

Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

Purpose

To obtain the financial statement and footnote information for the HEI, including component units, applicable elimination entries and reconciliation to the individually published financial statements.

Note: A combined total for the HEI* and its component units (including foundations**) must be reported in the Commonwealth’s Comprehensive Annual Financial Report (CAFR) for each institution (per GASBS No. 39 paragraph 56).

***HEI** referred to in this attachment is defined as the higher education institution and any blended component units of the institution.

****Foundation** referred to in this attachment is defined as a foundation/entity that is a discrete component unit of the institution as required by GASBS No. 39.

Applicable institutions

All institutions **must** complete this attachment.

The following tabs must be completed by **all HEIs**:

- FST,
- TAB 6,
- TAB 7,
- TAB 8,
- Checklist, and
- Certification.

The following tabs must be completed by **all HEIs that have foundation(s)**:

- Combining FST,
- TAB F6, and
- TAB F7.

The remaining tabs must be completed if the HEI or the foundation(s) have amounts reported on certain line items and/or certain conditions exist.

Due date

Staggered due dates	HEI acronyms
September 14	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
September 18	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
September 20	CWM, UVA, VCU, VCCS

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**Submission
requirements**

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

After downloading the Excel file, rename the file using the Institution Number-Institution Acronym followed by -FST. The Institution Number-Institution Acronym should be the same as shown on the first tab in the attachment. For example, VCCS would save the file as 260-VCCS-FST.xlsx*. This file includes 34 tabs.

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

Submit the Excel file electronically to finrept-HE@doa.virginia.gov.

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

Do not submit paper copies of this spreadsheet.

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

Also submit the following **Supplemental Information Item 7 per the Comptroller's Directive 2-17: Statement of Net Position (SNP) and Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)** that were used to prepare the reconciliation tabs. This should be submitted electronically in a Word, Excel, or PDF file and the filename should be as follows: Institution Number-Institution Acronym – Supplemental Item 7. For example, VCCS would have the following file name: 260-VCCS – Supplemental Item 7. **If applicable**, the following supplemental information items per the Supplemental Information section of Comptroller's Directive 2-17 must also be submitted:

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

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

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No revision control log

Institutions are required to submit only one complete and accurate Attachment HE-10, Financial Statement Template, by the applicable staggered due date. Therefore, a revision control log is not included in this attachment.

Error messages

“ERROR” messages will appear if certain amounts within a tab do not agree and/or if certain amounts on the FST, Combining FST, or Elimination Entries to FST do not agree to the footnote/informational or reconciliation tabs.

Check figures are displayed in red and should help to determine why an “ERROR” message appears. In addition, there are variance check figures that should show how much the amounts that should agree are off. If you cannot determine why there is an “ERROR” message, contact DOA.

Answer Required

Certain cells are prepopulated with “Answer Required” or a formula to populate “Answer Required” or “N/A” based on answers to prior questions. These “answer required” messages must be cleared before submission. If you cannot determine why there is an “answer required” message in a cell, contact DOA.

GAAP

The financial statement template for the HEI must be completed in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Note: A GAAP Master List is available on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link. This list is for informational purposes only and is neither authoritative nor all-inclusive and does not include guidance issued by the National Association of College and University Business Officers (NACUBO).

Information for foundations that issue individually published financial statements in accordance with GAAP as prescribed by the Financial Accounting Standards Board (FASB) must be recast/converted to the financial statement template line items.

NACUBO guidance

GASBS No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, provides guidance regarding the GAAP hierarchy. Position papers and other guidance issued by the NACUBO may be followed if the information complies with *GASBS No. 76* provisions outlining when nonauthoritative accounting literature may be used.

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Funds to be reported

All funds must be presented in the financial statement template, regardless of whether the funds are recorded on Cardinal. This includes all trust, local, and endowment funds.

Verify prior year amounts & read instructions & checklist

Before you begin completing the tabs, perform the following:

- **Verify the prior year amounts** that are on the FST, TAB 3, and TAB 5. Select the institution number-institution acronym on the FST tab and prior year amounts should appear. These amounts should be the amounts reported on the prior year's Attachment HE-10 as adjusted for correcting AJEs. If you cannot verify a prior year amount, contact DOA to discuss. Correcting AJEs were identified during the prior year's CAFR cycle either based on correcting AJEs provided by the institution and/or based on the institution's response to DOA inquiries.
 - The **instructions to the Attachment HE-10 and the additional information documents should be read and understood** prior to completing the attachment. If you do not understand the instructions and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
 - The Checklist tab is to help ensure propriety of certain amounts. The **checklist tab should be read and understood** prior to completing this attachment and referenced as deemed necessary during the preparation process. If you do not understand items on the checklist and/or have any questions, contact any of the individuals listed in the **Questions** section of the directive to discuss.
 - The Certification tab has questions to ensure completeness, reasonableness, and accuracy of the attachment.
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Comptroller's Directive 2-17 Attachment HE-10 Financial Statement Template

Additional guidance

For additional information/guidance, see the Comptroller's Directive 2-17 and the following documents on DOA's website:

- Higher Education Institution Reporting Procedures*
- Manual Leave Liability Calculation Guidelines
- Additional Information: Attachment HE-10 – TAB 3 – Part 3 regarding GASBS No. 42
- Additional Information: Attachment HE-10 – TAB 7 – Part 14 regarding GASBS No. 49
- Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 15 regarding GASBS No. 51
- Additional Information: Attachment HE-10 - TAB 7 - Part 16 and Supplemental Item 7b regarding GASBS No. 53
- Additional Information: Attachments HE-5 & HE-10 - TAB 7 - Part 18 regarding GASBS No. 61
- Additional Information: Attachment HE-10 – TAB 7 – Part 19 regarding GASBS No. 63 & GASBS No. 65
- Additional Information: Attachment HE-10 – TAB 7 Part 22 & Attachment HE-11 regarding GASBS No. 72
- GASBS No. 48 – Commonwealth of Virginia Intra-Entity Reporting List**
- Master Equipment Leasing Program (MELP) Listing (referred to in Attachment HE-10 TAB 5 Part 2 and Checklist tab Item 13)

Note*: This document provides information on the following programs for the HEI: VCBA 21st Century, VCBA Equipment Trust Fund (ETF), Treasury's GOB (9b), Virginia Public Building Authority (VPBA), VCBA Pooled Bonds, and Energy Performance Contracts.

Note:** This document is referred to in Attachment HE-10–TAB 7– Part 13 and TAB 3-Part 2. GASBS No. 48 includes guidance on how to report intra-entity transfers of assets and future revenues (including purchases/donations/transfers of capital assets) within the same financial reporting entity. Since HEIs are part of the Commonwealth's financial reporting entity, the definition of "intra-entity" for purposes of complying with GASBS No. 48 is not only the HEI and its foundations but also other entities reported in the CAFR. This document provides a listing of the Commonwealth's intra-entities.

Foundation information

The institution should request complete and accurate information from the foundations in order for the institution to complete this attachment by the applicable attachment due date.

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Report Formats

Background

The institution’s individually published financial statements include the following: Statement of Net Position (SNP), Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), Statement of Cash Flows, Notes, and Management’s Discussion and Analysis. The SNP and SRECNP will be referred to as the **institution format**.

GASBS No. 39, *Determining Whether Certain Organizations Are Component Units*, requires the institutions to report certain foundations as discrete component units of the institution. Foundations are primarily non-profit charitable entities that exist solely to assist and support the HEI and are exempt from federal income tax. These foundations report under FASB rather than GASB standards and issue individually published financial statements.

Each institution is a discrete component unit of the Commonwealth. GASBS No. 39 paragraph 56 requires the Commonwealth to combine the HEI and foundation amounts into one column in the Commonwealth’s CAFR for reporting in the government-wide Statement of Net Position and Statement of Activities. GASBS No. 34, *Basic Financial Statements- and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on these government-wide financial statements. These government-wide financial statements will be referred to as the **CAFR format**. Institutions must convert the institution format including the foundation information into the CAFR format.

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Report Formats, Continued

Similarities

The **CAFR format** is similar to the **institution format** in the following ways:

- Both are prepared using the economic resources measurement focus and accrual basis of accounting
 - Both have similar net position line items (including net investment in capital assets)
 - Infrastructure assets must be reported by the HEIs using the historical approach
 - Both have the following similar line items on the SRECNP (institution format) and Statement of Activities (CAFR format): Contributions to Term Endowments, Contributions to Permanent Endowments, Extraordinary Items, and Special Items
-

Overall differences

Below are some of the overall differences between the CAFR format and the institution format:

- Institution format must be converted/recast to the CAFR format on the FST for the HEI & Combining FST for the foundations– see **Appendix 1: Chart of Accounts**, for a listing of line items.
- For the CAFR format, **institutions must eliminate significant* intrafund activity/balances between the HEI and the foundations and among the foundations** so that activity/balances will not be overstated when the combined total amount is reported in the Commonwealth’s CAFR. In addition, there are disclosure requirements for significant intrafund activity/balances that cannot be eliminated because of differing year-ends.

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

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Report Formats, Continued

**Statement of
Net Position -
differences**

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

- Liquidity order rather than classified format;
- Detailed cash, cash equivalent, and investment line items for the HEI including “restricted” cash, cash equivalent, and investment line items for the HEI & foundations – see [Appendix 2: Cash, Cash Equivalents, and Investments](#), and checklist tab item 7 for guidance;
- More detailed and/or different line items for the following reasons: verification to other information on Cardinal or from other agencies, determine reasonableness, and consistency in reporting;
- “Other” line items – descriptions are needed for “Other” line items to ensure consistent reporting in the CAFR; and
- Net investment in capital assets amount must be calculated and reported for FASB foundations. (Since most institutions convert the FASB financial statements to the GASB format, this conversion is usually already done when preparing the institution’s financial statements.)

**Statement of
Activities -
differences**

Below are some of the differences between the CAFR format (Statement of Activities) and the institution format (SRECNP):

- Different revenue line items as required and defined in [GASBS No. 34](#) and as amended by [GASBS No. 37](#) – see [Appendix 3: Revenue Classifications](#), for descriptions of these line items
 - HEI only - more detailed line items for state appropriation revenue/revenue from the Commonwealth/VCBA/transfers to ensure consistency with information on Cardinal or from other agencies for CAFR reporting
 - Nonoperating and operating expenses reported in total
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**Comptroller's Directive 2-17
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Listing of Tabs

Tabs

Below is a listing of the tab names within this attachment and also documents if the tab includes HEI and/or foundation information. This file contains 34 tabs. Tabs are explained in more detail in the following sections:

Tab Name	HEI and/or Foundation(s)
FST	HEI/Foundation(s)
Combining FST	Foundation(s)
Elimination Entries to FST	HEI/Foundation(s)
HEI Flux	HEI
Foundation Flux	Foundation(s)
Checklist	HEI/Foundation(s)
TAB 1A, GASBS 3	HEI
TAB 2, Receivables	HEI
TAB 3, Capital Assets	HEI
TAB 5, LT Liabilities	HEI
TAB 6, Commitments	HEI
TAB 7, Miscellaneous	HEI
TAB 8, Short-Term Debt	HEI
TAB 9, Net Inv in Cap Assets	HEI
TAB F1, Cash, Cash Eqv & Inv	Foundation(s)
TAB F2, SNAP & LGIP	Foundation(s)
TAB F3, Receivables	Foundation(s)
TAB F4, Capital Assets	Foundation(s)
TAB F5, LT Liabilities	Foundation(s)
TAB F5.1, LT Liabilities	Foundation(s)
TAB F6, Commitments	Foundation(s)
TAB F7, Miscellaneous	Foundation(s)
TAB F8, Intrafund	HEI/Foundation(s)
TAB F9, Short-Term Debt	Foundation(s)
TAB F10, Net Inv in Cap Assets	Foundation(s)
4 reconciliation tabs: HEI-Assets & Def. Outflows, HEI-Liabilities & Def. Inflows, HEI-Net Position, and HEI-Rev, Exp, and Chgs	HEI
4 reconciliation tabs: Foundations-Assets, Foundations-Liabilities, Foundations-Net Position, Foundations-Rev, Exp, and Chgs	Foundation(s)
Certification	HEI/Foundation(s)

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Financial Statement Template (FST)

FST

HEI Total Year-End June 30, 2017 column: Amounts for the HEI must be keyed into this column. **Footnote/informational TABs 1A to 9*** as well as the **HEI reconciliation tabs** must be completed for certain amounts reported in this column.

Note *: If applicable, TAB F8 Part 2 must be completed for significant intrafund activity/balance amounts reported in the HEI Total Year-End June 30, 2017, column that cannot be eliminated because a foundation reported on the Combining FST has a different year-end.

The following columns are **linked to other tabs** and those tabs are discussed in subsequent sections.

- Foundation(s) Year-End Totals (linked to Combining FST tab)
- Elimination Entries (linked to Elimination Entries to FST tab)

HEI Total Prior Year & Foundation(s) Total Prior Year Totals & Fluctuations: For prior year adjusted amounts to appear, select the institution number-institution acronym. Prior year amounts will appear and the #N/As will disappear. This tab identifies the fluctuations that exceed the scope below and require an explanation:

- Increases or decreases greater than 10% and \$3,900,000 or
- Increases or decreases greater than \$15,600,000 (regardless of percentage change)

Contact DOA if there is a fluctuation greater than the above scopes but it does not have a “yes” in the “*Is an explanation required?*” columns.

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Combining FST

Combining FST

The **Combining Financial Statement Template (Combining FST)** is similar to the FST; however, it is to record the amounts for the **foundations**. Most HEIs have at least one foundation. The Combining FST has up to eight columns that can be used to record foundation amounts. A separate column must be used for each foundation. Record the foundation name, year-end date, and amounts. **Footnote/Informational TABs F1 to F10** must be completed for each foundation. The foundation name and year-end date are linked to the Combining FST. The **Foundation reconciliation tabs** must be completed for amounts in the Subtotals (Prior to Elimination Entries) or Foundation(s) Year-End Totals columns.

Differing Year-Ends: Foundations with a different year-end must use the balances/activity as of the year-end that ends during the fiscal year-end of the institution. For example, balances/activity for the year-ended December 31, 2016, would be used to report amounts on the Combining FST for fiscal year ended June 30, 2017, if the foundation has a calendar rather than fiscal year-end.

Elimination Entries Between Foundations: The HEI must key amounts in the column titled “Elimination Entries” to eliminate significant* intrafund balance/activity amounts among the foundations reported on the Combining FST. Generally, these elimination entries should not affect the ending net position balances. Of course, this column does not apply to those HEIs with only one foundation. Any significant* intrafund activity/balances between the foundations that cannot be eliminated because the foundations have different year-ends must be disclosed on the TAB F8, Intrafund, Part 1.

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

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Line Items

Informational

Appendix 1: Chart of Accounts, includes a listing of the FST and Combining FST line items for the HEI and the foundation(s). Many line items are self-explanatory; however, below is additional information on certain line items:

- **Cash, Cash Equivalent, and Investment line items:** Additional information on these line items can be found in **Appendix 2: Cash, Cash Equivalents, and Investments**, including what to report on the “Restricted” Cash, Cash Equivalent, and Investment line items.
- **Contributions Receivable, Net** represents a promise a donor makes to give the foundation a contribution that is, in substance, unconditional. They are reported at the present value of their estimated future cash flows. This line item can **only** be used for the foundations.
- **“Other” line items:** A description must be provided on the applicable footnote/informational tabs for line items with “Other” in the title.
- **Claims Payable – Due Within One Year & Due in More Than One Year:** This line item is to report claims payable for self-insurance programs.
- **Long-Term Liabilities – Other Postemployment Benefits – Due in More than One Year:** This line item should be used to report any liabilities required to be reported in accordance with GASBS No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEBs). Since most institutions have OPEBs offered by the Commonwealth of Virginia, most institutions do not have this type of liability to report.

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Line Items, Continued

Informational,
continued

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- **Long-Term Liabilities – Trust and Annuity Obligations** represent obligations owed to beneficiaries under the terms of trust or annuity agreements. For example, split-interest agreements usually provide that the HEI or foundation act as trustee for the gift assets, with the requirement that an annual distribution be made to a specified beneficiary. These distributions are usually for a fixed dollar amount (annuity trust) or a fixed percentage of the trust's fair market value (unitrust). The amount due within one year and the amount due in greater than one year must be reported separately on the FST or Combining FST.
 - **Revenue:** The revenue line items and descriptions can be found in the **Appendix 3: Revenue Classifications**.
 - **Extraordinary Items:** These represent transactions/events that are both unusual in nature and infrequent in occurrence. Descriptions must be provided for these items.
 - **Special Items:** These represent significant transactions/events that are within the control of management and are unusual in nature or infrequent in occurrence. Descriptions must be provided for these items.
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Miscellaneous Information – HEI

**HEI -
appropriation
available**

The amounts reported on the following line items represent Account 101010, Cash held with Treasurer of VA, reported on Cardinal as of year-end for the General Fund (Fund 01000 and Central Capital Planning Fund 09650) that will be reappropriated and were reported on the previously submitted Attachment HE-8. These reappropriated amounts must be supported by the Department of Planning and Budget authorizations.

- Appropriations Available – Capital Projects
 - Appropriations Available – Other
-

**HEI -
inventory**

Include materials and supplies in the inventory line item on the financial statement template. Disclose any liens from pledging or assigning inventory in the Part 1 Inventory section of Attachment HE-10 (TAB 7, Miscellaneous). **Do not include** consigned inventory in inventory.

Use the **consumption method** when reporting inventory. This reporting method stipulates that inventory items to be used in operations must be reported as financial resources (assets) when acquired, and expenses must be recognized when the items are used. Many institutions may be currently recording inventory items as expenses when purchased (the purchase method); therefore, this accounting methodology requires an adjusting journal entry to record an asset and to reduce expenses for the unused inventory as follows:

Debit: Inventory	XXX
Credit: Expenses	XXX

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

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Miscellaneous Information - HEI, Continued

**HEI – net
position for
endowments**

Contributions to permanent **and** term endowments should be reported as separate line items on the financial statement template. The line items are “Contributions to Permanent Endowments” and “Contributions to Term Endowments.” The net position of permanent and term endowments **are** distinguished on the financial statement template as follows:

Permanent Endowment – Permanent endowment funds are funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal. Therefore, the principal portions should be reported as restricted net position – nonexpendable and the investment income should be reported as restricted net position – expendable. The unrealized appreciation may be nonexpendable or expendable depending on the donor’s specifications and applicable state law.

Term Endowment – Similar to permanent endowment funds except that, upon passage of a stated period of time or the occurrence of a particular event, all or a part of the principal may be expended. Therefore, only a temporary restriction on net position exists and term endowment funds should be reported as restricted net position – expendable.

Quasi-Endowment – Quasi-endowment funds are funds which the governing board of an institution, rather than a donor or outside agency, has determined are to be retained and invested. Since these funds are internally designated rather than externally restricted, the governing board has the right to decide at any time to expend the principal. Therefore, quasi-endowment funds may be either restricted or unrestricted. Quasi-endowments created with restricted resources must be reported as expendable restricted net position. Those created with unrestricted resources must be reported with unrestricted net position.

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Miscellaneous Information – HEI, Continued

**Internal use
computer
software
costs**

Computer software, including websites that must be capitalized in accordance with GASBS No. 51, must be reported on the applicable capital asset FST line items. For additional information, see the **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 15 regarding GASBS No. 51** pdf document available on DOA’s website.

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

**Summer school
sessions that
cross fiscal
years**

The answer to the Implementation Guide No. 2015-1, question 7.72.13 requires revenues from tuition and fees for an academic term that encompasses two fiscal years to be allocated between the two years. The revenues should be accrued during the period earned.

**Unrealized
gains and losses**

Unrealized gains and losses should be reported as revenue in accordance with paragraph 13 of GASBS No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Lag pay

Record any applicable lag pay accruals in the financial statement template. At a minimum, this will require recording of the July 3 (June 10-24 pay period) and a portion of the July 14 (June 25-30 pay period) payrolls.

**Pell Grants –
individually
published
financial
statements**

The Implementation Guide No. 2015-1 question 7.72.10 clarified how colleges and universities should report Pell Grants. In summary, because of an institution’s administrative involvement with Pell Grant requirements and because Pell Grants are nonexchange transactions, Pell Grant receipts should be reported as nonoperating revenues in the institution’s individually published financial statements and any amounts applied to student receivable accounts should be recorded as scholarship discounts or allowances. Refer to the Implementation Guide No. 2015-1 for additional information.

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Miscellaneous Information – HEI, Continued

Accounts Payable-Salaries/ Wages FST line item

The Accounts Payable – Salaries/Wages FST line item should include salaries, wages and employee benefits payable, including health insurance payments to the Department of Human Resource Management (DHRM) Health Insurance Fund (HIF), as of year-end, excluding amounts owed to VRS discussed in the next section.

If the institution does not expect to report the amounts owed to DHRM’s HIF for employee benefits on the “Accounts Payable-Salaries/Wages” FST line item, contact Christy Tuck to discuss.

Due to External Parties (Fiduciary Funds) FST line item

The Due to External Parties (Fiduciary Funds) FST line item should include amounts owed to the Virginia Retirement System (VRS) for VRS sponsored programs for employee benefits as of year-end.

ARRA Build America Bonds

Build America Bonds (BABs) for VCBA pooled and 9c bonds provide a federal subsidy on interest payments. The interest subsidy should be reported on the FST as “Program Revenue – Operating Grants and Contributions” and the interest expense should be reported on the “Operating and Nonoperating Expenses” FST line item. In other words, **do not net** the interest subsidy with the interest expense. This guidance is consistent with the response to question Z33.25 in the Implementation Guide No. 2015-1.

In addition, a receivable should be reported for the following subsidies to be received after year-end: 1) subsidy portion of the interest payments due and paid during FY 2017 and the subsidy is to be received after year-end, and/or 2) subsidy portion of the year-end accrued interest payable that represents the subsidy to be received after year-end. These receivables should be reported on the “Receivable, Net” FST line item and they should be included in the interest receivable category in the Attachment HE-10 TAB 2.

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Miscellaneous Information – HEI, Continued

Accrued Interest Payable FST line item

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

Bonds payable – due within one year

For consistency in the Commonwealth’s Comprehensive Annual Financial Report (CAFR), the amounts reported on the long-term liabilities – bonds payable – due within one year Attachment HE-10 Financial Statement Template (FST) line item should agree to the FY 2018 principal payments only. This guidance is also applicable to VCBA Pooled bonds reported on the applicable notes payable FST line items.

Exception: If demand bonds and/or bonds that are callable because of a debt violation must be reported as a current liability in accordance with GASB Interpretation 1 and/or GASBS No. 62, report on the applicable bonds payable or notes payable – due within one year FST line item.

Unamortized premiums

For consistency in the CAFR, any unamortized premium should be reported on the Attachment HE-10 on the following line items:

- Long-term liabilities: Bonds payable: Due in more than one year for bonds payable and
- Long-term liabilities: Notes payable: Due in more than one year for VCBA Pooled bonds.

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Miscellaneous Information – HEI, Continued

**Estimated
Interest/
Rebates**

All HEIs: Since funds for interest on tuition/fees/other E&G revenues and SPCC rebates are typically not appropriated until the following fiscal year, there is no amount to report on the “Due from Primary Government” Attachment HE-10 FST line item for the current fiscal year pursuant to the response to the Z33.16 question in the GASB Implementation Guide No. 2015-1.*

**Fund 03220/
Account 101010**

Tier III HEIs only: Fund 03220/Account 101010: Account 101010, Cash with the Treasurer of Virginia, balances reported in Cardinal as of June 30, 2017, in fund 03220, Covered Institution Interest Escrow Fund, should not be reported on the financial statement template. For CAFR reporting purposes, DOA plans to make a CAFR only entry to report these balances because the Commonwealth and not the institution has custody of the cash as of year-end.*

Note*: This guidance is similar to the guidance sent to HEIs last year on August 5, 2016, with the subject: Estimated Interest/Rebates & Fund 0322/GLA 101.

**eVA Sole
Source
Procurement
Rebates**

If an institution reports eVA sole source procurement rebates on the FST, it should be reported on the “Receivables, Net” Attachment HE-10 FST line item and on the Attachment HE-10 TAB 2 Part 1 in the “Other” category with a description. These amounts are typically insignificant to the CAFR and are not reported as “due tos/due froms” in the CAFR.

Note: This guidance is similar to the guidance sent to HEIs last year on August 22, 2016, with the subject: eVA sole source procurement rebates.

Continued on next page

Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

Miscellaneous Information – HEI, Continued

**Cardinal Funds
01000 & 09650
and Accounts
101010/205025/
205020**

In Cardinal, expenditures are debited and accounts payable are credited when the voucher is posted to reflect the amount pending disbursement. On the payment post date, accounts payable are debited and cash is credited.

Cardinal Funds 01000 and 09650 Account 101010, Cash with the Treasurer of VA, amounts are reported in the CAFR’s General Fund. To avoid double counting cash in the CAFR, Cardinal funds 01000 and 09650 Account 101010 amounts that equal accounts payable accounts 205025 and 205020 amounts as of year-end should be reported on the “Due from Primary Government” line item on the Attachment HE-10, Financial Statement Template.

Note: This guidance is similar to the guidance sent to HEIs last year on August 16, 2016, with the subject: CARS Funds 0100 & 0965 & GLAs 510 & 101.

**9c Bond
Refundings –
Late in
Current Fiscal
Year**

If a refunding of 9c bonds late in the fiscal year results in a net overpayment of interest (interest due June 1st on 9c refunded bonds exceeds interest due June 1st on 9c refunding bonds) and the Department of Treasury will apply the net overpayment to the next interest payment due during the next fiscal year, the net overpayment should be reported on the “Prepaid Items” Attachment HE-10’s FST line item. (Note: This guidance is similar to guidance sent to HEIs on August 31, 2015, regarding the 2015B 9c Refunding.)

Miscellaneous Information – Foundation(s)

**Derivative
Instruments –
Interest Rate
Swaps
(Excludes HEI)**

For consistency in the CAFR, derivative instruments reported by foundations such as interest rate swaps in a negative position should be reported on the Attachment HE-10’s Combining FST line item “Other Liabilities” rather than “Long-Term Liabilities-Other.” In addition, negative or positive changes in fair value should be reported on the “Investment Earnings” Combining FST line item.

Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

Fluctuation Analysis

**HEI Flux &
Foundation
Flux**

These tabs can be used to provide explanations for the significant fluctuations reported on the FST. After keying amounts into the FST and Combining FST tabs, use the filter function and select “yes” for the “*Is an explanation required?*” column and only those line items requiring an explanation will appear. Contact DOA if there is a fluctuation greater than the scopes noted below; however, these tabs do not have a “yes” for those line items in the “*Is an explanation required?*” column.

- Increases or decreases greater than 10% and \$3,900,000 or
- Increases or decreases greater than \$15,600,000 (regardless of percentage change)

Most institutions elect to provide explanations on these tabs; however, an institution can provide explanations in a separate document. If explanations are provided in a separate document, it should include the following: FST line item, \$ fluctuation, % fluctuation, and explanation.

A fluctuation analysis is an important control to help ensure that amounts are properly classified and reported. **Explanations should be understandable and adequately explain the reason for the fluctuation.** If a misclassification or misstatement is identified when preparing the fluctuation analysis, corrections should be made to the FST and/or Combining FST tab prior to submission. It will be necessary to make the adjustment to the respective tab and then return to the Flux tab to ensure the correct variances are reflected and explained. Therefore, it is important to allow plenty of time to properly prepare and review the fluctuation analysis prior to submission to DOA.

The preparer and reviewer should read the explanations from the perspective of an outside party and see if the explanation is reasonable. DOA may request clarification or additional information if an explanation is not clear.

Comptroller’s Directive 2-17
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Financial Statement Template

Elimination Entries to FST

**Elimination
Entries to FST**

Elimination Entries to FST tab: All significant* elimination entries for intrafund balance/activity amounts among the HEI and the foundation(s) must be recorded on the “Elimination Entries to FST” tab. This tab has a column for elimination entries to the HEI amounts and another column for the elimination entries to the Foundation amounts. After entering all elimination entries, ensure there are no “ERROR” messages on this tab or the FST tab. The “Elimination Entries” column on the FST is linked to the “**Elimination Entries to FST – Combined Total**” column in this tab. Any significant* intrafund balance/activity amounts not eliminated because the foundation(s) has a differing year-end (e.g., March 31st or December 31st) must be reported on TAB F8, Intrafund.

The following FST and/or Combining FST line items can be used to report significant* intrafund activity/balances that must be eliminated. These line items are optional; however, if these line items are used the combined total amounts on the FST tab must be zero after entering all amounts and applicable elimination entries. If these line items are not used, the significant* intrafund activity/balances reported on other line items must be eliminated.

- Due from Foundation(s)
- Due to Foundation(s)
- Due from Higher Education Institution
- Due to Higher Education Institution
- Payments/Support from Foundation(s)
- Payments/Support to Foundation(s)
- Payments/Support from the Higher Education Institution
- Payments/Support to the Higher Education Institution

Note *: Professional judgment must be used to determine what is considered “significant” to the institution’s individually published financial statements for purposes of identifying what eliminations are required.

**Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template**

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

Overview

This section discusses the **TABs 1A through 9 to obtain either HEI footnote and/or other information**. “ERROR” messages will appear if the amounts do not agree to the amounts reported on the FST and/or Elimination Entries to FST tabs for the applicable HEI amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

**TAB 1A,
GASBS 3**

Follow the procedures below to provide cash, cash equivalents, and investment amounts for the HEI

Part	Guideline
1	Report the institution’s total Cardinal account 101010 balance, less funds 01000, 09650, and 03220. This amount should agree to the applicable Cash held with Treasurer of VA line items on the FST. If the total amount reported does not equal Cardinal account 101010, excluding funds 01000, 09650, and 03220, submit a reconciliation by fund with the attachment.
2	<p>Amounts for the following line items are linked to the FST.</p> <ul style="list-style-type: none"> • Cash not held with Treasurer of Virginia • Restricted Cash not held with Treasurer of Virginia <p>The total of these amounts must be recorded on Attachment HE-11-detail tab – Part 1a. Attachment HE-11 requires additional footnote information on these line items.</p>
3	<p>Key in Nonnegotiable Certificates of Deposits (CDs) not held with the Treasurer of Virginia in the applicable spaces provided. These amounts must be recorded on the Attachment HE-11-detail tab-Part 1.1a. The following amounts are linked to the FST:</p> <ul style="list-style-type: none"> • Restricted SNAP Individual Portfolio– Cash Equivalents • Restricted SNAP Individual Portfolio - Investments • Cash Equivalents & Restricted Cash Equivalents not held with Treasurer of Virginia • Investments & Restricted Investments not held with Treasurer of Virginia <p>The total of these amounts (excluding nonnegotiable CDs not held with the Treasurer of VA) must be recorded on Attachment HE-11-detail tab – Part 3a. Attachment HE-11 requires additional footnote information on these line items.</p>

Continued on next page

**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

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

**TAB 1A,
GASBS 3,
continued**

Follow the procedures below:

Part	Guideline
4a & b 4c & d	<p>Provide descriptions and amounts for the following amounts held with the Treasurer of VA:</p> <ul style="list-style-type: none"> • Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP) • Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP): • Investments held with Treasurer of VA (excludes SNAP) • Restricted Investments held with Treasurer of VA (excludes SNAP):
5a & b	For any Local Government Investment Pool (LGIP) and/or Restricted Local Government Investment Pool amounts, provide the LGIP account # and amounts.
6a	For any Restricted State Non-Arbitrage (SNAP) Fund amount, provide the SNAP account # and amounts.
6b	For any amounts reported on the two Restricted SNAP Individual Portfolio line items, provide the SNAP account # and amounts.

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Comptroller's Directive 2-17
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Financial Statement Template

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

**TAB 2,
Receivables**

Part 1) Provide the following footnote information:

- Gross amounts by category
- Description and gross amounts for "Other Receivables" category
- Allowance for doubtful accounts
- Net receivables expected to be collected in greater than one year.

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

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

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Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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

TAB 3, Capital Assets

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

Note*: TAB 7 Part 15 has questions regarding GASBS No. 51. See **Additional Information: Attachment HE-10 – TAB 3 & TAB 7 - Part 15 regarding GASBS No. 51** on DOA's website for additional guidance.

Provide the following footnote information:

Part 1) Schedule of Changes in Capital Assets

Part 1a) Comparison of Beginning Balances to Prior Year's Ending Balances: This compares the prior year's ending balances to the current year's beginning balances and calculates differences. After selecting the institution number-institution acronym on the FST tab, prior year's ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year's ending balances as adjusted for correcting TAB 3 AJEs. The amounts in the Balance July 1, 2016, column are linked to Part 1. Differences must be explained.

Part 2) Capital Asset Capitalization Policy

Parts 3.1 to 3.3) GASBS No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries: See **Additional Information: Attachment HE-10 – TAB 3 – Part 3 regarding GASBS No. 42** on DOA's website for additional guidance.

Part 4) This is for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's capital asset line items.

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Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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

**TAB 5, LT
Liabilities**

This tab provides the following footnote information:

Part 1) Schedule of Changes in Long-Term Liabilities and Claims Payable

Part 1a) Comparison of Beginning Balances to Prior Year Ending Balances: This compares the prior year's ending balances to the current year's beginning balances and calculates differences. After selecting the institution number-institution acronym on the FST tab, the prior year's ending balances will appear and the #N/As will disappear. Contact DOA if the prior year amounts do not agree to the prior year's ending balances as adjusted for correcting TAB 5 AJEs. The amounts in the Balance July 1, 2016, column are linked to Part 1. Differences must be explained.

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

Part 2) Schedule of Installment Purchase Obligations

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

Parts 4 & 4a) Bonds Payable (Institutional Debt) – Part 4 is to provide future interest and principal payments. Part 4a is to provide issue dates and interest rates for fixed rate debt and variable rate debt separately. (Note: Applicable institutions must also submit Supplemental Information Items 7c and 7d as required in the Supplemental Information section of the Comptroller's Directive No. 2-17.)

Parts 5 to 8) These are for **elimination entries** reported on the Elimination Entries to FST tab to the HEI's long-term liability line items.

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**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

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

**TAB 6,
Commitments**

This tab provides the following footnote information for the HEI:

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

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

**TAB 7,
Miscellaneous**

This tab provides the footnote/other information for the HEI.

**Tab 8, Short-
term Debt**

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

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Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

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

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

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

- Debt related to capital assets,
- Unspent proceeds on debt related to capital assets (excluding investment earnings on proceeds)*,
- Accounts/retainage payable to be paid with the unspent proceeds on debt related to capital assets*,
- Deferred outflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets,
- Deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or debt related to capital assets, and
- Other items, if any, the HEI determines should be included in the calculation.

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

If capital assets purchased with bond proceeds subsequently become permanently impaired, ensure the capital assets and debt related to capital asset amounts are revised accordingly.

This tab includes informational totals that show what amounts are reported on the FST and/or Elimination Entries to FST tabs for short-term debt (lines of credit) line item. It also has informational totals per the TAB 7 Parts 19a & 19b regarding the deferral on debt defeasance-loss and deferral on debt defeasance-gain amounts.

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

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

Below is a simple example of how to calculate this amount using the following information: total capital assets of \$10,100,000; bonds payable related to the construction of a building that total \$5,000,000, unspent bond proceeds reported as restricted cash related to this debt of \$2,000,000; accounts/retainage payable amounts to be paid from the unspent proceeds of \$100,000.

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

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

The total capital asset and the long-term debt amounts are linked to the FST. Since the total debt amounts are linked to the FST and will show as a negative amount, any of the debt amounts that are not related to capital assets must be recorded as a positive amount to be excluded from the calculation.

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

Some HEIs have eliminations entries that affect capital asset and/or debt line items. If the HEI has elimination entries that affect these line items, the second column is to document the calculation of the net investment in capital assets based on the elimination entries.

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

Background

Institutions are **not** expected to convert foundation FASB footnotes into GASB footnotes; however, there will be some additional information needed from foundations in order to report information in the CAFR. This section discusses **TABs F1 through F10** to obtain **foundation footnote and/or other information**.

“ERROR” messages will appear if amounts do not agree to the Combining FST and/or Elimination Entries to FST for the applicable foundation amounts. Check figures are displayed in red and should help determine why an “ERROR” message appears.

TAB F1

Tab F1, Cash, Cash Eqv, and Inv, include the following for the foundations:

- Part 1) Answer questions regarding cash and cash equivalents (including restricted cash and cash equivalents).

 - Part 2a) Record the fair value of investments (including restricted investments). There are two columns to record footnote elimination entries to foundation investment and restricted investment amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

 - Part 2b) State whether any amounts reported in Part 2a are reported at cost rather than fair value.

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

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

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Comptroller’s Directive 2-17
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Financial Statement Template

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

TAB F2

TAB F2, SNAP & LGIP: If the foundation has any amounts invested in the State Non-Arbitrage Program (SNAP) or the Local Government Investment Pool (LGIP) during the year or at year-end, provide the account numbers and year-end balances. The Combining FST line item for these amounts must be provided. A drop-down list is provided with the following line items:

- | | |
|-----------------------|---|
| Part 1) LGIP amounts: | Cash & Cash Equivalents
Restricted Cash & Cash Equivalents |
| Part 2) SNAP amounts: | Restricted Cash & Cash Equivalents
Restricted Investments |

The SNAP amounts should be reported on the “Restricted” line items because balances represent unspent bond proceeds. Judgment must be used to determine if any LGIP amounts should be reported on the “Restricted” line items. (See Checklist tab item 7 for further guidance.)

TAB F3,
Receivables

Part 1) Receivables, Net must have the following disclosures: gross amounts by category (including a description for the “other” category), allowance for doubtful accounts, and net amount expected to be collected in greater than one year. The institution may need to require this additional information from the foundation if the foundation’s financial statements and/or footnotes do not clearly indicate the type of receivable, gross and allowance amounts, and the net amount expected to be collected in greater than one year.

Part 2) Contributions Receivable, Net must have the following disclosures: amount due in less than one year, amount due between one and five years, amount due in more than five years, present value discount, allowance for uncollectible contributions, and discount rate used to determine present value.

This tab has two columns to record footnote elimination entries to these foundation receivable amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

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Comptroller's Directive 2-17
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Footnote/Other Information for Foundations (TABs F1 to F10),

Continued

TAB F4, Capital Assets

Provide year-end capital asset amounts by category, gross amounts, and accumulated depreciation amounts. There are two columns to record footnote elimination entries to foundation capital asset amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

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

TABS F5 & F5.1 LT Liabilities

The TAB F5 has four parts to obtain descriptions, payees, and outstanding balances for the following:

- Part 1) Notes Payable
- Part 2) Bonds Payable
- Part 2a,b) Demand Bonds & Callable Bonds because of Debt Violations
- Part 3) Capital Lease Obligations
- Part 4) Installment Purchase Obligations

In addition, TAB F5 has the following three parts to obtain descriptions and outstanding balances of the following:

- Part 5) Long-term Liabilities – Other
- Part 6) Long-term Liabilities – Other Postemployment Benefits (OPEBs)
- Part 7) Claims Payable

TAB F5.1 has four parts to obtain future payments on the amounts reported on the TAB F5 Parts 1 to 4. The future payments are for the next five years and then a total for all years thereafter. Capital asset balances must be provided for any capital assets purchased with the capital leases. There are two columns to record footnote elimination entries to the applicable foundation line items reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

TAB F6, Commitments

Part 1) Provide information on operating lease agreements.

Part 2) Provide information on any other commitments.

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

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Comptroller's Directive 2-17
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Financial Statement Template

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

Continued

TAB F7,
Miscellaneous

This tab has questions to gather footnote/other information not captured in other tabs.

TAB F8,
Intrafund

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

1. The foundation has a year-end other than June 30 (e.g., December 31 year-end, March 31 year-end, etc.)
2. The HEI and the foundation(s) have significant intrafund balance/activity amounts reported on the FST that have not been eliminated because of different fiscal years **or** the foundations reported on the Combining FST have significant intrafund balance/activity amounts reported on the Combining FST that have not been eliminated because of different fiscal years.

If both conditions are met, provide the FST line items and amounts that were not eliminated. Part 1 is to report foundation amounts that cannot be eliminated and Part 2 is to report the HEI amounts that cannot be eliminated. Different year-ends make the elimination entries a little more complicated. Any significant intrafund activity/balances that are not eliminated because of different year-ends (either between the HEI & foundation(s) or among the foundation(s)), must be disclosed on TAB F8.

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**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

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

Continued

TAB F8,
continued

Below is an example of how this type of activity/balances should be reported on the Attachment HE-10 for FY 2017 if a HEI has a foundation with a December 31 year-end:

Significant intrafund balances reported on the Statement of Net Position

HEI/Foundation	As of 12/31/2016	As of 6/30/2017
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	n/a
HEI (fiscal year-end)	n/a	Disclose on TAB F8 – Part 2

Significant intrafund activity reported on the Statement of Activities

HEI/Foundation	1/1/2016 to 6/30/2016	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017
Foundation (calendar year-end)	Disclose on TAB F8 – Part 1	Record on Elimination Entries to FST tab (Foundation column)	n/a
HEI (fiscal year-end)	n/a	Record on Elimination Entries to FST tab (HEI column)	Disclose on TAB F8 – Part 2

TAB F9,
Short-Term Debt

Complete this tab if amounts are reported on the following line items:

- Part 1) Short-Term Debt line item
- Part 2) Long-Term Liabilities – Bond Anticipation Notes Payable line items

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Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template

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

Continued

TAB F10,
Net Inv in Cap
Assets

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

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

Comptroller’s Directive 2-17
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Financial Statement Template

Reconciliation Tabs – HEI & Foundations

Reconciliation tabs

The following eight reconciliation tabs are to document the reconciliation between the institution’s individually published financial statements (institution format) and the FST/Combining FST (CAFR format):

HEI-Assets & Def. Outflows	Foundations-Assets
HEI-Liabilities & Def. Inflows	Foundations-Liabilities
HEI-Net Position	Foundations-Net Position
HEI-Rev, Exp, and Chgs	Foundations-Rev, Exp, and Chgs

Each tab is set up with column headers representing financial statement template (FST) or Combining FST line items and rows representing the institution’s individually published financial statement line items.

The institution’s individually published financial statement line items must be reported on the applicable rows. Amounts must be reported in the applicable columns and column totals must agree to the applicable FST or Combining FST line items (**see Note A**). The row line items and totals should agree to the SNP & SRECNP submitted along with the Attachment HE-10 as required by Supplemental Information Item 7 and the final SNP and SRECNP that will be submitted along with the Attachment HE-13 as required by Supplemental Information Item 8. The institution must ensure that the line item titles per the individually published financial statements are reasonable when compared to the FST or Combining FST.

Note A: The four HEI tabs will display an “ERROR” message if the column totals do not agree to the “HEI Total Year-End June 30, 2017” column on the FST. The column totals on the four foundation tabs should agree to either the “Subtotals (Prior to Elimination Entries)” or the “Foundation(s) Year-End Totals” columns reported on the Combining FST. An “ERROR” message will display below the column total if either of these amounts do not agree. Informational totals have been provided.

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Financial Statement Template

Checklist & Certification

Checklist

This tab should be completed after completing all tabs except for the Certification tab. This tab includes questions regarding HEI and foundation amounts/information as a reasonableness check to determine the propriety of certain amounts.

Certification

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

Note: Information in this attachment should be accurate, complete, properly classified, and adequately reviewed prior to submitting to DOA. In addition, the institution should not rely on DOA to identify misclassifications and/or misstatements.

Comptroller’s Directive 2-17
Attachment HE-10
Financial Statement Template

Errors Discovered after Submission

**Errors
discovered after
submission**

Institutions must ensure that all efforts have been made to submit a complete and accurate Attachment HE-10. However, if the institution discovers an unexpected error in the attachment after the submission, the Fiscal Officer must send an e-mail with the subject line **“Error discovered after template submission”** to:

Sharon Lawrence, Director of Financial Reporting, at Sharon.Lawrence@doa.virginia.gov and copy:
John Sotos, Assistant Director - Financial Statements, at John.Sotos@doa.virginia.gov, and
Christy Tuck, CAFR Project Lead, at Christy.Tuck@doa.virginia.gov with the following information:

- Description of the error
- Dollar amount of the error
- Correcting AJE to the FST, Combining FST, and/or Elimination Entries to FST tabs
- Correcting entries to any other footnote/informational tabs
- Cause of the error
- Reason why the error was not discovered prior to the submission

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

**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

Appendix 1: Chart of Accounts

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

Assets	HEI- FST tab	Foundation- Combining FST tab
Cash held with Treasurer of VA	X(1)	
Cash not held with Treasurer of VA	X(1)	
Local Government Investment Pool	X(1)	
Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Cash and Cash Equivalents		X(1)
Cash Equivalents (DOA Securities Lending AJE)	X(1)	
Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Investments		X(1)
Investments (DOA Securities Lending AJEs)	X(1)	
Appropriations Available – Capital Projects	X(2)	
Appropriations Available – Other	X(2)	
Due from Primary Government	X(2)	
Due from Component Units (VCBA 21 st Century)	X(3)	
Due from Component Units (VCBA – ETF)	X(3)	
Due from Primary Government (GOB)	X(3)	
Due from Primary Government (VPBA)	X(3)	
Receivables, Net	X	X
Contributions Receivable, Net		X
Due from Component Units	X	
Due from Higher Education Institution		X
Due from Foundation(s)	X	X
Inventory	X	X
Prepaid Items	X	X
Cash & Travel Advances	X	X
Advances (GASBS No. 33)	X	
Other Assets	X	X
Loans Receivable from Primary Government	X	
Loans Receivable from Component Units	X	

Note 1: See also **Appendix 2: Cash, Cash Equivalents, and Investments**

Note 2: Amounts per these line items should agree to the Attachment HE-8.

Note 3: Amounts per these line items should agree to the Attachment HE-9.

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Appendix 1: Chart of Accounts, Continued

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

<i>Assets, Continued</i>	HEI-FST tab	Foundation- Combining FST tab
Restricted Cash held with Treasurer of VA	X(1)	
Restricted Cash not held with Treasurer of VA	X(1)	
Restricted Local Government Investment Pool	X(1)	
Restricted State Non-Arbitrage Program (SNAP) Funds	X(1)	
Restricted SNAP Individual Portfolio – Cash Equivalents	X(1)	
Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)	X(1)	
Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Cash and Cash Equivalents		X(1)
Restricted SNAP Individual Portfolio - Investments	X(1)	
Restricted Investments held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments not held with Treasurer of VA (excludes SNAP)	X(1)	
Restricted Investments		X(1)
Other Restricted Assets	X	X
Nondepreciable Capital Assets:		
Land	X	X
Construction in Progress	X	X
Inexhaustible Works of Art and/or Historical Treasures	X	X
Livestock	X	X
Intangible Assets with indefinite useful life (GASBS No. 51)	X	
Depreciable Capital Assets:		
Buildings	X	X
Equipment	X	X
Infrastructure-Historical Approach	X	X
Improvements Other Than Buildings	X	X
Works of Art and/or Historical Treasures	X	X
Library Books	X	X
Intangible Assets (GASBS No. 51):		
Computer Software (including websites)	X	
Patents, Trademarks, and/or Copyrights	X	
Water Rights and/or Easements	X	
Other	X	
Deferred Outflows of Resources	X	

Note 1: See also **Appendix 2: Cash, Cash Equivalents, and Investments**

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**Comptroller's Directive 2-17
Attachment HE-10
Financial Statement Template**

Appendix 1: Chart of Accounts, Continued

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

	HEI- FST tab	Foundation- Combining FST tab
Liabilities		
Accounts Payable, Vendor Payments	X	
Accounts Payable, Salaries/Wages	X	
Accounts Payable, Retainage Payable	X	
Accounts Payable, Other	X	
Advances from the Treasurer of VA	X	
Foundation(s) – Accounts Payable		X
Due to Other Governments (i.e. Federal/Local Govts.)	X	X
Due to Primary Government	X	
Due to External Parties (Fiduciary Funds) - amounts owed to VRS	X	
Due to Component Units	X	
Due to Higher Education Institution		X
Due to Foundation(s)	X	X
Unearned Revenue	X	X
Obligations Under Securities Lending Program	X	X
Accrued Interest Payable	X	X
Other Liabilities	X	X
Deposits Pending Distribution	X	X
Short-Term Debt (i.e. lines of credit)	X	X
Grants Payable	X	X
Loans Payable to Primary Government (Account 206240)	X	
Loans Payable to Component Units	X	
Claims Payable – Due Within One Year	X	X
Claims Payable – Due in More Than One Year	X	X
*Long-Term Liabilities: Due Within One year & Due in More Than One Year:		
Compensated Absences	X	X
Capital Lease Obligations	X	X
Notes Payable	X	X
Bonds Payable	X	X
Bond Anticipation Notes Payable	X	X
Installment Purchases	X	X
Net Pension Liability (GASBS No. 68)	X	
Other Postemployment Benefits (OPEB)	X	X
Trust and Annuity Obligations	X	X
Other Liabilities	X	X
Deferred Inflows of Resources	X	

Note *: Except for the Net Pension Liability & OPEB liability, these amounts must be reported separately as due within one year and due in more than one year.

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Appendix 1: Chart of Accounts, Continued

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

Net Position	HEI- FST tab	Foundation- Combining FST tab
Net Investment in Capital Assets	X	X
Restricted/Nonexpendable for:		
Foundation(s)		X
HEI	X	
Restricted/Expendable for:		
Foundation(s)		X
HEI	X	
Unrestricted	X	X

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Appendix 1: Chart of Accounts, Continued

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

	HEI- FST tab	Foundation- Combining FST tab
Program Revenues		
Charges for Services	X(4)	X(4)
Operating Grants and Contributions	X(4)	X(4)
Capital Grants and Contributions	X(4)	X(4)
Program Expenses:		
Operating and Nonoperating Expenses	X	X
Loss on Sale/Disposal/Impairment of Capital Assets	X	X
State Appropriation Revenue/Other Funding from Commonwealth/VCBA:		
E&G Transfers	X(5)	
E&G Reversions	X(5)	
Payments to Treas. Bd. – VCBA 21 st Cent. & Eq. Pgms.	X(5)	
Other	X(5)	
State Appropriation Revenue – Capital Projects	X(5)	
Revenue from VCBA (21 st Century)	X(6)	
Revenue from VCBA (ETF)	X(6)	
Capital Contributions from Treasury (GOB)	X(6)	
Capital Contributions from Treasury (VPBA)	X(6)	
General Revenues & Other Items:		
Grants & Contributions not Restricted to Specific Programs	X(4)	X(4)
Investment Earnings (does not meet program revenue definitions)	X(4)	X(4)
Miscellaneous Revenues	X(4)	X(4)
Gain on Sale/Disposal/Impairment of Capital Assets	X	X
Contributions to Permanent Endowments	X(4)	X(4)
Contributions to Term Endowments	X(4)	X(4)
Payments/Support from Higher Education Institution		X
Payments/Support from Foundation(s)	X	X
Payments/Support to Higher Education Institution		X
Payments/Support to Foundation(s)	X	X
Increase in Split-Interest Agreements	X	X
Decrease in Split-Interest Agreements	X	X
Special Items	X	X
Extraordinary Items	X	X
Net Position – beginning	X	X

Note 4: See also [Appendix 3: Revenue Classifications](#) for descriptions.

Note 5: Amounts per these line items should agree to the Attachment HE-8.

Note 6: Amounts per these line items should agree to the Attachment HE-9.

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Appendix 2: Cash, Cash Equivalents, and Investments

**Definitions -
HEI**

For purposes of this Directive, the following definitions apply:

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

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

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

Security – A transferable financial instrument evidencing debt obligation of, or equity ownership in, a common enterprise. The term includes notes, stocks, bonds, debentures, or other forms of negotiable and non-negotiable instruments that evidence indebtedness or ownership.

Note*: SNAP Individual Portfolios are different from the SNAP funds (pool) and may include cash equivalents and/or investments depending on what makes up the portfolio. This is why there is a Restricted SNAP Individual Portfolio – cash equivalent and a Restricted SNAP Individual Portfolio – investment line item.

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

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Overview**

There are **19 FST line items** for cash, cash equivalents, and investments for the **HEI**. These detailed line items are so that amounts can be agreed to one of the following: 1) information on Cardinal, 2) information from the Department of Treasury, or 3) information from entries provided by DOA. Basically these line items are broken into the following categories which are described in more detail in the following sections:

- Amounts held with the Treasurer of VA
- Amounts not held with the Treasurer of VA*
- State Non-Arbitrage Program (SNAP) Funds
- Local Government Investment Pool (LGIP)
- Cash Equivalents/Investments – DOA Securities Lending AJEs
- SNAP Individual Portfolios*

In addition, for each category listed above there are also “restricted” line items. See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for additional information.

Nonnegotiable Certificates of Deposit: Nonnegotiable CDs should be reported on the applicable “cash equivalents” financial statement template line item if the original maturity is 90 days or less and they should be reported on the applicable “investment” financial statement template line item if the original maturity is greater than 90 days. Nonnegotiable CDs should continue to be treated as “deposits” for GASBS 3/40 disclosures.

Note *: GASBS No. 3/40 information must be provided on the Attachment HE-11 for the amounts not held with the Treasurer of VA and SNAP Individual Portfolios because this information is not provided by the Department of Treasury.

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Amounts held
with Treasurer
of VA, SNAP,
and LGIP**

The following line items are to report the applicable account 101010 balances on Cardinal (excluding funds 01000, 09650, and 03220). TAB 1A Part 1 requires that institutions provide a reconciliation to explain differences between Cardinal and the financial statement template.

- Cash held with Treasurer of VA
- Restricted Cash held with Treasurer of VA*

DOA will provide asset, liability, income, and expense amounts for each institution's share of securities lending transactions, if any, held in the General Account of the Commonwealth in accordance with GASBS No. 28. The asset portion of these securities lending entries should be reported on the following line items:

- Cash Equivalents (DOA Securities Lending AJE)
- Investments (DOA Securities Lending AJE)

The amounts reported on the following line items will be agreed to information provided by Department of Treasury. The Restricted SNAP Funds represent amounts invested in the pool.

- Local Government Investment Pool
- Restricted Local Government Investment Pool*
- Restricted State Non-Arbitrage Program (SNAP) Funds*

The amounts reported on the following line items will be agreed to information provided by Treasury. In addition, Treasury will provide the GASBS 3/40 information on these line items.

- Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)
- Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP & LGIP)*
- Investments held with Treasurer of Virginia (excludes SNAP)
- Restricted Investments held with Treasurer of VA (excludes SNAP)*

Note *: See the section in this appendix titled **HEI & Foundations(s): "Restricted" cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI -
Amounts not
held by
Treasurer of
VA &
SNAP
Individual
Portfolio**

The GASBS 3/40 information for the following line items will need to be provided on the Attachment HE-11.

- Cash not held with Treasurer of VA
- Restricted Cash not held with Treasurer of VA*
- Cash Equivalents not held with Treasurer of VA (excludes SNAP)
- Restricted SNAP Individual Portfolio – Cash Equivalents*
- Restricted Cash Equivalents not held with Treasurer of VA (excludes SNAP)*
- Investments not held with Treasurer of Virginia (excludes SNAP)
- Restricted SNAP Individual Portfolio – Investments*
- Restricted Investments not held with Treasurer of VA (excludes SNAP)*

A SNAP individual portfolio is different from the SNAP fund (pool). If institutions have a SNAP individual portfolio, DOA will verify amounts to information provided by Treasury; however, the institutions must provide the GASBS 3/40 information on the Attachment HE-11 for these amounts.

Note *: See the section in this appendix titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for guidance on amounts that should be reported on these line items.

**Foundations -
overview**

There are **four Combining FST line items** for cash, cash equivalents, and investments for the **Foundations**. They are as follows:

- Cash and Cash Equivalents
- Investments
- Restricted Cash and Cash Equivalents*
- Restricted Investments*

Note*: See the next section titled **HEI & Foundations(s): “Restricted” cash, cash equivalent, and investment line items** for additional guidance.

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Appendix 2: Cash, Cash Equivalents, and Investments, Continued

**HEI &
Foundation(s):
“Restricted”
cash, cash
equivalent, and
investment line
items**

The Statement of Net Position in the CAFR format is in **liquidity order** rather than in a classified format (current/noncurrent). Report the following amounts on the restricted cash, cash equivalent, and investment line items:

- Permanently restricted/nonexpendable amounts,
- Unspent bond/note proceeds related to capital construction projects*,
and
- Unspent proceeds related to energy performance contracts.

Judgement must be used to determine if any other restricted amounts should be reported on these line items. Refer to Implementation Guide No. 2015-1 question 7.22.3 for detailed information.

Note*: In general, SNAP funds and SNAP individual portfolios represent unspent bond proceeds and therefore they would be reported on the applicable restricted cash/cash equivalent/investment line items.

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Appendix 3: Revenue Classifications

Revenue classifications

Revenue amounts must be analyzed to determine the proper reporting on the FST and the Combining FST in accordance with GASBS No. 34 and GASBS No. 35. See also GASBS No. 37 and the applicable Implementation Guides. for additional guidance. Below is a brief description of the revenue line items:

- **Program Revenues – Charges for Services:** This includes exchange or exchange-like transactions. These revenues arise from charges to customers, applicants or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services. Examples of this category are as follows: fees charged for specific services, licenses, permits, and other amounts charged to service recipients. In addition, fines and forfeitures are also included because they result from direct charges to those who are otherwise directly affected by the program or service even though they receive no benefit. (see GASBS No. 34, GASBS No. 37, paragraph 13 which amends GASBS No. 34, paragraph 49)
- **Program Revenues – Operating Grants and Contributions** (program-specific operating grants & contributions): This represents revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Also, if a program specific grant and/or contribution can be used for operating and capital purposes, they should be reported as Program Revenue-Operating Grants and Contribution. (see GASBS No. 34, paragraph 50)
- **Program Revenues – Capital Grants and Contributions:** This has the same definition as operating grants and contributions except the restriction is for capital purposes (see GASBS No. 34, paragraph 50).
- **Grants & Contributions not Restricted to Specific Programs:** (nonspecific grants & contributions): This represents grants and/or contributions that do not meet the definitions of program revenues (see GASBS No. 34, paragraph 50).

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Appendix 3: Revenue Classifications, Continued

**General
revenue-
investment
earnings**

Investment earnings*: This represents interest, dividends, unrealized gains/losses on investments, realized gains/losses, and other investment earnings on investments that **do not** meet the definition of program revenue. For example, investment earnings on permanent or term endowments should be reported as program revenue if restricted to a program or programs specifically identified in the endowment agreement or contract. Investment earnings not meeting the definition of program revenues should be reported as General Revenues - Investment Earnings (see GASBS No. 34, paragraphs 51 & 52). **Based on this definition, investment earnings may be reported on more than one FST or Combining FST line item.**

***For foundations only:** Negative or positive changes in the fair value of derivative instruments - interest rate swaps should also be reported as Investment Earnings.

**General
revenue -
miscellaneous
revenue**

Miscellaneous revenue: Represents revenue amounts that do not fall under any other financial statement template line item definition.

**Contributions
to permanent &
term
endowments**

Contributions to Permanent Endowments: Represents funds with respect to which donors or other outside agencies have stipulated that the principal be maintained in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principal. (Note: A foundation's permanently restricted contributions should be reported on this line item.)

Contributions to Term Endowments: Similar to permanent endowments except that upon passage of a stated period of time or the happening of a particular event, all or a part of the principal may be expended.

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