



COMMONWEALTH of VIRGINIA

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COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

June 16, 2016

MEMORANDUM

TO: Component Unit/Related Organization Contacts

FROM: David A. Von Moll

Component Unit Year-End Reporting Memorandum – FY 2016

This document provides guidance for the preparation and submission of component unit and related organization financial statements/templates, attachments, and other supplemental information.

The **Component Units** and **Related Organizations** sections define component units and related organizations, identify applicable entities for the Commonwealth, and summarize financial submission requirements. Due dates vary based on the nature of each entity. A complete list of due dates for component units of the Commonwealth begins on page 9 and page 11 for related organizations.

The **Submission of Financial Statements/Templates and Attachments** section discusses the importance of due dates, outlines the means available to submit information to the Department of Accounts, lists the internet location of this document, and references contact information for individuals who can provide assistance.

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Component Unit Year-End Reporting Memorandum – FY 2016, continued

The **Preparation of Financial Statements/Templates and Attachments** section addresses GASB Statements effective for both this and future years. Additional guidance can be found in the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates** document which can be found on DOA's website at www.doa.virginia.gov by clicking on the "Financial Statement Directives" link. The document includes information on the following GASB Statements:

- **GASBS No. 33** – *Nonexchange Transactions Overview*
- **GASBS No. 34** – *Financial Reporting Model Overview*
- **GASBS No. 42** – *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries Overview*
- **GASBS No. 49** – *Accounting and Financial Reporting for Pollution Remediation Obligations Overview*
- **GASBS No. 51** – *Accounting and Financial Reporting for Intangible Assets Overview*
- **GASBS No. 54** – *Fund Balance Reporting and Governmental Fund Type Definitions Overview*
- **GASBS No. 61** – *The Financial Reporting Entity: Omnibus Overview*
- **GASBS No. 62** – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements Overview*
- **GASBS No. 63** – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position Overview*
- **GASBS No. 65** – *Items Previously reported as Assets and Liabilities*
- **GASBS No. 72** – *Fair Value Measurement and Application*

The **Supplemental Information** section outlines additional submission requirements for the component units.

The fluctuation analyses in the **Component Unit Template** tab of directive **Attachment CU4 and CU4 – FASB Foundations**, Financial Statement Template (FST), compares the current year's financial statement template activity to the prior year's financial statement template activity. Significant variances must be explained. The **Preparation of Fluctuation Analyses** section outlines the materiality requirements that must be met in order for an entity to complete a fluctuation analysis on the Component Unit Template.

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Component Unit Year-End Reporting Memorandum – FY 2016, continued

SAS 122

Statement on Auditing Standards No. 122, *Statements on Auditing Standards: Clarification and Recodification (SAS 122)*, states that the identification by the auditors of a material misstatement is an indicator of a material weakness in internal control. This also includes restatements of previously issued financial statements to reflect a correction of a material misstatement. This applies to whether the auditors or the entity discovers the restatement.

Note: This does not apply to a change in accounting principle to comply with a new accounting principle or a justifiable voluntary change from one GAAP to another. Entities must ensure controls are in place to avoid material misstatements and/or misclassifications in the attachments and other financial information submitted to DOA.

Attachments with Changes

Attachment CU1, Entity Additional Information Survey

- Parts 6 and 7 have been added to this attachment to incorporate **GASBS Nos. 72 and 76**, respectively.
 - Part 8 has been added to collect information related to demand bonds and callable bonds because of a debt violation.
 - Part 9 has been added to identify if the completion and submission of **Attachment 6 – Intrafund Activity** is needed. Previous Part 6 has been renumbered accordingly.
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Component Unit Year-End Reporting Memorandum – FY 2016, continued

Attachments with Changes, continued

**Attachment
CU4, Financial
Statement
Template (FST)**

- On **Tab 1A – Detail**, added line items to Parts 2.1 and 4.1 regarding nonnegotiable certificates of deposits and Part 13 was expanded with a table to obtain information regarding investments that are highly sensitive to interest rate changes
 - On **Tab 1B – Cash Eq. and Inv. Not w Tr**, added columns for fair value measurement to collect information as required in **GASBS No. 72**.
 - On **Tab 1D – GASBS 31, 52, 59**, modified questions of Parts 1, 2, 3a and 3b to incorporate **GASBS Nos. 72 and 79**.
 - On **Tab 3 – Capital Assets**, modified Part 2 to incorporate **GASBS No. 72**.
 - On **Tab 4 – LT Liabilities**, added an instructional note to Part 1 to clarify the classification of demand bonds and callable bonds because of debt violation.
 - On **Tab 5 – Commitments**, modified instructional notes to Part C to clarify payables not to be included into this tab.
 - On **Tab 8 – Miscellaneous**, added Part 7b to collect information for enhanced retirement benefits. Revised Parts 12 and 13 and added Part 19 to incorporate **GASBS No. 72**. Also modified Part 15 to incorporate **GASBS Nos. 72 and 73**.
 - On **Tab 10 - Net Inv in Cap Assets**, added an instructional note related to capital assets purchased with bond proceeds that were subsequently permanently impaired.
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**Attachment
CU4 – FASB
Foundations,
Financial
Statement
Template (FST)**

- On **Tab 1A – Detail Fdn**, added line items to Parts 2.1 and 4.1 regarding nonnegotiable certificates of deposits and Part 12 was expanded with a table to obtain information regarding investments that are highly sensitive to interest rate changes
 - On **Tab 4 – LT Liabilities**, added an instructional note to Part 1 to clarify the classification of demand bonds and callable bonds because of debt violation.
 - On **Tab 10 - Net Inv in Cap Assets**, added an instructional note related to capital assets purchased with bond proceeds that were subsequently permanently impaired.
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Component Unit Year-End Reporting Memorandum – FY 2016, continued

Reason for submission requirements

Financial statements/templates, attachments, and supplemental information are required for the preparation of the Commonwealth's Comprehensive Annual Financial Report (CAFR). Bond rating agencies use the CAFR to determine Virginia's bond rating, and they require that parts of the CAFR are included in bond offering statements. Maintaining an unmodified opinion on the CAFR is critical to Virginia's retention of its AAA bond rating.

Peer review report submissions

The Government Auditing Standards, commonly known as the Yellow Book, require auditors who are relying on another audit organization's work to request a copy of the audit organization's peer review report.

Those component units that are audited by an audit firm other than the Auditor of Public Accounts should be prepared to **have the auditors provide a copy of the most recent peer review report AND any accompanying letter of comment to the Auditor of Public Accounts.**

No early implementation of GASB statements

For consistency in reporting all entities in the CAFR, the Commonwealth's policy is **no early implementation** of any GASB statement. If an entity early implements any GASB statement in its individually published financial statements, the Attachment CU4 and Financial Statement Templates, **must exclude** the effects of any early implementations.

Thank you

Thank you in advance for assisting to successfully complete the Commonwealth of Virginia's *Comprehensive Annual Financial Report* for fiscal year 2016.

Component Units

Definition

A component unit is a legally separate organization that is financially accountable to the primary government or has relationships with the primary government such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Commonwealth is required to incorporate the financial data of all component units in its financial statements.

Entities and applicable guidance

Component unit submission requirements and additional guidance are provided in the following documents which are located on DOA's website at www.doa.virginia.gov. Click on the "Financial Statement Directives" link.

- [Comptroller's Directive No. 1-16, Directive Compliance Guidelines for State Agencies](#)
- [Comptroller's Directive No. 2-16, Directive Compliance Guidelines for Higher Education Institutions](#)
- [Comptroller's Directive No. 3-16, Directive Requirements Listing for the Department of the Treasury](#) (provided directly to the Agency)
- [Comptroller's Directive No. 4-16, Directive Requirements Listing for the Department of Transportation](#) (provided directly to the Agency)
- [Frequently Asked Questions](#) (State Agency)
- [Component Unit Year-End Reporting Memorandum – FY 2016](#) (This Document)
- [Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates](#) and [Glossary](#) documents located in [Comptroller's Directive No. 1-16](#).
- [GASBS No. 48 Commonwealth of Virginia Intra-Entity Reporting List](#)

The following summarizes the Commonwealth's component units and their applicable guidance.

Component Unit	Applicable Directive/ Memorandum
A. L. Philpott Manufacturing Extension Partnership	This Document
Assistive Technology Loan Fund Authority	This Document
Danville Science Center, Inc. (SMV)	This Document
Fort Monroe Authority	This Document
Hampton Roads Sanitation District Commission	This Document
Higher Education Institutions (Including Foundations and other CU's)	Higher Education
Innovation and Entrepreneurship Investment Authority	Higher Education
Institute for Advanced Learning and Research	Higher Education
Library of Virginia Foundation (LVA)	This Document

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Component Units, continued

Entities and applicable guidance, continued

Component Unit	Applicable Directive/ Memorandum
New College Institute	Higher Education
Roanoke Higher Education Authority	Higher Education
Route 460 Funding Corporation of Virginia (VDOT)	Transportation
Science Museum of Virginia Foundation, Inc. (SMV)	This Document
Southern Virginia Higher Education Center	Higher Education
Southwest Virginia Higher Education Center	Higher Education
Tobacco Region Revitalization Commission	This Document
Virginia Arts Foundation (VCA)	This Document
Virginia Biotechnology Research Partnership Authority including Virginia Biotechnology Research Park Corporation	This Document
Virginia College Building Authority	Treasury
Virginia Commercial Space Flight Authority	This Document
Virginia Economic Development Partnership	This Document
Virginia Foundation for Healthy Youth	This Document
Virginia Health Workforce Development Authority	This Document
Virginia Housing Development Authority	This Document
Virginia Land Conservation Foundation (DCR)	This Document
Virginia Museum of Fine Arts Foundation (VMFA)	This Document
Virginia Offshore Wind Development Authority (DMME)	This Document
Virginia Outdoors Foundation	This Document
Virginia Port Authority including Virginia International Terminals, LLC	This Document
Virginia Public Building Authority	Treasury
Virginia Public School Authority	Treasury
Virginia Resources Authority	This Document
Virginia School for the Deaf and Blind Foundation	This Document
Virginia Sesquicentennial of the American Civil War Foundation	This Document
Virginia Small Business Financing Authority (DSBSD)	This Document
Virginia Solar Energy Development Authority	This Document
Virginia Tourism Authority	This Document
Virginia Universities Clean Energy Development and Economic Stimulus Foundation	This Document
Virginia University Research Partnership	This Document

Training

For additional information, refer to the online training available in the Knowledge Center at: <https://covkc.virginia.gov>. Click on the “Learning Center” link and then click the “Course Catalog” link. Search using the keyword “Directive” and then click the course reference link.

If you have difficulty accessing the training or need an electronic copy of training material, contact doatraining@doa.virginia.gov.

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Component Units, continued

Required submissions

A list of required submissions for component units covered by this document follows. See “Entities and Applicable Guidance” in the previous section for identification of entities covered by this document.

- Financial Statements (selected component units)
- Supplemental Information (all component units)
- **Attachment CU1** - Entity Additional Information Survey
- **Attachment CU2 - GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61**
Note: The entity will complete this for itself.
- **Attachment CU3 - GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61**
Note: The entity will complete this for any organizations, foundations, or component units related to it.
- **Attachment CU4** - Financial Statement Template (FST)
- **Attachment CU4 - FASB Foundations:** Financial Statement Template for FASB Foundations
- **Attachment CU5** - Federal Schedules
- **Attachment CU6** - Intrafund Activity
- **Attachment CU7** - Subsequent Events

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Component Units, continued

Due dates

Submission due dates for component units covered by this document are as follows. (See “Entities and Applicable Guidance”)

All entities must complete CU1-CU5, CU7, and Supplemental Information.

Attachment CU6 is applicable to component units that include foundations and/or discrete component units as part of the reporting entity. The due date for the CU6 is **September 15, 2016**.

All Entities Attachments CU1 – CU3	All Entities Supplemental Information	All Entities Attachment CU7
July 21	Varies (see Supplemental Section)	November 14

Attachments CU4 and CU5 are due by August 18 for the following entities:
Assistive Technology Loan Fund Authority
Virginia Arts Foundation
Virginia Foundation for Healthy Youth
Virginia Health Workforce Development Authority
Virginia Land Conservation Foundation
Virginia Offshore Wind Development Authority
Virginia School for the Deaf and Blind Foundation
Virginia Sesquicentennial of the American Civil War Foundation
Virginia Small Business Financing Authority
Virginia Solar Energy Development Authority
Virginia Universities Clean Energy Development and Economic Stimulus Foundation
Virginia University Research Partnership

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Component Units, continued

Due Dates, continued

Attachments CU4, CU5 and audited financial statements are due by September 15 for the following entities:
A.L. Philpott Manufacturing Extension Partnership
Fort Monroe Authority
Hampton Roads Sanitation District Commission
Tobacco Region Revitalization Commission
Virginia Biotechnology Research Partnership Authority including Virginia Biotechnology Research Park Corporation
Virginia Commercial Space Flight Authority
Virginia Economic Development Partnership
Virginia Housing Development Authority
Virginia Outdoors Foundation
Virginia Port Authority including Virginia International Terminals, LLC
Virginia Resources Authority
Virginia Tourism Authority

Note: If a component unit's financial statement submission is unaudited, see page 20 for fluctuation analysis requirements.

Attachments CU4 - FASB Foundations, CU5 and audited financial statements are due by September 15 for the following entities
Danville Science Center, Inc.
Library of Virginia Foundation
Science Museum of Virginia Foundation, Inc.
Virginia Museum of Fine Arts Foundation

Note: If a component unit's financial statement submission is unaudited, see page 20 for fluctuation analysis requirements.

Related Organizations

Definition

A related organization is an organization for which the elected officials of the Commonwealth are accountable because they appoint a voting majority of the board, but are not financially accountable. The Commonwealth is required to disclose the nature of its accountability for related organizations in the notes to the financial statements.

Entities

Related organization submission requirements are provided in this document

The following summarizes the Commonwealth's related organizations:

- Center for Rural Virginia
 - Chesapeake Bay Bridge and Tunnel Commission
 - Jamestown-Yorktown Educational Trust
 - Jamestown-Yorktown Foundation, Inc.
 - Tobacco Settlement Financing Corporation
 - Virginia Birth-Related Neurological Injury Compensation Program
 - Virginia Nuclear Energy Consortium
 - Virginia Recreational Facilities Authority
 - Virginia Tourist Train Development Authority
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Required submissions and due dates

The following submissions are required from related organizations. Attachment information is due **July 21, 2016**.

- **Attachment CU1** - Entity Additional Information Survey
- **Attachment CU2** - **GASBS No. 14** Checklist Modified to Reflect **GASBS Nos. 39 and 61**
Note: The entity will complete this for itself.

Financial Statements are due September 15, 2016.

The Department of Accounts (DOA) may contact related organizations with questions regarding the financial information submitted.

Submission of Financial Statements/Templates and Attachments

Due dates To avoid delays in preparing the CAFR, it is imperative that DOA receives the entity's information on or before the established deadlines. Please communicate these requirements and due dates to the entity's auditors to ensure the timely completion of the audit.

Submitting financial material Entities should send the required materials by **ONE** of the following methods:
E-mail: finrept-CU@doa.virginia.gov

OR

Mail: Sharon Lawrence
Director – Financial Reporting
Department of Accounts
P.O. Box 1971
Richmond, VA 23218-1971

Availability **Component Unit Year-End Reporting Memorandum – FY 2016** and the attachments are available on DOA's website at www.doa.virginia.gov. Click on the "Financial Statement Directives" link.

Questions John J. Sotos
Assistant Director – Financial Statements
Voice: (804) 225-2111
E-mail: John.Sotos@doa.virginia.gov

Susan L. Jones
Assistant Director – Financial Statements
Voice: (804) 225-4426
E-mail: Susan.Jones@doa.virginia.gov

Sharon H. Lawrence
Director – Financial Reporting
Voice: (804) 225-2414
E-mail: Sharon.Lawrence@doa.virginia.gov

For specific questions regarding attachments or training, contact:
Attachment Analyst
E-mail: AttachmentAnalyst@doa.virginia.gov

Preparation of Financial Statements/Templates and Attachments

Introduction This section addresses GASB Statements effective for both this and future years. Additional guidance can be found in the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates** document which can be found on DOA's website at www.doa.virginia.gov by clicking on the "Financial Statement Directives" link.

GASB Statements Effective for Fiscal Year 2016

GASBS No. 72 **GASBS No. 72**, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. This Statement defines fair value and provides guidance for determining a fair value measurement for financial reporting purposes. For the fair value measurement, the Statement requires a government entity to use appropriate valuation techniques that are consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. Furthermore, the Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices for identical assets or liabilities in active markets. Level 2 inputs are inputs that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. Provisions related to fair value established using net asset value per share (or its equivalent) and measurement of certain assets at acquisition value are also provided in the Statement.

GASBS No. 73 **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for governments that hold assets accumulated for purposes of providing pensions through defined benefit pension plans that are not administered through trusts that meet specified criteria as provided in the Statement. The Statement amends certain provisions for pension plans that are within the scope of **GASBS No. 67**, *Financial Reporting for Pension Plans*, and for pensions that are within the scope of **GASBS No. 68**, *Accounting and Financial Reporting for Pensions*.

The requirements of this Statement, for pension plans that are within the scope of **GASBS No. 67**, *Financial Reporting for Pension Plans*, or for pensions that are within the scope of **GASBS No. 68**, *Accounting and Financial Reporting for Pensions*, are effective for fiscal year 2016.

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Preparation of Financial Statements/Templates and Attachments, continued

GASB Statements Effective for Fiscal Year 2016, continued

GASBS No. 76 **GASBS No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, supersedes **GASBS No. 55**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and amends certain provisions of **GASBS No. 62**, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements*. The Statement simplifies the structure of the hierarchy of GAAP that state and local governments follow when preparing financial statements in conformity with GAAP and outlines the order of priority for pronouncements to which a government should look for guidance. The provisions of **GASBS No. 76** are applied retroactively.

GASBS No. 79 **GASBS No.79**, *Certain External Investment Pools and Pool Participants*, establishes criteria, for an external investment pool, that must be met to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. If an external investment pool meets the criteria as established by the Statement and measures all of its investments at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. The Statement also establishes additional note disclosure requirements for qualifying external investment pools and their participants that measure all of their investments at amortized cost for financial reporting purposes. The provisions of **GASBS No. 79** are effective for fiscal year 2016 except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing.

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Preparation of Financial Statements/Templates and Attachments, continued

Upcoming GASB Statements

GASBS No. 73 **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Statement establishes requirements for accounting and financial reporting by employers and governmental nonemployer contributing entities for defined benefit pensions and defined contribution pensions that are not within the scope of **GASBS No. 68**, *Accounting Financial Reporting for Pensions*. These requirements are effective for fiscal year 2017.

GASBS No. 74 **GASBS No. 74**, *Financial Reporting for Postemployment Benefit Plans Other Than pension Plans*, replaces **GASBS No. 43**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and **GASBS No. 57**, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The Statement also establishes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in **GASBS No. 25**, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, **GASBS No. 43** and **GASBS No. 50**, *Pension Disclosures*.

The Statement addresses accounting and financial reporting requirements for OPEB plans, defined benefit and defined contribution, administered through trusts that meet specified criteria. The Statement also provides guidance on financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that *are not* administered through trusts that meet specified criteria. The provisions of **GASBS No. 74** are effective for fiscal year 2017

GASBS No. 77 **GASBS No. 77**, *Tax Abatement Disclosures*, provides guidance on tax abatement disclosure requirements as state and local governments frequently enter into tax abatement agreements to encourage economic development. The provisions of **GASBS No. 77** are effective for fiscal year 2017 and apply to notes to the financial statements for all periods presented.

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Preparation of Financial Statements/Templates and Attachments, continued

Upcoming GASB Statements, continued

GASBS No. 78 **GASBS No. 78**, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, amends the scope and applicability of **GASBS No. 68**, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meets specified criteria established in the Statement. The Statement further establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions thereof. The provisions of **GASBS No. 78** are effective for fiscal year 2017.

GASBS No. 79 **GASBS No.79**, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes, and for pool participants thereof. The specific criteria that must be met as established in the Statement address (1) how the external investment pool transacts with pool participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; (3) calculation and requirements of a shadow price. Provisions of **GASBS No. 79** for certain requirements for portfolio quality, custodial credit risk, and shadow pricing are effective for fiscal year 2017.

GASBS No. 80 **GASBS No. 80**, *Blending Requirements for Certain Component Units*, provides clarification on financial statement presentation requirements for certain component units previously established by **GASBS No. 14**, *The Financial Reporting Entity*, paragraph 53. The Statement creates an additional blending requirement that becomes the third requirement for the financial statement presentation of component units and applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The provisions of **GASBS No. 80** are effective for fiscal year 2017 and apply retroactively.

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Preparation of Financial Statements/Templates and Attachments, continued

Upcoming GASB Statements, continued

GASBS No. 82 **GASBS No. 82**, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, address certain issues that have been raised with respect to **GASBS No. 67**, *Financial Reporting for Pension Plans*, **GASBS No. 68**, *Accounting and Financial Reporting for Pensions*, and **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASBS No 68, and Amendments to Certain Provisions of GASBS Nos 67 and 68*. The provisions of **GASBS No. 82** are effective for fiscal year 2017 except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is for fiscal year 2018. The provisions of **GASBS No. 82** except for paragraph 7 apply retroactively

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Preparation of Financial Statements/Templates and Attachments, continued

Supplemental Information

**Hampton
Roads
Sanitation
District
Commission**

When providing **Attachment CU4**, ensure that “property and casualty insurance” and “hospitalization insurance” are reported separately on **Attachment CU4, Tab 4 – LT Liabilities**, as “other”.

**Tobacco Region
Revitalization
Commission**

Please provide investment information to DOA by **November 14, 2016 only** if requested by DOA in a separate communication.

**Virginia
Commercial
Space Flight
Authority**

Please provide adjusting journal entries for the Old Dominion University’s Attachment HE -10 Combining FST for the ODU Research Foundation and the entity’s Attachment CU4 for CAFR reporting by **September 15, 2016** so assets will not be overstated and due tos/due froms in the CAFR will equal. If AJEs are not needed for FY 2016, provide an explanation as to why AJEs are not needed.

**Virginia
Housing
Development
Authority**

Please provide the breakdown of unrestricted and restricted accounts receivable (mortgage and loan, interest, etc.), current and non-current notes payable, bonds payable and other liabilities, and accounts payable by **September 15, 2016**.

Please provide investment information to DOA by **November 14, 2016 only** if requested by DOA in a separate communication.

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Preparation of Financial Statements/Templates and Attachments, continued

Supplemental Information, continued

Virginia Port Authority

Please provide the following information by **September 15, 2016**:

1. Asset classifications to support total restricted assets for use in the Restricted asset footnote in the CAFR.
2. If the total of the net receivable amount reported in the entity's financial statements plus other receivable/due from amounts for the entity **excluding** Virginia International Terminals, LLC does not agree to the net receivables reported in DOA's accounts receivable system as of June 30, a reconciliation must be provided. This reconciliation is a separate Excel file that will be provided in a separate communication. This must be submitted along with the Attachment CU4 submission. As a reminder, accounts receivable data must be entered into DOA's accounts receivable system by the Attachment CU4 due date.

Please complete the following by **January 12, 2017**:

3. Directive **Attachment 34**, 2016 Off-Balance Sheet Financial Obligations, available from **Comptroller's Directive No. 1-16, Directive Compliance Guidelines for State Agencies**, which is located on DOA's website at www.doa.virginia.gov. Click on the "Financial Statement Directives" link.

Note that any amounts reported by the entity on the submission should be consolidated with financial data of Virginia International Terminals, LLC. All intrafund transactions between the entity and Virginia International Terminals, LLC should be eliminated in the preparation of the submission in accordance with GASBS No. 34.

Please be sure to copy the Auditor of Public Accounts (APA) on all e-mail submissions at: APAFinRept@apa.virginia.gov.

Virginia Resources Authority

Please provide investment information to DOA by **November 14, 2016 only** if requested by DOA in a separate communication.

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Preparation of Financial Statements/Templates and Attachments, continued

Supplemental Information, continued

All component units Provide description, fund/fund detail, revenue source code or expense program, and amount to DOA by **September 15, 2016** if the entity received any of the following that offset the cost of goods and services purchased by the institution during fiscal year 2016: 1) purchase discounts, 2) rebates or allowances, 3) recoveries or indemnities on losses, 4) insurance refunds or rebates, or 5) adjustments of overpayments or erroneous charges*.

***Note:** Contact Penny Williams at (804) 225-3804 or Penny.Williams@doa.virginia.gov if you have any questions regarding this supplemental information.

Preparation of Fluctuation Analyses

Requirements The fluctuation analysis included in the component unit template file (Attachments CU4 & CU4 – FASB Foundations) compares the current year’s financial statement template activity to the prior year’s financial statement template activity. Significant variances must be explained as well as line items which have a current year amount, but the prior year amount was zero or line items that have a prior year amount, but the current year amount is zero.

For the prior year amounts to display, the component unit must first select the entity’s name from the drop-down list. Prior year financial statement template amounts for the component unit will display in the prior year column. There are also columns to show dollar and percentage variances. In addition, for those financial statement line items that meet the materiality scopes listed below, a column titled “Is a fluctuation explanation required?” has been added. If a “yes” appears in the “Is a fluctuation explanation required?” column, the explanation should be provided in a Microsoft Word document and submitted along with the template.

Materiality scopes The materiality scopes for component units that submit a template are the following:

- Increases or decreases greater than 10% and \$3,900,000 or
 - Increases or decreases greater than \$7,800,000
-

Review of fluctuation analyses Ensure the explanations for the fluctuation analysis are reviewed and approved by the appropriate individual. The reviewers should consider whether significant variances should be discussed with the entity head or designee.

Additional explanations DOA may request explanations for other variances that are not explained or additional information as needed.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU1 – Instructions
Entity Additional Information Survey

Purpose To report additional information that may not be provided through other Attachments.

Note: This attachment is similar to prior year’s Attachment CU1.

Applicable entities All component units and related organizations.

Questions For questions or to request detailed training from an analyst please contact: AttachmentAnalyst@doa.virginia.gov. Please reference the attachment number in the subject line of the email.

Due date **July 21, 2016**

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

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU1 – Instructions
Entity Additional Information Survey

**Submission
requirements**

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

After downloading the file, rename the spreadsheet file using the entity's acronym followed by AttCU1. For example, the Virginia Resources Authority should rename its Attachment CU1.xlsx* file as VRAAttCU1.xlsx*. **If the entity does not have a well known acronym** then spell the entire name of the entity followed by AttCU1. For example, Jamestown-Yorktown Education Trust may rename its Attachment CU1.xlsx* file as JamestownYorktownEducationTrustAttCU1.xlsx*.

Submit the Excel document electronically to finrept-cu@doa.virginia.gov.

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

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

Do **not** submit paper copies of the Excel attachment.

Note*: If the entity has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU2 – Instructions
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61

Purpose

This attachment is a checklist used to evaluate, based on **GASBS No. 14**, **GASBS No. 39** and **GASBS No. 61** criteria, each organization, foundation, or commission within an entity for possible inclusion as a component unit in the CAFR. *The entity needs to complete this attachment for itself specifically* as the entity relates to the Commonwealth of Virginia. The Commonwealth of Virginia is the primary government (PMG). This attachment will help DOA evaluate how to report the entity in the Commonwealth's Annual Financial Report.

Note: This attachment is similar to prior year's Attachment CU2.

Applicable entities

- All entities that have a potential component unit that has **not** been previously evaluated using this checklist must complete this attachment
 - All entities that have a potential component unit that **has** been evaluated in prior years **if** a change occurred that might affect its classification must complete this attachment
-

Questions

For questions or to request detailed training from an analyst please contact: AttachmentAnalyst@doa.virginia.gov. Please reference the attachment number in the subject line of the email.

Due date

July 21, 2016

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU2 – Instructions
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61

**Submission
requirements**

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

After downloading the file, rename the word document file using the entity’s acronym or name followed by AttCU2. For example, the Virginia Resources Authority should rename its Attachment CU2.docx* file as VRAAttCU2.docx*. The Jamestown-Yorktown Education Trust may rename its Attachment CU2.docx* file as JamestownYorktownEducationTrustAttCU2.docx*.

Submit the Word document electronically to finrept-cu@doa.virginia.gov.

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

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

Do not submit paper copies of the Word attachment.

***Note: If the entity has an earlier version of Word and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Word (.doc).**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU3 – Instructions
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61

Purpose

This attachment is a checklist used to evaluate, based on **GASBS No. 14**, **GASBS No. 39**, and **GASBS No. 61** criteria, each organization, foundation, or commission within an entity for possible inclusion as a component unit in the CAFR.

The entity will need to evaluate any potential organizations, foundations, or commissions related to the entity. For this attachment, the entity (e.g. Virginia Biotechnology Research Partnership) is the primary government (PMG) and **NOT** the Commonwealth. This attachment will help the entity evaluate whether inclusion of the organization, foundation, or commission is required in its statements. If an organization, foundation, or commission is determined to be a component unit, the **GASBS No. 61** Reporting Entity Checklist is also used to evaluate the method of disclosure.

Note: This attachment is similar to prior year's Attachment CU3.

Applicable entities

- All entities that have a potential component unit that has **not** been previously evaluated using this checklist must complete this attachment
- All entities that have a potential component unit that **has** been evaluated in prior years **if** a change occurred that might affect its classification must complete this attachment

Note: If this entity has any **foundations** or **discrete component units**, the entity must also complete **Attachment CU6, Intrafund Activity**. **Blended component unit activity should be reported net of intrafund eliminations.**

Questions

For questions or to request detailed training from an analyst please contact: [**AttachmentAnalyst@doa.virginia.gov**](mailto:AttachmentAnalyst@doa.virginia.gov). Please reference the attachment number in the subject line of the email.

Due date

July 21, 2016

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU3 – Instructions
GASBS No. 14 Checklist Modified to Reflect GASBS Nos. 39 and 61

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Submission requirements

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

After downloading the file, rename the word document file using the entity’s acronym or name, a dash, the potential organization's name, a dash, and the attachment number (AttCU3). For example, if the Virginia Resources Authority was submitting an attachment, the file name would be VRA-XXX-AttCU3.docx* (where XXX is the potential organization’s name).

If there is no potential organization to evaluate, complete the contact information and bold or highlight **DOES NOT** have any potential component units, foundations or related organizations to evaluate. Follow the submission instructions above.

Submit the Word document electronically to finrept-cu@doa.virginia.gov.

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

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

Do not submit paper copies of the Word attachment.

***Note:** **If the entity has an earlier version of Word and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Word (.doc).**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Purpose

This attachment is used to obtain the financial statements and footnote information for selected component units.

Note: This attachment is similar to prior year's Attachment CU4.

Due dates & applicable entities

The following entities have a due date of August 18, 2016:

- Assistive Technology Loan Fund Authority
- Virginia Arts Foundation (Agency 148)
- Virginia Foundation for Healthy Youth (Agency 852)
- Virginia Health Workforce Development Authority
- Virginia Land Conservation Foundation (Agency 199)
- Virginia Offshore Wind Development Authority
- Virginia School for the Deaf and Blind Foundation (Agency 218)
- Virginia Sesquicentennial of the American Civil War Foundation (Agency 859)
- Virginia Small Business Financing Authority (Agency 350)
- Virginia Solar Energy Development Authority
- Virginia Universities Clean Energy Development and Economic Stimulus Foundation
- Virginia University Research Partnership

The following entities have a due date of September 15, 2016:

- A.L. Philpott Manufacturing Extension Partnership
 - Fort Monroe Authority
 - Hampton Roads Sanitation District Commission
 - Tobacco Region Revitalization Commission (Agency 851)
 - Virginia Biotechnology Research Partnership Authority including Virginia Biotechnology Research Park Corporation
 - Virginia Commercial Space Flight Authority
 - Virginia Economic Development Partnership (Agency 310)
 - Virginia Housing Development Authority
 - Virginia Outdoors Foundation
 - Virginia Port Authority (Agency 407) including Virginia International Terminals, LLC (VIT)
 - Virginia Public School Authority (Agency 152)
 - Virginia Resources Authority
 - Virginia Tourism Authority (Agency 320)
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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Questions

For questions or to request detailed training from an analyst please contact:
AttachmentAnalyst@doa.virginia.gov.
Please reference the attachment number in the subject line of the email.

Data entry

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

Submission requirements

Contact DOA if the Component Unit has any problems with the files.

After downloading the file, rename the spreadsheet file using the entity’s acronym. For example, the Virginia Resources Authority should rename its Attachment CU4.xlsx* file as VRAAttCU4.xlsx*. **If the entity does not have a well-known acronym** then spell the entire name of the entity followed by AttCU4. For example, Virginia Outdoors Foundation may rename its Attachment CU4.xlsx* file as VirginiaOutdoorsFoundationAttCU4.xlsx*.

Note: Remember to submit audited financial statements when available.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Submission requirements
(continued)

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

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

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

Do not submit paper copies of this spreadsheet.

For your convenience, it is only necessary to enter the contact information on the first tab. The contact information is linked to the remaining tabs; however, the contact information in the remaining tabs may be overwritten if necessary.

*Note: **If the entity has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

**Attachment
revisions**

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

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

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

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

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

**General
information**

1. The template includes numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
 2. Detailed line items for cash, cash equivalents, and investments are included in the template. Cash, cash equivalent, and investment footnotes (**Tabs 1A, 1B, & 1C**) are designed to obtain information for **GASBS No. 40**, *Deposit and Investment Risk Disclosures*, as amended by **GASBS No. 59**, *Financial Instruments Omnibus*. **GASBS No. 72**, *Fair Value Measurement and Application*, is effective for FY 2016 and includes guidance regarding fair value measurements. Certain provisions of **GASBS No. 79**, *Certain External Investment Pools and Pool Participants*, are effective for FY 2016. Refer to the instructions in Appendix 1 at the end of this document and **GASBS No.72** and **GASBS No. 79** to ensure a thorough understanding of the new reporting requirements prior to completing this attachment.
-

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

**General
information**
(continued)

3. **Tab 1B – Cash Eq. & Inv. Not w Tr** is not password protected so that entities may add additional rows when needed without having to contact DOA or may copy and paste information into the sheet from their own records. In adding rows or copying information, care must be taken to preserve the existing spreadsheet layout and column and row labels. If rows are added, please also copy the “TYPE” and “INVESTMENT” descriptions at columns A and B and the formulas at columns N, O, V, W, and X. Nonnegotiable CDs should **not** be included on this tab **but** be included on **Tab 1A - Detail**.
4. When completing **Tab 3 – Capital Assets**, refer to the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates** on DOA’s website at www.doa.virginia.gov for additional information.
5. Ensure that all of the footnote tabs applicable to the data entered on the statements are completed.

For additional information refer to the **Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates**, which can be found on DOA’s website at www.doa.virginia.gov by clicking on the “Financial Statement Directives” link.

6. If a template amount has a footnote number reference, the corresponding spreadsheet tab must be completed.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

**General
information**
(continued)

7. **GASBS No. 72**, *Fair Value Measurement and Application*, **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, **GASBS No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, **GASBS No. 73**, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* for pension plans that are within the scope of **GASBS No. 67**, *Financial Reporting for Pension Plans*, or for pensions that are within the scope of **GASBS No. 68**, *Accounting and Financial Reporting for Pensions*, **GASBS No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, supersedes **GASBS No. 55**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and amends certain provisions of **GASBS No. 62**, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements*, and **GASBS No.79**, *Certain External Investment Pools and Pool Participants* except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing are effective starting fiscal year 2016.

 8. A fluctuation analysis for the component unit template comparing the current and prior year’s financial statement template activity requires explanation. Significant variances must be explained. The fiscal year 2015 amounts will automatically populate when the component unit entity selects its name from the drop-down list on the **Component Unit Template** tab. If a “yes” displays in the column titled “Is a fluctuation explanation required?”, additional information is needed. For information regarding **Preparation of Fluctuation Analyses**, refer to page 20 of this directive. **If you provide audited financial statements the fluctuation analysis does not have to be completed.**

 9. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations provide the underlying reasons (i.e. management decision, trend, event) for the change, do not just state the item increased or that the item increased because another item decreased.
-

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments

Recommended It is recommended that each entity obtain copies of **GASBS No. 3, GASBS No. 40, GASBS No. 59, GASBS No. 31, GASBS No. 72, GASBS No. 79,** and the Implementation Guide No. 2015-1 issued by GASB for better understanding of this attachment. For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

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

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

Investments – securities and other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash with an original maturity greater than 90 days. This includes securities, which are transferable financial instruments that evidence ownership or creditorship.

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

Note: For investments that are derivatives, entities must provide additional footnote disclosures in a separate communication. Otherwise, entities will apply the disclosure requirements for investments set forth in **GASBS No. 40** and **GASBS No. 72**. DOA may request additional information regarding **GASBS No. 72** in a separate communication.

Note: The definition of fair value was revised by **GASBS No. 72** as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, continued

**Directions for
 Tab 1A - Detail
 tab**

Below are instructions as to the proper completion of the **Tab 1A- Detail** tab in the Excel spreadsheet. Please follow these instructions carefully.

Part	Instruction
1	<p>Report the entity’s unrestricted cash held with the Treasurer of Virginia and restricted cash held with the Treasurer of Virginia. The total of the reported amounts should agree to CARS GLA 101. Attach reconciliation if there is a variance. Do not include petty cash or advances.</p> <p>Provide an explanation if the reported amount is negative.</p>
2a	<p>Report the entity’s total unrestricted cash not held with the Treasurer of Virginia. (Do not include restricted cash.)</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days.</p> <p>Note: Funds held in money market accounts offered by financial institutions (i.e. banks, savings and loan associations, and credit unions) versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of investments.</p> <p>Note: DO NOT report cash not held with the Treasurer of Virginia for which an advance is recorded on CARS, such as cash held in DOA-approved petty cash and travel advance accounts</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
2b	Enter total cash not held with the Treasurer of Virginia deposited at bank as of June 30.
2c	Provide an explanation if the reported amount is negative.
2.1a	Report the entity's nonnegotiable CDs not held with the Treasurer of Virginia.
2.1b	Enter total nonnegotiable CDs not held with the Treasurer of Virginia per the financial institution as of June 30.
2.2	The attachment sums the amounts in 2b and 2.1b for cash and nonnegotiable CD's on this line.
3a	Of the amount reported in Part 2.2, provide the amount that is insured by the federal depository insurance. (The FDIC coverage for public units is as follows: 1) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.FDIC.gov/ for FDIC coverage information and definitions.)
3b	Of the amount reported in 2.2 above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). The amount covered is usually the amount deposited in a qualified public depository less the amount covered by federal depository insurance (part 3a). The most current listing of qualified depositories is available on the Department of Treasury's website at http://www.trs.virginia.gov/ . An entity can also contact the SPDA accountant at (804) 371-7987 to determine if their chosen financial institution has become a qualified public depository since the last update Note: If all cash not held with the Treasurer of Virginia is included in 3a and 3b above, do not complete step 3c below. If not, the remaining amount should be classified in 3c below.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
3c	<p>If any cash NOT with the Treasurer is NOT covered by the FDIC or the Security for Public Deposits Act, report the amount and bank balance for all applicable options below:</p> <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. <p>The total of the amounts provided must agree to the total amount in step 2.2 above.</p>
3d	Provide an explanation if the amount reported in Part 3a) is greater than \$250,000.
4a	<p>Report the entity's total restricted cash not held with the Treasurer of Virginia.</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days.</p> <p>Note: Funds held in money market accounts offered by financial institutions (i.e. banks, savings and loan associations, and credit unions) versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of inv.'s.</p>
4b	For the total restricted cash not with the Treasurer of Virginia reported in 4a above, provide the total bank balance as of June 30.
4c	Provide an explanation if the reported amount is negative.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
4.1a	Report the entity’s nonnegotiable CDs not held with the Treasurer of Virginia.
4.1b	Enter total nonnegotiable CDs not held with the Treasurer of Virginia per the financial institution as of June 30.
4.2	The attachment sums the amounts in 4b and 4.1b for cash and nonnegotiable CD’s on this line.
5a	Of the amount reported in Part 4.2, provide the amount that is insured by the federal depository insurance. (The FDIC coverage for public units is as follows: 1) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.fdic.gov/ for FDIC coverage information and definitions.)
5b	Of the amount reported in 4.2 above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). Note: If all restricted cash not held with the Treasurer of Virginia is included in 5a and 5b above, do not complete step 5c below. If not, the remaining amount should be classified in 5c below.
5c	If any restricted cash NOT with the Treasurer is NOT covered by the FDIC or the Security for Public Deposits Act, report the amount and bank balance for all applicable options below: <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name. The total of the amounts provided must agree to the total amount in step 4.2 above.
5d	Provide an explanation if the amount reported in Part 5a) is greater than \$250,000.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
6	<p>This step automatically calculates the sum of amounts in parts 2a and 4a (total unrestricted and restricted cash not with the Treasurer of Virginia). This total amount should agree to the amount reported on the entity’s financial statement for cash not with the Treasurer of Virginia.</p> <p>This step also automatically calculates the sum of amounts in parts 2b and 4b (total bank balance for cash not held with the Treasurer of Virginia).</p>
7	<p>Report <u>in each listed category</u> the amounts for cash equivalent and investment not with the Treasurer of Virginia, both restricted and unrestricted, and SNAP Individual Portfolio (<u>do not include SNAP Pool amounts here as they are considered WITH the Treasurer and will be reported in parts 10a and 10b</u>). The sum of all amounts reported for cash equivalent and investment not with the Treasurer of Virginia, both restricted and unrestricted, and SNAP Individual Portfolio must agree to <u>the sum of all amounts in the “Reported Amount” column on the Tab 1B-Cash Eq. & Inv. NOT w Tr tab of the spreadsheet.</u></p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>
8a & b	<p>Unrestricted Cash Equivalents held with Treasurer of Virginia and restricted Cash Equivalents held with Treasurer of Virginia (excluding any SNAP and/or LGIP).</p> <p>List all cash equivalents held with the Treasurer of Virginia. Provide a description and amount.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
8c & d	<p>Unrestricted Investments held with Treasurer of Virginia and restricted Investments held with Treasurer of Virginia (excluding any SNAP and/or LGIP).</p> <p>List all investments held with the Treasurer of Virginia. Provide a description and amount.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>
9a & b	<p>For any unrestricted Cash Equivalents & Investment held with Treasurer of Virginia and/or restricted Cash Equivalents & Investments held with Treasurer of Virginia <u>in the LGIP</u>, provide the LGIP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>
10 a & b	<p>For any unrestricted Cash Equivalents held with Treasurer of Virginia and/or restricted Cash Equivalents held with Treasurer of Virginia <u>in the SNAP pool account</u>, provide the SNAP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>
10 c & d	<p>For any unrestricted and/or restricted <u>SNAP individual portfolio</u>, provide the SNAP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
11a	Provide an explanation if the sum of Unrestricted/Restricted Cash Equivalents Not held with the Treasurer of Virginia (excludes SNAP) and Unrestricted/Restricted SNAP Individual Portfolio - Cash Equivalents on the Tab 1A - Detail tab Part 7 is greater than the sum of Less Than 1 year on Tab 1B - Cash Eq. & Inv. Not w Tr. tab plus Nonnegotiable Certificate of Deposit.
11b	Provide an explanation if a Nonnegotiable CD is Not reported as Unrestricted or Restricted Cash Equivalents Not held with the Treasurer of Virginia on the Tab 1A - Detail tab Part 7.
11c	The information on Tab 1B - Cash Eq. & Inv. Not w Tr. tab should agree to the entity's individually published financial statements. Any differences must be explained.
12	List the total fair value of cash equivalent/investment not held with the Treasurer of Virginia and SNAP Individual Portfolio amounts subject to foreign exchange risk. Foreign exchange risk is the risk of an investment's value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. This amount must equal the total of the fair value amount in the Tab 1C - Foreign Currency Inv tab of the spreadsheet.
13	Are any of the entity's cash equivalents or investments not with the Treasurer of Virginia and SNAP Individual Portfolio amounts in debt securities highly sensitive to interest rate changes? Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the Implementation Guide No. 2015-1 issued by GASB. If the entity marked a "Yes," the entity will need to provide an explanation as to why these investments are considered highly sensitive.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A - Detail tab, continued

Part	Instruction
14	GASBS No. 40 states it is the entity’s responsibility “to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments.” The entity should provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.
15	Submit the entity's investment policy along with this Attachment in the e-mail to finrept-cu@doa.virginia.gov . This is the investment policy that will officially be on record with the Department of Accounts. If the entity does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and DOES NOT have an investment policy, the entity should provide an explanation.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

**Directions for
Tab 1B - Cash
Eq. & Inv. Not
w Tr tab**

According to **GASBS No. 40** as amended by **GASBS No. 59**, entities that have cash equivalents and investments not with the Treasurer of Virginia and/or SNAP Individual Portfolio investments will need to report more detailed information about the risk of their cash equivalents and investments. This spreadsheet requests the necessary information DOA needs to properly report in the CAFR.

The **Tab 1B - Cash Eq. & Inv. Not w Tr** tab is not password-protected so that entities may add additional rows when needed without having to contact DOA or copy and paste information into the sheet from their own records. In adding rows or copying information, care must be taken to preserve the existing spreadsheet layout and column and row labels. If rows are added, please also copy the “TYPE” and “INVESTMENT” descriptions at columns A and B and the formulas at columns N, O, V, W, and X.

List cash equivalent or investment by type and issuer:

In prior years, entity’s had to provide information by type of cash equivalent or investment. While DOA is continuing to request this information, DOA will also need each issuer (further broken by each issue) for most cash equivalent and investment types. This information is needed to satisfy the concentration of credit risk for **GASBS No. 40**. DOA is also requesting any applicable ticker symbol and CUSIP number for each issue. (The ticker symbol and CUSIP number are needed to help DOA in sorting all the issuers to ensure there is no one issuer greater than 5% of net position or plan net position for any particular fund.)

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

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1 - Cash Eq. & Inv. Not w Tr tab, continued

Note: Care should be taken when identifying securities as asset-backed. Only securities that are collateralized by other assets, such as mortgage or other consumer loans, should be categorized as asset-backed. Although entities such as Fannie Mae and Freddie Mac (Federal Home Loan Mortgage Corporation or FHLMC) issue many asset-backed securities, they also issue unsecured debt in the form of bonds and notes. These unsecured debt issues should be listed in the “Agency Unsecured Bonds and Notes” section of the **Tab 1B - Cash Eq. & Inv. Not w Tr** tab and **NOT** in the “Asset-Backed Securities” section.

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

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
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Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B - Cash Eq. & Inv. Not w Tr tab, continued

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

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

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

DOA's rating drop-down list in the **Tab 1B - Cash Eq. & Inv. Not w Tr** tab provides standardized symbols for commonly used ratings of Standard & Poor's, Moody's and Fitch's. Entities may also refer to these three rating agencies' websites for explanations of the ratings and the standardized rating symbols. Once a rating agency is selected for the investment, the list of rating symbols that may be selected in the next column is restricted to only valid ratings symbols for that rating agency. If there is no rating agency for the investment, "N/A" may be selected for both the rating agency and the rating.

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

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

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

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
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Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B - Cash Eq. & Inv. Not w Tr tab, continued

Prior year's guidance for reporting certificates of deposits has been revised because previous GASB guidance was not included in the Implementation Guide No. 2015-1. The following **new** instructions are provided based on questions 1.11.1 and 1.26.1 in the Implementation Guide No. 2015-1:

- For reporting purposes, nonnegotiable and negotiable CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days. Nonnegotiable CDs should continue to be treated as "cash deposits" for GASB 3/40 disclosures.

Custodial credit risk:

Per **GASBS No. 40**, the requirement to disclose cash equivalents and investments as categories 1 and 2 is no longer necessary. These amounts should be reported in the uncategorized column. If the security, however, meets the following criteria, the security must still be reported as Category 3.

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

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

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

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
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Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B - Cash Eq. & Inv. Not w Tr tab, continued

Total Reported Amount:

The reported amount column will automatically total from the amounts listed as category 3 and uncategorized in the custodial credit risk columns of the spreadsheet. **An “ERROR” message will appear for debt securities if this amount does not agree to the sum of the interest rate risk (maturity risk) amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Part 7 in the **Tab 1A - Detail** tab of the spreadsheet. If it does not, an “ERROR” message will appear in the **Tab 1A - Detail** tab.

Reported Amounts at Fair Value:

GASBS No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes inputs of valuation techniques used to determine fair value. Columns have been added to indicate the level of the fair value hierarchy within which the fair value measurements are categorized (Level 1, Level 2, Level 3), or established using Net Asset Value per Share (or its equivalent) per **GASBS No. 72**.

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Not applicable to fair value measurement per GASBS No. 72 column: If the reported amount does not represent the fair value amount measured per **GASBS No. 72**, record the reported amount in the Not applicable to fair value measurement per GASBS No. 72 column. Examples of some items that do not represent fair value amounts measured per **GASBS No. 72** are the items 1a to 1f listed on the **Tab 1D – GASBS 31, 52, 59**.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B - Cash Eq. & Inv. Not w Tr tab, continued

Fair Value Measurement using (per GASBS No. 72) columns: If the reported amount is the fair value amount measured in accordance with GASBS No. 72 using the fair value hierarchy or established using the net asset value per share (or its equivalent), record the fair value amount in the applicable four GASBS No. 72 fair value measurement columns.

The total of the four “Fair Value Measurement using (per GASBS No. 72)” columns plus the “Not applicable to fair value measurement per GASBS No. 72” column should agree to the corresponding Reported Amount column. If it does not, then an “Error” message will appear.

**Directions for
Tab 1C -
Foreign
Currency Inv
tab**

List the **fair value** of **each** cash equivalent/investment types subject to foreign exchange risk. Foreign exchange risk is the risk of an investment’s value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. The total amount must agree to Part 12 in the **Tab 1A - Detail** tab.

**Directions for
Tab 1D -
GASBS 31, 52,
59 tab**

Complete this tab to ensure cash equivalents and investments not held by the Treasurer of Virginia are appropriately valued in accordance with GASBS No. 31, GASBS No. 52 as amended by GASBS No. 59, GASBS No. 72, and GASBS No. 79.

**Directions for
Part 8, Tab 8-
Miscellaneous
tab**

Complete Part 8 of this tab to ensure that the classification of restricted cash, cash equivalents, and investments have been properly reported on the Financial Statements in accordance with the Implementation Guide No. 2015-1.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 2 – Impairment of Capital Assets

**Directions for
Tab 9 –
Imprmnt. of
Cap Assets tab**

Instructions: Part 1

This part is to identify potential impairments as follows:

- A) **Possible Impairment of Capital Assets:** As of June 30, 2016, did the entity have an event* or change in circumstances* that may indicate an impairment of a capital asset as described in **GASBS No. 42**? If **yes**, provide a description, month/year it took place, the possible impaired capital assets, and then go to B. If **no**, go to Part 6 of **Tab 8 – Miscellaneous** and provide a description, the amount, and the financial statement line item if applicable.

***Note:** This must be a prominent event or circumstance that is conspicuous or known to the entity. It is expected to have been discussed by management, or media. Common indicators of impairment include the following:

- Physical damage (i.e., fire, flood)
- Enactment or approval of laws/regulations or other changes in environmental factors
- Technological development or evidence of obsolescence
- Change in the manner or expected duration of a capital asset
- Construction stoppages (i.e., lack of funding)

- B) **Impairment Test:** If **yes** to A, is the decline in service utility of the capital asset significant **and** unexpected? If **yes**, go to C. If **no**, go to Part 6 of **Tab 8 - Miscellaneous** and provide a description, the amount, and the financial statement line item if applicable.

Note: If this test indicates an impairment has not occurred, the estimated useful life and salvage value may need to be reevaluated and changed. This should be accounted for on a prospective basis.

- C) **Permanent Impairment:** If **yes** to A and B, is the impairment considered permanent? If **yes**, go to D. If **no**, go to Part 2.

Note: Generally, an impairment should be considered permanent; however, in some cases it may be considered temporary. If it is considered temporary, the capital asset should not be written down. See **GASBS No. 42** for additional guidance.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 2, Impairment of Capital Assets, continued

Directions for Tab 9 – Imprmnt. of Cap Assets tab, continued

Instructions: Part 1, continued

D) **Financial Statement Reporting & Footnote Disclosure:** If **yes** to A, B, and C, has the impairment loss and related insurance recoveries (if applicable) been properly reported on the financial statement in accordance with **GASBS No. 42**? If **no**, provide an explanation, then go to part 2. If **yes**, provide the impairment loss, insurance recoveries, and financial statement line item this activity is reported on.

Note: For **impaired capital assets that will continue to be used by the entity**, the impairment loss that should be written off should be measured by one of the following methods: restoration cost approach, service units approach, or deflated depreciation replacement cost approach. For **impaired capital assets that will no longer be used by the entity or capital assets impaired from construction stoppage**, they should be reported at the lower of carrying value or fair value.

Loss on capital assets that became permanently impaired during fiscal year 2015 must be reported as program expenses – loss on sale/disposal/impairment of capital assets, extraordinary item, or special item. If the impairment loss took place in prior years and not previously recognized, beginning net position should be restated. Use professional judgment to determine the appropriate financial statement line item.

Also, per **GASBS No. 42** paragraph 21, if insurance recoveries are in the same year as the impairment loss, the impairment loss should be reported net of the associated insurance recovery. Also, **GASBS No. 42** paragraph 17 - footnote 6 provides guidance for insured impairments that result in an accounting gain.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – Instructions
Financial Statement Template (FST)

Appendix 2, Impairment of Capital Assets, continued

Directions for Tab 9 – Imprmnt. of Cap Assets tab, continued

Part 2, Idle Capital Assets – Temporarily or Permanently Impaired

Any permanently and/or temporarily impaired capital assets that are idle as of year-end must be disclosed. Provide the carrying amount of any permanently and/or temporarily impaired capital assets as of year-end.

Part 6, Tab 8 – Miscellaneous

Answer “Yes” or “No” whether the entity recognized any insurance recoveries during the fiscal year, not already reported in Part 1D of **Tab 9 – Imprmnt of cap assets**. If yes, for any insurance recoveries that are not reported in Part 1D of **Tab 9 – Imprmnt of cap assets**, provide a description, the amount, and the financial statement line item in Part 6 of **Tab 8 - Miscellaneous**.

Note: This includes current year insurance recoveries for capital assets impaired in prior years. It also includes all other insurance recoveries. (i.e., recoveries for embezzlement of cash, theft). Insurance recoveries should be reported as program revenue-operating grants & contributions or extraordinary item. Use professional judgment to determine the appropriate line item as outlined in **GASBS No. 42**.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Purpose

This attachment is used to obtain the financial statements and footnote information for selected component unit foundations.

Note: This attachment is similar to prior year’s Attachment CU4 – FASB Foundations.

Due dates & applicable entities

The following entities have a due date of September 15, 2016:

- Danville Science Center, Inc.
 - Library of Virginia Foundation
 - Science Museum of Virginia Foundation, Inc.
 - Virginia Museum of Fine Arts Foundation
-

Questions

For questions or to request detailed training from an analyst please contact: AttachmentAnalyst@doa.virginia.gov. Please reference the attachment number in the subject line of the email.

Data entry

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

Submission requirements

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

- **After downloading the file, rename the spreadsheet file using the entity’s acronym.** For example, the Virginia Museum of Fine Arts Foundation should rename its Attachment CU4.xlsx* file as VMFAAttCU4.xlsx*. **If the entity does not have a well known acronym** then spell the entire name of the entity followed by AttCU4. For example, Danville Science Center, Inc. may rename its Attachment CU4.xlsx* file as DanvilleScienceCenterAttCU4.xlsx*.

Note: Submit unaudited and audited financial statements when available.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Submission requirements
(continued)

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

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

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

Do not submit paper copies of the Excel attachment.

For your convenience, it is only necessary to enter the contact information on the first tab. The contact information is linked to the remaining tabs; however, the contact information in the remaining tabs may be overwritten if necessary.

***Note: If the entity has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

**Attachment
revisions**

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

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

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

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

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

**General
information**

1. The template includes numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
 2. Tab 1B – Cash Eq. & Inv. Not w Tr, has been modified to obtain information that is consistent for all foundations that follow FASB requirements. Detailed line items for cash, cash equivalents, and investments are included in the template. Less than 1 year maturity column has been split into 90 days or less and 91 days – 364 days maturity columns. This will give DOA the detail needed for **GASBS No. 40** as amended by **GASBS No. 59**, *Financial Instruments Omnibus*, requirements. Refer to the instructions in Appendix 1 at the end of this document for guidance on completing Tabs 1A & 1B.
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Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

**General
information**
(continued)

3. If a template amount has a footnote number reference, the corresponding spreadsheet tab must be completed.
4. A fluctuation analysis for the component unit template comparing the current and prior year's financial statement template activity requires explanation. Significant variances must be explained. The fiscal year 2015 amounts will automatically populate when the component unit entity selects its name from the drop-down list on the Component Unit Template tab. If a "yes" displays in the column titled "Is a fluctuation explanation required?", additional information is needed. For information regarding Preparation of Fluctuation Analyses, refer to page 20 of this directive. If you provide audited financial statements the fluctuation analysis does not have to be completed.
5. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template. In your explanations provide the underlying reasons (i.e., management decision, trend, event) for the change, do not just state the item increased or that the item increased because another item decreased.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments

Recommended It is recommended that each entity obtain copies of **GASBS No. 3**, **GASBS No. 40**, the most current Implementation Guide No. 2015-1, and **GASBS No. 59** for better understanding of this attachment. For additional information regarding GASB Statements, refer to the GASB website at www.gasb.org.

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

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

Investments – Securities and other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash 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: For investments that are derivatives, entities must provide additional footnote disclosures in a separate communication. Otherwise, entities will apply the disclosure requirements for investments set forth in **GASBS No. 40** and **GASBS No. 72**. DOA may request additional information regarding **GASBS No. 72** in a separate communication.

Note: The definition of fair value was revised by **GASBS No. 72** as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

**Directions for
 Tab 1A – Detail
 Fdn tab**

Below are instructions as to the proper completion of the **Tab 1A – Detail Fdn** tab in the Excel spreadsheet. Please follow these instructions carefully.

Part	Instruction
1	<p>Report the entity’s unrestricted cash held with the Treasurer of Virginia and restricted cash held with the Treasurer of Virginia. The total of the reported amounts should agree to CARS GLA 101. Attach reconciliation if there is a variance. Do not include petty cash or advances.</p> <p>Provide an explanation if the reported amount is negative.</p>
2a	<p>Report the entity’s total unrestricted cash not held with the Treasurer of Virginia. (Do not include restricted cash.)</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days.</p> <p>Note: Funds held in money market accounts offered by financial institutions (i.e. banks, savings and loan associations, and credit unions) versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of investments.</p> <p>Note: DO NOT report cash not held with the Treasurer of Virginia for which an advance is recorded on CARS, such as cash held in DOA-approved petty cash and travel advance accounts.</p>

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
2b	Enter total cash not held with the Treasurer of Virginia deposited at bank as of June 30.
2c	Provide an explanation if the reported amount is negative.
2.1a	Report the entity’s nonnegotiable CDs not held with the Treasurer of Virginia.
2.1b	Enter total nonnegotiable CDs not held with the Treasurer of Virginia per the financial institution as of June 30.
2.2	The attachment sums the amounts in 2b and 2.1b for cash and nonnegotiable CD’s on this line.
3a	Of the amount reported in Part 2.2, provide the amount that is insured by the federal depository insurance. (The FDIC coverage for public units is as follows: 1) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.FDIC.gov/ for FDIC coverage information and definitions.)
3b	Of the amount reported in 2.2 above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). The amount covered is usually the amount deposited in a qualified public depository less the amount covered by federal depository insurance (part 3a). The most current listing of qualified depositories is available on the Department of Treasury’s website at http://www.trs.virginia.gov/ . An entity can also contact the SPDA accountant at (804) 371-7987 to determine if their chosen financial institution has become a qualified public depository since the last update Note: If all cash not held with the Treasurer of Virginia is included in 3a and 3b above, do not complete step 3c below. If not, the remaining amount should be classified in 3c below.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
3c	<p>If any cash NOT with the Treasurer is NOT covered by the FDIC or the Security for Public Deposits Act, report the amount and bank balance for all applicable options below:</p> <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name. <p>The total of the amounts provided must agree to the total amount in step 2.2 above.</p>
3d	Provide an explanation if the amount reported in Part 3a) is greater than \$250,000.
4a	<p>Report the entity’s total restricted cash not held with the Treasurer of Virginia.</p> <p>Note: Certificates of deposit (CDs) should NOT be reported as cash. CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days.</p> <p>Note: Funds held in money market accounts offered by financial institutions (i.e. banks, savings and loan associations, and credit unions) versus a broker/dealer (any individual or firm in the business of buying and selling securities for itself and others; broker/dealers must register with the SEC) qualify as deposits, and therefore are classified as cash instead of inv.’s.</p>
4b	For the total restricted cash not with the Treasurer of Virginia reported in 4a above, provide the total bank balance as of June 30.
4c	Provide an explanation if the reported amount is negative.

Continued on next page

**Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)**

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
4.1a	Report the entity’s nonnegotiable CDs not held with the Treasurer of Virginia.
4.1b	Enter total nonnegotiable CDs not held with the Treasurer of Virginia per the financial institution as of June 30.
4.2	The attachment sums the amounts in 4b and 4.1b for cash and nonnegotiable CD’s on this line.
5a	Of the amount reported in Part 4.2, provide the amount that is insured by the federal depository insurance. (The FDIC coverage for public units is as follows: 1) up to \$250,000 for the combined amount of all time and savings accounts (including NOW accounts) and up to \$250,000 for all demand deposit accounts (interest-bearing and non-interest bearing) per in-state financial institution, and 2) up to \$250,000 for the combined total of all deposit accounts per out-of-state financial institution. Refer to the FDIC website at http://www.fdic.gov/ for FDIC coverage information and definitions.)
5b	Of the amount reported in 4.2 above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the <i>Code of Virginia</i>). Note: If all restricted cash not held with the Treasurer of Virginia is included in 5a and 5b above, do not complete step 5c below. If not, the remaining amount should be classified in 5c below.
5c	If any restricted cash NOT with the Treasurer is NOT covered by the FDIC or the Security for Public Deposits Act, report the amount and bank balance for all applicable options below: <ul style="list-style-type: none"> i) Uncollateralized ii) Collateralized with securities held by the pledging financial institution iii) Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-government’s name. The total of the amounts provided must agree to the total amount in step 4.2 above.
5d	Provide an explanation if the amount reported in Part 5a) is greater than \$250,000.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
6	<p>This step automatically calculates the sum of amounts in parts 2a and 4a (total unrestricted and restricted cash not with the Treasurer of Virginia). This total amount should agree to the amount reported on the entity’s financial statement for cash not with the Treasurer of Virginia.</p> <p>This step also automatically calculates the sum of amounts in parts 2b and 4b (total bank balance for cash not held with the Treasurer of Virginia).</p>
7	<p>Report <u>in each listed category</u> the amounts for cash equivalent and investment not with the Treasurer of Virginia, both restricted and unrestricted, and SNAP Individual Portfolio (<u>do not include SNAP Pool amounts here as they are considered WITH the Treasurer and will be reported in parts 10a and 10b</u>). The sum of all amounts reported for cash equivalent and investment not with the Treasurer of Virginia, both restricted and unrestricted, and SNAP Individual Portfolio must agree to <u>the sum of all amounts in the “Reported Amount” column on the 1B-Cash Eq. & Inv. Not w Tr tab of the spreadsheet.</u></p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>
8a & b	<p>Unrestricted Cash Equivalents held with Treasurer of Virginia and restricted Cash Equivalents held with Treasurer of Virginia (excluding any SNAP and/or LGIP).</p> <p>List all cash equivalents held with the Treasurer of Virginia. Provide a description and amount.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
8c & d	<p>Unrestricted Investments held with Treasurer of Virginia and restricted Investments held with Treasurer of Virginia (excluding any SNAP and/or LGIP).</p> <p>List all investments held with the Treasurer of Virginia. Provide a description and amount.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount for each category is reported on the financial statement.</p>
9a & b	<p>For any unrestricted Cash Equivalents & Investment held with Treasurer of Virginia and/or restricted Cash Equivalents & Investments held with Treasurer of Virginia <u>in the LGIP</u>, provide the LGIP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>
10 a & b	<p>For any unrestricted Cash Equivalents held with Treasurer of Virginia and/or restricted Cash Equivalents held with Treasurer of Virginia <u>in the SNAP pool account</u>, provide the SNAP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>
10 c & d	<p>For any unrestricted and/or restricted <u>SNAP individual portfolio</u>, provide the SNAP account number and amount. DOA reconciles this information to information provided by Treasury.</p> <p>Also list the line items of the financial statement where the above amounts are included. This information will assist DOA to identify where the amount is reported on the financial statement.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
11a	Provide an explanation if the sum of Unrestricted/Restricted Cash Equivalents Not held with the Treasurer of Virginia (excludes SNAP) and Unrestricted/Restricted SNAP Individual Portfolio - Cash Equivalents on the Tab 1A – Detail Fdn tab Part 7 is greater than the sum of Less Than 1 year on 1B-Cash Eq. & Inv. Not w Tr. tab plus Nonnegotiable Certificates of Deposit.
11b	Provide an explanation if a Nonnegotiable CD is Not reported as Unrestricted or Restricted Cash Equivalents Not held with the Treasurer of Virginia on the Tab 1A - Detail Fdn tab Part 7.
11c	The information on the 1B-Cash Eq. & Inv. Not w Tr. tab should agree to the entity's individually published financial statements. Any differences must be explained.
12	Are any of the entity's cash equivalents or investments not with the Treasurer of Virginia and SNAP Individual Portfolio amounts in debt securities highly sensitive to interest rate changes? Some examples of these include a variable-rate investment with a multiplier, or a variable-rate investment with a coupon that varies inversely with a benchmark index. For further explanations of highly sensitive investments, refer to the Implementation Guide No. 2015-1 issued by GASB. If the entity marked a “Yes,” the entity will need to provide an explanation as to why these investments are considered highly sensitive.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1A – Detail Fdn tab, continued

Part	Instruction
13	<u>GASBS No. 40</u> states it is the entity’s responsibility “to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments.” The entity should provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.
14	Submit the entity's investment policy along with this Attachment in the e-mail to finrept-cu@doa.virginia.gov . This is the investment policy that will officially be on record with the Department of Accounts. If the entity does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and DOES NOT have an investment policy, the entity should provide an explanation.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

**Directions for
Tab 1B – Cash
Eq. & Inv. Not
w Tr tab**

According to **GASBS No. 40** as amended by **GASBS No. 59**, entities that have cash equivalents and investments not with the Treasurer of Virginia and/or SNAP Individual Portfolio investments will need to report more detailed information about the risk of their cash equivalents and investments. This spreadsheet requests the necessary information DOA needs to properly report in the CAFR.

List cash equivalent or investment by type and issuer:

In prior years, entity's had to provide information by type of cash equivalent or investment. While DOA is continuing to request this information, DOA will also need each issuer (further broken by each issue) for most cash equivalent and investment types. This information is needed to satisfy the concentration of credit risk for **GASBS No. 40**. DOA is also requesting any applicable ticker symbol and CUSIP number for each issue. (The ticker symbol and CUSIP number are needed to help DOA in sorting all the issuers to ensure there is no one issuer greater than 5 percent of net position or plan net position for any particular fund.)

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

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B – Cash Eq. & Inv. Not w Tr tab, continued

Note: Care should be taken when identifying securities as asset-backed. Only securities that are collateralized by other assets, such as mortgage or other consumer loans, should be categorized as asset-backed. Although entities such as Fannie Mae and Freddie Mac (Federal Home Loan Mortgage Corporation or FHLMC) issue many asset-backed securities, they also issue unsecured debt in the form of bonds and notes. These unsecured debt issues should be listed in the “Agency Unsecured Bonds and Notes” section of the **1B - Cash Eq. & Inv. Not w Tr** tab and NOT in the “Asset-Backed Securities” section.

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

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B – Cash Eq. & Inv. Not w Tr tab, continued

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

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

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

DOA's rating drop-down list in the **1B - Cash Eq. & Inv. Not w Tr** tab provides standardized symbols for commonly used ratings of Standard & Poor's, Moody's and Fitch's. Entities may also refer to these three rating agencies' websites for explanations of the ratings and the standardized rating symbols. Once a rating agency is selected for the investment, the list of rating symbols that may be selected in the next column is restricted to only valid ratings symbols for that rating agency. If there is no rating agency for the investment, "N/A" may be selected for both the rating agency and the rating.

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

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

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments, Continued

Directions for Tab 1B – Cash Eq. & Inv. Not w Tr tab, continued

GASBS No. 40 does not require separate disclosure for cash equivalents and investments. Therefore, cash equivalent and investment amounts should be listed in one of the investment column maturities (90 days or less, 91 days – 364 days, 1-5 years, 6-10 years, greater than 10 years) depending on the investment securities that have maturities. Most equity type investments do not have a maturity and their total would only be reported in the “category 3” and/or “uncategorized” columns in the custodial credit risk section.

Prior year’s guidance for reporting certificates of deposits has been revised because previous GASB guidance was not included in the Implementation Guide No. 2015-1. The following **new** instructions are provided based on questions 1.11.1 and 1.26.1 in the Implementation Guide No. 2015-1:

- For reporting purposes, nonnegotiable and negotiable CDs should be reported as cash equivalents if the original maturity is 90 days or less and they should be reported as investments if the original maturity is greater than 90 days. Nonnegotiable CDs should continue to be treated as “cash deposits” for GASB 3/40 disclosures.

Custodial credit risk:

Per **GASBS No. 40**, the requirement to disclose cash equivalents and investments as categories 1 and 2 is no longer necessary. These amounts should be reported in the uncategorized column. If the security, however, meets the following criteria, the security must still be reported as Category 3.

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

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

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU4 – FASB Foundations – Instructions
Financial Statement Template (FST)

Appendix 1, Schedule of Cash, Cash Equivalents, and Investments

Directions for Tab 1B – Cash Eq. & Inv. Not w Tr tab, continued

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

Total Reported Amount:

The reported amount column will automatically total from the amounts listed as category 3 and uncategorized in the custodial credit risk columns of the spreadsheet. **An “ERROR” message will appear for debt securities if this amount does not agree to the sum of the interest rate risk (maturity risk) amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Part 7 in the **Detail** tab of the spreadsheet. If it does not, an “ERROR” message will appear in the **Detail** tab.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Purpose

This attachment is used to provide DOA with the Federal Schedules needed to prepare the statewide **Schedule of Expenditures of Federal Awards (SEFA)** for the Single Audit Report.

The Single Audit Report is required for compliance with the Single Audit Act Amendments of 1996 and **the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, located in Title 2 of the Code of Federal Regulations** at <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>.

It is imperative that entity personnel thoroughly review the uniform guidance to ensure an understanding of the entity's specific responsibilities. Entities will also need to ensure that the appropriate federal guidance is applied to each specific federal award. Further, the entity should communicate the applicable requirements to subrecipients.

The Uniform Requirements became effective December 26, 2014, and apply, in general, to all new federal awards and incremental funding from the federal government after December 26, 2014. The standards set forth in Subpart F—Audit Requirements apply to audits of fiscal years beginning on or after December 26, 2014.

This attachment is similar to prior year's Attachment CU5.

Note: DOA will also use this information to complete the data collection form on the FAC website.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Applicable entities and requirements

All component units must submit the Questionnaire file to DOA:

- certify **whether** or **not** the entity received or disbursed Stimulus (ARRA);
- certify **whether** or **not** the entity received or disbursed Non-Stimulus Federal funds;
- provide information related to Hurricane Sandy;
- provide information related to loan programs;
- provide information for disbursements to subrecipients; and
- indicate whether or not the auditee elected to use the 10% de minimis indirect cost rate

Each component unit receiving or disbursing federal funds must report its DUNS number as well as its EIN on the Attachment file. DUNS number information is available at <http://www.smallbusiness.dnb.com>. Contact Penny Williams at (804) 225-3804 or by email at penny.williams@doa.virginia.gov if you have questions.

If the Auditor of Public Accounts (APA) is the entity's auditor for FY 2016 **AND** if the entity received or disbursed Federal funds in FY 2016, the entity is **REQUIRED TO USE** the templates in the files listed below.

- Template – used to prepare the applicable federal schedules
- Reconciliation – used to reconcile the Schedule of Expenditures of Federal Awards to Attachment CU4.

Due date

All entities must submit this attachment **with their applicable CU4 attachment**. See CU4 instructions for a schedule showing due date by entity.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Questions and training

If the component unit has any further questions about preparing the Federal schedules or needs detailed training, contact Penny Williams at (804) 225-3804 or e-mail at penny.williams@doa.virginia.gov.

For additional information, refer to the online training available in the Knowledge Center at: <https://covkc.virginia.gov>. Click on the “Learning Center” link and then click the “Course Catalog” link. Search using the keyword “Directive” and then click the course reference link.

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Submission requirements / templates

Contact DOA if the entity has any problems with the files. If an entity is required to complete the federal schedule template and reconciliation template, and is NOT listed below with an assigned code, contact the individual listed in the **Questions** section.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Submission requirements / templates
(continued)

Entities completing only the Attachment File: After downloading the file, rename the file to identify the entity. For example, the Virginia Economic Development Partnership should rename the Questionnaire file as VEDPAttCU5.xlsx*.

Entities completing the Questionnaire file, Template file, and the Reconciliation file: After downloading the files, rename the files using the assigned code identified below followed by the identifying file name. For example the A. L. Philpott Manufacturing Extension Partnership should rename the files as follows:

- 1001AttCU5 attachment.xlsx* (Questionnaire File)
- 1001AttCU5 Federal Schedules.xlsm* (Template File)
- 1001AttCU5 recon-cu.xlsx* (Reconciliation File)

***Note:** If the entity has an earlier version of Excel and has problems opening the attachment files, DOA can provide the attachment saved in an earlier version of Excel (.xls).

Entity	Code
Virginia Economic Development Partnership	310
Virginia Tourism Authority	320
Virginia Port Authority including Virginia International Terminals, LLC	407
Tobacco Region Revitalization Commission	851
Virginia Foundation for Healthy Youth	852
Virginia Sesquicentennial of the American Civil War Foundation	859
A. L. Philpott Manufacturing Extension Partnership	1001
Virginia Small Business Financing Authority	1002
Virginia Outdoors Foundation	1003
Virginia Biotechnology Research Partnership Authority including Virginia Biotechnology Research Park Corporation	1004
Virginia Arts Foundation	1005
Virginia Land Conservation Foundation	1006
Assistive Technology Loan Fund Authority	1007
Danville Science Center, Inc.	1008
Library of Virginia Foundation	1009
Hampton Roads Sanitation District Commission	1010
Science Museum of Virginia Foundation, Inc.	1011
Virginia Housing Development Authority	1013
Virginia Museum of Fine Arts Foundation	1014
Virginia Public School Authority	1015
Virginia Resources Authority	1016
Virginia School for the Deaf and Blind Foundation	1017
Fort Monroe Authority	1018
Virginia University Research Partnership	1019
Virginia Commercial Space Flight Authority	1020
Virginia Universities Clean Energy Development and Economic Stimulus Foundation	1021
Virginia Offshore Wind Development Authority	1022
Virginia Public Building Authority	1023
Virginia Health Workforce Development Authority	1024
Virginia Solar Energy Development Authority	1025

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Submission requirements / templates
(continued)

DOA will not accept any Federal schedules that are not in the formats required by this Directive. Entities that fail to use the required formats will be asked to resubmit the schedules to DOA and may be cited for noncompliance in the Report on Statewide Financial Management and Compliance (Quarterly Report).

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

Submit the files electronically to: finrept-cu@doa.virginia.gov.

Copy the APA via email to: APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of the attachment.

Attachment revisions

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

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

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

Entities that believe revisions are necessary to the federal schedules after the initial submission to DOA must contact Penny Williams **BEFORE** sending the revisions to DOA. See the previous Questions section for contact information.

Include “**REVISED – date**” in the **subject line** of the submission email as well as in the **file name**. Resubmit the revised attachment; and ensure that the **Revision Control Log** tab has been completed.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Resolution of
prior year
findings**

Entities are required to provide corrective action work plans (CAW) in response to Auditor of Public Accounts published reports pursuant to CAPP Topic No. 10205, Agency Response to APA Audit, at http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/10205.pdf

These CAWs are the basis of the resolution of prior year findings. Direct questions to Amanda Morris at amanda.morris@doa.virginia.gov or Rudy Burgess at rudy.burgess@doa.virginia.gov.

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Overview of
federal
schedules**

All Stimulus (ARRA) and Non-Stimulus expenditures, **excluding** BABs recorded in CARS fund detail 1302 and expenditures reported on the **RECEIVED FROM NONSTATE** tab, made from funds received directly from the Federal Government and federal expenditures/disbursements reported on all other tabs should be reported on the **SEFA** tab. **This distinction is made because expenditures reported on the RECEIVED FROM NONSTATE tab are classified as “Indirect” expenditures in the Statewide report and all other expenditures/disbursements are classified as “Direct” expenditures.**

Federal expenditures and/or disbursements reported on the **SEFA** tab plus the total federal expenditures and/or disbursements reported on the **RECEIVED FROM NONSTATE** tab should equal total federal expenditures for the entity. The individual tabs are discussed below:

1. **RECEIVED FROM STATE** tab – pass-through funds received from other state agencies/institutions should be reported on this tab. **ANY EXPENDITURE MADE FROM THESE FUNDS SHOULD BE INCLUDED ON THE SEFA TAB.**
2. **RECEIVED FROM NONSTATE** tab – pass-through funds received from non state entities (**See definition of non state entities on page 11**) and expenditures made from the funds received should be reported on this tab. **EXPENDITURE AMOUNTS REPORTED ON THE RECEIVED FROM NONSTATE TAB SHOULD NOT BE INCLUDED ON THE SEFA TAB.**
3. **DISBURSED TO STATE** tab – pass-through funds disbursed to other state agencies/institutions should be reported on this tab. **THESE DISBURSEMENTS SHOULD ALSO BE INCLUDED ON THE SEFA TAB.**

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Overview of
federal
schedules**
(continued)

4. **DISBURSED TO NONSTATE** tab – pass-through funds disbursed to non state entities (**See definition of non state entities on page 11**) should be reported on this tab. **THESE DISBURSEMENTS SHOULD ALSO BE INCLUDED ON THE SEFA TAB.**

5. **SEFA** tab – all expenditures/disbursements made by the entity, **except for expenditures reported on the RECEIVED FROM NONSTATE tab**, should be included on this tab.

6. **FLUCTUATION ANALYSIS** tab – This tab provides a comparison of the prior year's SEFA tab to the current year's SEFA tab to identify any differences by major federal agency and requires an explanation whenever any differences are identified with a “YES” in the “Significant Variance” column.

7. **REVISION CONTROL LOG** tab – All revisions should be listed on this tab.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-General**

- Use the **cash basis** of accounting.
- All attachment files **are designed so that you only need to fill in the yellow highlighted cells.**
- Enter **whole dollar amounts** in all files to prevent rounding errors.
- **For reporting purposes, Stimulus - American Recovery and Reinvestment Act (ARRA) federal expenditures must be accounted for separately from Non-Stimulus federal expenditures. Throughout the federal schedules attachment Stimulus federal expenditures will be referred to as Stimulus (ARRA) federal expenditures.**
- **Within the six tabs of the federal schedules workbook there will be a column labeled with the symbols @, #, * which will be used to identify the following:**
 - @ - Research and Development (R&D) Non-Stimulus
 - # - Stimulus (ARRA) federal expenditures
 - * - Stimulus (ARRA) Research and Development

Note : An error message will appear if you attempt to enter anything in this column other than the symbols indicated above. A blank cell indicates Non-Stimulus, Non-R&D federal expenditures.

- **Build America Bonds (BABs) Fund subsidies recorded in CARS fund 1302 are excluded from SEFA reporting per OMB.**
- **All National Science Foundation (NSF) awards should be reported as R&D clusters on the SEFA. Due to the transition period required to expend all previous awards, entities must evaluate all NSF expenditures to determine whether the disbursements require inclusion as an R&D cluster or should be reported separately.**
- **Ensure all federal expenditures are recorded in the proper federal fund/fund details in CARS or entity general ledger as appropriate. Ensure you have notified General Accounting if you have received BABs and activity is recorded in CARS fund detail 1302.**
- **If N/A appears in any cell you have keyed, you have entered invalid data and you should recheck what has been keyed. Please do not submit schedules with N/A unless you have discussed it with DOA first.**

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-Federal
schedules
template**

- **It is important to make sure you have checked the www.cfda.gov website to ensure that all CFDA numbers are valid for the current SEFA. Please pay close attention to CFDA programs that have been deleted or changed to an alternate CFDA number.**
- If the CFDA number is entered and the incorrect Federal Program Name or Federal Program Grantor Name appears on any spreadsheet, **and you have verified the CFDA number is correct by checking the www.cfda.gov website**, please contact Penny Williams at (804) 225-3804 or email at penny.williams@doa.virginia.gov for assistance.
- Unknown CFDA numbers are those numbers where the Federal grantor is known but the CFDA number is unknown. You must include the first two digits of the CFDA number. (For example, 10.000 would be used if the Federal Grantor is the U.S. Department of Agriculture, but the CFDA number is unknown.)
- **A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.**
Note: In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.
- Do not complete the “Program Name-Unidentified CFDA Number” column when the Program name is already populated on the schedules.
- When changes are made to any schedule, make sure to submit the revised certification, **and if a revision is made to the SEFA tab**, submit a revised reconciliation. Also, please ensure the revision control log is completed for any changes made to the tabs on the federal schedules.xlsm file.
- Ensure you confirm pass-through amounts received or disbursed with the receiving or disbursing agency prior to submission to DOA. The amounts reported by the disbursing or receiving agency should be the same in most cases. Discrepancies should be discussed with DOA prior to submission. Ensure the entity reports the appropriate amounts and the appropriate designation as research/development or non-research/development.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
 Items-Federal
 schedules
 template**
 (continued)

- Ensure the reconciliation ties to the final close CARS reports and to the appropriate GLAs listed on the reconciliation, if applicable.
- **Use the following symbols to indicate the appropriate type of expenditure:**

<u>Non-Stimulus</u>	<u>Stimulus (ARRA)</u>
@ = Research and Development (R&D)	* = Stimulus (ARRA) Research and Development (R&D)
Use no symbol for Non-Stimulus, non-research and development (R&D)	# = Stimulus (ARRA), non-research and development (R&D)

- Running totals are located at the top of each spreadsheet.
- Do not use “-” (dashes) to represent \$0.00. You must use the number “0”.
- Do not place the number “0” on any worksheets that do not contain federal expenditure data.
- Do not leave blank rows between rows of information within the spreadsheets when keying in data.
- Do not use abbreviations or include error messages or pennies on any schedules.
- The Federal Government is **not** a **non state entity**. **Non state entities** are counties, cities, towns, local governments, local governmental authorities, regional governmental authorities, public or private foundations, institutions, museums, and corporations or similar organizations which are not units of State government or political subdivisions of the Commonwealth as established by general law or special act. **(DO NOT report disbursements to or receipts from the Federal government on the DISBURSED TO NON STATE and/or RECEIVED FROM NON STATE tabs.)** Community service boards and area agencies on aging should be reported as non state agencies for reporting purposes. These agencies are not audited by the Auditor of Public Accounts and are not considered to be state agencies.

Do not include Federal subagencies on disbursed/received from non-state tabs. Instead, ensure that all Federal award numbers or other identifying numbers are provided. Federal subagencies are listed on the following websites:

- <http://www.nih.gov/icd/>
- <http://www.nasa.gov/about/sites/index.html>
- <http://www.energy.gov/organization/labs-techcenters.htm>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-Federal
schedules
template
(continued)**

- Pass-through disbursements to State or non state entities should be reported as expenditures on the appropriate tab(s). **Do not eliminate any pass-through disbursements.** DOA eliminates pass-through transactions at a statewide level.
- Include indirect cost recoveries as expenditures on the SEFA tab.
- Refunds of Federal revenue should **not** be reported on any of the Federal Schedules.
- In those instances where pass-through funds are returned to the original granting entity, the amount should be netted (since the receiving pass-through entity did not expend them). Then, if the original entity subsequently spends those funds, it should be reported on their individual entities SEFA and would be counted in that manner for the Commonwealth federal schedules.
- **Sort and combine grant expenditures and program income expenditures to report the total expenditures for each Catalog of Federal Domestic Assistance (CFDA) number on a single line.**
- Add the value of nonmonetary disbursements to the monetary expenditures to determine the total expenditures for CFDA numbers that have both monetary and nonmonetary disbursements. If the entity has nonmonetary disbursements, contact the individual listed in the **Questions** section on page 3.
- Use the hard copy or on-line (www.cfda.gov) version of the Catalog to verify the CFDA numbers and program names.
- **Do not use CFDA number 00.000.** Contact the entity that provided the funds to determine the correct and complete CFDA number. At a minimum, each entity is required to identify the Federal grantor agency with the first two digits of the CFDA number (i.e., 10.000, 93.000).
- Do not report the expenditure detail for different grants within one CFDA number on the schedules. Instead, sum the expenditures and report the total expenditures for each CFDA number.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-Pass-
through
schedules**

- *The Uniform Administrative Requirements, Cost Principles, and Audit Requirements* Section 200.87 defines research and development “as all research activities, both basic and applied, and all development activities that are performed by a non-profit organization.”
 - Research is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development.
 - Development is the systematic use of knowledge gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

Do not include payments to contractors under legal obligations for the purchase of goods and services on the pass-through schedules.

The medium through which payment is rendered (IAT, check, EDI, etc.) does not determine whether the relationship is contractor or subrecipient.

A **subrecipient** is “A non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.”

A **contractor** is “a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization’s own use or for the use of beneficiaries of the Federal program.”

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-Pass-
through
schedules**
(continued)

Consider the following characteristics to identify a subrecipient or contractor relationship. The AGA has provided the following worksheet to help in identifying subrecipient vs. contractor relationships:

https://www.agacgfm.org/AGA/ToolsResources/Documents/subcontractor_checklist_v6_FINAL_08-19-15_fillable.pdf

SUBRECIPIENT

- Determines who is eligible to receive Federal financial assistance
- Has its performance measured by meeting the objectives of the Federal program
- Has responsibility for programmatic decision making
- Has responsibility for adherence to applicable Federal program compliance requirements
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity

CONTRACTOR

- Provides the goods and services within normal business operations
- Provides similar goods or services to many different purchasers
- Operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the Federal program
- Is not subject to compliance requirements of the Federal program

DOA strongly encourages communication between entities exchanging Federal pass-through funds. Such communication ensures consistent reporting and reduces the time required for statewide compilation and audit. Contact Penny Williams at DOA if the entity needs assistance with identifying the Federal contacts at other agencies.

DOA will perform a variance analysis for pass-through funds received and pass-through funds disbursed among State agencies/institutions. DOA will investigate significant variances, and **State agencies/institutions/component units will be required to explain these variances IN WRITING by a due date to be determined in future communications.**

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Important
Items-
Reporting loan
programs**

Report all loan programs in accordance with the Uniform Guidance Section 200.502. While agencies are responsible for identifying all loan programs to be reported, the following have historically been reported:

- Campus based loan program (Perkins - #84.038, Health Professions Loans - #93.342, Nurse Faculty Loans-#93.264, Nursing Student Loans - #93.364)
- Non-campus based loan program (Federal Direct Student Loans - #84.268)
- Capitalization Grants for State Revolving Funds (#66.458) and Capitalization Grants for Drinking Water State Revolving Fund (#66.468)
- Economic Adjustment Assistance Program (#11.307)

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; RECEIVED FROM STATE tab

The **RECEIVED FROM STATE** tab identifies Federal assistance disbursed from State agencies/institutions and received by another State agency/institution. The Federal assistance is listed by CFDA number and by State grantor agency/institution. **Report amounts related to unknown CFDA numbers that were received from state agencies/ institutions on this tab and expenditures made from these funds on the SEFA tab.**

Instructions for preparing the **RECEIVED FROM STATE** tab are in the following table.

Step	Action
1	Click on the RECEIVED FROM STATE tab. Enter your assigned code in cell B2 (the first yellow highlighted cell). After you type in the assigned code, hit enter and your entity name should appear in cell B1, the cell directly above the assigned code. The assigned code and title are linked to the remaining tabs. Make sure your assigned code appears on all other spreadsheets. ONLY include federal money received from a Virginia state agency/institution.
2	In Column B, enter the State agency/institution number for the agency/institution that disbursed Federal pass-through funds to your entity beginning on line 8. Fill in one line for each grantor agency/institution and CFDA. When you hit enter, the assigned code should appear in Column A, and the grantor state agency/institution name should appear in Column C. Please ensure that the correct names appear to ensure you have keyed the correct number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column E. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R&D) expenditures and expenditures other than R&D. Key “@” in Column G to indicate R&D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.

Continued on next page

**Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules**

Preparing the federal schedules.xlsm template; RECEIVED FROM STATE tab (continued)

Step	Action
4	In Column F, enter the total amount of pass-through funds received from other State agencies/institutions. Use the cash basis or the value of nonmonetary assistance to report these receipts. Expenditures made from these funds should also be included on the SEFA tab.
5	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</u></p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

**Preparing the
federal
schedules.xlsm
template;
RECEIVED
FROM
NONSTATE
tab**

The **RECEIVED FROM NONSTATE** tab identifies Federal assistance disbursed from non-state entities and received by the entity in a subrecipient relationship. **Also, this tab identifies the Federal expenditures made from the pass-through funds received from the non-state entities.** (See page 11 for the definition of non-state entities.) The Federal receipts and disbursements are listed by CFDA number **and** by non-state entity name.

Report amounts related to unknown CFDA numbers that were received from non-state entities and the related expenditures made from the pass-through funds received on this tab. DO NOT report expenditures made from the pass-through funds received on the SEFA tab.

PLEASE NOTE: DO NOT ABBREVIATE THE NON-STATE ENTITY NAMES. DOA WILL NOT ACCEPT TEMPLATES THAT CONTAIN ABBREVIATIONS.

Instructions for preparing the **RECEIVED FROM NONSTATE** tab are in the following table.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; RECEIVED FROM NONSTATE tab (continued)

Step	Action
1	Click on the RECEIVED FROM NONSTATE tab. Do not enter the entity number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money received by your entity from a non state entity on this tab. The Federal Government is not a non state entity.
2	Fill in the non state entity grantor name (DO NOT USE ABBREVIATIONS) in Column B beginning on line 8. As each entity is keyed, hit enter. The assigned code for your entity will appear in Column A. Fill in one line for each non state entity grantor and CFDA.
3	Key the CFDA numbers in numerical order in Column C. As each CFDA number is keyed, hit enter. The federal program name will appear in Column D. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R&D) expenditures and expenditures other than R&D. Key “@” in Column G to indicate R&D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.
4	In Column E, enter the total dollar amount of Federal pass-through funds received from non state entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the receipts.
5	In Column F, enter the total dollar amount of Federal expenditures made from the pass-through funds received from non state entities. Enter a zero if no funds were expended, and report negative amounts if applicable. Expenditures/disbursements made from these funds should NOT be reported on the SEFA tab.

Continued on next page

**Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules**

**Preparing the federal schedules.xlsm template;
RECEIVED FROM NONSTATE tab
(continued)**

Step	Action
6	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column</u> since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; DISBURSED TO STATE tab

The **Disbursed to State** tab identifies Federal assistance disbursed from the entity to subrecipient State agencies/institutions. The Federal disbursements are listed by CFDA number and by State receiving agency/institution. **Report amounts related to unknown CFDA numbers that were disbursed to state agencies/institutions on this tab. These amounts should also be included on the SEFA tab. If the amounts reported on the DISBURSED TO STATE tab do not agree with the amounts reported on the SEFA tab, please list the appropriate information on the DISBURSEMENTS tab of the Questionnaire file.**

Instructions for preparing the **Disbursed to State** tab are in the following table.

Step	Action
1	Click on the DISBURSED TO STATE tab. Do <u>not</u> enter the entity number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your entity to a Virginia state agency/institution on this tab.
2	In Column B, enter the State agency/institution number for the agency/institution to which the entity disbursed Federal pass-through funds beginning on line 8. Fill in one line for each grantor agency/institution and CFDA. When you hit enter, the assigned code for your entity should appear in Column A, and the subrecipient state agency name should appear in Column C. Please ensure that the correct agency/institution names appear to ensure you have keyed the correct agency/institution number.
3	Key the CFDA numbers in numerical order in Column D. As each CFDA number is keyed, hit enter. The federal program name will appear in Column F. Please ensure this is the name of the program under which the funds were received. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R&D) expenditures and expenditures other than R&D. Key “@” in Column G to indicate R&D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.
4	In Column G, enter the total amount of pass-through funds disbursed to other State agencies/institutions. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.

Continued on next page

**Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules**

Preparing the federal schedules.xlsm template; DISBURSED TO STATE tab
(continued)

Step	Action
5	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column</u> since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</p> <p><u>Note: In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</u></p>

Preparing the federal schedules.xlsm template; DISBURSED TO NONSTATE tab

The **DISBURSED TO NONSTATE tab** identifies Federal assistance disbursed from the entity to subrecipient non state entities. (See page 11 for the definition of non-state entities.) The Federal disbursements are listed by CFDA number only. Do not report the names of the non-state entities. **Report amounts related to unknown CFDA numbers that were disbursed to non-state entities on this tab. These amounts should also be included on the SEFA tab. If the amounts reported on the DISBURSED TO NONSTATE tab do not agree with the amounts on the SEFA tab, please list the appropriate information on the DISBURSEMENTS tab of the Questionnaire file.**

Instructions for preparing the **DISBURSED TO NONSTATE tab** are in the following table.

Step	Action
1	Click on the DISBURSED TO NONSTATE tab. Do not enter the entity number and name. This information is linked to the RECEIVED FROM STATE tab. ONLY include federal money disbursed from your entity to a non state entity on this tab.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; DISBURSED TO NONSTATE tab
 (continued)

Step	Action
2	<p>Key the CFDA numbers in numerical order in Column B beginning on line 8. Fill in one line for each CFDA number. As each CFDA number is keyed, hit enter. The assigned code for your entity will appear in Column A, and the federal program name will appear in Column C. Please ensure this is the name of the program under which the funds were received.</p> <p>Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R&D) expenditures and expenditures other than R&D. Key “@” in Column G to indicate R&D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.</p>
3	<p>In Column D, enter the total amount of Federal pass-through funds disbursed to non state entities for each CFDA number. Use the cash basis or the value of nonmonetary assistance to report the disbursements. These disbursements should also be included on the SEFA tab.</p>
4	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsm file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column</u> since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; SEFA tab

The **SEFA** tab should include all federal expenditures/disbursements, except for the expenditures/disbursements reported on the **RECEIVED FROM NONSTATE** tab. **Report all expenditure/disbursement amounts related to unknown CFDA numbers on this tab except those expenditures/disbursements reported on the RECEIVED FROM NONSTATE tab.**

Instructions for preparing the **SEFA** tab are in the table below.

Step	Action
1	Click on the SEFA tab. Do not enter the entity number and name. This information is linked to the RECEIVED FROM STATE tab.
2	In Column C, type in the appropriate CFDA number beginning on line 8. Hit Enter. The assigned code for your entity should automatically appear in Column A. The appropriate Federal grantor entity should automatically appear in Column B, and the Federal program name should automatically appear in Column E. Report each CFDA number only once on the schedule unless the CFDA number has both research and development (R&D) expenditures and expenditures other than R&D. Key “@” in Column G to indicate R&D expenditures, “*” to indicate Stimulus (ARRA) R&D expenditures, or “#” to indicate Stimulus (ARRA) expenditures.
3	Report all Federal disbursements in Column F, EXCEPT expenditures/disbursements reported on the RECEIVED FROM NONSTATE tab.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsx template; SEFA tab
 (continued)

Step	Action
4	<p>A column titled “Program Name - Unidentified CFDA Number” is included in each tab in the Federal Schedules.xlsx file. <u>For Stimulus (ARRA) federal expenditures, agencies should not use the Program Name – Unidentified CFDA Number column</u> since all Stimulus programs have been assigned a specific CFDA number. Enter the program name (if known) followed by a dash and then enter the other identifying number (such as the contract number) in this column if N/A appears in the program name column when the actual CFDA number is unknown.</p> <p><u>Note:</u> In instances where disbursements were made from inactive CFDA numbers, provide the inactive CFDA number.</p>
5	<p>Ensure the Federal program name is consistent throughout all applicable worksheets. If the name is unknown, use Other Assistance as the program name, only after you have verified there is no federal contract or program name applicable.</p>

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the federal schedules.xlsm template; FLUCTUATION ANALYSIS tab

Instructions for preparing the **FLUCTUATION ANALYSIS** tab are in the table below.

Step	Action
1	Click on the FLUCTUATION ANALYSIS tab. This tab will identify fluctuations in the expenditure amounts reported on the current SEFA tab compared to the prior year SEFA tab. The total SEFA dollar variance is provided in the top section of the tab.
2	In the lower portion of the tab, a fluctuation is provided for each major federal agency category between the current and prior year SEFA tab expenditure amounts. For example, 10.xxx represents all expenditures from the SEFA tab within the federal agency, U.S. Department of Agriculture. A “significant variance” is identified, whenever a “YES” is displayed in the “Significant Variance” column and requires that an explanation of the variance be provided. All SEFA amounts for the current and prior year autopopulate in the appropriate federal agency fields (10.XXX, 11.XXX, etc.). You do not need to enter any current or prior year SEFA expenditure amounts.
3	For the Variance explanation on the FLUCTUATION ANALYSIS tab, if "YES" is displayed in “Significant Variance” column, explain any significant increases or decreases in the major federal agency categories. Compare the prior year's SEFA tab to the current year's SEFA tab to identify any individual program differences for the major federal agency where an explanation is required. It will be helpful to have a copy of the prior and current year SEFA tab submissions to identify programs that are new or no longer being used in the current year SEFA tab submission. Include detailed CFDA #s and/or other information to explain any significant changes identified. It is not sufficient to explain that a specific CFDA had significant changes without providing a reason for the change.

Continued on next page

**Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules**

Preparing the federal schedules.xlsm template; FLUCTUATION ANALYSIS tab
(continued)

Step	Action
4	It is important to make sure you have checked the www.cfda.gov website to ensure that all CFDA numbers are valid for the current SEFA. Please pay close attention to CFDA programs that have been deleted or changed to an alternate CFDA number.
5	Valid explanations may include that a program is no longer in use or a new program has been added in the SEFA year being reported.

Reconciliation of the Schedule of Expenditures of Federal Awards

The **Reconciliation of the Schedule of Expenditures of Federal Awards** reconciles the expenditures **for Stimulus (ARRA) and Non-Stimulus** reported on the **SEFA** tab plus the expenditures **for Stimulus (ARRA) and Non-Stimulus** reported on the **RECEIVED FROM NONSTATE** tab to the amount of Federal expenditures reported in Attachment CU4.

Incomplete or improper **Reconciliations of the Schedule of Expenditures of Federal Awards** will be returned to the entities. **[These entities will be asked to resubmit the reconciliations and may be cited for noncompliance in the Report on Statewide Financial Management and Compliance \(Quarterly Report\).](#)**

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the recon-cu.xlsx template

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to Attachment CU4 are in the following table.

Step	Action
1	Open the recon-cu.xlsx file.
2	Enter the contact information and date completed in the applicable cells highlighted in yellow.
3	In cells E13 and E14, enter the total Federal Expenditure (excluding BABs recorded in fund detail 1302) amounts as reported on the SEFA tab for Non-Stimulus and Stimulus (ARRA) .
4	In cells E15 and E16, enter the total Federal Expenditure amounts as reported on the RECEIVED FROM NONSTATE tab for Non-Stimulus and Stimulus (ARRA) .
5	List the total Federal Expenditures per Attachment CU4 by entering the following information: <ul style="list-style-type: none"> • Attachment CU4 in cell B21. • Total Federal Expenditures as reported on the applicable Attachment in cell E21.
6	The difference between the expenditures for Stimulus (ARRA) and Non-Stimulus as reported on the SEFA tab plus the expenditures for Stimulus (ARRA) and Non-Stimulus reported on the RECEIVED FROM NONSTATE tab and the expenditures on Attachment CU4 will be calculated on line 24. This difference should be completely reconciled before submission to DOA. A line item has been added to the reconciling items section to include any BABs recorded in fund detail 1302, if applicable.
7	Begin reconciling items on line 28.

Continued on next page

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU5 – Instructions
Federal Schedules

Preparing the recon-cu.xlsx template
 (continued)

Step	Action								
8	<p>Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples:</p> <table style="margin-left: 40px;"> <tr> <td>Perkins loan receivable</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td>Nursing student loan receivable</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td>Indirect Costs</td> <td style="text-align: right;">\$XXX</td> </tr> <tr> <td>BABs recorded in fund detail 1302</td> <td style="text-align: right;">\$XXX</td> </tr> </table> <p>(The entity may or may not have the reconciling items listed above.)</p>	Perkins loan receivable	\$XXX	Nursing student loan receivable	\$XXX	Indirect Costs	\$XXX	BABs recorded in fund detail 1302	\$XXX
Perkins loan receivable	\$XXX								
Nursing student loan receivable	\$XXX								
Indirect Costs	\$XXX								
BABs recorded in fund detail 1302	\$XXX								
9	<p>The sum of the reconciling items must equal the difference between the expenditures for Stimulus (ARRA) and Non-Stimulus on the SEFA tab plus the expenditures for Stimulus (ARRA) and Non-Stimulus on the Received from Nonstate tab and the expenditures on Attachment CU4. <u>If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations.</u></p>								
10	<p>Do not send the supporting documents for the reconciliations to DOA. Only submit the reconciliations to DOA. A copy of the reconciliation and all supporting documents should remain at the entity for potential APA review or if specifically requested by DOA.</p>								

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Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU6 - Instructions
Intrafund Activity

Purpose

This attachment is applicable to component units that include foundations and/or component units as part of the reporting entity. This attachment is used to determine if intrafund activity is reported in an entity's financial statements/template. If intrafund activity exists, this attachment is used to determine the entries necessary to eliminate the activity in the Comprehensive Annual Financial Report (CAFR).

Note: This attachment is similar to prior year's Attachment CU6.

Applicable entities

Any component unit that reports a DISCRETE component unit and/or foundation as part of its reporting entity as indicated on Attachment CU1 – Part 9.

Note: **If a component unit reports a BLENDED component unit as part of its reporting entity, information should already be reported net of intrafund eliminations; therefore, this attachment is not required.**

Completing the attachment

Answer "Yes" or "No" as to whether the entity reported amounts on the financial statement/template net of any intrafund activity (Intrafund activity relates to foundations/component units included as part of the reporting entity.)

If yes – Stop here and submit the attachment.

If no – Please provide the entries in the space provided that are required to eliminate intrafund amounts from the CAFR. Use financial statement/template line items previously reported to record entries. The elimination entries should not affect the ending net position amount.

Questions

For questions or to request detailed training from an analyst please contact: AttachmentAnalyst@doa.virginia.gov. Please reference the attachment number in the subject line of the email.

Due date

September 15, 2016

Note: This attachment is due with the financial statements/template.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU6 - Instructions
Intrafund Activity

Data entry

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

Certification

The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU6 - Instructions
Intrafund Activity

**Submission
requirements**

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

After downloading the file, rename the spreadsheet file using the entity's acronym followed by AttCU6. For example, the Virginia Biotechnology Research Partnership Authority should rename its Attachment CU6.xlsx* file as VBRPAAAttCU6.xlsx*.

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

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

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

Do not submit paper copies of the Excel attachment.

For your convenience, it is only necessary to enter the contact information on the first tab. The contact information is linked to the remaining tabs; however, the contact information in the remaining tabs may be overwritten if necessary.

***Note: If the entity has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU6 - Instructions
Intrafund Activity

**Attachment
revisions**

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

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

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

Include “**REVISED – date**” in the **subject line** of the submission e-mail as well as in the **entity’s acronym** and the **file name**. Resubmit the revised attachment; and ensure that the **Revision Control Log** tab has been completed.

Each time a revision is submitted the **Certification** tab should be updated with new signatures and dates.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU7 - Instructions
Subsequent Events

Purpose To obtain the necessary information to comply with the Group Audit requirements of the Statements on Auditing Standards.

Note: This attachment is similar to prior year’s Attachment CU7.

Applicable agencies All component units and related organizations **must** complete this attachment.

Questions For questions or to request detailed training from an analyst please contact: AttachmentAnalyst@doa.virginia.gov. Please reference the attachment number in the subject line of the email.

Due date **November 14, 2016**

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

Certification The **Certification** tab requires all preparers and reviewers to type their name on this form. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for the Survey tab. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If entity staffing does not allow for a different preparer and reviewer, please contact DOA.**

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU7 - Instructions
Subsequent Events

Submission requirements

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

After downloading the file, rename the spreadsheet file using the entity's acronym followed by AttCU7. For example, the Virginia Resources Authority should rename its Attachment CU7.xlsx file as VRAAttCU7.xlsx.* If the entity does not have a well known acronym then spell the entire name of the entity followed by AttCU7. For example, Jamestown-Yorktown Education Trust may rename its Attachment CU7.xlsx* file as JamestownYorktownEducationTrustAttCU7.xlsx*.

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

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

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

Do not submit paper copies of these Excel spreadsheets.

***Note: If the entity has an earlier version of Excel and has problems opening the attachment file, DOA can provide the attachment saved in an earlier version of Excel (.xls).**

Definition

Subsequent Events – Events that occur after the end of the reporting period, but prior to the issuance of the financial statements.

Adjustments to financial statements to reflect this information are required for amounts relating to conditions existing as of June 30, 2016. An example of an adjustment is a loss on a trade receivable, which is confirmed by the bankruptcy of a customer. Disclosure is necessary for events that do not relate to conditions at the balance sheet date, but make the financial statements misleading. This disclosure should indicate the nature of the loss or loss contingency and give an estimate of the amount, or range, of loss or possible loss, or state that such an estimate cannot be made. An example of a subsequent event requiring disclosure would be the issuance of long-term debt after the balance sheet date but before the statements were issued.

Component Unit Year-End Reporting Memorandum – FY 2016
Attachment CU7 - Instructions
Subsequent Events

Completing the attachment

Answer yes or no to the question, “Has the entity experienced, or expect to experience, any subsequent events that have not previously been reported to the Department of Accounts?”

If yes, provide disclosure information (description of the event, including the date of occurrence and dollar amount) in the yellow box. If no, complete the **Certification** tab and submit the spreadsheet.

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