



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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