluding amounts owed to VRS discussed in the next section. Amounts owed to the Department of Human Resource Management’s (DHRM) Health Insurance Fund (HIF) for employee benefits as of year-end would be included in this FST line item. DOA will make reclassifications to decrease the Accounts Payable – Salaries/Wages FST line item and increase the following “Due to” line item:

Due to Primary Government	Amounts owed to DHRM’s HIF
---------------------------	----------------------------

This reclassification will be made by DOA for CAFR reporting purposes only and is not required to be made by the institutions when preparing the financial statement template. DOA will make this reclassification for all institutions based on information to be provided by DHRM. If the institution does not expect to report the amounts owed to DHRM’s HIF for employee benefits on the “Accounts Payable-Salaries/Wages” FST line item, contact Christy Tuck to discuss.

Due to External Parties (Fiduciary Funds) FST line item

The **new** Due to External Parties (Fiduciary Funds) FST line item should include amounts owed to the Virginia Retirement System (VRS) for VRS sponsored programs for employee benefits as of year-end. DOA will compare these amounts to amounts provided by VRS to determine if any reclassifications will be needed so due tos/froms in the CAFR will equal.

Note: Previously, institutions were instructed to report these amounts on the Accounts Payable – Salaries/Wages FST line item. DOA made CAFR only reclassifications based on amounts provided by VRS so that due tos/froms in the CAFR would equal.

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Comptroller’s Directive 2-15
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Financial Statement Template

Miscellaneous Information – HEI, Continued

**ARRA Build
America Bonds**

Build America Bonds (BABs) for VCBA pooled and 9c bonds provide a federal subsidy on interest payments. The interest subsidy should be reported on the FST as “Program Revenue – Operating Grants and Contributions” and the interest expense should be reported on the “Operating and Nonoperating Expenses” FST line item. In other words, **do not net** the interest subsidy with the interest expense. This guidance is consistent with the response to question Z33.25 in the Comprehensive Implementation Guide – Updated through June 30, 2013. In addition, a receivable should be reported for the following subsidies to be received after year-end: 1) subsidy portion of the interest payments due and paid during FY 2015 and the subsidy is to be received after year-end, and/or 2) subsidy portion of the year-end accrued interest payable that represents the subsidy to be received after year-end. These receivables should be reported on the “Receivable, Net” FST line item and they should be included in the interest receivable category in the Attachment HE-10 TAB 2.

**Accrued
Interest
Payable FST
line item**

Most institutions report bonds payable including VCBA pooled, 9c, and/or 9d bonds payable amounts on the financial statement template. Accrued interest payable due and paid after year-end related to these bonds (i.e., interest payable accrued as of year-end - between the last payment date during the fiscal year and June 30) should be reported on the financial statement template as well as the institution’s individually published financial statements.

**Bonds payable
– due within
one year**

For consistency in the Commonwealth’s Comprehensive Annual Financial Report (CAFR), the amounts reported on the long-term liabilities – bonds payable – due within one year Attachment HE-10 Financial Statement Template (FST) line item should agree to the FY 2016 principal payments only. This guidance is also applicable to VCBA Pooled bonds reported on the applicable notes payable FST line items.

**Unamortized
premiums**

For consistency in the CAFR, any unamortized premium should be reported on the Attachment HE-10 as long-term liabilities – bonds payable – due in more than one year for bonds payable and long-term liabilities – notes payable – due in more than one year for VCBA Pooled bonds.

Comptroller’s Directive 2-15
Attachment HE-10
Financial Statement Template

Fluctuation Analysis

**HEI Flux &
Foundation
Flux**

These tabs can be used to provide explanations for the significant fluctuations reported on the FST. After keying amounts into the FST and Combining FST tabs, use the filter function and 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 \$2,600,000 or
- Increases or decreases greater than \$8,800,000 (regardless of percentage change)

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. DOA may request clarification or additional information if an explanation is not clear.

Note*: If you are explaining a fluctuation on the HEI-Flux or Foundation-Flux tabs and realize an adjustment or reclassification is needed to the FST and/or Combining FST tabs, you must take the following steps. First, make the change to the appropriate tab, either the FST and/or the Combining FST tab. Then return to the HEI-Flux and/or Foundation-Flux tab. In the “Is an explanation required?” column, use the filter to “Select All” so all items will appear. Then use the filter again to select “yes”. Otherwise, these tabs will not show the revised fluctuation amounts and percentages. Revise the fluctuation explanation(s), if needed.

Comptroller’s Directive 2-15
Attachment HE-10
Financial Statement Template

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. March 31st or 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.

**Comptroller’s Directive 2-15
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 Position. If the total amount reported does not equal CARS GLA 101, excluding funds 0100 and 0965, submit a reconciliation by fund with the attachment.
2	Amounts for the following line items are linked to the FST. <ul style="list-style-type: none"> • Cash not held with Treasurer of Virginia • Restricted Cash not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-11-detail tab – Part 1a. Attachment HE-11 requires additional footnote information on these line items.</p>
3	Key in Nonnegotiable Certificates of Deposits (CDs) not held with the Treasurer of Virginia in the space provided. This amount must be recorded on the Attachment HE-11-detail tab-Part 1.1a. The following amounts 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 (excluding nonnegotiable CDs not held with the Treasurer of VA) must be recorded on Attachment HE-11-detail tab – Part 3. Attachment HE-11 requires additional footnote information on these line items.</p>

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**Comptroller's Directive 2-15
Attachment HE-10
Financial Statement Template**

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
& 59**

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, as amended by GASBS No. 59, Financial Instruments Omnibus.

Part 3 is regarding 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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Financial Statement Template

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.

Receivable Reconciliation (HEI only): If the total net receivable amount reported in Part 1 plus other receivable/due from amounts per the FST tab for the HEI does not agree to the total net receivable amount reported in DOA's accounts receivable system, the Supplemental Information Item 7a must be submitted to explain the differences. The Supplemental Item 7a is a separate Excel file available on DOA's website. As a reminder, data must be keyed into DOA's accounts receivable system by the Attachment HE-10 due date.

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

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Financial Statement Template

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

TAB 3, Capital Assets

Capital assets reported on TAB 3 should also include intangible assets as required to be reported as capital assets in compliance with GASBS No. 51, *Accounting and Financial Reporting for Intangible 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, 2014, 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.

Note*: TAB 7 Part 17 has questions regarding GASBS No. 51. See **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 17 regarding GASBS No. 51** on DOA's website for additional guidance.

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Comptroller's Directive 2-15
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Financial Statement Template

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, 2014, column are linked to Part 1. Differences must be explained.

Part 1b) This part is for informational purposes to provide deferral on debt defeasance amounts for the different categories of notes and bonds payable. DOA will compare certain deferral on debt defeasance amounts to information provided by the Department of Treasury. Both deferral on debt defeasance loss and deferral on debt defeasance gain amounts should be reported as positive amounts in Part 1b.

Part 2) Schedule of Installment Purchase Obligations

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

Part 3a) Subleases

Parts 4 & 4a) Bonds Payable (Institutional Debt) – Part 4 is to provide future interest and principal payments. Part 4a is to provide issue dates and interest rates for fixed rate debt and variable rate debt separately. (Note: UVA, VCU, and VCUHSA must also submit Supplemental Information Items 7c and 7d as required in the Supplemental Information section of the Comptroller's Directive No. 2-15.)

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.

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Financial Statement Template

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

**TAB 6,
Commitments**

This tab provides the following footnote information for the HEI:

Parts 1, 3, and 3a) Operating Leases and Subleases
Parts 2 and 4) Other Commitments

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

**TAB 7,
Miscellaneous**

This tab provides the following footnote information for the HEI.

Part 1) Inventory

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

Part 3) Unearned Revenue

Part 4) GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*: For additional information on this part, see [Appendix 4, GASBS No. 62 Overview](#), in this document. This part has a **revised** question.

Parts 5 & 6) GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASBS No. 38, *Certain Financial Statement Note Disclosures*

Part 7) Contingent Liabilities

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Financial Statement Template

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

**TAB 7,
Miscellaneous,
Continued**

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)*, and GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

Parts 14 & 15) GASBS No. 47, *Accounting for Termination Benefits*, and GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

Part 16) GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*: 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.

Part 17) GASBS No. 51, *Accounting and Financial Reporting for Intangible Assets*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 – Part 17 regarding GASBS No. 51** on DOA’s website.

Part 18) GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Part 18 & Supplemental Item 7b regarding GASBS No. 53** on DOA’s website.

Part 19) GASBS No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*

Part 20) GASBS No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*

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Comptroller’s Directive 2-15
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Financial Statement Template

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

**TAB 7,
Miscellaneous,
Continued**

Part 21) GASBS No. 61, *The Financial Reporting Entity: Omnibus*: For Additional information on this part, see **Additional Information: Attachments HE-6 & HE-10 – TAB 7 – Part 21 regarding GASBS No. 61** on DOA’s website.

Part 22) GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65** on DOA’s website.

Part 23) GASBS No. 65, *Items Previously Reported as Assets and Liabilities*: For additional information on this part, see **Additional Information: Attachment HE-10 – TAB 7 – Parts 22 & 23 regarding GASBS No. 63 & GASBS No. 65** on DOA’s website.

Part 24) GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*: This is to obtain information regarding nonexchange financial guarantees.

Part 25) GASBS No. 69, *Government Combinations and Disposals of Government Operations*: This **new** part is to obtain information regarding government combinations and disposals of government operations.

**TAB 8, Short-
Term Debt**

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

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Comptroller’s Directive 2-15
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Financial Statement Template

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

**TAB 9, Net Inv
in Cap Assets**

This tab is to document the calculation of the net investment in capital assets amount. This is a net position line item and is calculated as follows:

Total capital assets net of the following items:

- Debt related to capital assets,
- Unspent proceeds on debt related to capital assets (excluding investment earnings on proceeds)*,
- Accounts/retainage payable to be paid with the unspent proceeds on debt related to capital assets*,
- Deferred outflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets, and
- Deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets.

Note *: If an amount is reported in the “Include unspent proceeds on debt related to capital assets” category, any accounts/retainage payables that will be paid from these unspent proceeds should also be included in the calculation.

This tab includes informational totals that show what amounts are reported on the FST and/or Elimination Entries to FST tabs for short-term debt (lines of credit) line item. It also has informational totals per the TAB 7 Parts 22a & 22b regarding the deferral on debt defeasance-loss and deferral on debt defeasance-gain amounts.

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**Comptroller’s Directive 2-15
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Financial Statement Template**

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

**TAB 9, Net Inv
in Cap Assets,
Continued**

Below is a simple example of how to calculate this amount using the following information: total capital assets of \$10,100,000; 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; accounts/retainage payable amounts to be paid from the unspent proceeds of \$100,000.

Total Capital Assets – including intangible assets	\$10,100,000	
Less: Long-Term Liabilities - Bonds Payable	-5,000,000	*
Add: Unspent Bond Proceeds on debt related to capital assets (excluding investment earnings)	2,000,000	*
Less: Accounts/Retainage payable to be paid from the above unspent bond proceeds	<u>-100,000</u>	
Net Investment in Capital Assets	<u>\$7,000,000</u>	

Note*: This example assumes the difference between the bonds payable and the unspent bond proceeds represents \$3,000,000 of bond proceeds already spent and included in capital assets.

The total capital asset and the long-term 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 on debt related to capital assets and deferred outflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets must be included in the calculation as positive amount. The short-term debt is not linked to the FST; therefore, any short-term debt related to capital assets must be included in the calculation as a negative amount. Accounts and retainage payable amounts to be paid with unspent proceeds on debt related to capital assets and deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt 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 net investment in capital assets based on the elimination entries.

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Financial Statement Template

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 amounts invested in LGIP. If yes, complete TAB F2, SNAP & LGIP.
- Part 3b) State whether the foundation has any amounts invested 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.

Note: Since foundations follow FASB rather than GASB standards, this tab does not include intangible assets within the capital asset line items. If a foundation has an intangible asset as of year-end, it must be reported on other line items (i.e., Other Assets, Other Restricted Assets, etc.) See also TAB F7 Part 9.

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.

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

Continued on next page

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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, and 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
Part 9)	Intangible Assets
Part 10)	Derivative Instruments

TAB F8,
Intrafund

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

1. The foundation has a year-end other than June 30 (i.e., December 31 year-end, March 31 year-end, etc.)
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. Different year-ends make 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 2015 if a HEI has a foundation with a December 31 year-end:

Significant intrafund balances reported on the Statement of Net Position

HEI/Foundation	As of 12/31/2014	As of 6/30/2015
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	1/1/2014 to 6/30/2014	7/1/2014 to 12/31/2014	1/1/2015 to 6/30/2015
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

Continued on next page

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

Continued

**TAB F10,
Net Inv in Cap
Assets**

This tab is to document the calculation of the net investment in capital assets. See instructions for TAB 9 for additional information*.

Note*: This is similar to TAB 9 for the HEI; however, there are differences since foundations follow FASB rather than GASB standards. For example, intangible assets are not included in the capital asset line items. Therefore, intangible assets reported by the foundations would not be included in this calculation unless any intangible assets are reported on the existing capital asset line items – i.e. equipment. Also, the categories regarding deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets are not included in TAB F10.

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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 & Def. Outflows	Foundations-Assets
HEI-Liabilities & Def. Inflows	Foundations-Liabilities
HEI-Net Position	Foundations-Net Position
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 SNP & SRECNP submitted along with the Attachment HE-10 as required by Supplemental Information Item 7 and the final SNP and SRECNP 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, 2015” 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 3) 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 preparer is certifying that the attachment is complete and accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer are certifying they were not the same individual for any tab; and the preparer and reviewer are certifying they have read and understood the instructions for the attachment.

Note: 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:
John Sotos, Assistant Director - Financial Statements, at John.Sotos@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

If you do not receive an acknowledgement of receipt, call Sharon Lawrence at (804) 225-2414, John Sotos at (804) 225-2111, or Christy Tuck at (804) 225-3180.

**Comptroller's Directive 2-15
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Financial Statement Template**

Appendix 1: Chart of Accounts

Statement of Net Position – (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 No. 33)	X	
Other Assets	X	X
Loans Receivable from Primary Government	X	
Loans Receivable from Component Units	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.

Continued on next page

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Appendix 1: Chart of Accounts, Continued

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

<i>Assets, Continued</i>	HEI-FST tab	Foundation- Combining FST tab
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
Construction in Progress	X	X
Inexhaustible Works of Art and/or Historical Treasures	X	X
Livestock	X	X
Intangible Assets with indefinite useful life (GASBS No. 51)	X	
Depreciable Capital Assets:		
Buildings	X	X
Equipment	X	X
Infrastructure-Historical Approach	X	X
Improvements Other Than Buildings	X	X
Works of Art and/or Historical Treasures	X	X
Library Books	X	X
Intangible Assets (GASBS No. 51):		
Computer Software (including websites)	X	
Patents, Trademarks, and/or Copyrights	X	
Water Rights and/or Easements	X	
Other	X	
Deferred Outflows of Resources	X	

Note 1: See also [Appendix 2: Cash, Cash Equivalents, and Investments](#)

Continued on next page

**Comptroller's Directive 2-15
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Appendix 1: Chart of Accounts, Continued

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

	HEI- FST tab	Foundation- Combining FST tab
Liabilities		
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 External Parties (Fiduciary Funds) - amounts owed to VRS	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
Net Pension Liability (GASBS No. 68)	X	
Other Postemployment Benefits (OPEB)	X	X
Trust and Annuity Obligations	X	X
Other Liabilities	X	X
Deferred Inflows of Resources	X	

Note *: Except for the Net Pension Liability & 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 Position – (GASBS No. 34 government-wide format)

Net Position	HEI-FST tab	Foundation-Combining FST tab
Net Investment in Capital Assets	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 position 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 position line items for the HEI amounts are provided only if the HEI includes 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)

	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)	X(5)	
Appropriation Act Part 3 Transfers (GLAs 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 Position – 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 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) 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 **19 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-11 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 AJE)
- 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-11.

- 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)*

A SNAP individual portfolio is different from the SNAP fund (pool). If institutions have a 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-11 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 Position in the CAFR format is in **liquidity order** rather than in a classified format (current/noncurrent). Per the Comprehensive Implementation Guide – Updated through June 30, 2013 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 most recent Comprehensive Implementation Guide for additional guidance. Below is a brief description of the revenue line items:

- **Program Revenues – Charges for Services:** This includes 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 and/or 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 and/or 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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Appendix 4: GASBS No. 62 Overview

Overview

GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates selected guidance from the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflicted with or contradicted GASB pronouncements:

- Financial Accounting Standards Board (FASB) Statements & Interpretations
- Accounting Principles Board (APB) Opinions
- Accounting Research Bulletins (ARBs) of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure

Prior to the implementation of GASBS No. 62, professional judgment had to be used to determine what pronouncements applied and did not conflict with or contradict GASB pronouncements. GASBS No. 62 clarifies and consolidates these FASB and AICPA accounting and financial reporting provisions that apply to state and local governments.

Additionally, GASBS No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, required proprietary entities to follow the reporting guidance noted above. Further, proprietary entities could also elect to apply post-November 30, 1989 FASB Statements and Interpretations that did not conflict with or contradict GASB pronouncements. GASBS No. 62 supersedes GASBS No. 20 and eliminates the election to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

Note: Those entities may continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASBS No. 65, *Items Previously Reported as Assets and Liabilities*, GASBS No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, GASBS No. 69, *Government Combinations and Disposals of Government Operations*, and GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, include amendments to GASBS No. 62.

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Appendix 4: GASBS No. 62 Overview, Continued

Topics

GASBS No. 62 addresses over 100 pronouncements. Below is an overall listing of accounting and financial reporting topic areas. Refer to GASBS No. 62 as amended by GASBS Nos. 63, 65, 66, 69 and 70 for authoritative and detailed guidance.

1. Capitalization of Interest Cost
2. Revenue Recognition for Exchange Transactions
3. Revenue Recognition When Right of Return Exists
4. Statement of Net Position Classification (as amended by GASBS Nos. 63 and 65)
5. Special and Extraordinary Items
6. Comparative Financial Statements
7. Related Parties
8. Prior-Period Adjustments
9. Accounting Changes and Error Corrections (as amended by GASBS No. 65)
10. Disclosure of Accounting Policies
11. Contingencies (as amended by GASBS No. 70)
12. Construction-Type Contracts-Long-Term (as amended by GASBS No. 65)
13. Extinguishments of Debt (as amended by GASBS Nos. 65 and 70)
14. Troubled Debt Restructuring (as amended by GASBS No. 65)
15. Foreign Currency Transactions
16. Interest Costs-Imputation (as amended by GASBS No. 65)
17. Inventory
18. Investments in Common Stock (as amended by GASBS No. 69)
19. Leases (as amended by GASBS Nos. 65 and 66)
20. Nonmonetary Transactions
21. Sales of Real Estate (as amended by GASBS No. 65)
22. Costs and Initial Rental Operations of Real Estate Projects
23. Research and Development Arrangements
24. Broadcasters
25. Cable Television Systems
26. Insurance Entities-Other Than Public Entity Risk Pools (as amended by GASBS No. 65)
27. Lending Activities (as amended by GASBS Nos. 65 and 66)
28. Mortgage Banking Activities (as amended by GASBS Nos. 65 and 66)
29. Regulated Operations (as amended by GASBS No. 65)
30. Right of Offset

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Appendix 4: GASBS No. 62 Overview, Continued

TAB 7 Part 4 TAB 7 Part 4 regarding GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, has been **revised** to indicate if the financial statement template was prepared in accordance with GASBS No. 62 as amended by GASBS No. 63, GASBS No. 65, GASBS No. 66, GASBS No. 69, and GASBS No. 70.

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