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

- The Directive is formatted to facilitate identification of specific agency requirements. Informational authoritative literature/guidance, a glossary, and a frequently asked questions (FAQ) document are provided on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link.

- Agencies must comply with the requirements contained in the Authoritative Literature/Guidance for Preparation of GAAP Basis Fund Financial Statement Templates, which can be found on DOA’s website at www.doa.virginia.gov. Click on the “Financial Statement Directives” link.

- Any questions related to the Directive should be addressed to the following individuals:
  - Attachment Analyst – AttachmentAnalyst@doa.virginia.gov
  - Matthew Wiggins, Assistant Director – Financial Statements, (804) 225-2438 or matthew.wiggins@doa.virginia.gov
  - Susan Jones, Assistant Director – Financial Statements, (804) 225-4426 or susan.jones@doa.virginia.gov
  - John Sotos, Assistant Director – Financial Statements, (804) 225-2111 or john.sotos@doa.virginia.gov
  - Sharon Lawrence, Director of Financial Reporting, (804) 225-2414 or sharon.lawrence@doa.virginia.gov


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Items of Interest – Page 2

General, Continued

- AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*, states that the identification by the auditors of a material misstatement, identification of fraud by senior management, and ineffective oversight of an entity’s financial reporting are indicators of a material weakness in internal control. This also includes restatements of previously issued financial statements to reflect a correction of a material misstatement. This applies regardless of whether the auditors or the agency discovers the restatement.

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

- Online training on this directive is available at no charge to agencies. Several directive training modules are available to meet the diverse experience levels of agency fiscal staff. Participation is strongly encouraged for agencies that must complete information contained in this Directive. To register for any of the training modules, login to the Learning Center (COVLC) at [https://covlc.virginia.gov](https://covlc.virginia.gov). Click on the “Catalog” link and search using the keyword “DOA Directive.” Click the course/reference you wish to access. If the agency has difficulty accessing the training, contact your agency COVLC site administrator, or e-mail doatraining@doa.virginia.gov for guidance. Please note that if an agency is not a member of the Learning Center, users will not be able to access the training. However, a PDF copy of the PowerPoint slides can be made available to those agencies.

- DOA will have open training in July for any agencies that are interested in more detailed training or have specific questions. This training will be available for all agencies that would like to attend for additional, in-person guidance on specific attachments and open Q&A. Email AttachmentAnalyst@doa.virginia.gov to request detailed training.

- 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 due date will be provided. Original submissions should be materially correct. Multiple submissions, failure to provide corrected information or respond to DOA inquiry within the specified time frame may result in a citation in the Comptroller’s *Quarterly Report on Statewide Financial Management and Compliance.*

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General, Continued

- As in previous years, e-mail submissions are required for all submissions unless an individual submission indicates otherwise. Agencies should only submit one copy of each submission to DOA. Please note the e-mail addresses below:
  - For attachments only – finrept-agyatt@doa.virginia.gov
  - For supplemental information only – finrept-agysupp@doa.virginia.gov
  - For questions or detailed directive training – AttachmentAnalyst@doa.virginia.gov
  - All other correspondence – finrept@doa.virginia.gov

Agencies should remember to copy the Auditor of Public Accounts (APA) on ALL e-mail submissions at: APAFinRept@apa.virginia.gov.

- The Supplemental Information requirements are numbered for each agency. When submitting the required information, the subject line of the e-mail should include the agency number, due date of the submission, and item number. For example, if the Department of Accounts is submitting items due on July 11, then the subject line would read “Agy 151, Due Date July 11, 2019, Submissions, Item #.”
  - When naming the actual file, include the Item # in the file name.
  - **DO NOT include different due date submissions within the same e-mail.**
  - When submitting revisions, include “REVISED – date” in the subject line of the e-mail as well as in the file name.
  - If revisions are made to previously submitted supplemental information, submit a completed Attachment 32 – Supplemental Information – Revision Control Log.
  - A fluctuation analysis is required for all supplemental submissions. For additional information, please see the Supplemental Information section of the Directive.

- For your convenience, the contact information in all but the first tab in each attachment/template continues to be auto filled with the information from the first tab, but the cells remain unlocked to allow for more than one preparer to complete the attachment.

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

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• **Certification** is required for most submissions. This certification step requires the names of all preparers and reviewers to be included on all applicable submissions. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual for any submission. **By typing a name, the preparer is certifying that all of the questions have been completed and are accurate; the reviewer is certifying that the attachment has been reviewed and is complete and accurate; the preparer and reviewer were not the same individual for any tab; and the preparer and reviewer have read and understood the instructions for the attachment. If agency staffing does not allow for a different preparer and reviewer, please contact DOA.**

• 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. Include “REVISED – date” in the subject line of the e-mail as well as in the file name.** Each time a revision is submitted, the Certification tab should be updated with new signatures and dates. 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 or equal to $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 or equal to $100,000 and an expected useful life of greater than two years. Proprietary agencies/funds will be able to specify the fund’s individual capitalization limits in the financial statement template capital asset footnote tab.

• As a reminder, BRES administered leases are reported by the Department of General Services (DGS) and not the line agency.
General, Continued

- 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.

- Agencies must ensure that the “Goods or Services Receipt Date” or “Transaction Date” is less than or equal to June 30, 2019, for Cardinal Vouchers and Cardinal Expense transactions, respectively, processed in July, August, or September relating to prior fiscal year activity. DOA’s fiscal year 2019 year-end agency closing instructions provide additional guidance. These instructions are available for download from DOA’s web site at www.doa.virginia.gov. Click on “Fiscal Year-End Closing Procedures.” If any questions remain after reviewing the instructions, please contact DOA.

- The following GASB statements are effective for the Commonwealth for FY 2019:
  
  o GASBS No. 83, Certain Asset Retirement Obligations. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

  o GASBS No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government’s future resource flows.

- GASBS No. 87, Leases, is effective for FY 2021. Pre-implementation communications will be forthcoming and separate from the Comptroller’s Directive.
Attachments with Changes

Attachment 1, Checklist to Determine Information Required by Comptroller’s Directive:
• New question on Checklist Tab concerning agencies who are Lessors.

Attachments 5, Energy Performance Contracts:
• Questions have been added to gather information required for GASBS No. 88.

Attachments 7, Schedule of Outstanding Installment Purchase Obligations:
• Questions have been added to gather information required for GASBS No. 88.

Attachments 9 through 13, Financial Statement Templates:
• Tab 1A-GASB 3-40, a new question has been added that requests information needed to satisfy the concentration of credit risk disclosure requirement of GASBS No. 40. In addition, Part 11 has been revised related to deposit and investment policies.
• Tab 1B-CE & Inv Not w Tr, the format to collect the credit quality rating disclosures has been revised. For the custodial credit risk disclosure amounts, the Category 3 column has been expanded into two new columns to provide amounts in the applicable column depending on how investments are held.

Attachment 9, Governmental Fund Financial Statement Template:
• Questions have been added to gather information required for GASBS No. 88.

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Attachments with Changes, Continued

Attachment 10, Enterprise Fund Financial Statement Template:
  • New question on Tab 7-Miscellaneous for GASBS No 83.
  • Added new line items for OPEB.
  • Changes were made to the Tab 5-LT Liabilities and a new question added to Tab 7-Miscellaneous to gather information required for GASBS No. 88.

Attachment 11, Internal Service Fund Financial Statement Template:
  • New question on Tab 7-Miscellaneous for GASBS No 83.
  • Changes were made to the Tab 5-LT Liabilities and a new question added to Tab 7-Miscellaneous to gather information required for GASBS No. 88.

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Attachments with Changes, Continued

Attachment 14, Capital Asset Accounting and Control System (FAACS) Analysis:
  • New question for GASBS No 83 was added.

Attachment 17, GASBS Nos. 38 and 88 – Debt:
  • Questions have been added to gather information required for GASBS No. 88.

Attachment 19, Internal Service Funds – Conversion to Government-wide Statement of Activities:
  • New Internal Service Fund was added for DHRM for Line of Duty.

Attachment 23, Schedule of Cash, Cash Equivalents, and Investments as of June 30:
  • **Detail** tab, a new question has been added that requests information needed to satisfy the concentration of credit risk disclosure requirement of GASBS No. 40. In addition, Part 10 has been revised related to deposit and investment policies.
  • **Cash Equiv & Inv Not w Tr** tab, the format to collect the credit quality rating disclosures has been revised. For the custodial credit risk disclosure amounts, the Category 3 column has been expanded into two new columns to provide amounts in the applicable column depending on how investments are held.