If the information requested in the supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

General

- Any questions related to the Directive should be addressed to Jamie Motley at 225-2646 or **jamie.motley@doa.virginia.gov**.

- Training will be provided for this Directive at no charge to the agencies. **It is mandatory** that state agencies who must complete information contained in this Directive attend the training. There are two classes the agency may need to attend. One for proprietary fund agencies and one for government fund agencies. If the agency has both proprietary and governmental funds however, both classes must be attended. For the agency's convenience, DOA is offering two dates for each class. To register for these classes, go to **www.doa.virginia.gov** and click on the "Training" link.
  - **For Proprietary Fund Agencies-Directive 2-05, Financial Statement Preparation for State Agencies:**
    - May 17, 2005 at the James Monroe Building, First Floor, Conference Rooms D&E
    - May 31, 2005 at the James Monroe Building, First Floor, Conference Rooms D&E
  - **For Governmental Fund Agencies, Directive 2-05, Financial Statement Preparation for State Agencies:**
    - June 1, 2005 at the James Monroe Building, First Floor, Conference Rooms D&E
    - June 7, 2005 at the James Monroe Building, First Floor, Conference Rooms D&E

- Agencies will be notified within a few days of submission due dates if DOA determines the information provided is unacceptable. The deficiency will be identified and a revised date will be provided. Failure to provide corrected information within the specified timeframe will result in citation in the Comptroller's *Quarterly Report on Compliance.*

- E-mail submissions are required for all submissions unless an individual submission indicates otherwise. Agencies should only provide **one** copy of each submission to DOA.

- The subject line of the E-mail should include the agency number and due date of the submission. For example, if the Department of Treasury is submitting items due on July 21, then the subject line would read "Agy 152, Due Date July 21, 2005 Submissions." **DO NOT include different due date submissions within the same E-mail.**

Continued on next page

General, continued

- Agencies should remember to copy the Auditor of Public Accounts (APA) on all E-mail submissions. The APA's address has changed. It is now **APAFinRept@apa.virginia.gov**.

- Only cells highlighted in yellow allow for data entry. Messages have been added that provide assistance to individuals having trouble entering data when the established parameters are not being followed. **Failure to correct keying errors denoted by validation messages prior to submission will prohibit acceptance of the attachment.**

- In addition, several attachments have cells highlighted in light blue. As the agency completes the required information, messages will display in these boxes to assist the agency in completing the attachment.

- Revision control logs are included in the majority of the attachment workbooks. These logs require the agency to identify the specific worksheets and tabs that have been modified **after** DOA's original acceptance. These logs should also provide a cumulative listing of changes to each attachment. The individual attachment instructions indicate whether the revision control log is applicable. **Failure to adhere to the revision instructions specified for each attachment will prohibit acceptance of revisions**. DOA will notify agencies if problems are encountered with revision submissions.

- For CAFR reporting purposes, the Commonwealth capitalizes all equipment that has a cost or value greater than $50,000 and an expected useful life of greater than two years. In addition, for CAFR reporting purposes, the Commonwealth capitalizes all other assets that have a cost or value greater than $100,000 and an expected useful life of greater than two years. **These CAFR reporting capitalization thresholds do not affect capitalization thresholds on FAACS.** Proprietary agencies will be able to specify their individual capitalization limits in the financial statement template capital asset footnote tab.

- If an agency is required to prepare financial statements for purposes other than the Comptroller's Directive, the affected agencies will still have to prepare those financial statements. However, unless otherwise specified in the **Supplemental Information** section of the Directive, these financial statements will not have to be submitted to DOA. For those agencies that are audited by the APA, the APA will audit the template for CAFR purposes.

Continued on next page

General, continued

- **The following attachments have no specific changes or are self explanatory:**
  - Attachment 3, GASBS No. 14 Checklist Modified to Reflect GASBS No. 39
  - Attachment 13, Fixed Asset Accounting and Control System (FAACS) Analysis
  - Attachment 16, GASBS No. 38 Short-term Debt
  - Attachment 21, Donor-restricted Endowments
  - Attachment 24, Direct Billed Central Services
  - Attachment 26, Internal Control Statement
  - Attachment 28, Report of Financial Condition
  - Attachment 29, Supplemental Information – Revision Control Log

New Attachments

Attachment 13A, Capital Assets Transferred to the Virginia Information Technologies Agency:

- Attachment 13A will capture the assets transferred to VITA to ensure assets are not double counted in the CAFR.

Attachment 30, Restricted Net Assets:

- Attachment 30 is used to gather restricted net asset information in anticipation of fiscal year 2006 implementation of GASBS No. 46, *Net Assets Restricted by Enabling Legislation*.

Attachments (1, 2, 4 – 7)

Attachment 1, Checklist to Determine Information Required by Comptroller's Directive:

- The required attachments will be automatically determined based upon agency input.
- Several changes were made to the Supplemental Information Requirements. **Attachment 1** identifies the agencies that have supplemental requirements.
- Agencies with significant variances in CARS balances between FY 2004 and FY 2005 will be required to provide variance explanations to DOA. Affected agencies will be contacted in a supplemental communication.
- Agencies are required to submit the **Fund Descption.xls** file with Attachment 1. This file is located on DOA's website at **www.doa.virginia.gov**. Click on "Financial Reporting" and then click on "Financial Statement Directives."

Attachment 2, Contact Survey:

- In order to facilitate future communications, ensure that the contact names provided represent the fiscal / financial personnel that should receive E-mails pertaining to financial reporting issues.

Continued on next page

Attachments (1, 2, 4 – 7), continued

Attachment 4, Leave Liability Statement – Agencies that use CIPPS for ALL employees:

- DOA has developed a leave database from the leave data reported on the U027 report. **The database will be available on DOA's website by mid-July 2005.** Agencies that use CIPPS for all employees and do not complete a template will be responsible for reviewing the balances to determine reasonableness. If no modifications are required, the agencies will certify the information is accurate and explain any differences between the fiscal year 2004 and fiscal year 2005 balances that exceed 10% and $1.5 million. If modifications are required, the agency will be required to complete the attachment.

Attachment 5, Leave Liability Statement – Non-CIPPS Users:

- This attachment is only applicable to agencies that do **not** prepare financial statement templates and do **not** use CIPPS leave.
- Various fields will populate after the agency number is entered, including the prior year amount reported to DOA.
- A variance between the FY 2004 and FY 2005 balances will be computed. If the variance exceeds 10% and $1.5 million, a fluctuation analysis will be required. Complete the explanation box if the spreadsheet indicates a fluctuation is required.

Attachment 6, Schedule of Outstanding Installment Purchase Obligations:

- This attachment is only applicable to agencies that do **not** prepare financial statement templates.
- Various fields, including the beginning balance, will populate after the agency number is entered.
- Agencies that use the Department of Treasury's Master Equipment Lease Program (MELP) will be required to review the MELP listing provided on DOA's website. Agency personnel will have to enter the appropriate June 30, 2005 balance in the attachment, and provide explanations for variances exceeding 10% and $1.5 million.

Attachment 7, Schedule of Inventory on Hand at June 30:

- This attachment is only applicable to agencies that do **not** prepare financial statement templates.
- Agencies with inventory balances **less than $1 million** do not have to complete the attachment.
- Agencies must indicate whether any balances reported on the attachment are also included on CARS. If amounts are reported on CARS, a separate tab must be completed.
- Various fields will populate after the agency number is entered, including the prior year amount reported to DOA.
- A variance between the FY 2004 and FY 2005 balances will be computed. If the variance exceeds 10% and $1.5 million, a fluctuation analysis will be required. Complete the explanation box if the spreadsheet indicates a fluctuation is required.

Financial Statement Templates (Attachments 8 – 12)

- Financial statement templates replace the individually prepared financial statements and footnotes. Agencies will be required to complete the template applicable to the funds specified in the Directive. The templates will include the required information for each fund financial statement and applicable footnotes.

- There are numerous comments within the Excel spreadsheets that provide clarification regarding the information that should be provided. Many cells contain validation features that ensure the amounts are rounded **or** agree to applicable amounts within the various spreadsheets. If the information entered is not in the appropriate format, messages identifying the specific error will be displayed. In addition, if the appropriate amounts do not agree, messages identifying the error and recommended corrective action will be displayed. **Any** failure by the agency to correct the information prior to submission will be considered a deficiency that prohibits acceptance of the template.

Attachment 8, **Governmental Fund Financial Statement Template**:

- The governmental fund template will require cash basis, modified accrual, and full accrual information. When the agency selects the governmental fund, the beginning fund balance will automatically be populated with prior year's information. If the agency must restate the amount, the agency should complete the "Tab 8 - Restatements" tab. This attachment will also include fluctuation analysis information (Tab 9). In addition, the cash, cash equivalents, and investments tabs have been modified due to GASBS No. 40. Any questions regarding how to complete those tabs may be addressed in the instructions at Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30.

Attachment 9, **Enterprise Fund Financial Statement Template**:

- The enterprise fund template is no longer customized to provide a file for each separate enterprise fund as it was in fiscal 2004. Instead, the agency will select the appropriate enterprise fund in the Excel file, and the prior year amounts will automatically populate in the prior year column. As in fiscal year 2004, the template will require full accrual information. It will also include a tab for the enterprise fund conversion to the government-wide financial statements and a new tab to capture the detail of how the invested in capital assets, net of related debt amount was calculated. In addition, the cash, cash equivalents, and investments tabs have been modified due to GASBS No. 40. Any questions regarding how to complete those tabs are addressed in the instructions at Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30.

Continued on next page

Financial Statement Templates (Attachments 8 – 12), continued

Attachment 10, Internal Service Fund Financial Statement Template:

- The internal service fund template is no longer customized to provide a file for each separate internal service fund as it was in fiscal 2004. Instead, the agency will select the appropriate internal service fund in the Excel file, and the prior year amounts will automatically populate in the prior year column. As in fiscal year 2004, the template will require full accrual information. The internal service conversion data will be obtained from **Attachment 17**. A new tab has been created to capture the detail of how the invested in capital assets, net of related debt amount was calculated. In addition, the cash, cash equivalents, and investments tabs have been modified due to GASBS No. 40. Any questions regarding how to complete those tabs are addressed in the instructions at Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30.

Attachment 11, Private-purpose Trust Fund Financial Statement Template:

- The private-purpose fund template will obtain full accrual information. The agency will select the appropriate private-purpose trust fund in the Excel file, and the prior year amounts will automatically populate on Tab 6 "Fluctuation Analysis" tab. In addition, the cash, cash equivalents, and investments tabs have been modified due to GASBS No. 40. Any questions regarding how to complete those tabs are addressed in the instructions at Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30.

Attachment 12, Agency Fund Financial Statement Template:

- The agency fund template will obtain full accrual information. The agency will select the appropriate agency fund in the Excel file, and the prior year amounts will automatically populate in the beginning balance column of the template. In addition, the cash, cash equivalents, and investments tabs have been modified due to GASBS No. 40. Any questions regarding how to complete those tabs are addressed in the instructions at Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30.

Attachments (13A, 14, 15, 17 – 20, 22, 23, 25, 27)

Attachment 13A, Capital Assets Transferred to the Virginia Information Technology Agency:

- All agencies, (except for VITA), must certify to DOA as to whether or not the agency transferred assets to VITA during fiscal year 2005. This information will ensure assets are not double counted in the CAFR.

Continued on next page

Attachments (13A, 14, 15, 17 – 20, 22, 23, 25, 27), continued

Attachment 14, Federal Schedules:

- Substantial changes have been made to this attachment. The instructions have been modified and the actual reporting of federal expenditures/disbursements has changed as well. Also, the Other Assistance tab has been eliminated.
- Agencies must contact Penny Williams at **penny.williams@doa.virginia.gov** or (804)225-3804 **prior** to submitting any revisions to DOA.

Attachment 15, GASBS No. 33 Expenditure and Revenue Analysis:

- **All** expenditures, including Federal expenditures, must be analyzed on this attachment. Federal revenue will be analyzed on **Attachment 22**.

Attachment 17, Internal Service Funds – Conversion to Government-wide Statement of Activities:

- The total of "Part 1 – Internal" tab, Step 3 – Receivables, must agree to Attachment 10, Internal Service Fund Template "Due from Other State Agencies, Net" line item on the template.

Attachment 18, Receivables as of June 30:

- Various fields will populate after the agency number is entered, including the prior year amount reported to DOA.
- Individual tabs have been created to report the Expenditure, Revenue, and Loan receivable detail information. Interagency transfers should not be reported on these detail tabs. Travel Advance and Interagency receivable amounts will be reported in total. In addition, a reconciliation tab has been created to provide the reconciliation between the Quarterly Receivable Report and the Attachment. Various fields on this tab will be populated from the amounts reported on the other tabs.
- Agencies will have to indicate whether any of the receivable balances are also reported on CARS. If balances are included on CARS, then fund, GLA, and amount data will be required.
- A variance between the FY 2004 and FY 2005 balances will be computed. If the variance exceeds 10% and $1.5 million, a fluctuation analysis will be required. Complete the appropriate section(s) of the **Receivables as of June 30** tab of the spreadsheet.

Attachment 19, Schedule of Retainage Payable:

- Various fields will populate after the agency number is entered, including the prior year amount reported to DOA.
- Agencies will have to indicate whether any of the retainage balances are also reported on CARS. If balances are included on CARS, then fund, GLA, and amount data will be required.
- A variance between the FY 2004 and FY 2005 balances will be computed. If the variance exceeds 10% and $1.5 million, a fluctuation analysis will be required. Complete the explanation box if the spreadsheet indicates a fluctuation is required.

Continued on next page

Attachments (13A, 14, 15, 17 – 20, 22, 23, 25, 27), continued

Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30:

- This attachment is only applicable for funds that are **NOT** reported on financial statement templates. The first attachment tab entitled **Detail** must be completed for all applicable funds. The remaining tabs must be completed if the applicable funds have cash equivalents and investments **NOT** with the Treasurer.
- All LGIP & SNAP account information must be manually entered.
- This attachment has been modified for GASBS No. 40. It will require further detailed information for interest rate risk and credit risk for debt securities, a breakdown of each issue for all investment types, and any applicable foreign exchange risk.

Attachment 22, GASBS No. 33 Federal Fund Analysis – Advance Funded/Block Grants:

- **Only** federal revenue is to be analyzed on this attachment. Federal expenditures are analyzed on **Attachment 15**.

Attachment 23, Government-wide Payables and Other Accruals at June 30:

- Various fields will populate after the agency number is entered, including the prior year amount reported to DOA.
- Agencies must certify that the amounts included on this attachment are **NOT** reported via other directive submissions.
- A variance between the FY 2004 and FY 2005 balances will be computed. If the variance exceeds 10% and $1.5 million, a fluctuation analysis will be required. Complete the **Variance Explanation** tab of the spreadsheet.

Attachment 25, Management Discussion and Analysis (MD&A):

- This attachment is applicable to agencies that prepare financial statement templates for **major** CAFR funds.
- Selected agencies that do not prepare financial statement templates must also provide MD&A data. The applicable funds are listed in the attachment instructions.
- Agencies must provide an update to the FY 2004 CAFR MD&A for specified funds. This update must address the applicable questions.
- In **all** instances, the explanation **must explain why** the changes occurred.
- In addition, the explanations for changes **must** reconcile to the total change.

Attachment 27, Adjustments:

- Agencies must certify whether there were any changes to each individual attachment. If changes were made to an attachment, the revision date must be provided.
- Agencies must list whether there were any changes to the required supplemental information. If changes were made to the supplemental information, the revision date must be provided.

Office of the Comptroller Directive No. 2-05

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Attachment 30, Restricted Net Assets

Office of the Comptroller Directive No. 2-05

Directive Compliance Guidelines for State Agencies

Introduction

Subject

The Directive addresses State agencies' responsibilities for submitting financial statement templates and other financial information to the Department of Accounts (DOA).

Purpose

To provide guidance to State agencies for submitting the following items to DOA to assist in the preparation of the Commonwealth's Comprehensive Annual Financial Report (CAFR):

- Financial statement templates (Attachments 8-12)
- Other attachments
- Supplemental information

Financial statement templates (Attachments 8-12), other attachments, and supplemental information must be prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Agency compliance

Agencies are required pursuant to Section 2.2-803 and Section 2.2-813 of the *Code of Virginia* (1950), as amended, to submit financial statement templates and / or other financial information for the following reasons:

- The financial information required by this Directive is necessary for DOA to prepare the CAFR.
- The bond rating agencies use the CAFR to determine Virginia's bond rating. Maintaining an unqualified opinion on the CAFR is critical to Virginia retaining its AAA bond rating.
- The bond rating agencies require that parts of the CAFR be included in bond offering statements.

Continued on next page

Introduction, Continued

Applicability

This Directive applies to **all State agencies**.

Exemption – This Directive does **not** apply to those **commissions** and **boards** that receive one annual appropriation disbursement from the Commonwealth.

Policy

For year-end closing, financial statement template, other attachment, and supplemental information preparation, all State agencies must comply with the following guidelines. These are described in detail on the following pages:

- Reconciliation to CARS
- Preparation of Attachments
- Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)
- GASBS No. 33 – Nonexchange Transactions Overview
- GASBS No. 34 – Financial Reporting Model Overview
- Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates
- Supplemental Information

Effective date

The Directive is effective for the fiscal year ended June 30, 2005, and thereafter. This Directive rescinds and replaces Office of the Comptroller Directive No. 2-04, *Financial Statement Preparation for State Agencies*.

Exceptions to due dates

If the agency cannot meet the due dates because of an unanticipated emergency, the chief fiscal officer must submit an E-mail request for exception to Ron Necessary, Director of Financial Reporting. This request must be submitted 30 days prior to the deadline. See the **Questions** section of this Directive for contact information.

Requests must include a detailed explanation of the reason for the request and an action plan with intermediate due dates to ensure timely submission of the required information.

Any exception granted by DOA requires DOA to adjust the deadlines with both the Auditor of Public Accounts (APA) and others, while still meeting *Code of Virginia* compliance deadlines.

Continued on next page

Introduction, Continued

Failure to comply

If an agency fails to comply with the requirements of this Directive, the Comptroller will disclose such failure in the *Quarterly Report on Statewide Financial Management and Compliance*.

Directive availability

This Directive is available at **www.doa.virginia.gov**. Fiscal officers and agency contacts are notified via E-mails. The Commonwealth Accounting and Reporting System (CARS) users are notified via the CARS Broadcast Screen.

Questions

Jamie Motley
Assistant Director, Financial Reporting
Voice: (804) 225-2646 Fax: (804) 225-2646
E-mail: **jamie.motley@doa.virginia.gov**

Ronald D. Necessary
Director, Financial Reporting
Voice: (804) 225-2380 Fax: (804) 225-2430
E-mail: **ron.necessary@doa.virginia.gov**

Submission information

Except as noted on specific attachments, DOA **requires** the agency to E-mail financial statement templates (Attachments 8-12), other attachments, and / or supplemental information to: **finrept@doa.virginia.gov**. DOA will E-mail a confirmation of receipt for each electronic submission. Agencies should follow up with DOA if the agency does not receive a confirmation**. Agencies should not submit paper copies of E-mailed attachments.**

DOA will also notify agencies if submissions do not meet the specified standards. If a submission is deemed unacceptable and rejected by DOA, the agency will be provided a short window of opportunity to resubmit the information in a manner that adequately addresses the deficiencies noted by DOA and avoid citation in the *Quarterly Report on Statewide Financial Management and Compliance*.

Agencies should copy APA on all E-mail submissions at: **APAFinRept@apa.virginia.gov**.

Reconciliation to CARS

What is required?

The following requirements apply to the reconciliation of CARS:

- Reconcile, where appropriate, all internally prepared accounting records, data submission logs, and other accounting data to reports produced by CARS.
- Perform and certify these reconciliations to DOA monthly and at fiscal year-end.

Preparation of Attachments

Purpose and requirements

Most agencies are not required to prepare financial statement templates (Attachments 8-12). Agencies that are not required to prepare financial statement templates for specified funds are required to submit other attachments for DOA to gather financial information needed for the CAFR.

- Attachments must comply with applicable GASB Statements. This includes compliance with GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASBS No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.
- Attachments must be in the format provided in this Directive.

Once again, except as otherwise noted on specific attachments, DOA requires the agency to E-mail the submissions to DOA. **Agencies should not submit paper copies of E-mailed attachments.** All attachments must be sent to DOA and copied to APA except for Attachment 28, Report of Financial Condition, which must be sent **only** to the APA.

To prevent rounding errors, ALL dollar amounts reported to DOA must be whole numbers that are rounded to the nearest dollar. The attachments require whole numbers.

Continued on next page

Preparation of Attachments, Continued

Overall changes

- Due dates have been revised from the previous year. Some due dates are later and some are earlier.
- A detailed listing of changes and items of interest was e-mailed to fiscal officers and is posted on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."

GASBS No. 34, government-wide revenue classification

As in the prior year, information from last year's submissions and CARS activity was analyzed and is posted on DOA's website at **www.doa.virginia.gov** as the **GASBS No. 34 Government-wide Revenue Classification Table**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." When completing attachments that require GASBS No. 34 government-wide revenue classifications, refer to this table for proper classification. **NOTE: This table will be available in mid-July 2005.**

New attachments

Attachment 13A, Capital Assets Transferred to the Virginia Information Technologies Agency (VITA), will capture the assets transferred to VITA to ensure assets are not double counted in the CAFR.

Attachment 30, Restricted Net Assets, is used to gather restricted net asset information in anticipation of fiscal year 2006 implementation of GASBS No. 46, *Net Assets Restricted by Enabling Legislation*.

Continued on next page

Preparation of Attachments, Continued

Due dates

The attachment due dates are detailed below:

Attachment	*Attachment Name*	*Due Date*
1	Checklist to Determine Information Required by Comptroller's Directive	**July 21**
2	Contact Survey	**July 21**
3	GASBS No. 14 Checklist Modified to Reflect GASBS No. 39	**July 21**
4	Leave Liability Statement—CIPPS Users	**August 4**
5	Leave Liability Statement—Non-CIPPS Users	**August 4**
6	Schedule of Outstanding Installment Purchase Obligations	**August 4**
7	Schedule of Inventory on Hand at June 30	**August 4**
8	Governmental Fund Financial Statement Template	**August 18**
9	Enterprise Fund Financial Statement Template	**August 18**
10	Internal Service Fund Financial Statement Template	**August 18**
11	Private-purpose Trust Fund Financial Statement Template	**August 18**
12	Agency Fund Financial Statement Template	**August 18**
13	Capital Asset Accounting and Control System (FAACS) Analysis	**August 18**
13A	Capital Assets Transferred to the Virginia Information Technologies Agency	**August 18**
14	Federal Schedules	**August 18**
15	GASBS No. 33 Expenditure and Revenue Analysis	**August 18**
16	GASBS No. 38 Short-term Debt	**August 18**
17	Internal Service Funds – Conversion to Government-wide Statement of Activities	**August 25**
18	Receivables as of June 30	**September 1**
19	Schedule of Retainage Payable	**September 1**
20	Schedule of Cash, Cash Equivalents, and Investments at June 30	**September 1**
21	Donor-restricted Endowments	**September 1**
22	GASBS No. 33 Federal Fund Analysis – Advance Funded / Block Grants	**September 22**
23	Government-wide Payables and Other Accruals at June 30	**September 22**
24	Direct Billed Central Services	**September 22**
25	Management Discussion and Analysis	**September 22**
26	Internal Control Statement	**October 20**
27	Adjustments	**October 20**
28	Report of Financial Condition	**October 20**
29	Supplemental Information – Revision Control Log	**As revisions made**
30	Restricted Net Assets	**December 8**

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)

Introduction

This section is divided into the following areas:

- Agencies required to submit templates
- General financial statement template guidelines
- GASBS No. 28 reporting for securities lending amounts invested in the General Account
- GASBS No. 33 and GASBS No. 36
- GASBS No. 34 / GASBS No. 37 / Interpretation No. 6
- GASBS No. 38
- GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*
- GASBS No. 39
- GASBS No. 40
- GASBS No. 42
- GASBS No. 44
- GASBS No. 46
- Guidelines for financial statement template work papers

Agencies required to submit templates

Agencies listed on the following pages are required to submit GAAP basis (GASBS No. 34) financial statement templates. In some instances, templates are required only for specific fund(s) within an agency. The table on the following pages indicates the specific reporting requirements for each agency.

If the agency is not listed on the following pages and has off-CARS activity, then the agency must notify Jamie Motley, Assistant Director of Financial Reporting, at (804) 225-2646. The agency may be required to prepare GAAP basis (GASBS No. 34) financial statement templates in accordance with this Directive.

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (continued)

Agency / Fund	Fund Type	Attachment Number
Department of Agriculture		
Milk Commission—Producer Recovery / Equalization Fund	Agency	12
Department of Alcoholic Beverage Control	Enterprise	9
Department of Aviation		
Aviation LGIP Funds	Agency	12
Department for the Blind and Vision Impaired		
Special Revenue Fund	Special Revenue	8
Virginia Industries for the Blind	Enterprise	9
Department of Conservation and Recreation		
State Parks Projects Fund	Special Revenue	8
Chippokes Plantation Farm Foundation	Special Revenue	8
Department of Corrections (See Supplemental Information section)		
Commissary Fund	Special Revenue	8
Inmate & Ward Trust Fund	Agency	12
Department of Environmental Quality		
Title V Air Pollution Permit Fund	Enterprise	9
Department of General Services		
Virginia War Memorial	Special Revenue	8
EVA	Enterprise	9
Newborn Screening / Consolidated Labs	Enterprise	9
Consolidated Laboratory Water Testing	Internal Service	10
Engineering Services	Internal Service	10
Federal Surplus Property	Internal Service	10
Fleet Management	Internal Service	10
Maintenance & Repair	Internal Service	10
Office of Graphic Communications	Internal Service	10
Property Disposal Service	Internal Service	10
State Surplus Property	Internal Service	10
Virginia Distribution Center	Internal Service	10
Department of Human Resource Management (See Supplemental Information section)		
Local Choice	Enterprise	9
Health Insurance Fund	Internal Service	10
Workers' Compensation	Internal Service	10
Department of Juvenile Justice		
Commissary Fund	Special Revenue	8
Donation Trust Fund	Special Revenue	8
J. Bryan Trust Fund	Special Revenue	8
Inmate and Ward Trust Fund	Agency	12

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (continued)

Agency / Fund	Fund Type	Attachment Number
Department of MHMR and SAS – Local Funds:		
Special Revenue Fund	Special Revenue	8
Permanent Fund	Permanent	8
Canteen and Local Activity Fund	Enterprise	9
Non-patient Agency Fund	Agency	12
Patient / Resident Fund	Agency	12
Department of Mines, Minerals, and Energy		
Mined Land Deposit Trust Fund	Agency	12
Department of Motor Vehicles		
All Off-CARS funds (deposits from retailers)	Agency	12
Department of Professional and Occupational Regulation		
Contractor's Transaction Recovery Act Fund	Special Revenue	8
Virginia Real Estate Transaction Recovery Fund	Special Revenue	8
Department of Social Services		
Fund Detail 0200 – Child Support Administration	Special Revenue	8
Fund Detail 0200 – Child Support	Agency	12
Department of State Police		
Asset Forfeiture Fund	Agency	12
Department of Transportation		
Debt Service Fund	Debt Service	8
Pocahontas Parkway Association	Enterprise	9
GLA 540 – Guarantee Deposits	Agency	12
Department of Treasury (See Supplemental Information section)		
Virginia Public Building Authority-Cap. Project	Capital Project	8
Virginia Public Building Authority-Debt Service	Debt Service	8
Risk Management Enterprise Funds	Enterprise	9
Risk Management Internal Service Funds	Internal Service	10
Unclaimed Property of the Commonwealth	Private Purpose	11
Unclaimed Property of Other States	Agency	12
Deposits of Insurance Carriers (Insurance Collateral)	Agency	12
Division of Legislative Services		
Enterprise Activity	Enterprise	9
Gunston Hall		
Off-CARS Museum Collections Fund	Special Revenue	8
Rehabilitation Center for the Blind and Vision Impaired		
Virginia Rehabilitation Center for the Blind Trust Fund	Special Revenue	8

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

Agencies required to submit templates (continued)

Agency / Fund	Fund Type	Attachment Number
Science Museum of Virginia		
Gift Shop Enterprise Fund	Enterprise	9
State Lottery Department	Enterprise	9
Virginia College Savings Plan		
Virginia Prepaid Education Program	Enterprise	9
Virginia Education Savings Trust and College America	Private-purpose	11
Virginia Commission for the Arts		
Virginia Arts Foundation Fund	Permanent	8
Virginia Correctional Enterprises	Internal Service	10
Virginia Employment Commission		
Unemployment Compensation	Enterprise	9
Virginia Information Technologies Agency		
Virginia Information Providers' Network	Enterprise	9
Wireless E-911	Enterprise	9
VITA	Internal Service	10
Virginia Museum of Fine Arts		
Special Revenue Fund		
Gift Shop & Food Services	Special Revenue	8
	Enterprise	9
Virginia School for the Deaf and Blind at Staunton – All Off-CARS Funds:		
Special Revenue	Special Revenue	8
Enterprise Fund	Enterprise	9
Agency Fund	Agency	12
Virginia School for the Deaf, Blind, and Multi-Disabled at Hampton – All Off-CARS Funds:		
Agency Fund	Agency	12
Virginia State Bar		
Clients' Protection Fund	Special Revenue	8
Administration Finance Fund	Special Revenue	8
Woodrow Wilson Rehabilitation Center		
Off-CARS Agency Fund	Agency	12

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

General financial statement template guidelines

The following guidelines apply to the GAAP basis (GASBS No. 34) financial statement templates that agencies prepare and submit to DOA:

- Prepare all financial statement templates in accordance with GAAP as prescribed by GASB.
- A GAAP Master List is available on DOA's web site at **www.doa.virginia.gov**. Click on "Financial Reporting." This non-authoritative listing has been added for informational purposes to assist in financial statement template preparation.
- Unless specific funds are listed, the agency must present all funds maintained by the agency regardless of whether the funds are recorded on CARS. This includes all trust, local, and endowment funds.
- Report materials and supplies inventories on the financial statement templates using the consumption method.
- Record any applicable lag pay accruals in the financial statement templates. At a minimum, this will require recording of the July 1 (June 10-24 pay period) and a portion of the July 15 (June 25-30 pay period) paychecks. These amounts should be recorded on the accounts payable line item.

Use the criteria in GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*, to evaluate which organizations are included in the financial reporting entity.

- Attachment 3 outlines the requirements of GASBS No. 39.
- Return the completed Attachment 3 for each organization evaluated by July 21, 2005.
- Be aware of legislative changes in fiscal year 2005.

Refer to the **GASBS No. 34 - Financial Reporting Model Overview** and the **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections in this Directive for further guidance on preparation of the financial statement templates.

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

GASBS No. 28 reporting for securities lending amounts invested in the General Account	For those agencies that must submit GAAP basis financial statement templates, **DOA will provide** asset, liability, income, and expense amounts for the agencies' share of securities lending transactions, **if any**, held in the General Account of the Commonwealth. This information will be provided in a separate document.
GASBS No. 33 and GASBS No. 36	Nonexchange transactions must be reported in accordance with GASBS No. 33 and GASBS No. 36 (see also **GASBS No. 33 – Nonexchange Transactions Overview** section in this Directive).
GASBS No. 34 / GASBS No. 37 / Interpretation No. 6	GASBS No. 34, GASBS No. 37, and GASB Interpretation No. 6 establish significant revisions to the financial reporting model (see also **GASBS No. 34 – Financial Reporting Model Overview** section in this Directive).
GASBS No. 38	GASBS No. 38, *Certain Financial Statement Note Disclosures*, establishes and modifies disclosure requirements related to the summary of significant accounting policies, actions taken to address violations of significant finance-related legal and contractual provisions, debt and lease obligations, short-term debt, disaggregation of receivable and payable balances, and interfund balances and transfers.
GASB Technical Bulletin 2003-1	GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*, provides guidance on derivative disclosures.

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

GASBS No. 39

GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*, amends GASBS No. 14, and provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government. GASBS No. 39 also provides reporting requirements for such organizations.

GASBS No. 40

GASBS No. 40, *Deposit and Investment Risk Disclosures,* amends GASBS No. 3 by updating the custodial credit risk disclosure requirements and by establishing more comprehensive disclosure requirements for other common risks of deposits and investments. This statement is effective fiscal year 2005.

GASBS No. 42

GASBS No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires evaluation of events and circumstances that might impair the value of capital assets. This statement is effective for fiscal year 2006.

GASBS No. 44

GASBS No. 44, *Economic Condition Reporting: The Statistical Section,* modifies the reporting guidelines DOA must report in the Statistical Section in the CAFR. This statement is effective for fiscal year 2006.

GASBS No. 46

GASBS No. 46, *Net Assets Restricted by Enabling Legislation,* provides additional clarification and reporting guidance on net assets that are restricted as a result of enabling legislation. This statement is effective for fiscal year 2006.

Continued on next page

Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12), Continued

Guidelines for financial statement template work papers

The following guidelines apply to the preparation of financial statement template work papers:

- Prepare work papers that clearly support the preparation of the financial statement templates.

- Fully reconcile work papers to final CARS closing reports.

- Provide an adequate crosswalk and audit trail from the work papers to the financial statement template. For governmental funds, this must include the adjusting entries for converting from the fund statement information to the government-wide statement information.

- The following work papers are required but are not all-inclusive:
  - Trial balances of funds maintained on CARS
  - Trial balances of funds that are not maintained on CARS
  - Trial balances of government-wide financial statements
  - Reconciliation between government-wide financial statement information and fund statement information, including adjusting journal entries and supporting documentation
  - Itemized listing of capitalized fixed assets as of year-end which reconciles to the agency's internal accounting system and / or CARS, if applicable
  - Itemized listing of accounts receivable, allowance for doubtful accounts, and accounts payable

Work papers and agency supporting internal records should be ready for APA review by **August 18, 2005**.

GASBS No. 33 – Nonexchange Transactions Overview

Definition of nonexchange transactions

Nonexchange transactions are those transactions where a government gives (or receives) value **without** directly receiving (or giving) equal value in return. GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* and GASBS No. 36*, Recipient Reporting for Certain Shared Nonexchange Revenues,* provide guidance on reporting nonexchange transactions. The four types of nonexchange transactions are as follows:

Derived Tax Revenues – assessments imposed by governments on exchange transactions.

Imposed Nonexchange Transactions – assessments by governments on nongovernmental entities, including individuals, other than assessments on exchange transactions.

Government-mandated Nonexchange Transactions – a government at one level provides resources to a government at another level and requires that government to use the resources for a specific purpose or purposes established by the provider's enabling legislation.

Voluntary Nonexchange Transactions – result from legislative or contractual agreements, other than exchanges, entered into willingly by two parties.

Derived tax revenue – recognition requirements

Examples: sales taxes, personal and corporate income taxes, motor fuel taxes, and similar taxes on earnings or consumption

Asset Recognition:
Period when underlying exchange has occurred or when resources are received, whichever is first.

Revenue Recognition:
Period when underlying exchange has occurred. (Report advance receipts as deferred revenues.) When modified accrual accounting is used, resources also should be available.

Continued on next page

Imposed nonexchange transactions – recognition requirements

Examples: property taxes, most fines and forfeitures

Asset Recognition:
Period when an enforceable legal claim has arisen or when resources are received, whichever is first.

Revenue Recognition:
Period when resources are required to be used or first period that use is permitted. When modified accrual accounting is used, resources also should be available.

Government-mandated / voluntary nonexchange transactions – recognition requirements

Examples: government-mandated nonexchange transactions – federal government mandates on state and local governments / voluntary nonexchange transactions – certain grants and entitlements, most donations

Asset and Liability Recognition:
Period when all eligibility requirements have been met or (for asset recognition) when resources are received, whichever is first.

Revenue and Expense / Expenditure Recognition:
Period when all eligibility requirements have been met. (Report advance receipts or payments for use in the following period as deferred revenues or advances, respectively.) When modified accrual accounting is used for revenue recognition, resources also should be available.

Note: Eligibility requirements are discussed on the following page.

Continued on next page

Overall recognition requirements

Revenue transactions that do not meet the revenue recognition requirements in GASBS No. 33 and GASBS No. 36 must be reclassified as deferred revenue. Expense / expenditure transactions that do not meet the expense / expenditure recognition requirements in GASBS No. 33 must be reclassified as an advance. That is, until those requirements are met, the provider does not have a liability or recognize an expense / expenditure.

Eligibility requirements

The eligibility requirements are conditions established by enabling legislation or by the provider that must be met before a **nonexchange** transaction can occur. The eligibility requirements are:

- Required characteristics of recipients: The recipient has the characteristics specified by the provider. (For example: Under a certain federal program, recipients are required to be states & secondary recipients are required to be school districts.)

- Time requirements: Time requirements specified by enabling legislation or by the provider have been met. (For example: The period when the resources are required to be used, or when use may begin.)

- Reimbursements: The provider offers resources on a reimbursement (expenditure driven) basis, and the recipient has incurred allowable costs under the applicable program.

- Contingencies (applies only to voluntary nonexchange transactions): The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

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Footnote disclosure

GASBS No. 33, paragraph 11 states that under either basis of accounting (modified accrual or accrual), recognition of transactions is only required if the transactions are measurable (reasonably estimable) and probable of collection. **GASBS No. 33 requires footnote disclosure of transactions that are not recognizable because they are not measurable.**

If applicable, agencies that are required to submit financial statement templates must disclose this information.

If applicable, agencies not required to submit financial statement templates on certain funds must provide this disclosure to DOA on Attachment 15, GASBS No. 33 Expenditure and Revenue Analysis.

Obtaining information from agencies

GASBS No. 33 and GASBS No. 36 requirements must be followed when preparing GAAP basis (GASBS No. 34) financial statement templates (Attachments 8-12), supplemental information, and other attachments.

The following attachments are to obtain GASBS No. 33 and GASBS No. 36 information on funds not included in financial statement templates:

- Attachment 15, GASBS No. 33 Expenditure and Revenue Analysis
- Attachment 22, GASBS No. 33 Federal Fund Analysis – Advance Funded / Block Grants

Agencies should refer to GASB statements for additional guidance and examples of nonexchange transactions and eligibility requirements.

GASBS No. 34 – Financial Reporting Model Overview

Background

GASBS No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* modified the financial reporting requirements for governmental entities. GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or could arise, in interpretation and practice. GASBS No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus,* clarifies certain provisions in GASBS No. 34.

GASB has also issued four implementation guides to provide additional guidance in implementing GASBS No. 34:

- 1st Implementation Guide issued in April 2000
- 2nd Implementation Guide issued in January 2002
- 3rd Comprehensive Implementation Guide issued in June 2003
- 4th Comprehensive Implementation Guide issued in September 2004

Resources

Resources can be accessed as follows:

Resource	Source
GASB Statements and related Implementation Guides	**www.gasb.org**
Governmental Accounting, Auditing, and Financial Reporting 2005 Edition – Using the GASB 34 Model	**www.gfoa.org**

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Requirements

Each agency must follow GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides when preparing the GAAP Basis (GASBS No. 34) financial statement templates, other attachments, and / or supplemental information.

Any reference to GASBS No. 34 in this section means GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides.

The following sections provide some of the GASBS No. 34 requirements. This is **not a complete listing.**

The following is a listing of minimum requirements for the CAFR and / or agency published financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements:
  - Government-wide financial statements (governmental funds only)
  - Fund financial statements
  - Reconciliation between government-wide and fund financial statements
  - Notes to the financial statements
- Required Supplemental Information

NOTE: DOA will obtain the aforementioned requirements through financial statement templates (Attachments 8-12), other attachments, and supplemental information submissions.

Continued on next page

Requirements (continued)

- The statement requires the addition of the Management Discussion and Analysis section. (**NOTE:** For CAFR reporting requirements, DOA will obtain this information from selected agencies in Attachment 25, Management Discussion and Analysis.)

- The statement requires a Government-wide Statement of Net Assets and Statement of Activities. These statements are on the economic resources measurement focus and full accrual basis of accounting. The fund statements for governmental funds are on a current resources measurement focus and modified accrual basis of accounting. The government-wide and fund statements must be reconciled.

- Government-wide Statement of Net Assets and Proprietary Fund Statement of Net Assets have the following net asset line items: Invested in Capital Assets, Net of Related Debt; Restricted (by description); and Unrestricted.

- Government-wide Statement of Activities has different revenue classifications than the fund statements.

- Infrastructure assets acquired during FY 2002 and after must be reported in the agency's financial statements. Infrastructure assets acquired before July 1, 2001, must be reported in the agency's financial statements in FY 2006.

It is recommended that agencies read GASBS No. 34, GASBS No. 37, GASB Interpretation No. 6, and the Implementation Guides before preparing financial statement templates.

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Funds

DOA analyzes and determines the reporting classifications for all CAFR funds. **DOA will contact agencies for assistance to determine the proper fund classifications for new funds.** Refer to GASBS No. 34 for definitions of each fund. Below is a listing of the funds:

Governmental Funds:
- General
- Special Revenue
- Capital Projects
- Debt Service
- Permanent

Proprietary Funds:
- Enterprise
- Internal Service

Fiduciary Funds:
- Pension (and other employee benefit) Trust
- Investment Trust
- Private-purpose Trust
- Agency

Note: The General Long-term Debt and General Fixed Asset Account Groups do not exist under GASBS No. 34. Activity related to long-term debt and fixed assets for governmental funds is reported in the Government-wide Statement of Net Assets and Statement of Activities under the full accrual basis of accounting and economic resources measurement focus.

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Fund financial statements

FUND FINANCIAL STATEMENTS:

Governmental fund statements are presented on the modified accrual basis of accounting / current resources measurement focus and include a

- Balance Sheet, and
- Statement of Revenues, Expenditures, and Changes in Fund Balance.

Proprietary fund statements are presented on the full accrual basis of accounting / economic resources measurement focus and include a

- Statement of Net Assets,
- Statement of Revenues, Expenses, and Changes in Fund Net Assets, and
- Statement of Cash Flows (Direct method).

Fiduciary fund statements are presented on the full accrual basis of accounting / economic resources measurement focus and include a

- Statement of Fiduciary Net Assets, and
- Statement of Changes in Fiduciary Net Assets.

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Government-wide financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The government-wide financial statements are reported using the full accrual basis of accounting / economic resources measurement focus and present aggregate totals for the governmental funds and business-type activities (proprietary funds) in separate columns. These columns are then added to provide a primary government total. The government-wide financial statements include two separate statements.

- Statement of Net Assets (similar to a balance sheet)
- Statement of Activities (similar to an operating statement)

The 2005 GAAFR includes examples of how to convert the fund statements to the government-wide financial statements.

GASBS No. 34 also requires the following reconciliations:

- Reconciliation between the fund balance on the Balance Sheet and the Net Assets of governmental activities on the Statement of Net Assets
- Reconciliation between the total change in governmental fund balances and the change in net assets of governmental activities on the Statement of Activities

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Converting entries

Below are a few examples of entries needed to convert governmental fund modified accrual basis statements to government-wide full accrual basis statements. **This is not a complete listing of all conversion entries needed.**

- Capital assets and long-term liabilities must be reported on the government-wide statements.
- Expenditures to acquire capitalized fixed assets must be recorded as a debit to capital assets rather than to expenditures.
- Gain / loss on the sale of capital assets must be recorded.
- Depreciation expense on capital assets must be recorded on the government-wide statements.
- Receivables at June 30 on the fund statements and government-wide statements are equivalent; however, the receivables to be received after August 31 must be reported as revenue on the government-wide statements and as deferred revenue on the fund statements.
- Revenue must be reported as general revenue or program revenue / function rather than by revenue class.

As noted on the previous page, the 2005 GAAFR provides examples of converting the fund statements to government-wide statements.

Agencies not required to prepare financial statement templates (Attachments 8-12) will provide various attachments and / or supplemental information necessary for DOA to convert to the government-wide financial statements.

Exceptions to government-wide financial statements

Fiduciary fund activity is **not** reported in the government-wide financial statements. This information is only reported in the fund financial statements.

Governmental funds and enterprise funds government-wide financial information is obtained from the financial statement templates. Internal service fund government-wide statement information is obtained from Attachment 17, Internal Service Funds – Conversion to Government-wide Statement of Activities.

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Calculation of material funds for governmental and proprietary funds

The focus of governmental and proprietary fund financial statements is on major funds. Fund statements should be presented with each major fund in a separate column. Nonmajor funds should be aggregated in a single column. GASBS No. 34 does not require combining statements for nonmajor funds; however, the Commonwealth will reflect combining statements as required for CAFR reporting. Accordingly, each agency preparing financial statement templates **must not** aggregate non-major CAFR reporting funds into a single financial statement template. In order to provide uniformity among state and local governments, the GASB requires that the General Fund always be considered a major fund. The statement also requires that other governmental or enterprise funds meeting the following criteria be considered major funds.

- Total assets, liabilities, revenues OR expenditures / expenses of the individual fund ≥ 10% of the corresponding total (assets, liabilities, etc.) for all funds of that category (i.e., total governmental OR enterprise funds)

AND

- Total assets, liabilities, revenues OR expenditures / expenses of the individual fund ≥ 5% of the corresponding total for ALL governmental and enterprise funds combined

Note: The statement also allows management to report funds not meeting the above criteria as major funds *if* management believes that those funds are particularly important to the financial statements.

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Statement of Net Assets – overview

Assets and liabilities must be in order of relative liquidity or presented in a classified format to identify current (converted to cash within one year / due within one year) and noncurrent assets and liabilities (converted to cash in greater than one year / due in greater than one year). If the classified format is not used, liabilities with average maturities greater than one year must be reported separately as amounts due within one year and amounts due in greater than one year. **Proprietary funds must use the classified format**.

Cash and cash equivalents (original maturity of 90 days or less) must be reported separately from investments (original maturity of greater than 90 days). Distinguish between Cash and Cash Equivalents with the Treasurer, Cash and Cash Equivalents not with the Treasurer, Investments with the Treasurer, and Investments not with the Treasurer.

Depreciable and nondepreciable capital assets must be reported on separate line items. This does not apply to the Balance Sheet for Governmental Funds because capital assets are not reported on those statements. Capital Assets are only reported in the Government-wide Statement of Net Assets for Governmental Funds.

For the Statement of Net Assets, the fund balance / retained earnings and contributed capital are called net assets under GASBS No. 34 and must be displayed in three broad components:

1. **Invested in capital assets, net of related debt**
2. **Restricted (including a description of each type of restriction)**
3. **Unrestricted**

The following sections provide definitions of Invested in Capital Assets, Net of Related Debt, and Restricted Net Assets. **Unrestricted** net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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Statement of Net Assets – Invested in Capital Assets, Net of Related Debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other **borrowings** that are attributable to the acquisition, construction, or improvement of those assets. This component does not include accounts payable related to capital assets because an accounts payable is not considered a borrowing. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt should be included in the same net asset component as the unspent proceeds - for example, restricted for capital projects.

Statement of Net Assets – Restricted Net Assets

Restricted net assets should be reported as restricted, including a description of the restriction, when constraints placed on net asset use are either:

- externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or
- imposed by law through constitutional provisions or enabling legislation.

GASBS No. 34 Implementation Guide, question 95 states the following: "The basic concept is that restrictions are not unilaterally established by the reporting government itself and cannot be removed without the consent of those imposing the restrictions or through formal due process." **Any resources that are classified as program revenue – operating or capital grants & contributions are restricted**.

If restricted net assets include amounts related to permanent endowments or permanent fund principal, the expendable and nonexpendable components must be reported separately.

- See GASBS No. 34 for further guidance on restricted net assets.

DOA will contact agencies, as needed, to obtain information to appropriately report restrictions in the CAFR.

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Statement of Activities – revenue classification

GASBS No. 34 requires revenue to be classified as one of the following on the Government-wide Statement of Activities:

- General Revenue
- Contributions to Term and Permanent Endowments and Contributions to Permanent Fund Principal
- Program Revenue – Charges for Goods / Services
- Program Revenue – Operating Grants and Contributions
- Program Revenue – Capital Grants and Contributions

Program revenue must also be classified by expenditure function.

Statement of Activities – expenditure functions for program revenue

GASBS No. 34 requires that program revenues be presented as a reduction of the total expense of the benefiting function; therefore, expenditure functions (general government, education, resources & economic development, etc.) must be assigned to revenues. For **charges for services**, this is the function that generates the revenue. For **grants and contributions**, this is the function to which the revenues are restricted.

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Statement of Activities – General Revenue

All revenues are general revenues unless the revenues are required to be reported as program revenues. General revenues consist of the following categories:

- Taxes (source codes 01xxx)
- Investment Earnings
- Grants & Contributions Not Restricted to Specific Programs
- Miscellaneous

All taxes, even those that are levied for a specific purpose (for example, sales tax, property tax, franchise tax, income tax) are general revenues. All other non-tax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

Statement of Activities – Contributions to Term and Permanent Endowments

Contributions to term and permanent endowments and contributions to permanent fund principal must be reported as a separate revenue line item. Permanent endowment and permanent fund principal is not expendable. Term endowment principal is not expendable until after a specified time period or after a designated event.

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Statement of Activities – Program Revenue

The following are descriptions of the classifications of program revenue.

- **Charges for Goods / Services** – include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided or are otherwise directly affected by the services. **Source codes 02xxx – Rights & Privileges, 03xxx – Sales of Property, 05xxx – Assessments, and 08xxx – Fines, Fees & Forfeitures should be classified as Charges for Goods / Services. These are not the only source codes that may be classified as charges for goods / services.**

- **Operating Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government should be reported as Operating Grants and Contributions.

- **Capital Grants and Contributions** – include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes (to purchase, construct, or renovate capital assets associated with a specific program). These items should be reported as Capital Grants and Contributions.

Multipurpose Grants (grants that provide financing for more than one program) – should be reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as General Revenues.

Earnings on endowments or permanent fund investments should be reported as program revenues if restricted to a program specifically identified in the endowment or permanent fund agreement or contract. However, these earnings should be reported as General Revenue if the earnings are used to finance general operating expenses. Earnings on investments not held by permanent funds also may be legally restricted to specific functions or programs. For example, interest earnings on State grants may be required to be used to support a specific program.

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Government-wide revenue classifications for funds not included in financial statement templates

DOA has analyzed revenue source codes not included in agency prepared financial statement templates for fiscal year 2005 based on CARS activity and communication with selected agencies. Agencies not required to prepare financial statement templates must refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." Agencies can look up an agency, fund / fund detail, and source code to obtain the proper GASBS No. 34 government-wide revenue classification to record on attachments and / or supplemental information. For any new revenue source codes, DOA will contact agencies to determine the proper classifications. **NOTE: This table will be available in mid-July 2005.**

Fund financial statements – overview

GASBS No. 34 did **not** significantly change the fund statements. Some of the changes are explained in the following sections.

Balance Sheet / Statement of Net Assets – all funds

GASBS No. 34 requires that cash and cash equivalents be reported on a separate line item from investments.

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Fund financial statements – proprietary funds

- Statement of Net Assets must be prepared in the **classified format**.

- For the Statement of Net Assets, the retained earnings and contributed capital are components of net assets and must be displayed as follows: Invested in Capital Assets Net of Related Debt, Restricted (including a description), and Unrestricted. **In some cases, this reporting will result in a negative net asset unrestricted balance**. See the following example for reporting total net assets (formerly retained earnings / contributed capital) of $1,000,000:

Invested in Capital Assets, Net of Related Debt	$2,500,000
Restricted Net Assets,	0
Unrestricted Net Assets	($1,500,000)
Total Net Assets	$1,000,000

- Current year contributed capital activity should be reported in the nonoperating section of the Statement of Revenues, Expenses, and Changes in Fund Net Assets.

- The Cash Flows from Operating Activities section of the Statement of Cash Flows should include the following two line items for quasi-external activity:

  Internal Activity – Payments to Other Funds
  Internal Activity – Payments from Other Funds

- For Internal Service Funds only – financial statement templates must be prepared in GASBS No. 34 format for gross amounts before internal activity and balances can be eliminated by DOA. GASBS No. 34 states that internal activity and balances should be eliminated from the Government-wide Statement of Activities. This elimination removes the doubling up effect of reporting the original disbursement activity in the paying funds and in the internal service fund. An attachment is provided to eliminate the internal activity and convert amounts to the Government-wide Statement of Activities.

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Fund financial statements – fiduciary funds

- All fiduciary funds must be reported on the full accrual basis of accounting and the economic resources measurement focus.
- Investments must be provided by investment type (i.e., bonds, stocks, etc.) on the Statement of Fiduciary Net Assets.

Additional information

See also the **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** section in this Directive.

Management's Discussion and Analysis

Agencies required to prepare individually published financial statements may opt to prepare a Management's Discussion and Analysis (MD&A) in narrative form. Selected agencies must complete Attachment 25, Management Discussion and Analysis, for CAFR reporting.

Note: Refer to GASBS No. 34, paragraphs 8-11, for additional guidance if the agency prepares MD&A for individually published financial statements.

Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates

Contents

This section contains the following topics.

- Accounts Payable
- Leases
- Cash Transfers
- Federal Fund Balance
- Cash Flow Statement
- Agency Funds – Statement of Changes in Assets and Liabilities
- Pension Disclosures
- Fluctuation Analysis Guidelines and Materiality Scopes
- Other Guidelines

Accounts Payable

Definitions

Accounts Payable:	An obligation incurred prior to year-end (June 30) that has not been paid at or before year-end. Appropriation or budgetary considerations are NOT APPLICABLE in deciding whether an expenditure is a payable.
Revenue Refund Payable:	A Revenue Refund that the agency incurred prior to year-end (June 30) that the agency has not refunded on or before year end.

"P" voucher process

Use the "P" voucher process to provide accounts payable and revenue refunds payable data to DOA for the modified accrual basis of accounting.

Continued on next page

Accounts Payable, Continued

Requirements of "P" voucher process

The agency must add a "P" or "N" as the last character in the voucher number for all vouchers submitted to DOA in July and August based on the following.

- If the voucher represents an account payable or revenue refund at June 30, add a "P."
- If the voucher does **not** represent an account payable or revenue refund at June 30, add an "N."

During July and August, DOA will not process vouchers without a "P" or an "N."

DOA's fiscal year 2005 year-end agency closing instructions provide additional guidance. These instructions will be available for download from DOA's web site at **www.doa.virginia.gov.** Click on "General Accounting." The agency should become familiar with these instructions prior to year-end close.

NOTE: The year-end agency closing instructions for "P" and "N" vouchers include guidelines to properly code vouchers in accordance with GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* and GASBS No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*.

Year-end reports

To assist in recording accounts payable and revenue refunds in the financial statements on a modified accrual basis of accounting, DOA provides special year-end reports.

The reports listed below provide accounts payable and revenue refund data separately for July and August and are distributed after July and August monthly closing.

- ACTB 1495 – Detail Accounts Payable Report by Agency / Fund / Fund Detail / Program / Subprogram
- ACTB 1496 – Report of All "P" Vouchers by Agency
- ACTB 1497 – Detail Accounts Payable Report by Agency / Fund / Program

Continued on next page

Accounts Payable, Continued

Record retention

To support financial statement disclosures, for APA review, and for agency internal audit review, retain the reports on the previous page and any related summaries in conformance with the existing record retention policies.

Records must include all accounts payable and revenue refunds payable. Do not include encumbered purchase orders or those portions of purchase orders for which goods or services were not received as of June 30.

Records should indicate to which expenditure or revenue line item each account payable or revenue refund voucher is recorded in the financial statements.

Continued on next page

Leases

GASBS No. 13

GASBS No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, sets standards for accounting and reporting operating leases with scheduled rent increases.

How to account for operating leases with scheduled rent increases

When the pattern of the payment requirements are systematic and rational, lessee and lessor should measure revenues or expenditures for operating leases with scheduled rent increases by using the terms of the lease contract.

Examples of payment schedules that meet the above criteria follow.

- Scheduled rent increases to cover "economic factors relating to the property, such as the anticipated effects of property appreciation or increases in costs due to factors such as inflation"
- Rent payments which represent "the time pattern in which the leased property is available for the use of the lease"

When rent payments in certain periods are artificially low when viewed in the context of earlier or later payments, measure the lease transaction using **one** of the following two alternatives:

- Straight-line basis
- Estimated fair value of the rental

Lease agreements that contain non-appropriation clauses do not preclude the recording of long-term liabilities for these lease payments.

Additional resources

For additional information concerning leases, refer to the CAPP Manual Section 70600, Lease Accounting System (LAS). Refer questions to Jamie Motley, Assistant Director of Financial Reporting, by phone at (804) 225-2646 or E-mail at **jamie.motley@doa.virginia.gov**.

Continued on next page

Cash Transfers

Types of cash transfers

There are two types of cash transfers.

- Cash transfers processed with appropriation transfers
- Operating transfers to / from other funds within the same agency

How to report cash transfers

The two types of transfers should be reported as **other financing sources / uses** as described below.

1. Report as "Transfers In" or "Transfers Out" if the activity represents transfers of General Fund appropriations from one State agency to another as dictated by the Appropriations Act or as ordered by the responsible Secretary. However, if the Appropriation Act requires the rendering or receiving of services between State agencies, report the transfer as revenues or expenditures.

2. Operating transfers from one fund to another fund within the same agency to fund expenditures in the receiving fund. Report as "Transfers In" or "Transfers Out." "Ins" **must equal** "Outs" for the agency as a whole.

Continued on next page

Federal Fund Balance

Overview

Agencies generally account for grants and contracts from the Federal government in a separate special revenue fund (usually in Fund 1000 on CARS).

Prior to implementation of GASBS No. 33, the Federal Fund balance was consistently reported as $0, except for inventory and prepaid items. In most instances, the Federal Fund balance will still be reported as $0 for GAAP basis statements; however, due to the effects of GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASBS No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, further analysis is required which may result in a Federal Fund balance.

Positive balance

If all adjustments and accruals have been recorded and the ending fund balance is **positive**, the agency has cash belonging to the federal government. Since revenue was recognized when the cash was received and the funds have not yet been expended, revenue equal to the ending cash balance must be reclassified as deferred revenue.

Make the following adjusting entry at year-end.

Debit: Federal Grants and Contracts Revenue	XX	
Credit: Deferred Revenue		XX

Continued on next page

Federal Fund Balance, Continued

Negative balance

If all adjustments and accruals have been recorded and the ending fund balance is **negative**, the federal government has not reimbursed the agency for expenditures it incurred.

Accounts receivable and revenue equal to the ending cash balance must be recorded to recognize the revenue for expenditures incurred but not reimbursed.

Make the following adjusting entry at year-end.

Debit: Accounts Receivable	XX	
Credit: Federal Grants and Contracts Revenue		XX

Important

Before accruing a receivable and recognizing additional revenue, ensure that the agency has sufficient unexpended grant award remaining to cover the negative balance. A receivable is **not** to be accrued if the agency does not reasonably expect recovery of reported expenditures. To support the accrual of a receivable, prepare an analysis which details the amount of the grant, drawdowns, obligations incurred, and unexpended balances. Retain this analysis for APA review.

Continued on next page

Federal Fund Balance, Continued

Federal Fund GASBS No. 33 Analysis

Federal Fund nonexchange transactions must be analyzed in accordance with GASBS No. 33 and GASBS No. 36.

Advance Funded / Block Grants (State Agency is recipient)

Identify grants for which the agency met eligibility requirements as defined in GASBS No. 33 and GASBS No. 36. Determine the ending fund balance for these grants, if any. Since ending fund balances in the federal fund were initially eliminated above, ending fund balances for these grants must be reclassified to Revenue, as follows:

Debit: Deferred Revenue	XXX	
Credit: Revenue		XXX

All Grants (State Agency is payor)

Identify net expenditures to recipients that did not meet the eligibility requirements at fiscal year-end as defined in GASBS No. 33. This amount must be reclassified to an Advance, as follows:

Debit: Advance	XXX	
Credit: Expenditure		XXX

Continued on next page

Cash Flow Statement

GASBS No. 9

GASBS No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, requires a Statement of Cash Flows for all proprietary funds.

Agencies with proprietary funds must complete the Statement of Cash Flows in the financial statement templates submitted to DOA.

GASBS No. 9 defines cash equivalents as short-term, highly liquid investments with original maturities of three months or less.

Noncash transactions affecting assets or liabilities must be disclosed in accordance with GASBS No. 9, paragraph 37.

Requirements

- The direct method must be used to prepare the Statement of Cash Flows. This method requires the preparation of a reconciliation of operating income to net cash provided by operating activities.

- For Statement of Net Asset presentation, DOA defines cash equivalents as short-term, highly liquid investments with original maturities of **90 days or less**.

- Include the Change in the Fair Value of Investments in the Statement of Cash Flows. This represents the change in fair value of investments that is required to be reported in accordance with GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*.

Continued on next page

Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates, Continued

Cash Flow Statement, Continued

GFOA requirements

The Government Finance Officers Association **requires** the following:

- **Quasi-external transactions** should be presented on proprietary fund cash flow statements.
- Quasi-external transactions should be accounted for as revenues, expenditures, or expenses on the operating statement in the funds involved.
- The amount of contractual services on the operating statement should approximate the amount of contractual services reported on the Statement of Cash Flows.

What are quasi-external transactions?

Quasi-external transactions are transactions that would be treated as revenues, expenditures, or expenses if the transactions involved organizations that are external to the governmental unit. Examples are listed below.

- Payments in lieu of taxes from an enterprise fund to the general fund
- Internal service billings to departments
- Routine employer contributions from the general fund to a pension trust fund
- Routine service charges for inspection, engineering, utilities, or similar services provided by a department financed from one fund to a department financed from another fund

Thus, if an internal service fund purchases supplies from an outside vendor and from another State agency, the transactions between the internal service fund and the other agency must be reflected separately from the vendor transactions.

Reporting guidelines

Report quasi-external transactions with customers or suppliers that are part of the Commonwealth on the Statement of Cash Flows as "**Internal Activity – Payments from Other Funds**" or "**Internal Activity – Payments to Other Funds**."

Report transactions with customers or suppliers that are not part of the Commonwealth on the Statement of Cash Flows as "Receipts for Sales and Services" or "Payments to Suppliers for Goods and Services."

Continued on next page

Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates, Continued

Cash Flow Statement, Continued

Noncash flow activities

Review GASBS No. 9 to ensure that transactions that do not have inflow or outflow of cash are not reported on the Statement of Cash Flows. Examples of items to be excluded follow.

- Bond issuance costs and underwriters' fees that were deducted from bond proceeds (Net bond proceeds received would be presented as a cash inflow in the appropriate category)
- A debt defeasance where no cash was received
- The "rollover" of investments, such as certificates of deposit, where no cash actually flows in or out of the fund

Agency Funds – Statement of Changes in Assets and Liabilities

Purpose of agency funds

Agency Funds are used to account for assets held by a government in a custodial capacity for individuals, private organizations, or other governments.

Reporting of agency funds

Agency funds report assets equal to liabilities and do not measure or report results of operations. **In accordance with GASBS No. 34, agency funds are reported on the full accrual basis of accounting**. Investments must be reported by investment type (bonds, stocks, real estate, short-term, etc.).

Reporting revenue collected

If the agency collects monies on behalf of a third party, the agency is acting in a custodial capacity for the Commonwealth. The monies collected are not generally available to the agency for expenditure.

Report monies collected and **not** remitted to the third party at June 30 as both assets and liabilities.

Report monies collected throughout the year as additions and monies remitted throughout the year to third parties as deductions.

Continued on next page

Pension Disclosures

GASBS No. 25

GASBS No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, establishes standards for pension plans, whether pension plan financial statements are included in the employer's financial report or in a separate financial report issued by the plan or the public employee retirement system that administers the plan.

Who is responsible for GASBS No. 25?

VRS has responsibility for complying with GASBS No. 25 requirements.

For compliance with this Directive, agencies do **not** have to provide any VRS related disclosures required by GASBS No. 25.

GASBS No. 27

GASBS No. 27, *Accounting for Pensions by State and Local Governmental Employers*, establishes standards of accounting and financial reporting for pension expenditures / expenses and related liabilities, assets, note disclosures, and required supplementary information in the financial reports of state and local government **employers**.

Who is responsible for GASBS No. 27?

DOA is responsible for reporting GASBS No. 27 financial statement, note disclosure, and required supplementary information requirements relating to VRS pension plans. Since employees of agencies are employees of the Commonwealth, net pension obligations of the VRS pension plans are reported in the participating funds only at the CAFR level and not in agency financial statements.

However, if the agency **issues separate audited GAAP based financial statements, the agency must include** the following pension related footnote disclosure:

Employees of the (agency's name) are employees of the Commonwealth. The employees participate in a defined benefit pension plan administered by the Virginia Retirement System (VRS). The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report (CAFR). The Commonwealth, not the (agency's name), has overall responsibility for contributions to these plans.

Continued on next page

Fluctuation Analysis Guidelines and Materiality Scopes

Fluctuation analyses

Fluctuation analyses have been added to the financial statement template attachments (Attachments 8-11) to compare the current year's financial statement template activity to the prior year's financial statement template activity. Material variances must be explained. Due to the nature of the activity reported for Agency Funds (Attachment 12), no fluctuation analysis is required for those funds.

To determine the agency's materiality select the **base amount** as the larger of current year's total assets or total revenue as reported on the agency's financial statement template. Using the following table, find the row that contains the base amount. The corresponding amount in the "Materiality Scope" column is the materiality scope.

Investigate and explain any variances between current and prior year activity at the financial statement template line item level that are **greater than the materiality scope AND greater than or equal to 10%.** Disregard negative signs. Ensure the explanations are reviewed and approved by the appropriate individual. The reviewers should consider whether significant variances should be discussed with the Agency Head or designee.

If the base amount for the current fiscal year is between:	Materiality Scope is:
$0 – $50,000	$1,000
$50,001 – $100,000	$3,000
$100,001 – $500,000	$4,000
$500,001 – $1,000,000	$13,000
$1,000,001 – $5,000,000	$18,000
$5,000,001 – $10,000,000	$50,000
$10,000,001 – $50,000,000	$80,000
$50,000,001 – $100,000,000	$240,000
$100,000,001 – $300,000,000	$365,000
$300,000,001 – $1,000,000,000	$725,000
$1,000,000,001 – $3,000,000,000	$1,775,000
$3,000,000,001 – $10,000,000,000	$4,175,000
$10,000,000,001 – $30,000,000,000	$10,475,000
$30,000,000,001 – $100,000,000,000	$22,475,000

Continued on next page

Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates, Continued

Fluctuation Analysis Guidelines and Materiality Scopes, Continued

Fluctuation analysis example

Agency XXX has total assets of $12,000,000 and total revenues of $6,000,000. The base amount for determining materiality would be total assets of $12,000,000. The materiality scope for the FY 2005 financial statement template would be $80,000.

The following documents the variances that must be explained.

Line Item	FY 2005	FY 2004	$ Variance	% Variance	Explain
Other Assets	$800,000	$1,000,000	($200,000)	(20%)	Yes
Education Expenditure	$400,000	$350,000	$50,000	14%	No
Rights and Privileges Revenue	$350,000	$330,000	$20,000	6%	No

Other Guidelines

Interfund assets and liabilities

Distinguish between **"Due to / from Other Funds"** and **"Interfund Receivables / Payables."**

"Due to / from Other Funds" are amounts owed by one fund to another within the same agency for goods sold or services rendered.

"Interfund Receivables / Payables" are short-term loans made by one fund to another within the same agency.

Within an agency's financial statements, interfund receivables must equal interfund payables and due to other funds must equal due from other funds. Since only selected funds are reported via financial statement templates, the interfund balances **may** not net to zero for the funds reported.

Internal use computer software costs

Include any capitalized costs for internal use software in the equipment line item. See CAPP Manual Topic 30305, "Software Purchased or Developed for Internal Use" for additional information. Any inquiries may be addressed to those listed in the **Questions** section in the Directive.

Supplemental Information

Introduction

Some agencies are required to provide supplemental financial information to DOA for CAFR footnotes and schedules. These agencies and specific requirements are listed on the following pages. **Agency names are in alphabetical order**.

Submission requirements

All submissions are required to include the following information within the E-mail.

- Agency number
- Agency name
- Contact name
- Contact telephone number
- Contact E-mail address
- Date completed
- Description of the supplemental information

The subject line of the E-mail should include the agency number and due date of the submission. For example, if the Department of Treasury is submitting items due on July 21, then the subject line would read "**Agy 152, Due Date July 21, 2005 Submissions**." **DO NOT include different due date submissions within the same E-mail.**

Submit copies of all supplemental information submissions to APA at APAFinRept@apa.virginia.gov.

Revision requirements

If revisions are made to the supplemental information subsequent to DOA acknowledgement of receipt **and** acceptance of the original submission, then perform the following steps:

1) resubmit the revised supplemental information; and
2) submit a completed Attachment 29, Supplemental Information – Revision Control Log.

Continued on next page

Attorney General
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit comments addressing the following items by **August 10, 2005**.

Review Footnote 35, CONTINGENCIES, pages 154-155 of the 2004 CAFR, and provide a Litigation Representation Letter for items arising after June 30, 2005, but before August 10, 2005. This letter must identify pending or threatened litigation that would result in a material loss, $4 million or more, significant enough to disclose in the General Fund Preliminary (Unaudited) Annual Report of the Commonwealth. The Financial Accounting Standards Board Statement (FASBS) No. 5, *Accounting for Contingencies*, requires that a loss contingency be recorded and reflected in the Commonwealth's financial statement if both of the following conditions are met:

- Information available prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a loss liability has been incurred at the date of the most recent accounting period for which financial statements are being prepared. (It is implicit in this condition that it is probable that one or more future events will occur confirming the fact of the loss.)
- The amount of the loss can be reasonably estimated.

Additionally, FASBS No. 5 requires a loss contingency to be fully disclosed in the footnotes if the above two conditions are not both met but the occurrence of the loss is reasonably possible. This disclosure must indicate the nature of the contingency and give an estimate of the possible loss or range of loss. If the probability of the loss is only remote, then the loss need not be disclosed.

All material pending litigation existing as of June 30, 2005 and all material threatened litigation, arising after June 30, up to the date of the letter, must be considered in formulating the response. Please indicate the following for each litigation issue identified:

- Nature of the legal issue.
- How the Commonwealth is responding or intends to respond to the charges.
- Progress of the case to date.
- An evaluation of the probability of an unfavorable outcome.
- An estimate, if possible, of the potential loss or range of loss.

Continued on next page

Attorney General (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit a Litigation Representation Letter for the fiscal year ended June 30, 2005. This letter must identify pending or threatened litigation that would result in a material loss, $5 million or more, significant enough to disclose in the Commonwealth's financial statements or accompanying notes **October 27, 2005**.

Submit the following by **December 8, 2005**:

- Any updates to the information requested above or written confirmation that there were no changes to the October 27, 2005, information

Compensation Board *(see submission / revision requirements at the beginning of the Supplemental Information section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 15, 2005**:

- Program, sub-program, fund, and amount for locality reimbursements processed as P-vouchers

Submit the following by **December 8, 2005** for statistical purposes:

- Number of constitutional officers receiving financial support

Continued on next page

Comprehensive Services for At-Risk Youth and Families
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of youth to whom services are provided

Department of Agriculture & Consumer Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of food inspections conducted
- Number of weights / measure equipment inspected

Continued on next page

Department of Alcoholic Beverage Control
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 8, 2005**:

- Amount of malt beverage tax collected in July 2005
- Full accrual basis receivable amount as of June 30, 2005 for the malt beverage tax
- Revenue source code numbers that account for malt beverage tax
- Amount that is due to the Literary Fund related to the sale of confiscated liquor and confiscated assets

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Department of Conservation and Recreation
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 8, 2005** for statistical purposes:

- Number and area of state parks
- Number and area of natural areas
- Number and area of historical areas

Department of Corrections
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- Attachment 8, Governmental Fund Financial Statement Template

Submit the following by **August 25, 2005**:

- Attachment 12, Agency Fund Financial Statement Template

Submit the following by **December 8, 2005** for statistical purposes:

- Number of inmates

Continued on next page

Department of Education
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following for the **Virginia School for the Deaf and Blind Foundation by August 18, 2005**:

- Component Unit Attachment CU-4, Component Unit Template for Selected Agencies, posted on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."
- Submit the year-end LGIP activity by CARS GLA for agency 201, fund 0717. DOA records LGIP from account histories provided by Treasury and therefore needs to eliminate LGIP recorded on CARS.

Submit the following by **September 8, 2005** for statistical purposes:

- Total primary and secondary school enrollment

Department of Environmental Quality
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of permits issued
- Number of inspections conducted

Continued on next page

Department of Forestry
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 8, 2005** for statistical purposes:

- Number and area of state forests

Submit the following by **December 8, 2005** for statistical purposes:

- Number of firefighters trained in forest fire control (Department of Planning and Budget performance measure)

Department of General Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Ensure all applicable attachments are completed for the **Virginia War Memorial Foundation** and submitted by the established due dates.

Submit the following by **September 22, 2005**:

- DOA will be eliminating project 10079 for fund 0200, and needs to know where and how the activity has been recorded on the attachments. In order for DOA to do this, provide amounts and applicable coding (function, revenue source code, GASBS No. 34 revenue classifications, etc.) reported on any attachment submissions.

Continued on next page

Department of Health
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of WIC participants
- Number of childhood immunizations administered

Department of Housing and Community Development
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of housing units improved to defined standards through housing programs (Department of Planning and Budget performance measure)

Continued on next page

Department of Human Resource Management *(see submission / revision requirements at the beginning of the Supplemental Information section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following for the **Local Choice Enterprise Fund** by **September 1, 2005**:

- Attachment 9, Enterprise Fund Financial Statement Template
- Enterprise Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts

Submit the following for the **Workers' Compensation Internal Service Fund** and the **Health Insurance Fund** by **September 29, 2005**:

- Attachment 10, Internal Service Fund Financial Statement Template
- Attachment 17, Internal Service Funds – Conversion to Government-wide Statement of Activities

Submit the following by **September 29, 2005**:

- Necessary information and disclosures, including the "Ten-Year Claims Development Information" schedule for the Public Entity Risk Pools, required by GASBS No. 30, *Risk Financing Omnibus*
- Internal Service Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts
- A copy of the 2005 Actuarial Valuation of the Workers Compensation and a description of the methodology used by the actuary

  Note: Any risk financing or insurance related activities, including public entity risk pools that were not applicable last year, may be applicable this year and must be disclosed in the CAFR.
- For statistical purposes, the number of classified state employees at June 30, 2005

Submit the following by **December 8, 2005** for statistical purposes:

- GASBS No. 44, *Economic Condition Reporting: The Statistical Section*, information requested in a separate communication from the Department of Accounts

Continued on next page

Department of Medical Assistance Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following items for the **Certified Nursing Facility Education Initiative, Inc.** by the due dates indicated:

- **July 21, 2005**
  - Attachment 3, GASBS No. 14 Checklist Modified to Reflect GASBS No. 39, only if there has been a change that might affect its classification
- **August 18, 2005**
  - Attachment 20, Schedule of Cash, Cash Equivalents, and Investments at June 30
  - Audited financial statements

Submit the following by **August 18, 2005**:

- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.
- Breakdown of the federal and local portions of revenue recorded in the Medicaid Intergovernmental Transfer Fund (Fund 0220) as of June 30, 2005

Submit the following by **September 8, 2005**:

- Journal entries for drug rebate cash receipts to include both:
  - Rebates incurred and billed in FY 2003 and prior years
  - Rebates incurred in FY 2004 and billed in FY 2005
- The journal entry to report federal fund warrants-in-process as federal revenue
- Any other journal entries that are necessary for proper cash basis presentation
- Fund / fund detail, program code, and amount paid to the Certified Nursing Facility Education Initiative, Inc. during FY 2005
- GASBS No. 34 government-wide revenue classifications for all **cash basis** revenue entries provided. Refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov** to obtain the revenue classifications for each revenue source code. Click on the "Financial Reporting" button, and then click on "Financial Statement Directives."

Continued on next page

Department of Medical Assistance Services (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **September 29, 2005**:

- Journal entries for the Medicaid claims payable (including add-pay payables)
- Journal entries for the State and Local Hospitalization Program claims payable
- Journal entries for the drug rebate receivables
- Journal entries for the Temporary Detention Order program claims payable
- Any other journal entries that are necessary for proper modified accrual basis presentation
- Additional entries necessary to bring the above entries to **full accrual basis of accounting** for the Government-wide Statement of Net Assets and Statement of Activities
- GASBS No. 34 government-wide revenue classifications for all **modified accrual basis** AND **full accrual basis** revenue entries provided above. Refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov** to obtain the revenue classifications for each revenue source code. Click on the "Financial Reporting" button, and then click on "Financial Statement Directives."
- For any receivable and payable amounts, provide amounts receivable or payable greater than one year (noncurrent)
- 2005 revisions to Footnote 18, OTHER LIABILITIES, Medicaid Payable and FAMIS Payable, page 123-126 of the 2004 CAFR
- 2005 revisions to Footnote 34, INTERGOVERNMENTAL TRANSFERS, page 154 of the 2004 CAFR

Submit the following by **December 8, 2005** for statistical purposes:

- Number of Medicare recipients
- Number of Medicaid recipients

Continued on next page

Department of Mental Health, Mental Retardation, and Substance Abuse Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of patients receiving services and the number of beds used

Department of Mines, Minerals, and Energy
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005** for statistical purposes:

- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Continued on next page

Department of Motor Vehicles ***(see submission / revision requirements at the beginning of the Supplemental Information section)***

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- The amount of deposits in transit at June 30 (i.e., in DMV local bank accounts but not in CARS) **by fund and revenue source code** for **all** deposits, including motor fuel taxes

Submit **to DOA and to VDOT** by **September 1, 2005**:

- The net motor fuel taxes receivable (net of deposits in transit) at June 30 on the **modified accrual basis** of accounting. Identify the amount of the receivable that is allocated to VDOT. Separately identify the amount of the receivable recorded in Fund 0471 that is allocated to VDOT, Virginia Port Authority, Department of Rail and Public Transportation, and the Department of Aviation.
- The additional amount necessary to report motor fuel taxes receivable at June 30 on the **full accrual basis** of accounting. Identify the amount of the receivable that is allocated to VDOT. Separately identify the amount of the receivable recorded in Fund 0471 that is allocated to VDOT, Virginia Port Authority, Department of Rail and Public Transportation, and the Department of Aviation.

Submit the following by **September 29, 2005**:

- The amount of any 1998, 1999, 2000, 2001, 2002, 2003, 2004, and 2005 personal property tax reimbursement requests paid between 7/1/2005 and 9/30/2005 by FIPS #, locality name, tax due dates, and tax year
- For **GASBS No. 34** purposes, provide **full accrual** basis amounts for personal property tax reimbursement requests payable at June 30, 2005

Continued on next page

Department of Rail and Public Transportation
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **July 21, 2005**:

- Complete Attachment 3, GASBS No. 14 Checklist Modified to Reflect GASBS No. 39, for the Eastern Shore Railway only if there has been a change that might affect its classification

Submit the following by **August 18, 2005**:

- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied

Submit the following by **September 1, 2005**:

- Review Footnote 14, COMMITMENTS, page 117 of the 2004 CAFR. Revise the footnote disclosure on mass transit construction commitments for FY 2005

Department of Social Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 1, 2005**:

- Review GASBS No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, for its relevance to the food stamp program and provide:
  - Annual food stamp voucher receipts and disbursements for the paper-based distribution system and any inventory on hand at June 30, if applicable
  - Total food stamp benefits redeemed by recipients as of June 30, 2005, for the electronic distribution system

Submit the following by **September 8, 2005**

- For the **Federal Fund,** Due to / Due from entries and any other **modified accrual** AND **full accrual** basis entries **not included** on attachment submissions, reviewed and certified correct. List full accrual entries separately from modified accrual entries.

Continued on next page

Department of Social Services (continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **September 8, 2005**, continued

- For the **Federal Fund**, the additional modified and full accrual entries above, provide **GASBS No. 34 revenue classifications** (for example, Program – Operating Grants and Contributions – Individual and Family Services). For proper GASBS No. 34 government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."
- 2005 revisions to the paragraph discussing food stamps in Footnote 35.A., CONTINGENCIES, Grants and Contracts, page 155 of the 2004 CAFR.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of households receiving food stamps
- Number of households receiving Child Support Enforcement assistance

Continued on next page

Department of State Police
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 8, 2005** for statistical purposes:

- Submit the number of state police stations and officers

Submit the following by **December 8, 2005** for statistical purposes:

- Number of traffic citations issued
- Number of arrests

Department of Taxation
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following items by **July 26, 2005**:

- The tax increase data requested in a separate communication from the Department of Accounts

Submit the following items by **September 8, 2005**

- The Transportation Trust Fund (TTF) Sales Tax Receivable represents the 0.5% of the sales tax that is transferred to the Virginia Department of Transportation (VDOT). Provide the TTF Sales Tax Receivable on the **MODIFIED ACCRUAL and FULL ACCRUAL** bases of accounting **to DOA and to VDOT**.
- 2005 revisions to Footnote 33, PUBLIC-PRIVATE PARTNERSHIP, page 154 of the 2004 CAFR
- For statistical purposes, provide the population estimate and the per capita income estimate

Continued on next page

Department of Taxation (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **September 22, 2005**, continued:

Note: When preparing information for non-tax revenue source codes, in order to ensure proper GASBS No. 34 government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."

All revenue streams:

- Gross, allowance, and net receivable amounts by fund / fund detail and revenue source code as of June 30, 2005 (full accrual basis) and document the amount of receivables received **between July 1, 2005 and August 31, 2005** and the amount to be received **after August 31, 2005**. Also, identify any amounts to be collected after June 30, 2006. Ensure the information provided includes all the elements requested in Attachment 18 Receivables as of June 30.

- Provide modified accrual and full accrual payable amounts for revenue refund payables by fund / fund detail and source code. (This includes individual taxes and corporate taxes.) This should include amounts to be paid between July 1, 2005 and August 31, 2005 and amounts that will be paid after August 31, 2006.

Individual and withholding taxes:

- For individual and withholding taxes, calculate the deferred credit amount on collections for tax year 2005 collected between January 1, 2005 and August 31, 2005. Also estimate the amount of deferred credit on these collections that will be paid out after December 31, 2006.
- If applicable, estimate of individual refunds payable that were collected between January 1, 2005 and June 30, 2005 that relate to prior tax years and will be refunded after June 30, 2005
- Estimate of individual tax refunds payable that relates to tax year 2004 and will be paid out after December 31, 2005

Corporate taxes:

- Provide deferred credit amount for corporate taxes as of June 30, 2005. The methodology used to calculate this amount should be consistent with fiscal 2004 unless approved in advance by DPA and APA.

Continued on next page

Department of Taxation (continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **September 22, 2005**, continued:

Other:

- The Department should provide any other modified accrual and full accrual basis entries needed to properly report modified accrual and full accrual basis receivables, deferred credit, and tax refunds payable that have not been identified above
- The items listed below are needed to provide the modified and accrual basis entries listed above. **This listing is not all-inclusive**. Department of Taxation should generate any reports or supporting documentation needed to prepare the entries.
  - Monthly dollar volume of current year refunds
  - Withholding deposits dated 1/1/05 – 2/28/05 for periods in FY 2004 or earlier
  - Individual deposits dated 1/1/05 – 2/28/05 for periods in FY 2004 or earlier
  - B40 Reports or other reports (either manual or from the new system) that identifies the July and August 2005 deposits for the following taxes for fiscal years 2005 and 2006:
    - Northern Virginia and Potomac Rappahannock Fuel Taxes, GLA 547 & 557
    - Railroad, RSC 01001
    - Carline, RSC 01003
    - Corporate Tax, RSC 01018
    - Bank Stock, RSC 01020
    - Estate, RSC 01021
    - Litter Tax, RSC 01029
    - Vending Sales, RSC 01043
    - Soft Drink Tax, RSC 01062
    - Food Sales Tax, RSC 01081
    - ABC Sales Tax, RSC 01082
    - Sales Tax, RSC 01083
    - Interest Owed on Overpayment of Taxes, RSC 01090
    - Miscellaneous Estate, RSC 01092
    - Watercraft Tax, RSC 01093
    - Individual Estimated Income Tax, RSC 01129
    - Individual, RSC 01120
    - Withholding Tax, RSC 01131
    - General Fund Interest, RSC 07102
    - Penalty Tax, RSC 08301
    - Miscellaneous Revenue, RSC 09060

Continued on next page

Department of Taxation (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **September 22, 2005**, continued:

Note: When conducting reviews of tax deposit adjustments, transfers, and receipts, notify DOA if any adjustments are necessary.

- An estimate of the percentage of tax refunds and a historical analysis supporting the estimate for the CAFR deferred credit calculation
- Recap Refunds Reports from Revenue Accounting for July 2005 and August 2005 that identify debt set-off amounts transferred in July and August that were payable as of June 30, 2005
- Provide debt set off amounts transferred in July and August 2005 (information comparable to prior year's TAXPIM72 Report)

Submit the following by **September 29, 2005**:

- Provide adjustments made after August for July and August receipts

Submit the following by **December 8, 2005** for statistical purposes:

- Provide the GASBS No. 44, *Economic Condition Reporting: The Statistical Section*, information requested in a separate communication from the Department of Accounts

Department of Transportation *(see submission / revision requirements at the beginning of the Supplemental Information section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **July 7, 2005**:

- Debt service schedules of bond issuances and payments / retirements for FY 2005, and outstanding balances at June 30, 2005
- Debt service schedules for partial defeasances and / or advanced refunding in FY 2005
- Amortization schedule of premiums / discounts, bond issuance costs and deferral on debt defeasance to include current year amortization amounts and unamortized balances
- Footnote disclosures for any bond defeasances and / or refundings occurring in FY 2005. At a minimum, include the following:
  - A brief description of the refunding transaction
  - The aggregate difference in debt service between the refunded debt and the refunding debt
  - The economic gain or loss on the transaction
- Outstanding balance of defeased bonds as of June 30, 2005
- Support for any Bond Anticipation Notes / Commercial Paper issued in FY 2005

Continued on next page

Department of Transportation (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **August 18, 2005**:

- Original and final debt service budgets by fund
- Beginning fund balance reconciliation between CARS and FMS **IF** a restatement exists and / or CARS beginning fund balance amounts are adjusted to reflect prior year actual activity as recorded in FMS
- A separate communication will be provided by the Department of Accounts via a spreadsheet to accumulate the following information:
  - Cash and investments classifications (Cash, LGIP, SNAP, etc.) for CARS GLA's: 101, 109, 342, 343, and 348. Provide special revenue and debt service amounts **separately** and reconcile amounts to CARS, adjusting entries, and the financial statement template amounts.
- Label any modified or full accrual entries applicable to the Debt Service Funds as "debt service" on the attachments
- Amount of debt associated with VDOT's capital assets in order for DOA to appropriately report the net asset classifications on the Government-wide statements
- Long-term Debt Balance Sheet
- Changes in bonds payable, including beginning balance, increases, decreases, and ending balance
- Ensure the Debt Service supporting schedule (by individual fund) for the debt service financial statement template lists the following items for bonds issued in FY 2005:
  - Face amount of bonds issued
  - Original Issue Premium or Discount
  - Accrued Interest
  - Underwriter's Discount
  - Cost of Issuance

Continued on next page

Department of Transportation (continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **August 18, 2005,** continued

- Supporting schedule for Rt. 28 bond accretion
- Virginia Coalfield Coalition Authority financial statements
- Audited financial statements of the Pocahontas Parkway Association. Ensure the balance sheet is in a classified format
- Review Footnote 19, LONG-TERM LIABILITIES, page 129-130 of the 2004 CAFR. Provide updated amounts for the following items (located in the 4th paragraph) related to the Pocahontas Parkway Association Bonds:
  - Original proceeds disbursed for non-construction costs as of June 30, 2005
  - Accrued interest
  - Monthly interest rate

Submit the following by **September 1, 2005**:

- Entries required to appropriately adjust CARS balances to reflect FY 2005 activity / balances
- Review Footnote 14, COMMITMENTS, page 117 of the 2004 CAFR Revise the footnote disclosure on highway projects construction commitments for FY 2005
- For statistical purposes, provide the FY 2005 total state highway miles
- A separate communication will be provided by the Department of Accounts. Please complete the following:
  - Schedule of Changes in Capital Asset Balances Ensure the capitalization limits specified on the spreadsheet are appropriately applied
  - Capital Lease footnote and conversion spreadsheet
  - Operating Lease footnote spreadsheet
  - Revenue bond coverage spreadsheet

Continued on next page

Department of Transportation (continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **September 22, 2005**:

- Reconciliation of the VDOT internal payable listing to the CARS P-voucher reports
- Modified accrual reversing entries for any modified accrual restatements

Submit the following by **October 6, 2005**:

- Complete the Receivables Attachment provided in a separate communication from the Department of Accounts
- Schedule of any reserved fund balance and / or restricted net asset amounts for special revenue funds

Submit the following by **December 8, 2005** for statistical purposes:

- Number of bridges maintained
- Number of vehicles paying tolls for the Pocahontas Parkway

Continued on next page

Department of Treasury
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **June 16, 2005**:

- Securities lending gross income and expenses for July 2004 through April 2005

Submit the following debt items related to Footnote 19, LONG-TERM LIABILITIES, and the Debt Schedules, pages 126-142 and 252-266, respectively, of the 2004 CAFR by **July 14, 2005**:

- Amortization schedule of premiums / discounts, bond issuance costs and deferral on debt defeasance to include current year amortization amounts and unamortized balances
- Footnote disclosures for any bond defeasances and / or refundings occurring in FY 2005. At a minimum, include the following:
  - A brief description of the refunding transaction
  - The aggregate difference in debt service between the refunded debt and the refunding debt
  - The economic gain or loss on the transaction

  Note: Provide any Authority debt at the same time as the financial statements are provided.

- Support for any Bond Anticipation Notes / Commercial Paper issued in FY 2005
- Anticipated bond issuances or defeasances to occur between June 30, 2005 and November 26, 2005
- If original budget amounts (Appropriation Act Chapter 4 approved June 25, 2004) and final budget amounts (Appropriation Act Chapter 951, approved May 4, 2005) for debt service payments made in FY 2005 are different than amounts in the Appropriation Acts, provide revised amounts

Continued on next page

Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following debt items related to Footnote 19, LONG-TERM LIABILITIES, and the Debt Schedules, pages 126-142 and 252-266, respectively, of the 2004 CAFR by **July 21, 2005**:

- General Obligation Debt of the Commonwealth – Summary of Long-term Indebtedness
- Higher Educational Institutions Auxiliary Enterprise Revenue Bonds – Detail of Long-term Indebtedness by Institution
- Outstanding balances at June 30, 2005, of bonds defeased in FY 2005 and prior years
- Copy of Treasury's notification of the Treasury administered debt and investment balances for higher education institutions
- Provide Debt System Extract to include current year information on a separate tab (Provide date disbursed to paying agent for any bond that has a due date of July 1 to July 10 for the current and future years. The disbursement date should determine the fiscal year in which amounts are recorded.)

Submit the following **General Account** items related to GASBS No. 28, *Accounting and Financial Reporting for Securities Lending Transactions* by **July 28, 2005**:

AJE's & GASBS No. 40 Detail

- Securities lending adjusting journal entries to record assets, liabilities, gross income, and expenses
- Breakdown of securities lending cash, cash equivalents, and investments as shown on Attachment 20, Cash, Cash Equivalents, and Investments as of June 30, **"Cash Equiv. & Inv. NOT w Treas" tab and the "Foreign Currency Inv" tab (if applicable)**. Completion of the "Cash Equiv. & Inv. NOT w Treas" tab will report any potential interest rate risk, custodial credit risk, and the credit quality ratings of Treasury's securities lending. This sheet also requests cash equivalents and investments by each issuer and issue by investment type.

Continued on next page

Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following **General Account** items related to GASBS No. 28, *Accounting and Financial Reporting for Securities Lending Transactions* by **July 28, 2005**, continued

Disclosures

- Source of legal or contractual authorization
- Significant violations of legal or contractual provisions
- General description of transactions during the period, including the following:
  - Types of securities lent
  - Types of collateral received
  - Government's ability to pledge or sell collateral without a default
  - Amount by which the collateral must exceed the value of the securities lent
  - Restrictions on amount of securities that may be lent
  - Loss indemnification to be provided by the agents (if any)
  - Reported amount and fair value of the underlying securities lent
- Whether the maturity dates of investments made with cash collateral generally match those of the securities lent. In addition, disclose the extent of such matching as of the balance sheet date.
- Credit risk or absence thereof
- Losses for the reporting period resulting from default and recoveries of prior period losses

Submit the following by **August 4, 2005**:

- FY 2005 employer and employee VRS contributions for all **Risk Management Funds.** The contributions made from the Internal Service Funds should be shown separately from the contributions made from the Enterprise Funds.

Continued on next page

Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **August 18, 2005**:

- Calculation of Outstanding Debt Balances to be reflected in FY 2005 Annual Report
- 2005 revisions to the Debt Administration and Investment Policy discussions on pages 11-12 of the 2004 CAFR
- Support indicating the amount of interest on commercial paper, if any.
- Computation of Legal Debt Limit and Margin
- Amounts authorized and remaining authorization amounts for 9(b) bond expenditures as of 6/30/05 by mental health, conservation, and education institutions with bond proceeds and amount paid with earnings on investments
- For the **Parking Facilities Bonds**, provide the amount paid as of 6/30/05 with bond proceeds and amount paid with earnings on investments
- A listing of the amounts of moral obligation debt for VPSA and any other moral obligation debt outstanding
- Attachment 11, Private-purpose Trust Fund Financial Statement Template, for the Unclaimed Property of the Commonwealth
- Attachment 12, Agency Fund Financial Statement Template, for the Unclaimed Property of Other States
- Attachment 12, Agency Fund Financial Statement Template, for the Deposits of Insurance Carriers (Insurance Collateral)

Continued on next page

Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following June 30, 2005 **Unclaimed Property** schedules by **August 18, 2005**:

- Update of the Application of Unclaimed Property Funds section of the CAFR found on page 276 of the 2004 CAFR
- Update of the Application of Escheat Receipts section of the CAFR found on page 277 of the 2004 CAFR

Submit the following for agency 994, **Department of the Treasury Trust Funds (Fund 0774)** by **August 18, 2005**:

- If project code 90000 and / or project code 90001 are reported on any attachment submissions, submit the amounts and applicable coding (function, revenue source code, GASBS No. 34 revenue classifications, etc.). DOA will eliminate these project codes, and needs to know where and how the activity has been recorded on the attachments.
- Submit the amount of GLA 955 and GLA 956 related to LGIP

Submit the following by **August 25, 2005**:

- The LGIP cash equivalents and investments split

Submit the following for the **Virginia Public Building Authority (VPBA)** by **September 1, 2005**:

- Attachment 8, Governmental Fund Financial Statement Template, for the Virginia Public Building Authority Capital Project Fund
- Attachment 8, Governmental Fund Financial Statement Template, for the Virginia Public Building Authority Debt Service Fund

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Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following for the **Risk Management Enterprise Funds** by **September 1, 2005**:

- Attachment 9, Enterprise Fund Financial Statement Template
- Complete the Enterprise Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts

Submit the following by **September 15, 2005**:

- The Arbitrage Rebate liability disclosure
- FY 2005 revisions to the Debt Schedules, pages 252-266 of the 2004 CAFR

Submit the following financial and footnote disclosure information requirements of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, by **September 29, 2005**:

State Non-arbitrage Program (SNAP)

- GAAP basis (GASBS No. 34) financial statements, as required by paragraph 17 of GASBS No. 31 for SNAP Pooled Accounts and paragraph 20 for the SNAP Individual Portfolios
- Shareholder Trial Balance listing for all SNAP Pooled Accounts with account numbers, account names, and net asset balances as of 6/30/05. DOA would prefer this in electronic format
- Summary of Net Assets for SNAP Individual Portfolios with portfolio names and net asset balances as of 6/30/05
- Summary of Activity for SNAP Pooled Internal Individual Accounts with account numbers, account names, beginning balances (7/1/04), addition activity, deletion activity, and ending balances (6/30/05)

  Note: Addition and deletion activity should be broken down by detailed transaction types, i.e. initial deposit, dividend reinvestment, etc.

  Note: DOA will provide all SNAP accounts considered internal for CAFR reporting purposes in the previous fiscal year. Treasury must provide the summary of activity for all of these accounts.
- Provide a breakdown of Cash Equivalents and Investments

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Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following financial and footnote disclosure information requirements of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, by **September 29, 2005**, continued

Local Government Investment Pool (LGIP)

- GAAP basis (GASBS No. 34) financial statements, as required by paragraph 17 of GASBS No. 31, for LGIP
- Shareholder Trial Balance listing for all LGIP accounts with account numbers, account names, and net asset balances as of 6/30/05
- Download of Activity for LGIP Internal Individual Accounts with account numbers, account names, transaction dates, transaction descriptions, beginning balances, transaction amounts, and ending balances
  Note: DOA will provide all LGIP accounts considered internal for CAFR reporting purposes in the previous fiscal year
- Summary of Participant Activity as of June 30, 2005
- Accrued Interest
- Accrued Fee Due
- Year-end Reconciliation between CARS and Checkfree (or Recon Plus) /CARS and Bankers Trust

Submit the following for the **SNAP Individual Investment Accounts** by **September 29, 2005**:

- Breakdown of cash equivalents by type and amount
- Breakdown of investments by type and amount

Submit the following for the **Risk Management Internal Service Funds** by **September 29, 2005**:

- Attachment 10, Internal Service Fund Financial Statement Template
- Attachment 17, Internal Service Funds – Conversion to Government-wide Statement of Activities

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Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **September 29, 2005**:

- Agency 152, Fund 0700, project 00000 and agency 994, fund 0776, project 95601. DOA eliminates these project codes, and therefore needs to know where and how the activity has been recorded on the attachments. Report the amounts and applicable coding (function, revenue source code, GASBS No. 34 revenue classifications, etc.) reported on any attachment submissions.

Submit the following for the discrete component unit **Virginia Public School Authority (VPSA)** by **October 6, 2005**:

- GAAP basis (GASBS No. 34) Statement of Net Assets and Statement of Activities as well as all footnote information
- The Long-term Liability footnote shows the total debt for notes and bonds payable combined. Provide the separate amounts for notes payable and bonds payable
- Complete Attachment CU7 GASBS No. 20 for Proprietary Funds.

Submit the following for the **Risk Management Internal Service** and **Enterprise Funds** by **October 13, 2005**:

- Necessary information and disclosures, including the "Ten-Year Claims Development Information" schedule for the Public Entity Risk Pools, required by GASBS No. 30, *Risk Financing Omnibus*
- A copy of the 2005 Actuarial Valuation of the Casualty Self-insurance Programs and a description of the methodology used by the actuary
  Note: Any risk financing or insurance related activities, including public entity risk pools that were not applicable last year, may be applicable this year and must be disclosed in the CAFR
- Complete the Internal Service Claims Payable footnote spreadsheet provided in a separate communication from the Department of Accounts

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Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **October 13, 2005**:

- Complete a separate Attachment 20, Schedule of Cash, Cash Equivalents, and Investment as of June 30, **"Cash Equiv. & Inv. NOT w Treas" tab and the "Foreign Currency Inv" tab (if applicable)** for the Outside Investment Managers (OIM) and the Cash Management and Investments division (CMI) investments combined and for Treasury Trust investments. (Securities lending was already provided on July 28, 2005.)
  Note: **DOA recommends Treasury read the instructions for Attachment 20 before completing the "Cash Equiv. & Inv. NOT w Treas" tab**.
- For the Treasury Trust funds (Agency 994) and insurance collateral, continue to provide the "TRUSTCAFR" and "NONCAFR" (Higher Education, VDOT, & VPSA amounts) tabs for further detail. These tabs include a breakdown of:
  - Description, agency for which the investments are held, category, type of investment, fund / fund detail, project, reported amount, and the fair value amount
- Bank Balance Summary Report for June 30, 2005 for the General Account as well as the Treasury Trust Account. **(Certificates of deposit should not be reported as cash so it is no longer necessary to include them in the Bank Balance Summary Report.)**

Submit the following after reviewing Footnote 4, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 92-101 of the 2004 CAFR of the FY 2004 CAFR by **October 13, 2005**:

- Provide any applicable disclosures required by GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*
- Methods and significant assumptions used to estimate the fair value of investments, if fair value is based on other than quoted market prices
- The policies for determining which investments, if any, are reported at amortized cost
- For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares

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Department of Treasury (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following after reviewing Footnote 4, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 92-101 of the 2004 CAFR of the FY 2004 CAFR by **October 13, 2005,** continued

- Any involuntary participation in an external investment pool
- If an entity cannot obtain information from a pool sponsor to allow the entity to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for making such an estimate
- Any income from investments associated with one fund that is assigned to another fund
- If any cash equivalents and investments in debt securities are subject to highly sensitive changes in interest rate risk, contact those listed in the **Questions** section of the directive. 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 GASBS No. 40 Implementation Guide, paragraphs 45 – 58.
- Treasury should provide any other type of risk to cash, cash equivalents, and investments not covered elsewhere

Submit the following **other requested information** by **October 13, 2005**:

- Provide the amount of Literary Fund loans receivable (GLA 203 and GLA 206) that will be collected after June 30, 2006

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Division of Legislative Services
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- Provide the status of the Dr. Martin Luther King, Jr. Living History & Public Policy Center including any financial activity that took place during fiscal year ended June 30, 2005

Library of Virginia
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following information for any library books not capitalized on FAACS by **August 18, 2005**:

- Beginning balance, increases, decreases, and ending balances (using historical cost)
- Total beginning balance, increases, decreases, and ending balances for accumulated depreciation
- CARS expenditures by function for current acquisitions. This should equal the increases in library books above.
- Depreciation expense by function. Total depreciation expense should equal the increases in the accumulated depreciation column.

Continued on next page

Science Museum of Virginia
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **July 21, 2005**:

- **Science Museum of Virginia Foundation, Inc**. Attachment 3, GASBS No. 14 Checklist Modified to Reflect GASBS No. 39, only if there has been a change that might affect its classification

Submit the following by **August 4, 2005**:

- FY 2005 employer and employee VRS contributions for the Science Museum Gift Shop

Submit the following by **September 15, 2005**:

- **Science Museum of Virginia Foundation, Inc**. draft financial statements

Submit the Science Museum of Virginia Foundation, Inc. audited financial statements when available.

State Council of Higher Education in Virginia
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 8, 2005** for statistical purposes:

- Total number of private and state supported higher education institutions, educators, and students

Continued on next page

State Lottery
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:
Number of tickets sold (Lotto South, Megamillions, and instant games)

Supreme Court
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of criminal trials
- Number of civil trials
- Number of traffic hearings

Virginia College Savings Plan
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **December 8, 2005** for statistical purposes:

- Number of prepaid tuition contract holders

Continued on next page

Virginia Employment Commission ***(see submission / revision requirements at the beginning of the Supplemental Information section)***

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- Financial statements for the **Advantage Virginia Incentive Program Foundation** (if applicable)
- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **September 8, 2005**:

- All **modified accrual** AND **full accrual** basis entries for the general fund and all special revenue funds. List full accrual entries separately from modified accrual entries.
- For the modified and full accrual entries above, provide **GASBS No. 34 revenue classifications**. For proper GASBS No. 34 government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."
- The Unemployment Rate for statistical purposes

Submit the following by **December 8, 2005** for statistical purposes:

- Provide the GASBS No. 44, *Economic Condition Reporting: The Statistical Section*, information requested in a separate communication from the Department of Accounts.

Continued on next page

Virginia Information Technologies Agency
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following items by **August 18, 2005**:

- For all CARS funds that have internal service AND non-internal service activity, provide GLA's and amounts for activity that was not reported on financial statement templates (for example, governmental fund portions of Fund 0270 and 0271)
- Capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied and **exclude** all assets included on financial statement templates.
- Operating and capital lease information requested in a separate communication from the Department of Accounts
- Listing of all assets received from other agencies requested in a separate communication from the Department of Accounts

Virginia Museum of Fine Arts
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **July 21, 2005**:

- **Virginia Museum of Fine Arts Foundation**, Attachment 3, GASBS No. 14 Checklist Modified to Reflect GASBS No. 39, only if there has been a change that might affect its classification

Submit the following by **August 4, 2005**:

- FY 2005 employer and employee VRS contributions for the **Virginia Museum Gift Shop**

Submit the following by **October 20, 2005**:

- **Virginia Museum of Fine Arts Foundation, Inc.** draft financial statements

Submit the **Virginia Museum of Fine Arts Foundation, Inc.** audited financial statements when available

Continued on next page

Virginia Rehabilitation Center for the Blind and Vision Impaired
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following information for any library books not capitalized on FAACS by **August 18, 2005**:

- Beginning balance, increases, decreases, and ending balances (using historical cost)
- Total beginning balance, increases, decreases, and ending balances for accumulated depreciation
- CARS expenditures by function for current acquisitions. This should equal the increases in library books above
- Depreciation expense by function. Total depreciation expense should equal the increases in the accumulated depreciation column

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Virginia Retirement System
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 16, 2005**:

- For each fiscal year 1989 through 2005, submit the following for VRS, SPORS, JRS, and VALORS:
  - Employer's actual contribution to the plan
  - Actuarially determined required contribution
  - Plan's investment earning assumption rate (discount rate)
  - Amortization factor used by the actuary to amortize contribution deficiencies or excess contributions (experience losses and gains)

    Note: The plan's investment earning assumption rate and amortization factor should be furnished for each year beginning with the first year for which there is a difference between the employer's actual contribution and actuarially determined required contribution.
- For FY 2005, submit the following **by employer** for VRS, SPORS, JRS, and VALORS:
  - Creditable compensation
  - Employer contribution rate
  - Actual contributions

Continued on next page

Virginia Retirement System (continued)
(see submission / revision requirements at the beginning of the Supplemental Information section)

Submit the following by **August 18, 2005**:

- GAAP basis (GASBS No. 34) draft financial statements
- Footnote data and required supplementary information to meet the reporting requirements of GASBS No. 25 and GASBS No. 27 for each retirement system: Virginia Retirement System (VRS), State Police Officers' Retirement System (SPORS), Judicial Retirement System (JRS), and Virginia Law Officers' Retirement System (VALORS)
- Footnote data to meet the reporting requirements of GASBS No. 28 for Securities Lending Transactions
- Any applicable disclosures required by GASB Technical Bulletin 2003-1, *Disclosure Requirements for Derivatives Not Presented at Fair Value on the Statement of Net Assets*
- Accounts Payable detail to complete Footnote 17, ACCOUNTS PAYABLE, page 122 of the 2004 CAFR
- Amount of Accounts Receivable to be collected greater than one year to complete Footnote 5, RECEIVABLES, page 101 of the 2004 CAFR

- For the **Commonwealth Health Research Board**:
  - Attachment 20, Schedule of Cash, Cash Equivalents, and Investment as of June 30
  - VRS prepared investment summary report, **including the amount of restricted net assets that are expendable / non-expendable**, for July 1, 2004 through June 30, 2005
  - Mellon Statement of Net Assets at June 30, 2005
  - Mellon Statement of Changes in Net Assets for July 1, 2004 through June 30, 2005

- For the **Political Appointees Optional Retirement Plan**:
  - Summary of plan activity for July 1, 2004 through June 30, 2005
  - Schedule of plan investments by investment type at June 30, 2005

- For the **Firefighters' and Rescue Squad Workers' Service Award Fund**:
  - Summary of plan activity for July 1, 2004 through June 30, 2005 (including CARS activity for fund 0736)
  - Schedule of plan investments by investment type at June 30, 2005 (including CARS activity for fund 0736)

- For the **School Board Optional Retirement Plan**:
  - Summary of plan activity for July 1, 2004 through June 30, 2005
  - Schedule of plan investments by investment type at June 30, 2005

Continued on next page

Virginia Retirement System (continued) *(see submission / revision requirements at the beginning of the Supplemental Information section)*

Submit the following by **August 18, 2005,** continued

- 2005 revisions for the following **CAFR footnotes**:
  - Footnote 4, CASH, CASH EQUIVALENTS, AND INVESTMENTS, pages 92-101 of the 2004 CAFR, including Derivative Financial Instruments information
  - Footnote 12, OTHER EMPLOYMENT BENEFITS, Group Life Insurance, Retiree Health Insurance Credit, Virginia Sickness and Disability Program, and Volunteer Firefighters' and Rescue Squad Workers' Fund sections, pages 115-116 of the 2004 CAFR
  - Footnote 13, DEFERRED COMPENSATION PLANS, pages 116-117, of the 2004 CAFR to include the Deferred Compensation Plan's net assets valued at year-end using valuation standards for certain investments as provided by GASBS No. 31 and fair value for all other investments as provided by GASBS No. 32
- Ensure information requested in Attachment 20, Cash, Cash Equivalents, and Investments as of June 30, is presented in the VRS Financial Statement Cash, Cash Equivalents, and Investments footnote. If it is not, provide the additional information needed as requested in Attachment 20.

Submit the final audited financial report when available

Woodrow Wilson Rehabilitation Center *(see submission / revision requirements at the beginning of the Supplemental Information section)*

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **August 18, 2005**:

- Submit the capital asset information requested in a separate communication from the Department of Accounts. Ensure the capitalization limits specified on the spreadsheet are appropriately applied.

Submit the following by **September 22, 2005**:

- DOA will eliminate fund 0200, project 13941 and needs to know where and how the activity has been recorded on the attachments. Provide the amounts and applicable coding (function, revenue source code, GASBS No. 34 revenue classifications, etc.) reported on any attachment submissions.

Continued on next page

Workers' Compensation Commission
(see submission / revision requirements at the beginning of the Supplemental Information section)

If the information requested in this supplemental section is also provided on an attachment, contact the individuals listed in the Questions section of this Directive.

Submit the following by **September 1, 2005**:

- For the FY 2005 **Uninsured Employers Fund**, provide the liability breakdown between the compensation portion and the medical portion, including an estimate of how much is due within one year and how much is due in greater than one year
- For the FY 2005 **Uninsured Employers Fund**, provide the actuarial report that supports the liability

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Comptroller's Directive No. 2-045
Attachment 1
Checklist to Determine Information Required by Comptroller's Directive

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Purpose

This attachment will help agencies determine what information must be submitted to DOA as required by this Directive. Some information / attachments are required by all agencies and other information / attachments are only required to be submitted by certain agencies.

Applicable agencies

All agencies **must** complete this attachment.

Due date

July 21, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att1. For example, agency 151 should rename its Attachment 1.xls file as 151Att1.xls.

Submit the excel spreadsheets electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Spreadsheet instructions

Complete the spreadsheet to determine what information must be submitted. After completing the spreadsheet, review the summary table spreadsheet. Submit **both** spreadsheets to DOA.

Additional information requests

DOA may contact agencies to provide additional information necessary to prepare the Commonwealth's Comprehensive Annual Financial Report.

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Comptroller's Directive No. 2-045
Attachment 2
Technology Contact Survey

Purpose

This attachment will provide DOA with the agency contact information for each agency.

Applicable agencies

All agencies **must** complete this attachment.

Due date

July 21, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet using the agency number followed by Att2. For example, agency 151 should rename the Attachment 2.xls file as 151Att2.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of this spreadsheet.

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Comptroller's Directive No. 2-05
Attachment 3
GASBS No. 14 Checklist Modified to Reflect GASBS No. 39 Reporting Entity Checklist

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Purpose

This attachment is a checklist used to evaluate, based on GASBS No. 14 and GASBS No. 39 criteria, each organization, foundation, or commission within an agency for possible inclusion as a component unit in the CAFR. This attachment is similar to prior year's Attachment 3.

If an organization, foundation, or commission is determined to be a component unit pursuant to GASBS No. 39, Attachment 3 is also used to evaluate the method of disclosure.

Applicable agencies

- All agencies that have a potential component unit that has **not** been previously evaluated using the GASBS No. 39 checklist must complete this attachment.
- All agencies that have a potential component unit that **has** been evaluated in prior years **if** a change has occurred that might affect its classification must complete this attachment.

Due date

July 21, 2005

Submission requirements

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

After downloading the files, rename the attachment file using the agency number followed by Att3. For example, agency 151 should rename its Attachment 3.doc file as 151Att3.doc.

Submit the attachment electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the attachment.

Additional information

Also submit a copy of the most recently audited financial statements for any organization identified as a component unit pursuant to GASBS No. 14 and GASBS No. 39. These financial statements should be sent to the following individuals:

Jamie Motley, Assistant Director
Department of Accounts
P.O. Box 1971
Richmond, Virginia 23218-1971
Phone 804-225-2646
Fax 804-225-2430

Staci Henshaw, Audit Director
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218
Phone 804-225-3350
Fax 804-225-3357

Comptroller's Directive No. 2-05
Attachment 4
Leave Liability Statement – CIPPS Users

Purpose

This attachment is used to accumulate leave liability information for recording compensated absence liabilities in accordance with GAAP. This attachment is similar to prior year's Attachment 4.

Applicable agencies

All agencies and funds that use CIPPS leave for **ALL** employees but are **not** included on a financial statement template with compensated absence liabilities must complete this attachment.

Note: The Payroll Service Bureau will complete this attachment for all agencies using the Bureau's services and will forward the attachment to the agency for review and approval.

Due date

August 4, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att4. For example, agency 151 should rename its Attachment 4.xls file as 151Att4.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel spreadsheet.

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.

Comptroller's Directive No. 2-05
Attachment 4
Leave Liability Statement – CIPPS Users

Definitions

Current Leave Liability – The portion of accrued leave liability associated with employees who terminated on or before June 24, 2005, and who will not be paid for compensated leave until after June 30, 2005.

Long-term Leave Liability – The liability for accrued annual, sick or disability credits, compensatory, overtime, on-call leave, and applicable sabbatical leave for all leave-eligible employees employed by the State on June 25, 2005.

GASBS No. 16 requirements

GASBS No. 16, *Accounting for Compensated Absences*, requires the accrual of compensated absence liability, regardless of fund type. Leave liability should include the following.

- Employer's share of Social Security and Medicare taxes on all accrued compensated absences.
- Termination payments for sick leave or disability credits for employees who are not presently vested but who will probably attain the 5 years of service required to become vested.
- Other leave earned such as sabbatical leave (if unrestricted in nature), on-call, overtime, and compensatory leave that has not been used by or paid to the employee.
- Employer contribution payments made to defined contribution or cost-sharing multiple employer defined benefit pension plans, if associated with service.

For governmental funds, only the current portion of the liability should be reported in the fund statements. The current and long-term leave liability should be reported in the government-wide statements.

Impact of Virginia Sickness and Disability Program (VSDP)

For those employees who participate in the VSDP and converted sick leave balances to Virginia Retirement System service credit, the accrual for compensated absences will no longer include an amount for sick leave.

However, for those employees who participate in the VSDP and converted sick leave balances to disability credits, the accrual for compensated absences **will include an amount for disability credits**. The calculation of this amount should result in the same amount as would have been calculated for sick leave had these employees remained in the non-VSDP sick leave program.

Comptroller's Directive No. 2-05
Attachment 4
Leave Liability Statement – CIPPS Users

Leave liability database

In order to minimize the manual effort required to determine the leave liability balances, DOA has extracted leave data from the CIPPS file. This data is provided in the **Leave Liability Database** file posted on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." **Note: The file will not be available on the website until mid-July 2005.**

The **Leave Liability Database** file has been modified to combine various reporting funds (i.e., 0100 and 1100, 0200 and 2200). In addition, if any leave liability amounts were coded to capital outlay (functional code 9), these amounts have been combined with the most predominant expenditure functional code used by the agency.

Functional codes defined

Functional codes are the first number in every program code. For example, program code **1**031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.

1-Education
3-Administration of Justice
4-Individual and Family Services
5-Resources and Economic Development
6-Transportation
7-General Government
8-Enterprise

Social Security and Medicare taxes

The CIPPS reports have been modified to include the Social Security (6.2% on a maximum salary base of $90,000) and Medicare taxes (1.45%, no salary limit) on the accrued leave.

Comptroller's Directive No. 2-05
Attachment 4
Leave Liability Statement – CIPPS Users

Using the leave liability database

Consider the following items to determine whether the **Leave Liability Database** file is accurate.

1. Did the agency receive leave slips for absences on or before 6/24/05 that were not processed in CIPPS? The following exceptions **do not** require adjustments:
   - Leave slips for absences during 6/25/05 through 6/30/05
   - Late leave slips for leave taken prior to 6/25/05
2. Will the agency have payouts to terminated employees paid after 6/24/05 but prior to 7/1/05?
3. Does the agency have additional leave liability for sabbatical leave or non-VRS pension contributions not accounted for on CIPPS?

Response to the Above Questions 1-3	Action
No to all	• Review the **Leave Liability Database** for reasonableness. • Complete the attachment including the contact information, the first question, and variance explanation, if applicable
Yes to any	Perform the "Completing attachment when agency can't use the leave liability database" steps outlined on the following page.

Comptroller's Directive No. 2-05
Attachment 4
Leave Liability Statement – CIPPS Users

Completing attachment when agency can't use the leave liability database

- Complete the contact information and the first question.
- Use the information computed in the following steps to complete the current and long-term leave sections.

Step	Action
1	If applicable, adjust the leave liability for absences taken on or before 6/24/05 when leave slips were received before 6/24/05 but not processed in CIPPS.
2	If applicable, adjust the leave liability for payouts to terminated employees paid after 6/24/05 and prior to 7/1/05.
3	If applicable, compute additional leave liability for sabbatical leave not accounted for on CIPPS and any non-VRS pension contributions. (Since VRS is an agent multiple-employer, defined benefit plan, no additional accrual is necessary for VRS contributions.)
4	Compute the current leave liability and adjust the long-term liability for the current portion.
5	Retain copies of all computations for review by auditors.
6	Complete the fluctuation analysis explanation if the spreadsheet indicates a fluctuation is required.

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Comptroller's Directive No. 2-05
Attachment 5
Leave Liability Statement – Non-CIPPS Users

Purpose

This attachment is used to accumulate leave liability information for recording compensated absence liabilities in accordance with GAAP. This attachment is similar to prior year's Attachment 5.

Applicable agencies

All non-CIPPS users with compensated absence liabilities that are **not** included on a financial statement template must complete this attachment.

Note: Since the Library of Virginia, the Department of Corrections, and the Department of Mental Health, Mental Retardation, and Substance Abuse Services use CIPPS for some employees, DOA will provide the U007 and U008 reports to assist in the preparation of **Leave Attachment – Part 2**, if requested. Contact Ron Necessary at (804) 225-2380 or **ron.necessary@doa.virginia.gov** to receive these reports.

Due date

August 4, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att5. For example, agency 151 should rename its Attachment 5.xls file as 151Att5.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel spreadsheet.

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 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.

Definitions

Current Leave Liability – The portion of accrued leave liability associated with employees who terminated on or before June 24, 2005, and who will not be paid for compensated leave until after June 30, 2005.

Long-term Leave Liability – The liability for accrued annual, sick or disability credits, compensatory, overtime, on-call leave, and applicable sabbatical leave for all leave-eligible employees employed by the State on June 25, 2005.

- **Long-term Leave Liability Due Within One Year** – The portion of long term leave liability that is due within one year after the fiscal year end. For fiscal year 2005, it is the liability due by June 30, 2006.
    - **Long-term Leave Liability Due Greater Than One Year** – The portion of long-term leave liability that is due after June 30, 2006.

Comptroller's Directive No. 2-05
Attachment 5
Leave Liability Statement – Non-CIPPS Users

GASBS No. 16 requirements

GASBS No. 16, *Accounting for Compensated Absences*, requires the accrual of compensated absence liability, regardless of fund type. Leave liability should include the following.

- Employer's share of Social Security and Medicare taxes on all accrued compensated absences.
- Termination payments for sick leave or disability credits for employees who are vested.
- Other leave earned such as sabbatical leave (if unrestricted in nature), on-call, overtime, and compensatory leave that has not been used by or paid to the employee.
- Employer contribution payments made to defined contribution or cost-sharing multiple employer defined benefit pension plans, if associated with service.

For governmental funds, only the current portion of the liability should be reported in the fund statements. The current and long-term leave liability should be reported in the government-wide statements.

Impact of Virginia Sickness and Disability Program (VSDP)

For those employees who participate in the VSDP and converted sick leave balances to Virginia Retirement System service credit, the accrual for compensated absences will no longer include an amount for sick leave.

However, for those employees who participate in the VSDP and converted sick leave balances to disability credits, the accrual for compensated absences **will include an amount for disability credits**. The calculation of this amount should result in the same amount as would have been calculated for sick leave had these employees remained in the current sick leave program.

General information

- Complete all yellow cells on **Leave Attachment – Parts 1 and 2**. Validation fields have been created to ensure agreement between appropriate amounts reported on each page. If error messages are displayed, please revise the information as required to eliminate the error messages.
- In addition, Pages 6 & 7 provide an auditor approved methodology that can be used to complete Leave Attachment – Part 2.
- Also, when leave due within one year and greater than one year are summed, the total must agree to the total leave reported on **Leave Attachment – Part 1**.

Completing Attachment – Part 1

Perform the following steps:

Step	Action
1	Determine the leave balance at June 24 for each employee, using the agency's records. Leave should include annual, compensatory, overtime, on-call, **25% of sick or disability credits**, and applicable sabbatical leave.
2	Determine each employee's hourly rate by dividing the annual salary at June 24 by standard full time hours of 2,080.
3	Multiply the hours for each leave category by the hourly rate. **(See special instructions below for sick leave or disability credits.)**
4	Calculate and include employer's tax payment for Social Security and Medicare on the leave liability. Based on individual employee salaries, Social Security is 6.2% on a maximum salary base of $90,000 and Medicare is 1.45% on all salaries.
5	Compute additional leave liability for sabbatical leave and any pension contributions if applicable. (Since VRS is an agent multiple-employer defined benefit plan, no additional accrual is necessary for VRS contributions.)
6	Allocate the leave liability for each employee to the appropriate funds based on the total salary provided by each fund / fund detail and function. (Functions are described on Instructions – Page 5 of this attachment.)
7	Aggregate the information at the agency level.
8	Compute the current leave liability and adjust the long-term liability for the current portion.
9	Retain copies of all computations for review by auditors.
10	Complete the fluctuation analysis explanation if the spreadsheet indicates a fluctuation is required.

Sick leave or disability credits

For employees with greater than 5 years of service, the sick leave or disability credits liability is limited to the lessor of 25% of leave earned or $5,000.

Functional codes defined

Functional codes are the first number in every program code. For example, program code **1**031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.

1-Education
3-Administration of Justice
4-Individual and Family Services
5-Resources and Economic Development
6-Transportation
7-General Government
8-Enterprises

GASBS No. 34 requirements

GASBS No. 34 **did not** change how total leave is calculated under GASBS No. 16. The GASBS No. 34 total leave liability amount should equal the total amount (total leave liability before deducting current leave liability) calculated using **Leave Attachment – Part 1**.

GASBS No. 34 requires the leave liability amount to be reported on the Government-wide Statements in two line items - amount due within one year and amount due in greater than one year. Leave liability becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances. These events cannot be known reliably in advance so the amount due within one year must be estimated.

Attachment – Part 2 - Manually calculate the amount due within one year

The total leave liability (total amount before deducting current leave liability) has already been calculated using **Leave Attachment – Part 1**. Agencies have to manually calculate the leave liability amount that is due within one year. The following is an auditor approved suggested methodology. **Upon calculating the long-term leave liability due within one year and greater than one year, report the amounts on Leave Attachment – Part 2**.

Perform the following steps to calculate the amount due within one year.

Step	Action
1	Project the number of annual and sick leave hours that will be accrued in the next fiscal year (7/1/05 to 6/30/06) for each employee and in total. (Maximum carry forward limits should not have to be taken into account as the amount accrued in a 12 month period cannot exceed the maximum limits by years of service.)
2	Determine each employee's hourly rate by dividing the salary rate at June 24, 2005 by standard full time hours of 2,080.
3	Multiply the projected hours in Step 1 for each leave category by the hourly rate.
4	Calculate a percentage for annual leave hours used and paid out compared to annual leave hours accrued. Calculate a second percentage for sick leave hours used and paid out compared to sick leave hours accrued. (For example, agency XYZ used and / or paid out 1,000 hours of annual leave. The annual leave hours earned for agency XYZ were 4,000. Therefore, the percentage factor for XYZ annual leave usage would be 25%). **This calculation can be done on a fiscal year or calendar year basis using historical data**.
5	Multiply the percentages for annual and sick leave usage in Step 4 by the projected annual and sick leave liabilities calculated in Step 3.
6	Aggregate the information for annual and sick leave in total. This is the amount due within one year.
7	Adjust the long-term leave liability for the amount due within one year.
8	Retain copies of all computations for review by auditors.

GASBS No. 34 footnote disclosure

The following information is required footnote disclosure under GASBS No. 34.

- Beginning Balance – should equal the prior year ending balance
- Additions – use the amount calculated in Step 3 on Instructions – Page 6 of this attachment
- Expenditures – calculated amount since other three amounts are known
- Ending Balance – should equal the total leave liability calculated on **Leave Attachment - Part 1**.
- Amount due within one year – should equal the amount calculated in Steps 5 and 6 on Instructions – Page 6.

DOA realizes the projected leave liability amounts are being used as current year increases. (Agencies may calculate increases based on actual current year information.) The due within one year amount calculated for the current fiscal year can be used as increases in the next fiscal year.

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Comptroller's Directive No. 2-05
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Purpose

This attachment is used to gather uniform financial reporting information for installment purchase obligations including footnote disclosures. This is similar to prior year's Attachment 6.

Applicable agencies

All agencies with installment purchases that are **not** reported on a financial statement template **must** complete this attachment.

Note: The beginning balance will automatically populate based on the agency number keyed into the **IP Worksheet Tab** of the attachment spreadsheet. In order to obtain the appropriate beginning balances, the following agencies must key the specified three-digit agency number for all related facilities/agencies:

- The Department of Corrections must aggregate central office and all facilities using 701.
- The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.
- The Supreme Court of Virginia must aggregate all agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.

Due date

August 4, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att6. For example, agency 151 should rename its Attachment 6.xls file as 151Att6.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of these excel spreadsheets.

Comptroller's Directive No. 2-05
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

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 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.

Definitions

Installment Purchases – Financing agreements to acquire assets for which *title* passes *immediately* to the agency. Financing arrangements covered by the Treasury Board Master Equipment Leasing Program are considered installment purchases.

Lease – A financing agreement in which the title may pass by the end of the lease term, or may not pass at all.

Capitalized Fixed Assets – For CAFR financial reporting purposes, capitalized assets are those assets greater than or equal to $50,000.

Controlled Fixed Assets – For CAFR financial reporting purposes, controlled assets are those assets less than $50,000.

Additional considerations

GASBS No. 34 Government-wide Financial Statements

This attachment provides information to convert the Governmental Fund Statements (modified accrual) to the Government-wide Statements (full accrual). Also, the installment purchase obligation must be reported on the following two separate line items on the Statement of Net Assets: amounts due within one year and amounts due in greater than one year.

LAS and FAACS

Agencies should ensure that installment purchases are NOT included in the Lease Accounting System (LAS) and that the fixed assets acquired through these installment purchases are properly recorded in FAACS.

Audit

For audit purposes, prepare and maintain a separate listing of assets acquired under outstanding installment purchases.

Completing "IP Worksheet" tab

The cells for this attachment have already been formatted. Type the appropriate agency number in the cell.

Step	Action
	This spreadsheet has been formatted to include the corresponding control agency number, agency name, fiscal 2004 ending CAFR balance (which represents the beginning balance), and the functional code used by the agency in fiscal 2004 for the interest and principal payments. Cells that require input are shaded in light yellow.

Continued on next page

Completing "IP Worksheet" tab, continued

Step	Action
1	• Enter the agency number. **This must be done FIRST for the spreadsheet to function properly.** • The beginning balance amount represents the agency's ending balance reported in the fiscal 2004 CAFR. **The agency cannot modify this figure.** **Note:** If a restatement of the prior balance is required, contact those listed in the **Questions** section of this directive. • Enter the amount of any new installment purchase obligations for fiscal 2005. • Enter the principal payments made in fiscal 2005 for installment purchases. • The ending balance will be computed for the agency. The agency does not have to enter this number. **This number MUST agree to the total future principal payments on the Long-term Debt Tab.**
2	**Complete the detailed information about the principal payments (or expenditures):** • The spreadsheet should have automatically included the agency number, the control agency number, and the function used in fiscal 2004. • If the function is correct, enter "Y" using the drop down list. If only one function is charged, then the entire principal amount from Step 1 is automatically entered. Record the interest amount paid in fiscal 2005 in the appropriate cell. • If the function provided is incorrect or there is more than one applicable function, then enter "N" and complete the schedule below. Enter the function using the drop down box for each cell. Enter both the principal and interest payment. Principal **MUST** agree to the total principal expenditures entered in Step 1.

Continued on next page

Completing "IP Worksheet" tab, continued

Step	Action
3	**Completing the detailed information about new installment purchases (or acquisitions):** • For the amount listed in the "new installment purchase obligations" box in Step 1, state whether **CAPITALIZED, not controlled**, assets were acquired with these new installment purchases. • State whether the agency used an "I" in the acquisition method field on FAACS for the **capitalized** assets recorded in fiscal 2005. • If acquisition method "I" was not used for installment purchases, provide a FAACS funding source (each cell contains a drop down list of FAACS funding sources), FAACS ID #, description, and amount recorded in FAACS. **Note: Providing the FAACS ID # is a new requirement for FY 2005.** • Give an explanation as to why an "I" was not used in the explanation box. **Note:** All installment purchase assets on FAACS should be marked with an "**I**" in the acquisition method field. For any installment purchase assets that do not have an "I", immediately correct the acquisition method and the funding source in FAACS.

Comptroller's Directive No. 2-05
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Completing the "Long-term Debt" tab

The cells for this attachment have already been formatted.

Enter future principal and interest payments by year for fiscal 2006 – 2010, and then in five-year increments thereafter.

Note: Soft costs should be amortized over the life of the asset and included in the payment amounts being reported. These costs entail freight and transportation charges, installation costs, site preparation expenditures, professional fees (including title costs and surveying fees if appropriate), legal costs directly attributable to asset acquisition, and cost of necessary easements and right-of-ways. (Also see CAPP Manual Topic No. 30210 for more detailed information.)

Note: **Total principal payments MUST EQUAL the ending balance on the "IP Worksheet" tab.**

Note: Enter the agency total principal shown on the MELP listing located at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." Compare to the total principal expenditures on the **Long-term Debt Tab**. Provide a detailed explanation of material variances in the space provided on the attachment**. The MELP listing for FY 2005 will be available mid-July 2005**. Please be aware that some agencies will have items in more than one location on the listing.

Function codes defined

Functional codes are the first number in every program code. For example, program code **1**031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below.

1 – Education
3 – Administration of Justice
4 – Individual and Family Services
5 – Resources and Economic Development
6 – Transportation
7 – General Government
8 – Enterprises

Comptroller's Directive No. 2-05
Attachment 7
Schedule of Inventory on Hand at June 30

Purpose

This attachment is used to gather financial information for reporting materials and supplies inventory on hand at June 30 in the CAFR. This attachment is similar to prior year's Attachment 7.

Applicable agencies

Agencies with supplies and materials exceeding $1,000,000 that are not reported in a financial statement template must complete this attachment.

Due date

August 4, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet using the agency number followed by Att7. For example, agency 151 should rename the Attachment 7.xls file as 151Att7.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel spreadsheet.

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.

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Comptroller's Directive No. 2-05
Attachment 7
Schedule of Inventory on Hand at June 30

Examples of inventory

Examples of materials and supplies inventory include office supplies, clothing for inmates or patients, and food stock.

The following items should **not** be included in inventory.

- Consigned inventory
- Audiovisual equipment
- Donated food

Control procedures

Control procedures are required regardless of materiality. If a physical count is necessary, contact DOA, as needed, for guidance and inform the agency's APA contact of inventory count dates.

Completing attachment

Instructions for completing this attachment are in the following tables.

Step	Action
1	If the agency has inventory, ensure the agency has procedures to identify, control, and safeguard inventory as follows. • Appropriate access to inventory by employees • Proper segregation of duties in the inventory process, from purchasing to distribution to users • Secure location for storing inventory • Adequate insurance coverage for inventory
2	Determine the value of inventory, either through a physical count or other acceptable means. See the following table for more details on **determining value**.
3	**The attachment is designed to only require keying in the shaded yellow cells.** Type the agency number on the first yellow cell of the attachment. After you hit enter, the agency name and prior year balance will be filled in automatically. Enter the agency contact information.
4	Complete the remainder of the attachment. Use whole numbers for all entries. The total dollar amount of inventory on hand will be automatically entered into the appropriate cell and the variance will be calculated.
5	A fluctuation analysis is required for variances greater than 10% AND $1.5 million over/under prior year amounts. If a fluctuation analysis is required, it will be indicated on the attachment after all amounts have been entered. Ensure that these variances are fully explained in the space provided.

Determining value

Use the following table to determine if a physical count is needed.

If inventories are…	Then is a physical inventory required?
1. **Not** reported in a financial statement template **and** the amount as of June 30 is expected to be greater than $1,000,000 **and all** of the following conditions exist: • A complete annual physical inventory is impractical • Maintain a perpetual inventory system • Adopted a proper technique for performing an ongoing physical inventory of all material individual items throughout the year • Adopted a statistical sampling technique to estimate the quantities of goods on hand at a particular date	No
2. **Not** reported in financial statement template **and** the amount as of June 30 is expected to be greater than $1,000,000 **and not exempted above**.	Yes

Note:

If State or Federal regulations apply to the inventory, evaluate those regulations when determining whether to perform a physical inventory count. **Donated food**, although not reported on the financial statements, must still be counted for Federal reporting purposes.

If a physical count is necessary, carefully plan the physical count, perform the count in an efficient and systematic manner, and determine the value of inventory.

Pricing methods

The agency must use a pricing methodology acceptable by generally accepted accounting principles, which requires inventories to be reported at the lower of cost or market. The most commonly used method is FIFO (first in, first out).

Inventory should be reduced to net realizable value by eliminating the value of items noted as obsolete, defective, excessive, or slow moving. Also, exclude consigned and / or donated inventory.

Adjusting entry

Most agencies record inventory items as expenditures when purchased (the purchase method).

For the CAFR, inventories are reported using the consumption method. This method requires that inventory items used in operations be reported as assets when acquired and recognized as expenditures when used.

To properly record inventory and expenditures, the following adjustment is usually necessary.

Debit: Inventory	XX	
Credit: Expenditures		XX

Comptroller's Directive No. 2-05
Attachment 8
Governmental Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for governmental funds. This attachment is similar to prior year's Attachment 8.

Applicable agencies

This attachment is applicable to all agencies with governmental funds specified on pages 10-12 in the **Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date

August 18, 2005

Submission requirements

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

A separate template must be completed for each governmental fund specified in the Directive. After downloading the files, rename the spreadsheet file using the agency number followed by Att8-Fund Number. For example, if agency 151 has two special revenue funds, two debt service funds, and one permanent fund, five attachments will be submitted. The attachments will be renamed as follows:
Special revenue funds, 151Att8-SR1.xls and 151Att8-SR2.xls;
Debt service funds, 151Att8-DS1.xls and 151Att8-DS2.xls; and
Permanent funds, 151Att8-PM1.xls

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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 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.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) have changed for fiscal year 2005 due to the implementation of GASBS No. 40. Refer to **Attachment 20, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.
3. Ensure that all footnote tabs applicable to the data entered on the statements are completed. Complete **Tab 4 – Miscellaneous Tab** for **all funds**.
4. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.
5. Each template requires completion of a fluctuation analysis of prior year and current year financial statement template balances. Key the prior year modified accrual basis financial statement template amounts into the appropriate column on **Tab 9—Fluctuation Analysis**. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates**, **Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variance that requires an explanation.
6. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template.
7. Contact those listed in the **Questions** section of this Directive if additional guidance is required.

Comptroller's Directive No. 2-05
Attachment 9
Enterprise Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for enterprise funds.

Applicable agencies

This attachment is applicable to all agencies with enterprise funds specified on pages 10-12 in the **Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date

August 18, 2005

Submission requirements

After downloading the file, rename the spreadsheet file using the agency number followed by the enterprise fund name followed by Att9. For example, the Department of General Service's (agency 194) Consolidated Laboratories fund, should rename its Attachment 9.xls file as 194Consolidated LabsAtt9.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Attachment revisions

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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.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.

2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) have changed for fiscal year 2005 due to the implementation of GASBS No. 40. Refer to **Attachment 20, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.

3. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete **Tab 6 – Commitments Tab**, **Tab 7 – Miscellaneous Tab**, and the **Enterprise Fund Conversion Tab**.

4. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.

5. Each template will require a fluctuation analysis of prior year and current year balances per the templates. DOA has included fiscal 2004 amounts in this template for comparison purposes. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variance that requires an explanation.

6. Provide explanations for fluctuation analysis in a Microsoft Word document and submit with the template.

7. Contact those listed in the **Questions** section of this Directive if additional guidance is required.

Comptroller's Directive No. 2-05
Attachment 10
Internal Service Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for internal service funds. This attachment is similar to prior year's Attachment 10.

Applicable agencies

The following internal service funds have been identified for fiscal 2005.

Department of General Services:

- Consolidated Laboratory Water Testing
- Engineering Services
- Federal Surplus Property
- Fleet Management
- Graphic Communications
- Maintenance & Repair
- Property Disposal Service
- State Surplus Property
- Virginia Distribution Center

Department of Human Resources Management:

- Workers' Compensation
- Health Insurance Fund

Department of Treasury:

- Risk Management

Virginia Correctional Enterprises

Virginia Information Technologies Agency:

- All internal service funds

Note: In fiscal 2004, there was a separate attachment for each internal service fund. For fiscal 2005 there is only one attachment for all funds. When the attachment is opened and the internal service fund is selected on the "internal service template" tab, prior year amounts will automatically populate.

Due date

August 18, 2005

Submission requirements

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

After downloading the file, rename the spreadsheet file using the agency number followed by the internal service acronym followed by Att10. For example, the Department of General Service's (agency 194) Fleet Management fund, should rename its Attachment 10.xls file as DGS-Fleet Management-Att10.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Attachment revisions

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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.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.

2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) have changed for fiscal year 2005 due to the implementation of GASBS No. 40. Refer to **Attachment 20, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.

3. Due from Other State Agencies must agree to "Part 1 - Internal" worksheet at **Attachment 17 - Internal Service Funds - Conversion to Government-wide Statement of Activities**. All other receivables from component units, higher education agencies, or other agencies not listed on that worksheet may be placed into Accounts Receivable.

4. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete **Tab 6 – Commitments** and **Tab 7 – Miscellaneous** All Internal Service Fund agencies must also complete Attachment 17, Internal Service Fund – Conversion to Governmental-wide Statement of Activities.

5. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.

Continued on next page

General information, continued

6. Each template will require a fluctuation analysis from prior year's template. The FY 2004 amounts will automatically be populated when the internal service fund selects its fund from the drop down list on the "Internal Service Template" tab. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates**, **Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variances that require explanation.

7. Provide explanations for fluctuation analysis in a Microsoft Word document and submit with the template.

8. Contact those listed in the **Questions** section of this Directive if additional guidance is required.

Comptroller's Directive No. 2-05
Attachment 11
Private-purpose Trust Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for private-purpose funds. This attachment is similar to prior year's Attachment 11.

Applicable agencies

This attachment is applicable to all agencies with private-purpose funds specified on pages 10-12 in the **Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date

August 18, 2005

Submission requirements

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

A separate template must be completed for each Private-purpose fund specified in the Directive. After downloading the files, rename the spreadsheet file using the agency number followed by Att11-Fund Number. For example, if agency 151 has two private-purpose funds, two attachments will be submitted. The attachments will be renamed as 151Att11-PP1.xls and ,151Att11-PP2.xls

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Attachment revisions

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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.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data.
2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) have changed for fiscal year 2005 due to the implementation of GASBS No. 40. Refer to **Attachment 20, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.
3. Ensure that all footnote tabs applicable to the data entered on the statements are completed. All funds must complete **Tab 3 – Miscellaneous**.
4. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.
5. Each template requires completion of a fluctuation analysis of prior year and current year balances. The prior year amounts on **Tab 6 – Fluctuation Analysis** will automatically populate based on the fund name selected on the template. Each agency should review the Directive section entitled **Additional Guidelines for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates, Fluctuation Analysis Guidelines and Materiality Scopes** to determine the dollar and percentage variance that requires an explanation.
6. Provide explanations for the fluctuation analysis in a Microsoft Word document and submit with the template.
7. Contact those listed in the **Questions** section of this Directive if additional guidance is required.

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Comptroller's Directive No. 2-05
Attachment 12
Agency Fund Financial Statement Template

Purpose

This attachment is used to obtain the financial statement and footnote information for agency funds. This attachment is similar to prior year's Attachment 12.

Applicable agencies

This attachment is applicable to all agencies with agency funds specified on pages 10-12 in the **Preparation of GAAP Basis (GASBS No. 34) Financial Statement Templates (Attachments 8-12)** section of this Directive.

Due date

August 18, 2005

Submission requirements

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

A separate template must be completed for each agency fund specified in the Directive. After downloading the files, rename the spreadsheet file using the agency number followed by Att12-Fund Number. For example, if agency 151 has three agency funds, three attachments will be submitted. The attachments will be renamed as 151Att12-AF1.xls, 151Att12-AF2.xls, and 151Att12-AF3.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Attachment revisions

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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.

General information

1. The templates include numerous features, including automated comments and validation messages, to assist in the preparation and review of financial data. Prior year ending balances will also automatically populate based on the agency fund selected from the drop down list.

2. Cash, cash equivalent, and investment footnotes (tabs 1A, 1B, & 1C) have changed for fiscal year 2005 due to the implementation of GASBS No. 40. Refer to **Attachment 20, Cash, Cash Equivalents, and Investments at June 30** for guidance on completing these tabs.

3. Ensure that all spreadsheet tabs applicable to the data entered on the template are completed.

4. Refer to the **GASBS No. 33 – Nonexchange Transactions Overview**, **GASBS No. 34 – Financial Reporting Model Overview**, and **Additional Guidance for Preparation of GAAP Basis (GASBS No. 34) Fund Financial Statement Templates** sections of this Directive for additional preparation guidance.

5. Contact those listed in the **Questions** section of this Directive if additional guidance is required.

Comptroller's Directive No. 2-05
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Purpose

To obtain information on capital assets recorded in fund 1500 on FAACS and CARS as follows:

- Provide a fluctuation analysis for each general ledger account recorded in Fund 1500. This analysis includes acquisition and disposal amounts and CIP reclassifications. (Part 1)
- Information regarding disposal of capital assets including whether any capital assets were traded in on new capital assets and revenue source codes used in CARS to record the proceeds from the sale / disposal of capital assets. (Part 2)
- Comparison between expenditure amounts recorded in CARS for program 998, Capital Outlay Projects, and the current year acquisitions recorded in FAACS for Construction in Progress (CIP). (Part 3)
- Detail of CIP additions, CIP deductions, and the corresponding increases to other asset categories that resulted from CIP deductions. (Part 4)
- Certification regarding inventory of capital assets. (Part 5)

This attachment is similar to prior year's Attachment 13.

Applicable agencies

Agencies that account for capital assets in Fund 1500 on FAACS and CARS.

Exemptions: The following agencies provide financial statement template or supplemental information and do not need to submit this attachment.

- Virginia Correctional Enterprises
- Department of Mines, Minerals and Energy
- Department of Environmental Quality
- Department of Medical Assistance Services
- Virginia Employment Commission
- Department of Transportation
- Department of Rail and Public Transportation
- Virginia Information Technologies Agency
- Woodrow Wilson Rehabilitation Center

Due date

August 18, 2005

Comptroller's Directive No. 2-05
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Questions?

Please direct all questions regarding this attachment to:

Jamie Motley
Assistant Director,
Financial Reporting

Phone: (804) 225-2646
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Department of Accounts
P. O. Box 1971
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Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att13. For example, agency 151 should rename its Attachment 13.xls file as 151Att13.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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 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.

Comptroller's Directive No. 2-05
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Materiality

Explain variances that are greater than or equal to 10% of the difference between the fiscal year 2004 and fiscal year 2005 GLA amounts **AND** $1,000,000.

Completing Part 1

Part 1 contains the format for the fluctuation analysis. Information should be obtained from the FAC 736 / 767 reports.

Note: **Round all amounts to the nearest dollar**.

Step	Action
1	Each agency should click on the down arrow in the "Control Agency" column. Scroll to the appropriate agency and click on it. Most agencies and control agencies are the same; however, there are some agencies (e.g. Mental Health, Corrections) that control numerous agencies. Performing this step will allow only the applicable agency or agencies to display. All other agencies will be hidden by Excel.
2	In the "Beginning Balance" column, record the amount on the FAC 736 / 767 reports as of July 1, 2004 for each category (i.e., Land, Buildings, Infrastructure, Equipment, Construction in Progress, and Accumulated Depreciation for Buildings, Infrastructure and Equipment). If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.
3	Record acquisitions of capital assets. **Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP**. This activity will be reported in Step 5. **Note**: The project number, description and amount of additions to CIP should be documented on the **CIP Analysis tab – Part 4**.
4	Record the deductions of capital assets. **These amounts should be recorded as a negative.** Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP. This amount will be reported in Step 5.

Continued on next page

Completing Part 1 (continued)

Step	Action
5	Record the amount that represents CIP completed and added to another category. The CIP decrease should be recorded as a negative and the increase in the other category should be a positive. These amounts should net to zero. **Note**: Provide the FAACS ID number, tag numbers and descriptions of additions to capital assets (buildings / infrastructure) that are a result of decreases to CIP in the **CIP Analysis tab – Part 4**. If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.
6	This column has formulas. Agree amounts to the FAC 736 / 767 reports as of June 30, 2005, for fund 1500 by GLA. For amounts that do not agree, recheck amounts and formulas.
7 – 9	Identify GLAs with material variances. Use the materiality level set in the materiality section on page 3 of these Instructions. Review changes for each asset category separately. Consider increases and decreases separately when analyzing the changes. To help, use the following guidelines: • **Land, Buildings, or Infrastructure (formerly Improvements)**: Identify the tract of land, building, or infrastructure for material changes. • **Construction in Progress (CIP)**: Identify the project code for material changes. • **Equipment:** Provide a general description of changes. Record "No" for immaterial variances.

Completing Part 2

This questionnaire is to analyze information for GASBS No. 34 and to document that ending balances on the fluctuation analysis (part 1) agree to FAACS.

Step	Action
1	If ending balances on the fluctuation analysis (part 1, step 6) do not agree to the FAC 736 / 767 reports as of June 30, 2005, or the amounts are not correct, explain the differences.

Continued on next page

Completing Part 2, continued

Step	Action
2	**Sale / Disposal of Capital Assets** For the sale / disposal of capital assets, were there any sales / disposals of capital assets with a historical cost > $50,000 for fiscal year 2005? If yes, provide asset and coding information required in the table provided.
3	**Trade-ins** State whether there **were any** disposals of capital assets during fiscal year ended June 30, 2005, that were for trade-ins on new capital assets. If there are, complete the table. On the left side state the asset that was traded-in, and on the right state the corresponding asset that was purchased.

Completing Part 3

This questionnaire is to analyze the amounts reported for Construction in Progress.

Step	Action
1a 1b	**Additions – Construction in Progress (CIP)** • Enter the amount recorded on CARS as expenditures for program code 998, Capital projects, for fiscal year ended June 30, 2005. This amount can be obtained from the CARS 1408A2 Report (Statement of Appropriations, Allotments, and Expenditures – Non Operating). • Enter the amount included in the expenditure total that represents maintenance reserve expenditures, if any, that will not be capitalized as CIP. **This amount should be recorded as a negative.** • Enter the amount of expenditures, if any, recorded in a program other than 998 that should be recorded as CIP. • Enter the amount of current year additions (included in part 1, step 3) recorded in FAACS for CIP. • Explain differences in these amounts.

Continued on next page

Completing Part 3, continued

Step	Action
2	**Correcting CIP Beginning Balance, Additions, Deductions, and Ending Balances** If a difference was noted in Step 1 or the amounts recorded in FAACS for CIP are not correct enter the correct balances. • CIP Beginning Balance – this amount should include prior year expenditures that are recorded in FAACS in the current year. • CIP Additions – this amount should be based on current year expenditures that will eventually be reported as a capital asset. • CIP Deductions – this amount should relate to corresponding increases in another asset category.

Completing Part 4

This questionnaire is to report the details related to increases reported for Construction in Progress.

- The total increases reported in Part 4 should agree to the amount reported for CIP Additions in Part 3, Question 2.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the increase for each item.

Completing Part 5

This questionnaire is to report the details related to decreases reported for Construction in Progress.

- The total decreases reported in Part 5 should agree to the amount reported for CIP Deductions in Part 3, Question 2.
- The total increases to Building and Infrastructure in Part 5 should agree to the amount reported in Part 1, Step 5 for Building and Infrastructure.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the decrease for each item.

Completing Part 6

This questionnaire is to analyze inventory and fully depreciated assets.

Action
Answer the following questions. a) Has the agency completed an inventory of capital assets in fiscal 2005? If no, then state the year the last inventory was completed. b) When will the next inventory of capital assets be completed? For certification purposes, type the name, title, phone number, and E-mail address of the agency representative who ensures such an inventory has been conducted. **Note**: If the agency has a fully depreciated asset in FAACS that is no longer in use, reclassify it as a surplus item on the FAACS system. c) Provide a description of the useful life methodology that has been developed.

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Comptroller's Directive No. 2-05
Attachment 13A
Capital Assets Transferred to Virginia Information Technologies Agency

Purpose

To obtain information on capital assets transferred to Virginia Information Technologies Agency (VITA) during FY 2005 and to ensure capital assets are not double counted in the Comprehensive Annual Financial Report (CAFR).

Applicable agencies

All agencies must submit Attachment 13A to DOA to certify **whether or not** the agency transferred assets to VITA during fiscal year 2005.

Exemptions: VITA does not need to submit this attachment. The Department of Accounts will request capital asset information on assets received by VITA in a separate communication.

Items of interest

- ONLY capital assets transferred to VITA should be listed on this attachment. Other asset disposals should be reported on Attachment 13.
- Capital assets generally include any asset greater than or equal to $5,000. Any agency that has a lower capitalization threshold should use the lower threshold to complete this attachment.
- Controlled assets (assets generally less than $5,000) should not be included.
- Agencies that prepare financial statements or submit financial statement templates must complete this attachment and must include any loss related to asset transfers to VITA in their financial statements/templates.
- Additional rows may be inserted in the Assets Transferred to VITA spreadsheet if the number of rows provided is not adequate.

Due date

August 18, 2005

Comptroller's Directive No. 2-05
Attachment 13A
Capital Assets Transferred to Virginia Information Technologies Agency

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Questions?

Please direct all questions regarding this attachment to:

Jamie Motley
Assistant Director,
Financial Reporting

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E-mail:
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P. O. Box 1971
Richmond, VA 23218-1971

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att13A. For example, agency 151 should rename its Attachment 13A.xls file as 151Att13A.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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.**

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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.

Comptroller's Directive No. 2-05
Attachment 13A
Capital Assets Transferred to Virginia Information Technologies Agency

Completing Assets Transferred to VITA worksheet

The Assets Transferred to VITA worksheet determines whether the agency transferred capital assets to VITA during FY 2005.

- If "No," is selected the agency must complete the contact information and return the file to DOA.
- If "Yes," is selected the agency should complete the detailed capital asset information by following the steps below.

NOTE: Agencies that have already accumulated the information required in this attachment in an excel spreadsheet may submit that spreadsheet. Additionally, agencies may use the download capability of FAACS to help accumulate this information.

Step	Action
1	Select the agency number from the drop down list for each asset that was transferred to VITA. If the agency uses FAACS this should be the agency number the asset is recorded under on FAACS. (This is necessary because some agencies are control agencies that control numerous agencies).
2	Record the date of transfer/disposal for each asset. This should be the date of disposal recorded in FAACS.
3	Record the description of the asset.
4	Record the FAACS ID number for each asset. If the agency does not use FAACS put N/A in this field and go to Step 5.
5	Record the serial number for each asset whether the agency uses FAACS or another fixed asset system.
6	Record the original cost/funding amount for each asset per FAACS or other fixed asset system.
7	Record the accumulated depreciation for each asset per FAACS or other fixed asset system.

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Comptroller's Directive No. 2-05
Attachment 14
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 OMB Circular A-133.

This attachment is similar to prior year Attachment 20.

Applicable agencies and requirements

All agencies must submit the Attachment file to DOA to certify **whether or not** the agency received or disbursed Federal funds in FY 2005. **Each agency must report its DUNS number as well as its EIN number on the Attachment file. This is a new requirement. DUNS number information is available at www.smallbusiness.dnb.com**. Contact Rob Meinhard at (804) 371-7807 or by E-mail at rob.meinhard@doa.virginia.gov if you have questions.

If the agency received or disbursed Federal funds in FY 2005, the agency is **REQUIRED TO USE** the templates in the files listed below.

- Template – used to prepare the applicable federal schedules
- Footnotes – used to prepare the applicable federal footnotes
- Reconciliation – used to reconcile the Schedule of Expenditures of Federal Awards to CARS and, if applicable, the financial statement template.

Exception: Legislative branch agencies only need to complete the Attachment file certifying whether or not the agency received or disbursed Federal funds in FY 2005. No additional information is required.

Due date

August 18, 2005

Submission requirements/ templates

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

After downloading the files, rename the files using the agency number followed by the identifying file name. For example, agency 151 should rename the Attachment file, Template file, Footnote file, and Reconciliation file as follows:

Note: **DO NOT** rename the tab names in the excel files.

151Att14.doc (Attachment File)
151federal schedules.xls (Template File)
151footnote.xls (Footnote File)
151recon.xls (Reconciliation File)

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

Submit the files electronically to finrept@doa.virginia.gov.

Copy the APA via E-mail to: APAFinRept@apa.virginia.gov.

Do not submit paper copies of the attachment.

Attachment revisions

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 Questions section below for contact information.

Resolution of prior year findings

Agencies will be required to submit information regarding resolution of prior year audit comments to the Comptroller. Specific reporting requirements and due dates will be forthcoming. Direct questions to Rob Meinhard, State Accounts Receivable Coordinator, at (804) 371-7807 or E-mail at **rob.meinhard@doa.virginia.gov**.

Questions

If the agency has any further questions about preparing the Federal schedules, contact Penny Williams, Indirect Cost Coordinator, at (804) 225-3804 or E-mail at **penny.williams@doa.virginia.gov**.

Comptroller's Directive No. 2-05
Attachment 14
Federal Schedules

Federal schedules.xls template

The federal schedules.xls workbook includes five tabs with each tab representing a different federal schedule within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to a specific federal schedule. An overview of the five tabs and what should be reported on each tab is discussed in the next section.

Note: The Other Assistance tab has been eliminated. Amounts related to unknown CFDA numbers were reported on this tab in prior years. Agencies are now required to report amounts related to unknown CFDA numbers on the appropriate tab(s).

Overview of federal schedules

All expenditures made from funds received directly from the Federal Government and federal expenditures/disbursements reported on all other tabs (except for the expenditures reported on the RECEIVED FROM NONSTATE tab) 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**.

Therefore, 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 agency. 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 5)** 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. THIS IS A CHANGE FROM THE PRIOR YEAR.**

Continued on next page

Overview of federal schedules (continued)

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**.

4. DISBURSED TO NONSTATE tab – pass-through funds disbursed to non-state entities (**See definition of Non-state entities on page 5)** 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 agency/institution, **except for expenditures reported on the RECEIVED FROM NONSTATE tab**, should be included on this tab.

Important Items-General

- Use the **cash basis** of accounting.
- The spreadsheets in the federal schedules.xls, recon.xls, and foot.xls 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.
- If N/A appears in any cell you have keyed, you have entered invalid data and you should recheck what has been keyed.

Important Items-Federal schedules template

- 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 E-mail 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" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.

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Important Items-Federal schedules template (continued)

- Use "@" to indicate research and development (R & D) expenditures on any spreadsheet tab applicable. CFDA numbers that have **both** R & D expenditures and expenditures other than R & D should be listed on the appropriate tab two times: once **with** the "@" to identify the R & D expenditures, and once **without** the "@" to identify the expenditures other than R & D.
- Running totals are located on each spreadsheet tab.
- Do not use "-"(dashes) to represent $0.00. You must use the number "0".
- Do not leave blank rows between rows of information within the spreadsheets when keying in data.
- 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, institutes, 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 Entities** and/or **Received from Non-state Entities** tabs.
- 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.
- Combine grant expenditures and program income expenditures to report the total expenditures for each Catalog of Federal Domestic Assistance (CFDA) number.
- 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. (Nonmonetary disbursements and ending inventory should be identified in the **Footnote Schedules**.)
- Use the hard copy or on-line (**www.cfda.gov**) version of the Catalog to verify the CFDA numbers and program names.

Continued on next page

Important Items-Federal schedules template (continued)

- **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.
- OMB Circular A-133 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.

Important Items-Pass-through schedules

Do not include payments to vendors under contract for the purchase of goods and services on the pass-through schedules.

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

A **subrecipient** is "any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or Local government, but does not include an individual that is a beneficiary of such a program."

Consider the following characteristics to identify a subrecipient or vendor relationship.

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Important Items-Pass-through schedules (continued)

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.

VENDOR

- 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 agency 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 will be required to explain these variances IN WRITING by a due date to be determined in future communications.**

Important Items- Reporting loan programs

Report loan programs using criteria in the following table.

If the loan program is…	Then Federal Expenditures should be…
Campus based loan program (Perkins - #84.038, Health Professions Loans - #93.342, Nursing Student Loans - #93.364)	Loans receivable balances at year-end plus any administrative costs recovered.
Non-campus based loan program (Federal Family Education Loans - #84.032, Federal Direct Student Loans - #84.268, and #93.108 – Health Education Assistance Loans)	Value of loans disbursed during the fiscal year. Be sure to include subsidized and non-subsidized loan balances. Include PLUS loan balances if the university is the eligible lender (instead of the bank).
College Facilities Loan (#84.142)	Outstanding balances of loans payable at year-end.
Capitalization Grants for State Revolving Funds (#66.458) and Capitalization Grants for Drinking Water State Revolving Fund (#66.468)	Distributions to the Virginia Resources Authority for subsequent disbursements to subrecipients and administrative costs recovered.
Economic Adjustment Assistance Program (#11.307)	Cash on hand and outstanding balance of loans receivable from subrecipients at year-end.

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

The **Received from State tab** identifies Federal assistance disbursed from other State agencies / institutions and received by the agency in a subrecipient relationship. The Federal assistance is listed by CFDA number and by State grantor agency / institution. **The Other Assistance tab has been eliminated. 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 agency number in cell B2 (the first yellow highlighted cell). After you type in the agency number, hit enter and your agency name should appear in cell B1, the cell directly above agency number. The agency number and title are linked to the remaining tabs. Make sure your agency number 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 agency beginning on line 8. **Fill in one line for each grantor agency/institution and CFDA.** When you hit enter, your agency number should appear in Column A, and the grantor state agency name should appear in Column C. Please ensure that the correct agency names appear to ensure you have keyed the correct agency 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.

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Preparing the federal schedules.xls 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	**A column titled "Program Name - Unidentified CFDA Number" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.

Preparing the federal schedules.xls template; RECEIVED FROM NONSTATE tab

The **Received from Nonstate tab** identifies Federal assistance disbursed from non-state entities and received by the agency 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 5 for the definition of non-state entities.) The Federal receipts and disbursements are listed by CFDA number **and** by non-state entity name. **The Other Assistance tab has been eliminated. 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.**

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.

Step	Action
1	**Click on the RECEIVED FROM NONSTATE tab.** Do not enter the agency number and name. This information is linked to the **RECEIVED FROM STATE** tab. ONLY include federal money received by your agency from a non-state entity on this tab. **The Federal Government is not a non-state entity.**

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

Step	Action
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. Your agency number 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.
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**.
6	**A column titled "Program Name - Unidentified CFDA Number" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.

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

The **Disbursed to State tab** identifies Federal assistance disbursed from the agency to subrecipient State agencies / institutions. The Federal disbursements are listed by CFDA number and by State receiving agency / institution. **The Other Assistance tab has been eliminated. 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.**

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

Step	Action
1	Click on the DISBURSED TO STATE tab. Do not enter the agency number and name. This information is linked to the **RECEIVED FROM STATE** tab**. ONLY include federal money disbursed from your agency 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 agency disbursed Federal pass-through funds beginning on line 8. **Fill in one line for each grantor agency/institution and CFDA.** When you hit enter, your agency number should appear in Column A, and the subrecipient state agency name should appear in Column C. Please ensure that the correct agency names appear to ensure you have keyed the correct agency 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 E to indicate R & D 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

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

Step	Action
5	**A column titled "Program Name - Unidentified CFDA Number" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.

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

The **Disbursed to Non-state tab** identifies Federal assistance disbursed from the agency to subrecipient non-state entities. (See page 5 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. **The Other Assistance tab has been eliminated. 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.**

Instructions for preparing the **Disbursed to Non-state Entities tab** are in the following table.

Step	Action
1	Click on the DISBURSED TO NONSTATE tab. Do not enter the agency number and name. This information is linked to the **RECEIVED FROM STATE** tab**. ONLY include federal money disbursed from your agency to a non-state entity on this tab.**
2	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. Your agency number 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. 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 E to indicate R & D expenditures.

Continued on next page

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

Step	Action
3	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**.
4	**A column titled "Program Name - Unidentified CFDA Number" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.

Preparing the federal schedules.xls template; SEFA tab

The **SEFA tab** should include all federal expenditures/disbursements, except for the expenditures/disbursements reported on the **RECEIVED FROM NONSTATE tab.** **The Other Assistance tab has been eliminated. 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 agency 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. Your agency number should automatically appear in Column A. The appropriate Federal grantor agency 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 "@" to indicate R & D expenditures.

Continued on next page

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

Step	Action
3	Report all Federal disbursements in Column F, **EXCEPT** expenditures/disbursements reported on the **RECEIVED FROM NONSTATE tab**.
4	**A column titled "Program Name - Unidentified CFDA Number" has been added to each tab in the Federal Schedules.xls file. Enter the program name (if known) in the new column if N/A appears in the program name column when the known and verified CFDA number is entered**.
5	Ensure the Federal program name is consistent throughout all applicable worksheets. If the name is unknown, use Other Assistance as the program name.

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footnote.xls template
(footnote file)

The following **Footnote Schedules** must be completed by the agencies listed.

Ensure applicable footnote totals agree to the sum of the amounts reported on the **SEFA** tab and the **RECEIVED FROM NONSTATE** tab for the applicable CFDA number. For example, the sum of the nonmonetary federal disbursement amount and the monetary federal disbursement amount reported in the Food Distributions Program footnote should agree to the sum of the amounts reported on the **SEFA** tab and the **RECEIVED FROM NONSTATE** tab for the applicable CFDA number.

Childhood Immunization Grants footnote**:**

- Department of Health

Donation of Federal Surplus Personal Property footnote**:**

- Department of General Services

Emergency Unemployment Benefits footnote**:**

- Virginia Employment Commission

Food Distribution Programs footnote**:**

- Department of Agriculture and Consumer Services
- Department of Corrections
- Department of Juvenile Justice
- Department of Mental Health, Mental Retardation, and Substance Abuse Services
- Virginia School for the Deaf and the Blind – Hampton
- Virginia School for the Deaf and the Blind – Staunton

Food Stamps footnote**:**

- Department of Social Services

If the footnote file does not pertain to your agency please do not submit a blank file. If the agency received or disbursed nonmonetary assistance in FY 2005 and is not listed above, call Penny Williams at DOA at (804) 225-3804 or E-mail at **penny.williams@doa.virginia.gov**.The footnote.xls workbook includes 5 tabs with each tab representing a footnote within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to a specific footnote.

Reconciliation of the Schedule of Expenditures of Federal Awards

The recon.xls workbook includes 2 tabs with each tab representing a worksheet within the workbook. The tabs are located at the bottom of the screen. Clicking once on the desired tab will allow you to get to an individual worksheet. The reconciliation schedules and tab names are listed below.

Reconciliation Schedules	Tab-name
System (CARS) Reconciliation	SYSTEM tab
Financial Statement Template Reconciliation	F/S Template tab

The **Reconciliation of the Schedule of Expenditures of Federal Awards** reconciles the expenditures reported on the **SEFA tab** plus the expenditures reported on the **Received from Nonstate tab** to the amount of Federal expenditures recorded on the accounting system, which is CARS for most agencies.

If this Directive requires the agency to submit a **financial statement template**, the agency must also prepare a formal reconciliation of the **Schedule of Expenditures of Federal Awards** to the amount reported on the financial statement template.

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

Preparing the recon.xls template for accounting system

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to the accounting system (CARS) are in the following table.

Step	Action
1	Select the SYSTEM worksheet in the recon.xls file.
2	Enter the agency number, contact information, and date completed in the applicable cells highlighted in yellow.
3	The agency name will automatically be entered in cell C2 once the agency number has been entered in cell C1.
4	In cell E11, enter the total Federal Expenditures amount as reported on the **SEFA tab.**
5	In cell E12, enter the total Federal Expenditures amount as reported on the **Received from Nonstate tab.**
6	Use the CARS 402 Option B1 report to enter the following information in Column E for **Fund 1000**: • Expenditures (GLA 901) on line 17 • Expenditure Refunds (GLA 902) on line 18 • Pass-Through Transfers Out (GLA 989) on line 19 **Do not add or delete any line items in this CARS section.** Instead, any additional items should be listed in the reconciling items section. Examples include the following: • Federal expenditures recorded in funds other than Fund 1000. Any other CARS amounts, such as Transfers Out.
7	The difference between the expenditures as reported on the **SEFA tab plus the expenditures reported on the Received from Nonstate tab** and the expenditures in CARS will be calculated on line 23. **This difference should be completely reconciled before submission to DOA.**
8	Begin reconciling items on line 26.

Continued on next page

Preparing the recon.xls template for accounting system (continued)

Step	Action
9	Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples: Cash Transfers Out (GLA 983) – expenditures not error corrections $XXX Nonmonetary disbursements $XXX Indirect Costs (GLA 975) $XXX Federal expenditures recorded in Fund 09XX instead of Fund 1000 $XXX (The agency may or may not have the reconciling items listed above.)
10	The sum of the reconciling items must equal the difference between the expenditures on the **SEFA tab** plus the expenditures on the **Received from Nonstate tab** and the expenditures in CARS (line 23). **If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations.**
11	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 agency for potential APA review.

Preparing the recon.xls template for financial statement template

Instructions for preparing the **Reconciliation of the Schedule of Expenditures of Federal Awards** to the financial statement template are in the following table. ***(Perform this reconciliation only if this Directive requires the agency to submit financial statement templates.)***

Step	Action
1	Select the F/S Template worksheet in the recon.xls file.
2	Enter the agency number, contact information and the date completed in the applicable cells highlighted in yellow.
3	The agency name will automatically be entered in cell C2 once the agency number has been entered in cell C1.
4	In cell E12, enter the total Federal Expenditures amount as reported on the **SEFA tab.**
5	In cell E13, enter the total Federal Expenditures amount as reported on the **Received from Nonstate tab.**
6	List the total Federal expenditures per the financial statement template by entering the following information: • Financial statement template line item name in cell B18. • Total Federal expenditures as reported on the financial statement template line item in cell E18.
7	The difference between the expenditures as reported on the **SEFA tab plus the expenditures as reported on the Received from Nonstate tab** and the expenditures in the financial statement template will be calculated in cell E21. **This difference should be completely reconciled before submission to DOA.**
8	Begin reconciling items on line 25.

Continued on next page

Preparing the recon.xls template for financial statement template (continued)

Step	Action
9	Enter a brief description for each reconciling item in Column A. Enter the dollar amount in Column E. See the following examples: Cash Transfers Out (GLA 983) – expenditures not error corrections $XXX Nonmonetary disbursements $XXX Indirect Costs (GLA 975) $XXX Federal expenditures recorded in Fund 09XX instead of Fund 1000 $XXX (The agency may or may not have the reconciling items listed above.)
10	The sum of the reconciling items must equal the difference between the expenditures on the **SEFA tab** plus the expenditures on the **Received from Nonstate tab** and the expenditures in the financial statement template (cell E21). **If these amounts do not equal, further investigation is required because DOA will not accept incomplete or improper reconciliations**.
11	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 agency for potential APA review.

Comptroller's Directive No. 2-05
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Purpose

The purpose of this attachment is as follows:

- Identify ALL **expenditures** (general ledger accounts 901 / 902), **including** federal expenditures, recorded on CARS for nonexchange transactions that do not meet the recognition requirements as defined in GASBS No. 33 and must be reclassified as an **advance.**

- Identify **revenue** (general ledger accounts 961 / 962), **excluding** federal revenue, recorded on CARS for nonexchange transactions that does not meet the recognition requirements as defined in GASBS No. 33 / GASBS No. 36 and must be reclassified as a **deferred revenue**. The federal revenue is analyzed in Attachment 22.

- Identify GASBS No. 33 transactions not recognized because they were not measurable.

Refer to GASBS No. 33, GASBS No. 36 and the **GASBS No. 33 Nonexchange Transactions Overview** section in this Directive for nonexchange reporting requirements and examples.

This attachment is similar to prior year's Attachment 15.

Applicable agencies

All agencies with revenues and expenditures on CARS for those funds that are not included in the agency submitted financial statement templates.

Due date

August 18, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att15. For example, agency 151 should rename its Attachment 15.xls file as 151Att15.xls.

Submit these spreadsheets electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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 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.

Comptroller's Directive No. 2-05
Attachment 15
GASBS No. 33 Expenditure and Revenue Analysis

Spreadsheet instructions – Part 1

This spreadsheet has each State agency excluding State agencies that are discrete component units (i.e. higher education institutions) and State agencies that prepare financial statement templates for all funds recorded on CARS for their agency. The spreadsheet is sorted by control agency and then by agency code. **Each control agency must complete this spreadsheet for all agencies under its control.**

Step	Action
-	Record the contact information.
1	Click on the control agency number. This will show only the agencies under that control agency number. Contact DOA if you find an agency # missing. Note: If the agency cannot click on the control agency number using the drop down arrow, then scroll down to the control agency number. The agency may be running an earlier version of Windows which may not allow the agency to use the drop down arrow when the worksheet is locked.
2	For each agency # that is under the control agency #, **including federal funds**, analyze all **nonexchange expenditure / expenditure refund** (GLA 901 / 902) transactions recorded on CARS for fiscal year ended June 30 for all funds excluding funds that are reported in agency submitted financial statement templates and determine the following: • Did the agency record any expenditures (GLA 901) net of any related expenditure refunds (GLA 902) on CARS for the fiscal year ended June 30 that do not meet the expenditure recognition requirements defined in GASBS No. 33 and that must be reclassified as an Advance? • Enter "Yes" or "No" If **yes**, agencies must **complete Part 2**.

Continued on next page

Spreadsheet instructions – Part 1, continued

Step	Action
3	For each agency # that is under the control agency #, **excluding federal funds**, analyze all **nonexchange revenue / revenue refund** (GLA 961 / 962) transactions recorded on CARS for fiscal year ended June 30 for all funds excluding funds that are reported in the agency submitted financial statement templates and determine the following: • Excluding federal funds, did the agency record any revenues (GLA 961) net of any related revenue refunds (GLA 962) on CARS for the fiscal year ended June 30 that do not meet the revenue recognition requirements defined in GASBS No. 33 / GASBS No. 36 and that must be reclassified as deferred revenue? • Enter "Yes" or "No" If **yes,** agencies must **complete Part 3**. *Note: Federal fund revenue activity is analyzed in Attachment 22. Federal funds are identified in CARS as follows. Agency — Fund / Fund Detail **All** — **1000** 132 — 0701 140 — 0701 182 — 0701, 0721, 0724, 0725 301 — 0710, 0725, 1088 325 — 0701 409 — 1088 440 — 0964 501 — 0401 505 — 0401 601 — 0925 and 0945
4	For all net revenue and net expenditure nonexchange transactions, were there any GASBS No. 33 transactions not recognized because they were not measurable (see GASBS No. 33, paragraph 11)? • Enter "Yes" or "No" • If yes, provide a description of the transactions in the space provided.

Spreadsheet instructions – Part 2

Including federal funds, in order to identify the net expenditures (GLA 901 / 902) recorded on CARS as of June 30 that must be reclassified, follow these instructions.

This spreadsheet must be completed for each agency that has answered yes to Part 1, Step 2. This spreadsheet provides more detail in order to make the reclassification of expenditures to advances.

Step	Action
-	Record the control agency number and control agency name.
1	Record the agency number on each row of information. This must be entered as a numeric field.
2	Record the fund / fund detail. This must be entered as a numeric field. When fund / fund detail 0100 is entered as a numeric field it will show on the spreadsheet as 100.
3	Record the function of the expenditures. The function is the first digit of the program code. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate function. The functions are listed below: 1-Education 3-Administration of Justice 4-Individual and Family Services 5-Resources and Economic Development 6-Transportation 7-General Government 8-Enterprise
4	Provide a brief description of the transactions, and document the eligibility requirement that was not met as of June 30 that requires these expenditures to be reclassified. This column is formatted as wrap text. The cell height should automatically adjust (heighten) to show all information keyed in.

Continued on next page

Spreadsheet instructions- Part 2, continued

Step	Action
5	Record the net amount of expenditures recorded on CARS as of June 30 that must be reclassified to an Advance because expenditure recognition requirements per GASBS No. 33 were **not** met. These amounts must be net of any related expenditure refunds. Round amounts to the nearest dollar.

Spreadsheet instructions – Part 3

Excluding federal funds, in order to identify the net revenues (GLA 961 / 962) recorded on CARS as of June 30 that must be reclassified, follow these instructions.

This spreadsheet must be completed for each agency that has answered yes to Part 1, Step 3. This spreadsheet provides more detail in order to make the reclassification of revenue to deferred revenue.

Step	Action
-	Record the contact information.
1	Record the agency number on each row of information. This must be entered as a numeric field. Note: If you do not enter as a numeric field you will get a message that says the value you entered is not valid.
2	Record the fund / fund detail. This must be entered as a numeric field. When fund / fund detail 0100 is entered as a numeric field it will show on the spreadsheet as 100.
3	Record the 5-digit revenue source code of the revenue. This must be entered as a numeric field. When the revenue source code 01000 is entered as a numeric field it will show on the spreadsheet as 1000.

Continued on next page

Spreadsheet instructions – Part 3, continued

Step	Action
4	Record the GASBS No. 34 government-wide revenue classification of the revenues. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate classification. Refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov** for the proper classifications. Click on the "Financial Reporting" button. Then click on "Financial Statement Directives." The classifications are listed below: GR-Taxes GR-Investment earnings GR-Grants/Cont. not restricted to S. P. GR-Miscellaneous Endowments/Permanent Fund Principal PR-Chgs/1-Education PR-Chgs/3-Administration of Justice PR-Chgs/4-Individual and Family Services PR-Chgs/5-Resources and Economic Develop PR-Chgs/6-Transportation PR-Chgs/7-General Government PR-Chgs/8-Enterprise PR-Oper/1-Education PR-Oper/3-Administration of Justice PR-Oper/4-Individual and Family Services PR-Oper/5-Resources and Economic Develop PR-Oper/6-Transportation PR-Oper/7-General Government PR-Oper/8-Enterprise PR-Cap/1-Education PR-Cap/3-Administration of Justice PR-Cap/4-Individual and Family Services PR-Cap/5-Resources and Economic Develop PR-Cap/6-Transportation PR-Cap/7-General Government PR-Cap/8-Enterprise Not Applicable – Fiduciary Fund

Continued on next page

Spreadsheet instructions – Part 3, continued

Step	Action
4 (cont.)	Below is a crosswalk of the acronyms: GR – General Revenues Cont. – Contributions S. P. – Specific Program PR – Program Revenue Charges – Charges for Goods/Services Oper – Operating Grants and Contributions Cap – Capital Grants and Contributions Note: The program revenues are followed by the related function.
5	Provide a brief description of the transactions and document the eligibility requirement that was not met as of June 30 that requires these revenues to be reclassified. This column is formatted as wrap text. The cell height should automatically adjust (heighten) to show all information keyed in.
6	**Excluding federal funds**, record the net amount of revenues recorded on CARS as of June 30 that must be reclassified to deferred revenue because the revenue recognition requirements per GASBS No. 33 / GASBS No. 36 were **not** met. These amounts must be net of any related revenue refunds. Round amounts to the nearest dollar.

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Comptroller's Directive No. 2-05
Attachment 16
GASBS No. 38 Short-term Debt

Purpose

This attachment is used to gather short-term debt information for footnote disclosures required by GASBS No. 38, *Certain Financial Statement Note Disclosures*. This attachment is similar to prior year's Attachment 16.

Applicable agencies

Agencies that had short-term debt (anticipation notes, lines of credit, and similar loans) activity during the year with a party **external** to the Commonwealth.

Due date

August 18, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att16. For example, agency 151 should rename its Attachment 16.xls file as 151Att16.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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, 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.

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Comptroller's Directive No. 2-05
Attachment 17
Internal Service Funds – Conversion to Government-wide Statement of Activities

Purpose

GASBS No. 34 states that internal activity and balances should be eliminated from the Government-wide Statement of Activities. This elimination should remove the "doubling-up" effect of reporting the original disbursement activity in the paying funds and in the internal service fund. The following spreadsheets have been developed to eliminate the internal activity. They are as follows:

- -Summary of Revenue by State Agency – Internal Activity (Part 1)
- -Summary of Revenue by External Party – (Part 2)
- -Schedule to Eliminate the Effect of Internal Service Fund Activity for the Government-wide Statement of Activities (Part 3)
- -Control Sheet (Part 4)
- -Revision Control Log

Note: Part 3 follows exercise #4 on pages 224 – 231 in the 1st Implementation Guide for GASBS No. 34. It would be helpful to review this exercise before completing Parts 1 to 3. This attachment is similar to the prior year's Attachment 17.

Due date

August 25, 2005

Applicable agencies

This attachment is applicable to the following agencies and their internal service funds. ***Each agency will need to complete a separate attachment if there is more than one internal service fund, unless otherwise noted below.***

Agency	*Fund*
Department of General Services	Fleet Management, Maintenance & Repair, Virginia Distribution Center, Property Disposal, State Surplus Property, Federal Surplus Property, Consolidated Laboratory, Graphic Communications, Engineering Services
Department of Human Resource Management	Workers Compensation & the Health Insurance Fund
Department of the Treasury	Risk Management
Virginia Correctional Enterprises	All
Virginia Information Technologies Agency	Aggregate all internal service funds.

Comptroller's Directive No. 2-05
Attachment 17
Internal Service Funds – Conversion to Government-wide Statement of Activities

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Submission requirements

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

After downloading the file, rename the spreadsheet file using the agency number followed by the internal service acronym followed by Att17. For example, the Department of General Service's (agency 194) Fleet Management fund, should rename its Attachment 17.xls file as DGS-Fleet Management-Att17.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Note: In fiscal 2004, DOA created a separate attachment for each internal service fund. The internal service fund then would only need to download the specific attachment. For fiscal 2005, however, there is one attachment for all funds to download. The agency will need to follow the instructions above for proper submission.

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 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.

Comptroller's Directive No. 2-05
Attachment 17
Internal Service Funds – Conversion to Government-wide Statement of Activities

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Overview

A Government-wide Statement of Activities MUST be presented in the Commonwealth's CAFR. Internal service fund agencies are not required to prepare a Statement of Activities. Therefore, the Financial Reporting Unit must obtain information to convert the Statement of Revenues, Expenses, and Changes in Fund Net Assets to the Government-wide Statement of Activities format. Internal activity must be eliminated. This elimination should remove the "doubling-up" effect of reporting the original disbursement activity in the paying funds and in the internal service fund. In summary, this conversion requires the following:

- Only external and nonprogram activity must be reported as revenues and expenses or transfers on the Government-wide Statement of Activities.

- The residual amount of Change in Net Assets after excluding the external and nonprogram activity must be allocated back to the government-wide functions. The percentages for the allocation will be based on the amount of internal revenue by State agency divided by total internal revenue. Each state agency will be assigned a function based on the nature of the agency or the agency's enterprise funds. Below is a listing of the government-wide functions:

Governmental:

- General Government
- Education
- Transportation
- Resources and Economic Development
- Individual and Family Services
- Administration of Justice

Business-Type:

- State Lottery (Agency 172)
- Virginia College Savings Plan (Agency 174 – Virginia Prepaid Education Program only)
- Pocahontas Parkway Association
- Unemployment Insurance (Agency 182, Fund 0700)
- Other (other enterprise funds not listed)

External activity

Some examples of external parties include localities, corporations, and other non-state organizations. The following State agencies / institutions are considered an external party because they are either a discrete component unit, related organization, or State agency with primarily fiduciary funds.

- Higher Education Institutions (various agency codes)
- Innovative Technology Authority (agency #934)
- Small Business Financing Authority (agency #325 - funds 0243, 0901, 0921, 0930, 0956, 0957)
- Southwest Virginia Higher Education Center (agency #948)
- Tobacco Indemnification and Community Revitalization Commission (agency #851)
- Virginia Baseball Stadium Authority (agency #854)
- Virginia College Building Authority (agency #941)
- Virginia Economic Development Partnership (agency #310)
- Virginia Port Authority (agency #407)
- Virginia Retirement System (agency # 158 - all funds)
- Virginia Tobacco Settlement Foundation (agency #852)
- Virginia Tourism Authority (agency #320)

Internal activity

Internal parties are most State agencies **except** for Higher Education institutions, other discrete component units, related organizations, and agencies with primarily fiduciary funds.

Spreadsheet instructions for internal activity (part 1)

In order to identify the internal activity that must be eliminated from the CAFR, follow these instructions.

Note: This spreadsheet has listed the State agencies that are considered internal parties and their functions. This spreadsheet is sorted in agency # order.

Step	*Action*
-	Record the contact information, including the fund's (or agency's) vendor ID. A separate spreadsheet **must** be prepared for each internal service fund specifically identified on Instructions – Page 1.
1	Record the amount of revenue that has been reported on the Statement of Revenues, Expenses, and Changes in Fund Net Assets template that was received and / or will be received (receivable) from each internal party. **Note**: Some agencies are completely business-type agencies. Other agencies have one or more funds that are business type. Agencies that have governmental and business-type activity are listed on the spreadsheet twice. One line item is to report revenue received from the governmental funds of the agency. The second line item is to report revenue received from the business-type funds of the agency.
2	The percentages on the worksheet are automatically calculated by a formula (internal activity revenue by agency / total internal activity revenue). After all amounts have been keyed in, the total of the percentage column should equal 100%.
3	Record the amount that is included in Step 1 that is also included in the receivable amount reported on the Statement of Net Assets template from each internal party.

Continued on next page

Spreadsheet instructions for internal activity (part 1), continued

Calculation of Percentages by Function:
After all information has been entered for Part 1, this information needs to be copied to another spreadsheet to sort and subtotal by function. Below are suggestions for calculating this information. This new spreadsheet does not have to be sent to DOA. Retain for the Auditor of Public Accounts to review.

-	Copy the rows of information as follows: • Highlight the header row and rows of information. • Use the edit / copy / paste special / values menu item to copy the information to a new spreadsheet. **Note:** The paste special / values menu item allows the cells to be copied as values rather than formulas. • Use the data / sort menu item to sort the spreadsheet by the function column. • Use the data / subtotal menu item to get subtotals for the revenue column and percentage column. The subtotals should be for the following functions: **Governmental:** General Government Education Transportation Resources and Economic Development Individual and Family Services Administration of Justice **Business-Type:** State Lottery Virginia College Savings Plan Pocahontas Parkway Association Unemployment Insurance Other **Note**: These percentages will be used in Part 3, Step 6 (see Instructions – Page 9). Maintain this documentation for the Auditor of Public Accounts to review.

Spreadsheet instructions for external activity (part 2)

In order to identify the external activity that must be recorded in the Government-wide Statement of Activities, follow these instructions.

Note: This spreadsheet has listed the State agencies that are considered external because they are either a discrete component unit, related organization, or a State agency with primarily fiduciary funds. This spreadsheet is sorted by Agency # under each change in function.

Step	***Action***
-	Contact information is linked from the "internal activity" tab (part 1).
1	Beginning at row 84, record the name of other external parties that are not considered State agencies. **Note:** HIF should report Retiree premiums here. **Note:** Revenues from localities can be combined into one amount.
2	Record the amount of revenue that has been reported on the Statement of Revenues, Expenses, and Changes in Fund Net Assets that was received and / or to be received (receivable) from each external party.
3	This cell is a formula that calculates the total amount of external revenue by function and total external activity revenue. This amount will also be recorded in Part 3, Step 4 (see Instructions – Page 9).

Spreadsheet instructions for conversion to government-wide statement of activities (part 3)

In order to convert the Statement of Revenues, Expenses, and Changes in Fund Net Assets to the Government-wide Statement of Activities, follow these instructions. Also, the 1st Implementation Guide for GASBS No. 34, exercise 4 on pages 224-231 gives an example for completing this spreadsheet.

Step	*Action*
-	Contact information is linked from the "internal activity" tab (part 1).
1	Record the total "Change in Net Assets" from the Statement of Revenues, Expenses, and Changes in Fund Net Assets template.
2	Record activity that corresponds to non-operating line items. This activity will be excluded from the amount to be allocated to the program line items in step 6. Therefore**, revenue items are shown as a negative amount** (subtract from the "Change in Net Assets") and **disbursement items are shown as a positive amount** (add back to the "Change in Net Assets").
3	This cell subtotals the amounts from steps 1 and 2. It is a formula. This subtotal represents the amount that must be assigned to functions.

Continued on next page

Spreadsheet instructions for conversion to government-wide statement of activities (part 3), continued

Step	*Action*
4	Record expenses from external activity by function. The external revenue amounts are linked from Part 2. External activity includes revenue from external parties and the related expenses. This activity will be excluded from the amount to be allocated to the program line items in step 6. Therefore, revenue is shown as a negative (subtract from the "Change in Net Assets") and expenses are shown as a positive line item (add back to the "Change in Net Assets"). The external activity revenue amount is determined in Part 2. **The expenses related to these revenues must be determined.** One way to calculate expenses is to take the external activity revenue amount less the markup % amount. For example, if total external sales are $100,000 and the markup % is 10%, then the expenses would be $90,000. Each agency must document how these expenses are determined and maintain that documentation for the Auditor of Public Accounts to review.
5	This cell is a formula and subtotals the amounts from steps 3 and 4. This subtotal represents the amount that must be allocated among the Commonwealth's programs.
6	Enter the allocation percentages as determined in Part 1 on Instructions – Page 6. The spreadsheet has a formula to calculate the amount to allocate to each of the functions.

Continued on next page

Spreadsheet instructions for conversion to government-wide statement of activities (part 3), continued

Step	*Action*
7	Step 7 automatically populates the amounts placed into steps 2 and 4. For step 7 though, revenues are shown as positive amounts and expenses are shown as negative amounts.
8	Step 8 automatically populates the amounts allocated to the functions from step 6.
9	Answer yes or no to the three questions on page 2 of this spreadsheet. • The Change in Net Assets in Step 1 should equal the Change in Net Assets on the Statement of Revenues, Expenses, and Changes in Fund Net Assets. • The total allocation amounts in the governmental activities plus the business-type activities columns should equal the change in net assets recorded in step 1. • The total of the percentages in step 6 should equal 100%. If these amounts do not agree, investigate differences and revise the spreadsheet as deemed necessary to bring the amounts into agreement.

Spreadsheet instructions for control sheet (part 4)

Complete Control Sheet (Part 4). This worksheet is self-explanatory.

Comptroller's Directive No. 2-05
Attachment 18
Receivables as of June 30

Purpose

This attachment is to determine the receivables information for proper reporting in the CAFR fund statements and government-wide statements. This attachment is similar to prior year's Attachment 18.

For reporting nonexchange transactions, follow guidelines outlined in GASBS No. 33 and GASBS No. 36. Also see the **GASBS No. 33 Nonexchange Transactions Overview** section in this Directive.

Applicable agencies

Agencies that do not include ALL receivable balances on either financial statement templates or supplement information.

Exemptions: The following agencies provide supplemental information for all receivables and do not need to submit this attachment.

- Department of Transportation
- Department of Taxation

Due date

September 1, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att18. For example, agency 151 should rename its Attachment 18.xls file as 151Att18.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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 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.

Other issues

Certain agencies, such as DOE and DSS, record accounts payable at year-end for program expenditures made to or incurred in political subdivisions. In many instances these programs are jointly funded by a predetermined percentage of state and federal funds. When any such payments are made, the agency must ensure that it records accounts receivables for the earned matching amount not yet drawn down from the other financing source.

Comptroller's Directive No. 2-05
Attachment 18
Receivables as of June 30

Changes for FY 2005

The reporting requirements for this attachment have been modified for FY 2005. The agency is responsible for providing additional information as described below:

- **Expenditure Receivables Tab**, agencies must enter additional information regarding expenditure receivables. Two columns were added to the expenditure detail tab as follows:
  - *Step 4)* Provide a description of the receivable
  - *Step 5)* When payments are received, will they be recorded on CARS as a credit to revenue or as a credit to expenditure or expenditure refunds?

Spreadsheet instructions

The following table provides guidance on the completion of each agency's receivable information.

Step	Action
-	Record the contact information specified on the spreadsheet tabs. Note: A control agency can use this spreadsheet to report all amounts for agencies under its control. In most cases the control agency is the same as the agency #; however, some control agencies have various agencies under its control. **Also, remember to exclude IAT receivables on the Expenditure Receivables, Revenue Receivables, and Loans Receivable tabs.** Indicate whether information is recorded on CARS on the applicable spreadsheet tabs. Complete the **CARS Tab** as instructed.
1	Enter the agency # on the **Expenditure Receivables, Revenue Receivables, and Loans Receivable** tabs (as applicable)
2	Enter the fund / fund detail on the **Expenditure Receivables, Revenue Receivables, and Loans Receivable** tabs (as applicable). This should be entered as a numeric field. When fund / fund detail 0222 is entered as a numeric field, it will show on the spreadsheet as 222. Note: If a single quote is entered before the number to make it a text field, a message will indicate that the value entered is not valid.

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
3	If the receivable relates to an expenditure (i.e. expenditure refund), select the receivable's functional code on the **Expenditure Receivables** or the **Loans Receivable** tab (as applicable). This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, and click on the function. The expenditure function must correspond to the expenditure function the receivable will be coded to when received. Functional codes are the first number in every program code. For example, program code **1**031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description are below. 1-Education 3-Administration of Justice 4-Individual and Family Services 5-Resources and Economic Development 6-Transportation 7-General Government 8-Enterprises 9-Capital Outlay
4	Provide a description of the receivable reported in steps 12 and 13.
5	Indicate whether payments that will be received on this receivable will be recorded on CARS as a credit to revenue source code (RSC) 09084 – (Refund – exp and misc. disbursements made prior years), or as a credit to expenditure or expenditure refunds. NOTE: Agencies are reminded that the recovery of expenditures relating to a prior fiscal year shall be recorded as revenue using revenue source code 09084. Expenditure credits are appropriate only if the expenditure occurred in the same fiscal year as the recovery.

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
6	Complete steps 6 – 8 for receivables that relate to a revenue item. Record the revenue class to which the receivable will be coded when received on the **Revenue Receivables** or the **Loans Receivable** tab (as applicable). The majority of revenue received from federal reimbursable grants should be included. The CAPP Manual, Topic No. 60109 defines a revenue class as the primary designation of revenue source within the revenue source structure. This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, scroll down and click on the appropriate revenue class. 01-Taxes 02-Rights & Privileges 03-Sales of Property 04-Private Donations 05-Assessments 06-Institutional Revenues 07-Interest, Dividends, & Rents 08-Fines, Forfeitures 09-Other 10-Federal Grants (source codes 10000 – 99999) 42-Receipts from Cities/Counties (042XX)
7	Record the 5-digit revenue source code the receivable will be recorded as when received. This must be entered as a numeric field. When fund 09060 is entered as a numeric field, it will show on the spreadsheet as 9060.
8	Record the GASBS No. 34 revenue classification. This does not have to be entered. A drop-down list is available. Click on the cell, click on the arrow, and click on the function. See the next page for a listing of the classifications. Note: See the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov** for the classification based on agency #, Fund / Fund detail #, and source code. Click on the "Financial Reporting" button, then click on "Financial Statement Directives."

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
8 (continued)	GR-Taxes GR-Investment earnings GR-Grants/Cont. not restricted to S. P. GR-Miscellaneous Endowments/Permanent Fund Principal PR-Chgs/1-Education PR-Chgs/3-Administration of Justice PR-Chgs/4-Individual and Family Services PR-Chgs/5-Resources and Economic Develop PR-Chgs/6-Transportation PR-Chgs/7-General Government PR-Chgs/8-Enterprise PR-Oper/1-Education PR-Oper/3-Administration of Justice PR-Oper/4-Individual and Family Services PR-Oper/5-Resources and Economic Develop PR-Oper/6-Transportation PR-Oper/7-General Government PR-Oper/8-Enterprise PR-Cap/1-Education PR-Cap/3-Administration of Justice PR-Cap/4-Individual and Family Services PR-Cap/5-Resources and Economic Develop PR-Cap/6-Transportation PR-Cap/7-General Government PR-Cap/8-Enterprise Not Applicable – Fiduciary Fund Below is a crosswalk of the acronyms: GR – General Revenues Cont. – Contributions S. P. – Specific Program PR – Program Revenue (These are followed by a function) Charges – Charges for Goods/Services Oper – Operating Grants and Contributions Cap – Capital Grants and Contributions

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
9-11	These steps are to record **receivables as of June 30, 2005** that will be received **between July 1, 2005 and August 31, 2005**.
9	Record the amount of the gross receivable. Round to the nearest dollar. **Gross** amounts should be keyed as a **positive.** For example, an agency has $100 in gross receivables. The agency would record $100 for this step.
10	Record the amount of the allowance related to the gross receivable amount recorded in step 9. An allowance is management's estimate of the amount of gross receivables which will be or prove to be uncollectible. Round to the nearest dollar. **Allowance** amounts should be keyed as a **negative.** For example, the agency has determined that $25 of the $100 is uncollectible. The agency would record a negative $25 for this step.
11	This column is **automatically calculated**. It is the gross amount less the allowance amount to show the net receivable amount. From the previous examples, this would be $75. Note: Below is an example of the entries DOA would make to record the $75 net receivables related to revenue in the CAFR for governmental funds: Fund Statements: Debit Credit Receivables, Net $75 Revenue (by revenue class) $75 Government-wide Statements: Receivables, Net $75 Revenue (by G'wide classification) $75

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
12-15	These steps are to record the additional **receivables as of June 30, 2005** that will be received **after August 31, 2005**.
12	Record the amount of the gross receivable. Round to the nearest dollar. **Gross** amounts should be keyed as a **positive.** For example, an agency has additional gross receivables of $300 that will be collected after August 31, 2005. The agency would record $300 for this step.
13	Record the amount of the allowance related to the gross receivable amount recorded in step 12. An allowance is management's estimate of the amount of gross receivables which will be or prove to be uncollectible. Round to the nearest dollar. **Allowance** amounts should be keyed as a **negative.** For example, the agency has determined that $75 of the $300 is uncollectible. The agency would record a negative $75 for this step.
14	This column is **automatically calculated**. It is the gross amount less the allowance amount to show the net receivable amount. From the previous example this would be $225. Note: Below is an example of the entries DOA would make to record the $225 net receivables related to revenue in the CAFR for governmental funds: Fund Statements: Debit Credit Receivables, Net $225 Deferred Revenue $225 Government-wide Statements: Receivables, Net $225 Revenue (by G'wide classification) $225

Continued on next page

Spreadsheet instructions: (continued)

Step	Action
15	Record the amount of the gross receivable and the amount of the allowance reported in steps 12 and 13 that will be **received after June 30, 2006 (noncurrent).** GASBS No. 34 requires the separate disclosure of noncurrent assets. Per the CAAP Manual section 20505, these receivables are defined as: "That portion of a receivable, which is not a current asset because that portion is due and payable beyond one year. Examples may include, but are not limited to, long term loans and notes, and permanent travel advances (not reflected in CARS petty cash or travel advance accounts)."

Final instructions

Ensure the totals on the spreadsheets (the totals are automatically calculated at the top of those spreadsheets) are accurate.

Complete the **CARS tab**, if applicable**.** Any items listed on the Expenditure, Revenue, and/or Loans Receivable tabs that are also reported on CARS as of June 30 must be reported on the **CARS tab**.

Complete the **Reconciliation tab.** Record receivable amounts in total that are not already reported on the Expenditure, Revenue, and/or Loans Receivable tabs. This would include interagency receivables, travel advances, petty cash, and other receivables. Also, amounts already reported to DOA on a financial statement template or via supplemental information should be recorded. After all amounts are entered, record the net receivable amount reported on the Quarterly Receivable Report. There should be no difference between the total net receivable amount reported on the attachment and the amount reported on the Quarterly Receivable Report. If a difference is noted, revise amounts on the attachment as needed for amounts to agree. If the difference is because of an error reported on the quarterly Receivable Report, contact DOA to explain the error.

Review the **Receivables as of June 30 tab** and complete the variance explanations, if required.

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Comptroller's Directive No. 2-05
Attachment 19
Schedule of Retainage Payable

Purpose

To obtain the amount of retainage payable as of June 30, 2005. Retainage payable is the amount due on a contract not yet paid pending final inspection of the project or the lapse of a specified period or both. The unpaid amount is usually a stated percentage of the contract price. This attachment is similar to prior year's Attachment 19.

Note: ***Omit activity in funds 0820 and 0821 as it is reported by VPBA.***

Applicable agencies

Agencies that have retainage payable outstanding as of June 30, 2005, and the retainage payable is not included in the agency's financial statement templates.

Due date

September 1, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att19. For example, agency 151 should rename its Attachment 19.xls file as 151Att19.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Comptroller's Directive No. 2-05
Attachment 19
Schedule of Retainage Payable

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 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.

Functions

The functions are listed below:

1-Education
3-Administration of Justice
4-Individual and Family Services
5-Resources and Economic Development
6-Transportation
7-General Government
8-Enterprise
9-Capital Outlay Projects

Additional instructions

A fluctuation analysis is required for variances greater than 10% AND $1.5 million over / under prior year amounts. Ensure that these variances are fully explained in the space provided.

Note: Some prior balances were revised to reflect the amounts actually reported in the FY 2004 CAFR. In those instances, an explanation of the change is provided in the blue block on the attachment.

Comptroller's Directive No. 2-05
Attachment 20
Schedule of Cash, Cash Equivalents, and Investments at June 30

Purpose

This attachment is used to gather uniform financial reporting information for CAFR note disclosures required by GASBS No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements,* as amended by GASBS No. 40, *Deposits and Investment Risk Disclosures*. This attachment combines prior year attachments 14 and 30.

Applicable agencies

All agencies and funds (other than what is being reported for the financial statement templates) that have cash, cash equivalents, or investments must complete the following tab:

- "**Detail**" tab of the Excel attachment.

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

  - The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.

  - The Supreme Court of Virginia must aggregate agencies 103, 111, 112, 113, 114, 115, 116, 125, and 160 using 111. **(A separate attachment must be completed for each agency that has cash, cash equivalents, or investments not with the Treasurer of Virginia).**

All agencies and funds that have cash equivalents and investments **NOT with the Treasurer of Virginia (other than what is being reported for the financial statement templates)** must complete the following tabs:

- **"Cash Equiv. & Inv. Not w Treas."**
- **"Foreign Currency Inv"** (if applicable)
- **"Recordation"**

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

Comptroller's Directive No. 2-05
Attachment 20
Schedule of Cash, Cash Equivalents, and Investments at June 30

Due Date **September 1, 2005**

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att20. For example, agency 151 should rename its Attachment 20.xls file as 151Att20.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of these spreadsheets.

Attachment revisions

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

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

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

Recommended

It is recommended that each agency obtain copies of GASBS No. 3, GASBS No. 40, and the GASBS No. 40 Implementation Guide for better understanding of this attachment.

As defined

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

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

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

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

Comptroller's Directive No. 2-05
Attachment 20
Schedule of Cash, Cash Equivalents, and Investments at June 30

Directions for the "Detail" tab

Below are instructions as to the proper completion of the "Detail" tab in the Excel Attachment 20. **Amounts reported on the "Detail" tab should not include any amounts reported on any financial statement template (Attachments 8-12)**. Please follow these instructions carefully.

Part	Instruction
1	Report the agency's GLA 101 cash. **Do not include petty cash or advances.**
2a	Report the agency's total cash not held with the Treasurer of VA. **Note**: Certificates of deposit (CDs) **should NOT** be reported as cash. CDs should be reported as cash equivalents and/or investments. **Note**: Money market funds held 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.
2b	For the total cash not with the Treasurer of VA reported above, provide the total bank balance as of June 30.

Continued on next page

Directions for the "Detail" tab, continued

Part	Instruction
3a 3b	Of the amount reported in 2b above, provide the amount that is insured by the federal depository insurance (for public units - only a total of $100,000 per financial institution for interest bearing and an additional $100,000 for non-interest bearing accounts (i.e. demand deposits) may be insured by the FDIC). Of the amount reported in 2b above, provide the amount that is covered by the Security for Public Deposits Act (Section 2.2-4400 of the *Code of Virginia)*. **Note**: If all cash not held with the Treasurer of VA is included in 3a and 3b above, do not complete step 3c below. If not, the remaining amount should be classified in 3c below.
3c	Is any cash **NOT** with the Treasurer NOT covered by the FDIC or the Security for Public Deposits Act? If so, report the amount and bank balance for one or more of the three options below: 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 2b above.
4	Report the amount the agency has in the Local Government Investment Pool (LGIP). Provide the LGIP account number and amount (**the amount listed for each account must come from the LGIP statement**). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund/fund detail.
5	Report the amount the agency has in the State Non-Arbitrage Program (SNAP). Provide the SNAP account number and amount (**the amount listed for each account must come from the SNAP statement**). If applicable, let DOA know where the agency has these monies in CARS by providing the GLA and fund/fund detail.

Continued on next page

Directions for the "Detail" tab, continued

Part	Instruction
6	Report the amount of **cash equivalents and investments NOT held by the Treasurer of Virginia**. This amount should agree to the "total reported amount" on the "Cash Equiv. & Inv. NOT w Treas." tab of the spreadsheet.
7	List the total **fair value** of cash equivalent/investment types subject to foreign exchange risk. Foreign exchange risk is the risk of an investment's value changing due to changes in currency exchange rates and/or the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to adverse movements in exchange rates. This amount must equal the total of the fair value amount in the "Foreign Currency Inv" tab of the spreadsheet.
8	Are any of the agency's cash equivalents or investments in debt securities not with the Treasurer of VA 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 GASBS No. 40 Implementation Guide, questions 45 – 58. If the agency marked a "Yes", the agency will need to provide an explanation as to why these investments are considered highly sensitive.
9	GASBS No. 40 states it is the agency's responsibility "to update the custodial credit risk disclosure requirements addressing other common risks of the deposits and investments of state and local governments." With this in mind, the agency should provide a description of any other type of risk to cash, cash equivalents, and investments not covered elsewhere on this attachment.
10	Submit the agency's investment policy along with this Attachment in the E-mail to **finrept@doa.virginia.gov**. This is the investment policy that will officially be on record with the Department of Accounts. If the agency does have cash, cash equivalents, and investments NOT with the Treasurer of Virginia and **DOES NOT** have an investment policy, the agency will need to state why.

Directions for the "Cash Equiv. & Inv. NOT w Treas." tab

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

List cash equivalent or investment by type and issuer:
In prior years, agencies 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 is needed to help DOA in sorting all the issuers to ensure there is no one issuer greater than 5% of net assets or plan net assets for any particular fund.)

Note: **Ginnie Mae** is the only asset backed security that should be included with U.S. Treasury and Agency Securities. This is because it is explicitly backed by the U.S. Government. Securities such as **Fannie Mae, 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.

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

Continued on next page

Directions for the "Cash Equiv. & Inv. NOT w Treas." 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. Negotiable 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, the disclosure should indicate that fact.**

Interest rate risk (i.e. maturity) of each cash equivalent and investment:
The interest rate risk of debt investments must be disclosed by investment type and amount. DOA has selected the segmented time distribution method as outlined in GASBS No. 40. This requirement will require the agencies provide, by amount and issuer, the maturity of their debt investments.

The cash equivalent amounts would be listed in the 0-3 month maturity column, and investment amounts would be listed in one of the investment column maturities (4-12 months, 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

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

Negotiable certificates of deposit should be classified as cash equivalents or investments depending on the original maturity. Negotiable instruments are securities that are normally sold in $1 million units and that can be traded in a secondary market. **Non-negotiable certificates** of deposit should always be reported as cash equivalents (0-3 months). Non-negotiable instruments are time deposits that are placed by depositors directly with financial institutions and that are generally subject to a penalty if redeemed before maturity.

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

Directions for the "Cash Equiv. & Inv. NOT w Treas." 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 amounts entered.** The overall total of category 3 and uncategorized cash equivalents and investments must agree to the amount reported at Step 6 in the "Detail" tab of the spreadsheet. If it does not, an "Error" message will appear.

List the total Fair Value for each issuer:
Report the total fair value for each issuer as of June 30.

Directions for the "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 Step 7 in the "Detail" tab.

Directions for the "Recordation" tab

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

Comptroller's Directive No. 2-05
Attachment 21
Donor-restricted Endowments

Purpose	This attachment is to identify agencies with donor-restricted endowments. This attachment is similar to prior year's Attachment 21.
Applicable agencies	All agencies that have donor-restricted endowments.
Due date	**September 1, 2005**
Submission requirements	Contact DOA if the agency has any problems with the spreadsheets. **After downloading the files, rename the spreadsheet file using the agency number followed by Att21.** For example, agency 151 should rename Attachment 21.xls as 151Att21.xls. **Submit the excel spreadsheet electronically to finrept@doa.virginia.gov**. **Copy APA via E-mail to APAFinRept@apa.virginia.gov**. **Do not submit paper copies of this spreadsheet.**

Comptroller's Directive No. 2-05
Attachment 21
Donor-restricted Endowments

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.

Donor-restricted endowments

GASBS No. 34, paragraph 121 requires the following footnote disclosures for donor-restricted endowments:

- The amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the governing board, and how those amounts are reported in net assets
- The state law regarding the ability to spend net appreciation
- The policy for authorizing and spending investment income, such as a spending-rate or total return policy

Spreadsheet instructions

Record the contact information at the top of the spreadsheet. Follow the instructions below.

Step	Action
1	Record the donor-restricted endowment.
2	Identify the amount of net appreciation on investments that are available for authorization for expenditure by the governing board.
3A	Is the endowment listed in Step 1 and 2 reported on a Financial Statement Template (Attachments 8-12)? Enter **Yes** or **No**.

Continued on next page

Spreadsheet instructions (continued)

Step	Action
3B	If **Yes** in Step 3A, specify the attachment number and the fund name, which can be found in the **Preparation of GAAP Basis (GASBS No. 34) Financial Statement Template** section in the Directive.
3C	How were the amounts in Step 2 reported in net assets (restricted or unrestricted)?
3D	If **No** in Step 3A, provide the CARS Fund/Fund Detail.
4	Is there a State law regarding the ability to spend net appreciation? Enter **Yes** or **No**.
5	If **Yes** in Step 4, identify the *Code of Virginia* section. If **No** in Step 4, enter **N/A**.
6	Is there a policy for authorizing and spending investment income, such as a spending-rate or total-return policy? Enter **Yes** or **No**.
7	If **Yes** to Step 6, describe the policy? If **No** to Step 6, enter **N/A**.
8	Was the endowment a gift to the Commonwealth that was approved by the Governor and administered by the agency? Enter **Yes** or **No**.

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Comptroller's Directive No. 2-05
Attachment 22
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

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Purpose

This attachment is to analyze Federal fund nonexchange transactions for **advance funded / block grants** to determine the proper reporting in accordance with GASBS No. 33 and GASBS No. 36. (Both statements will be referenced as GASBS No. 33.)

This attachment is only for federal REVENUE. Federal expenditures should be analyzed on Attachment 15.

This attachment is similar to prior year Attachment 22.

Applicable agencies

All agencies with **advance funded / block grants** that are **not included** in agency prepared financial statement templates.

Note: **Agencies that have only reimbursement-based grants do not need to complete this attachment.**

Due date

September 22, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att22. For example, agency 151 should rename its Attachment 22.xls file as 151Att22.xls.

Submit the spreadsheets electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel 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, 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.

Nonexchange transactions

Nonexchange transactions are those transactions where a government gives (or receives) value without directly receiving (or giving) equal value in return. For additional guidance on nonexchange transactions, refer to the **GASBS No. 33 – Nonexchange Transactions Overview** section in this Directive and GASBS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASBS No. 33 has guidelines for when to record revenues for nonexchange transactions. Revenues **not** meeting the recognition requirements are reclassified as deferred revenue.

DOA eliminates the ending fund balance in the CAFR Federal fund (with the exception of the fund balance for inventory and prepaid amounts) by making the following statewide entry:

Debit: Revenue
Credit: Deferred Revenue

This entry is appropriate for reimbursement based grants due to the fact that revenue can only be recognized when the expenditure is incurred, therefore there would not be an ending fund balance. However, advance funded / block grants may have a fund balance due to the fact that the revenue is received in advance of the expenditure; therefore, they must be analyzed individually on this attachment. If advanced funded grants have an ending fund balance per this attachment, then DOA will record the following entry which will result in the existence of an ending fund balance for the CAFR Federal fund:

Debit: Deferred Revenue
Credit: Revenue

Comptroller's Directive No. 2-04
Attachment 22
GASBS No. 33 Federal Fund Analysis - Advance Funded / Block Grants

Spreadsheet instructions

For **advance funded / block grants**, identify grants for which the agency met eligibility requirements defined in GASBS No. 33. Determine the ending fund balance for these grants.

Step	Action
-	Record the Contact Information.
-	Evaluate all **advance funded / block grants** as follows: did the agency meet eligibility requirements defined in GASBS No. 33 as of June 30, 2005 for the advance funded and / or block grants received as of June 30, 2005? If Yes, complete the spreadsheet for the grant. If No, **do not** complete the spreadsheet for the grant. Complete the eligibility question at the top of the spreadsheet.
1	Record agency # and the fund / fund detail.
2	Record the CFDA #.
3	Record the revenue source code. This should be keyed as numeric; therefore, source code 09060 would be 9060.
4	Use the drop-down list to record the GASBS No. 34 revenue classification. For proper GASBS No. 34 government-wide revenue classification, refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button. Then click on "Financial Statement Directives."
5	The title of the federal grant will be automatically populated based on information from Step 2.
6	Record the ending balances per CARS for this grant. This represents the sum of General Ledger Accounts (GLAs) 1xx to 4xx (Assets) and GLAs 5xx to 7xx (liabilities) excluding GLA 102 and 703 (budgetary accounts). If the fund has a cash balance, record a positive number.
7	Record total **modified accrual** receivables (received in July and August 2005) per Attachment 18 – Receivables as of June 30 for this grant. Record receivables as a positive number.

Continued on next page

Spreadsheet Instructions (continued)

Step	Action
8	Record the total amount of P-vouchers recorded in July and August 2005 for this grant. Record payables as a positive number. (The spreadsheet will calculate the ending balance appropriately.)
9	Record **full accrual** receivables (received after August 31, 2005) per Attachment 18 – Receivables as of June 30 for this grant. Record receivables as a positive number.
10	Record total other **full accrual** entries (paid after August 31, 2005) per Attachment 23 – Government-wide Payables and Other Accruals for this grant. Record payables as a positive number.
11	Provide a brief description of this grant including the type of grant (i.e. advance funded or block). This column is formatted as wrap text.

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Comptroller's Directive No. 2-05
Attachment 23
Government-wide Payables and Other Accruals at June 30

Purpose

This attachment is to identify other accrual information after August 31, 2005, which has not been reported via the supplemental information or the other attachments in this Directive. This attachment is similar to prior year's Attachment 23.

Applicable agencies

All agencies with CARS activity for those funds that are not included in the agency submitted financial statement templates **or** other submissions.

Due date

September 22, 2005

Submission information

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att23. For example, agency 151 should rename its Attachment 23.xls file as 151Att23.xls.

Submit the excel spreadsheet electronically to **finrept@doa.virginia.gov**.

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

Do not submit paper copies of the excel 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 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.

Background

GASBS No. 34 requires a Government–wide Statement of Net Assets and Statement of Activities to be prepared on the economic resources measurement focus and full accrual basis of accounting. As such, each agency must analyze and list any other accruals after August 31, 2005. An example of this would be accounts payable. **Agencies need not list any accruals between July 1, 2005 and August 31, 2005 because DOA can retrieve that information through the "P" and "N" voucher process. In addition, if information has been included in any other directive submission, it should not be listed in this attachment.**

Additional consideration

In analyzing expenditures that should be accrued (like payables) after August 31, 2005, each agency must consider whether those expenditures are exchange or nonexchange transactions. For nonexchange transactions, follow guidelines in GASBS No. 33 and GASBS No. 36. See also the **GASBS No. 33 – Nonexchange Transactions Overview** section in this Directive.

Spreadsheet instructions

Follow the instructions below in order to identify accrual information to be paid **after August 31, 2005**:

Step	Action
1	Indicate whether the agency has full accrual information to report to DOA.
2	Provide a brief description of the accrual for each row of information.
3	Record the fund / fund detail. This should be entered as a numeric field. (When fund / fund detail 0100 is entered as a numeric field, it will show on the spreadsheet as 100.)
4	Record the function of the expenditures. A drop-down list is available. Click the cell, click on the arrow, and click on the function. Functional codes are the first number in every program code. For example, program code **1**031000 "Community Services" would fall under the "Education" function. Each functional code and its corresponding description is below. 1 – Education 3 – Administration of Justice 4 – Individual and Family Services 5 – Resources and Economic Development 6 – Transportation 7 – General Government 8 – Enterprise 9 – Capital Outlay If the accrual is not for an expenditure, leave the cell blank and go to step 5.
5	If the other accrual corresponds to a revenue (i.e., revenue refund), enter the 5 digit revenue source code. This must be entered as a numeric field. When the revenue source code 01000 is entered as a numeric field it will show on the spreadsheet as 1000. If the other accrual is not related to revenue, leave cell blank and go to step 7.

Continued on next page

Spreadsheet instructions (continued)

Step	Action
6	Record the GASBS No. 34 Government-wide revenue classification of the revenues. A drop-down list is available. Click on the cell, click on the arrow, and click on the appropriate classification. Refer to the **GASBS No. 34 Government-wide Revenue Classification Table** on DOA's website at **www.doa.virginia.gov** for the proper classifications. Click on the "Financial Reporting" button. Then click on "Financial Statement Directives." The classifications are listed below: GR-Taxes GR-Investment earnings GR-Grants/Cont. not restricted to S. P. GR-Miscellaneous Endowments/Permanent Fund Principal PR-Chgs/1-Education PR-Chgs/3-Administration of Justice PR-Chgs/4-Individual and Family Services PR-Chgs/5-Resources and Economic Develop PR-Chgs/6-Transportation PR-Chgs/7-General Government PR-Chgs/8-Enterprise PR-Oper/1-Education PR-Oper/3-Administration of Justice PR-Oper/4-Individual and Family Services PR-Oper/5-Resources and Economic Develop PR-Oper/6-Transportation PR-Oper/7-General Government PR-Oper/8-Enterprise PR-Cap/1-Education PR-Cap/3-Administration of Justice PR-Cap/4-Individual and Family Services PR-Cap/5-Resources and Economic Develop PR-Cap/6-Transportation PR-Cap/7-General Government PR-Cap/8-Enterprise Not Applicable – Fiduciary Fund

Continued on next page

Spreadsheet instructions (continued)

Step	Action
6 (Continued)	Below is a crosswalk of the acronyms: GR – General Revenues Cont. – Contributions S. P. – Specific Program PR – Program Revenue Charges – Charges for Goods/Services Oper – Operating Grants and Contributions Cap – Capital Grants and Contributions Note: The program revenues are followed by the related function.
7	Record the amount. Round amounts to the nearest dollar.

Final instructions other accruals

Ensure all full accrual items that should be reported on the Government-wide statements have been listed. **EXCLUDE amounts recorded on CARS or submitted via other attachments or supplemental requirements from this attachment.** If the agency has additional full accrual activity that is not reflected in this spreadsheet, contact DOA and notify them of the additional activity. Provide these additional entries to DOA.

Complete **Variance Explanation Tab** as indicated on the **Other Accruals Detail Tab.**

DOA may contact your agency to clarify or find out more information regarding the full accrual entries.

MAINTAIN DETAIL SUPPORTING DOCUMENTS FOR THE AUDITOR OF PUBLIC ACCOUNTS TO REVIEW.

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Comptroller's Directive No. 2-05
Attachment 24
Direct Billed Central Services

Purpose

This attachment is needed to comply with the OMB Circular No. A-87, "Cost Principles for State, Local and Indian Tribal Governments." This attachment is similar to prior year's Attachment 24.

Applicable agencies

ONLY the following agencies are required to complete this attachment.

- Department of General Services (DGS)
- Department of Human Resource Management (DHRM)
- Department of Treasury (TD)
- Virginia Correctional Enterprises (VCE)
- Virginia Information Technologies Agency (VITA)

Due date

September 22, 2005

Submission requirements

Submit the required information to Penny Williams using the contact information in Questions section below. E-mail the information whenever possible.

Copy APA via E-mail to APAFinRept@apa.virginia.gov, if possible. Otherwise, mail to:
Martha S. Mavredes, Audit Director
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Questions

Please direct all questions regarding this attachment to:

Penny B. Williams
Indirect Cost Coordinator
Department of Accounts
P. O. Box 1971
Richmond, VA 23218-1971

Phone: (804) 225-3804
FAX: (804) 225-2430
E-mail: penny.williams@doa.virginia.gov

Comptroller's Directive No. 2-05
Attachment 24
Direct Billed Central Services

Requirements Submit the information specified for the agency in the table below.

Type of Activity	Required Information	Agency
Internal Service Funds (budget of $5 million or more)	1. Description of the service 2. Fund Statement of Net Assets 3. Revenue / expenses statement, with revenues by source 4. List of non-operating transfers 5. Description of billing procedures (methodology) used to charge costs to users 6. Schedule of current rates 7. Schedule comparing full revenues (including imputed revenues) by service to allowable costs 8. Explanation of how variances between revenue and expenses will be handled 9. Documentation that revenue reported includes all revenues generated by the service including unbilled and uncollected revenue 10. Expenses reported by cost category 11. Amount of working capital reserve if any	DGS DHRM VCE VITA (see **Note** below)

NOTE: Virginia Information Technologies Agency must submit Combining Financial Statement information by division.

Continued on next page

Requirements (continued)

Type of Activity	Required Information	Agency
Self Insurance Funds	1. Fund Statement of Net Assets 2. Statement showing fund income and fund outlays, including a summary of billings and claims paid by agency 3. Listing of all non-operating transfers into and out of the fund 4. Types of risks covered by the fund 5. Explanation of how the level of fund contributions are determined, and actuarial report 6. Description of procedures used to charge or allocate fund contributions to benefiting activities 7. Explanation of reserve levels in excess of claims paid, submitted but not adjudicated, and incurred but not submitted	DGS DHRM TD
Fringe benefits	1. Overall annual cost of each benefit 2. Current fringe benefit policies 3. Procedures used to charge or allocate the costs to benefiting activities	DGS DHRM
Pension and post-retirement health benefit costs	1. Funding policies 2. Pension plan's costs accrued for a year 3. Amount funded, and dates of funding 4. Copy of actuarial report 5. Plan trustee's report 6. Schedule showing the value of the interest cost associated with any late funding	DHRM
Other billed central service activity not identified above	The same documentation required for Internal Service Funds is to be completed and maintained but is not required to be submitted to DOA unless specifically requested by DOA, APA or federal reviewers.	DGS DHRM VCE VITA

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Comptroller's Directive No. 2-05
Attachment 25
Management Discussion and Analysis

Purpose

The Commonwealth must present Management's Discussion and Analysis (MD&A) in the CAFR as required supplementary information. Information from financially significant agencies must be compiled and incorporated into the MD&A Section.

The responses to the questions will provide an objective and easily readable analysis of the agency's financial activities based on any currently known facts, decisions, or conditions. Responses to these questions will present short and long-term analyses of the agency's activities, compare current year results with those of the prior year, and discuss the positive and negative aspects of that comparison (GASBS No. 34, paragraphs 8 & 9).

Note: The responses **must** provide reasons for the changes that have occurred. **The total dollar value of the change should be explained so that the reasons for the change reconcile to the total dollar value of the change**.

This attachment is similar to prior year's Attachment 25.

Applicable agencies

This attachment applies to the following:

- State Lottery Department
- Department of Education – **Federal Funds only**
- Department of Health – **Federal Funds only**
- Department of Medical Assistance Services – **Federal Funds only**
- Department of Mental Health, Mental Retardation, and Substance Abuse Services – **Federal Funds only**
- Department of Planning and Budget (aggregate General Fund information for the Commonwealth) – refer to the Designation of Year-end Responsibility between DPB and DOA Memorandum
- Department of Social Services – **Federal Fund only**
- Department of Taxation – **Revenue analysis for General Fund taxes**
- Department of Transportation – **Special Revenue and Pocahontas Parkway Enterprise Funds**
- Department of Treasury – **Literary Fund**
- Virginia Employment Commission – **Unemployment Compensation and Federal Funds**
- Virginia College Savings Plan – **Virginia Prepaid Education Program**

Comptroller's Directive No. 2-05
Attachment 25
Management Discussion and Analysis

Due date

September 22, 2005

Submission requirements

Submit the MD&A narrative electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the narrative.

Revisions

If revisions are made after DOA accepts the MD&A narrative, submit a new narrative document that highlights the revisions. The new document should also denote the revision date.

Instructions

Prepare a narrative response that updates the applicable portion(s) of the MD&A, pages 31-41 of the FY 2004 CAFR. Please ensure that the narrative update addresses all applicable questions.

Note: In order to facilitate the compilation and ensure the information is valuable to the reader, please edit the narrative information to ensure that the response is as concise as possible.

Comptroller's Directive No. 2-05
Attachment 25
Management Discussion and Analysis

Information to consider when updating CAFR wording

1. An analysis of the agency's overall financial position and results of operations using the agency's financial statements or accounting system. This is necessary to assist DOA in assessing whether financial position has improved or deteriorated as a result of the current year's operations.

   Note: *This analysis should address governmental activities and* ***must*** *include reasons for significant changes from the prior year, NOT simply the amounts or percentages of change. In addition, important economic factors, such as changes in the tax or employment bases that significantly affected operating results for the year should be discussed.*

2. An analysis of individual fund financial information including the **reasons** for significant changes in fund balances (assets less liabilities) and whether limitations significantly affect the future use of fund resources.

3. A description of significant capital asset and long-term debt activity during the year, including a discussion of commitments made for capital expenditures, changes in credit rating, and debt limitations that may affect the financing of planned facilities or services.

4. A description of currently known facts (information that management is aware of as of September 22, 2005), decisions, or conditions that are expected to have a significant effect on financial position (net assets {assets less liabilities}) or results of operations (revenues, expenses, and other changes in net assets).

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Comptroller's Directive No. 2-05
Attachment 26
Internal Control Statement

Purpose

This attachment provides DOA with a general statement about the agency's internal controls. This internal control statement is required to ensure compliance with CAPP Manual Topic 10305, Internal Control. This is similar to prior year's Attachment 26.

Applicable agencies

All agencies

Due date

October 20, 2005

Submission requirements

Before completing the internal control statement, the agency is required to read CAPP manual Topic 10305, Internal Control, **and the agency head or designee must sign the statement.**

This information must be submitted in hard copy on agency letterhead either by fax OR mail.

Mailing Address:
Ronald D. Necessary
Director, Financial Reporting
Department of Accounts
P. O. Box 1971
Richmond, VA 23218-1971

FAX:
(804) 225-2430

Provide a copy of the statement to APA.

Mailing Address:
Walter J. Kucharski
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

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Comptroller's Directive No. 2-05
Attachment 27
Adjustments

Purpose

This attachment requires agencies to certify that all adjustments to financial statement templates, other attachments, and / or supplemental information have been provided to DOA. This attachment is similar to the prior year's Attachment 27.

Applicable agencies

All agencies must complete this attachment.

Due date

October 20, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att27. For example, agency 151 should rename its Attachment 27.xls file as 151Att27.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Revised submissions and revision control log

If an agency has identified required adjustments **subsequent** to DOA's acceptance of the original submission, a revised attachment or supplemental information is required. The majority of attachments require a revision control log. Refer to the individual attachment instructions to determine the specific revision instructions. All Supplemental Information revisions must include Attachment 29, Supplemental Information Revision Control Log.

Additional requirements

The agency must notify the individuals listed in the Questions section of this directive if material adjustments are discovered after submitting this attachment to DOA.

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Comptroller's Directive No. 2-05
Attachment 28
Report of Financial Condition

Purpose

Chapter 951 of the Acts of Assembly of 2005, Section 4-9.00 provides each office handling State funds shall, upon the request of the Auditor of Public Accounts, make a detailed statement, **under oath**, of the financial condition of his office. This attachment is similar to prior year's Attachment 28.

Applicable agencies

All agencies must follow these attachment instructions.

Due date

October 20, 2005

Submission requirements

SUBMIT INFORMATION TO THE AUDITOR OF PUBLIC ACCOUNTS ONLY.

APA requests no Faxes!

For paper submissions and page 3 of this attachment (all paper submissions must be sent to APA no later than October 20, 2005):

Mail to: Walter J. Kucharski
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

For E-mail submissions (only for those items not previously submitted):

E-mail Address: **APAFinRept@apa.virginia.gov**

Providing required information

Financial Statement Template Agencies:

- Send a copy of the financial statement templates to the APA.
- Send copies of all other DOA submissions to APA **(if not previously submitted)**.

Other Financial Data Agencies:

- If the agency is required to prepare financial information only by the Office of the Comptroller's Directive No. 2-05 send the following to the APA:
    1. CARS final trial balance (ACTR 402, Option B1)
    2. CARS reconciliation certification
    3. Send copies of all other DOA submissions to APA **(if not previously submitted)**.

Comptroller's Directive No. 2-05
Attachment 28
Report of Financial Condition

Notarized statement

The following oath should be mailed (not e-mailed or faxed) to the Auditor of Public Accounts:

"I hereby affirm that the financial statements or information submitted are true and correct to the best of my knowledge and belief."

_____
Signature

_____
Title

_____
Agency Name

The oath should be administered by a notary or other officer authorized by Section 49-4 of the *Code*, and such notary or other officer should complete a certificate in substantially the following form:

State of Virginia; City / County of:

_____

This is to certify that _____ on this _____ day of _____, 2005, took and subscribed the foregoing oath required by the laws of the Commonwealth.

_____
Name of Notary

_____
Title

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Comptroller's Directive No. 2-05
Attachment 29
Supplemental Information – Revision Control Log

Purpose

This attachment is used to identify revisions to the supplemental information submitted to DOA. This is similar to prior year's Attachment 29.

Applicable agencies

All agencies that revise supplemental information previously submitted to **and** accepted by DOA.

Due date

As revisions are made

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att29. For example, agency 151 should rename its Attachment 29.xls file as 151Att29.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Supplemental information revisions

If revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original supplemental information submission, **resubmit the revised supplemental information AND submit a completed Attachment 29 identifying the change.**

Enter the revision date, a description of the supplemental information, due date of the submission, and the previous and revised information.

If the supplemental information 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 to the supplemental information submissions to date.

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Comptroller's Directive No. 2-05
Attachment 30
Restricted Net Assets

Purpose

This attachment is used to accumulate restricted net asset information for the general fund and for selected non-financial statement template special revenue funds. This information will be used to ensure compliance with GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation,* which is effective for FY 2006.

Applicable agencies

All agencies.

Due date

December 8, 2005

Submission requirements

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

After downloading the files, rename the spreadsheet file using the agency number followed by Att30. For example, agency 151 should rename its Attachment 30.xls file as 151Att30.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

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

Do not submit paper copies of the excel attachment.

Comptroller's Directive No. 2-05
Attachment 30
Restricted Net Assets

Net asset definition

Net assets are defined as the difference between assets and liabilities in the government-wide statement of net assets. Net assets are further divided into three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Restricted net asset definition

Net assets are reported as **restricted** when constraints placed on net asset use are either:

- Externally imposed by parties outside of the government (For example: creditors, such as through debt covenants; grantors; contributors/donors; or laws or regulations of other governments)
- Imposed by law through constitutional provisions or enabling legislation

Per GASB Statement No. 34, enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. **The enabling legislation must create the resources, as opposed to earmark already existing resources for a specific purpose.**

GASB Statement No. 46 was issued to clarify the meaning of legally enforceable as it applies to restrictions imposed on net asset use by enabling legislation. **Legal enforceability** means that **a government can be compelled by an external party**—such as citizens, public interest groups, or the judiciary—**to use resources created by enabling legislation only for the purposes specified by the legislation**.

Restricted net asset submission from FY 2001

Agencies can refer to **Restricted Net Assets – FY 2001** on DOA's website at **www.doa.virginia.gov** for reference. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." This file compiles the restricted net asset information as originally submitted on Attachment W in FY 2001. **DOA is not attesting to the accuracy of this information, but thought it might be helpful for agencies to have access to the prior submission. Use the criteria in the current year Attachment 30 to re-evaluate whether net assets for each agency/fund are restricted.**

Comptroller's Directive No. 2-05
Attachment 30
Restricted Net Assets

Spreadsheet instructions—Part 1-Summary tab

Please evaluate the following to determine if the agency has any funds that must be analyzed on this attachment.

Step	Action
	Retrieve the **Attachment 30 – Restricted Net Asset** file from DOA's website at **www.doa.virginia.gov**. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." This file will be placed on the website in July after preliminary close.
	Complete the contact information. Left click on the control agency number. Review the "Special Revenue Fund Tab Required?" and the "General Fund Tab Required?" columns to determine the tabs the control agency must complete. If neither the Special Revenue tab nor the General Fund tab are required, the agency does not need to submit the attachment.

Spreadsheet instructions—Part 2-Special Revenue tab

If this tab is applicable per the Part 1 – Summary tab, evaluate the following to determine if net assets should be reported as restricted.

Step	Action
	If the "Special Revenue Tab Required?" column on the Part 1 - Summary Tab contained a "Yes," this tab must be completed. Left click on the control agency to display the agencies under its control.
1	Are there constraints on net asset use that are **externally imposed by parties outside of the government?** (Creditors, such as through debt covenants; grantors; contributors; or laws or regulations of other governments) Use the drop down menu to answer yes or no.
2	If yes to Step 1, describe the external restriction. If no to Step 1, enter N/A.

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Spreadsheet instructions—Part 2-Special Revenue tab (continued)

Step	Action
3	Are there constraints on net asset use that are imposed by law through **constitutional provisions**? Use the drop down menu to answer yes or no.
4	If yes to Step 3, describe the restriction and provide the applicable Constitutional reference. If no to Step 3, enter N/A.
5	Are there constraints on net asset use that are imposed by law through **enabling legislation**? The enabling legislation must **create** the resources, as opposed to earmark already existing resources for a specified purpose **AND** the restriction must be **legally enforceable by a third party**. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. Use the drop down menu to answer yes or no.
6	If yes to Step 5, describe the restriction and provide applicable Code sites **and** Appropriation Act sections. If no to Step 5, enter N/A.
7	Step 7 automatically determines whether there could be restricted net assets in the fund based on previously completed steps. If Step 7 is No, enter N/A for Steps 8-13. If Step 7 is Yes, proceed to Step 8.
8	Are **ALL** net assets in this fund restricted? Use the drop down menu to enter yes or no.
9	If no to Step 8, and only a portion of the net assets are restricted, how can the restricted net assets be identified? If yes to Step 8, enter N/A.

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Spreadsheet instructions—Part 2-Special Revenue tab (continued)

Step	Action
10	If no to Step 8, and only a portion of the net assets are restricted, is there a particular revenue source code associated with the restricted net assets? If so, please identify. If yes to Step 8, enter N/A.
11	Have any restricted net assets been used for a purpose other than their intended purpose? Use the drop down menu to enter yes or no.
12	If Yes to Step 11, how were the restricted net assets used, and why? If no to Step 11, enter N/A.
13	If Yes to Step 11, what amount was used for an alternate purpose? If no to Step 11, enter N/A.

Spreadsheet instructions—Part 3-General Fund tab

If this tab is applicable per the Part 1 – Summary tab, evaluate the following to determine if revenue is restricted in nature.

Step	Action
	If the "General Fund Tab Required?" column on the Part 1 - Summary Tab contained a "Yes," this tab must be completed. Left click on the control agency to display the agencies under its control.
1	Are there constraints on revenue use that are **externally imposed by parties outside of the government?** (For example: creditors, such as through debt covenants; grantors; contributors/donors; or laws and regulations of other governments) Use the drop down menu to answer yes or no.
2	If yes to Step 1, describe the external restriction. If no to Step 1, enter N/A.

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Spreadsheet instructions—Part 3-General Fund tab (continued)

Step	Action
3	Are there constraints on revenue use that are imposed by law through **constitutional provisions**? Use the drop down menu to answer yes or no.
4	If yes to Step 3, describe the restriction and provide the applicable Constitutional reference. If no to Step 3, enter N/A.
5	Are there constraints on revenue use that are imposed by law through **enabling legislation**? The enabling legislation must **create** the resources, as opposed to earmark already existing resources for a specified purpose **AND** the restriction must be **legally enforceable by a third party**. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. Use the drop down menu to answer yes or no.
6	If yes to Step 5, describe the restriction and provide applicable Code sites **and** Appropriation Act sections. If no to Step 5, enter N/A.
7	Step 7 automatically determines whether the revenue stream is restricted in nature based on previously completed steps. If Step 7 is No, enter N/A for Steps 8-10. If Step 7 is Yes, proceed to Step 8. **NOTE: DOA may need to contact agencies with general fund restricted revenue streams for additional information.**

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Spreadsheet instructions—Part 3-General Fund tab (continued)

Step	Action
8	Has any restricted revenue been used for a purpose other than its intended purpose? Use the drop down menu to enter yes or no.
9	If Yes to Step 8, how was the revenue used, and why? If no to Step 8, enter N/A.
10	If Yes to Step 8, what amount was used for an alternate purpose? If no to Step 8, enter N/A.

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