

**Comptroller's Directive 2-20**  
**Attachment HE-10**  
**Financial Statement Template**

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**Purpose**

To obtain the financial statement and footnote information for the HEI, including component units, applicable elimination entries and reconciliation to the separately issued financial statements. Fiduciary activity that must be reported on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position pursuant to **GASBS No. 84** should be excluded from the HE-10.

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**.

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**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.

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**Due date**

Staggered due dates	HEI acronyms
<b>September 10</b>	IALR, IEIA, JMU, UMW, NCI, NSU, RU, RHEA, SVHEC, SWVHEC
<b>September 14</b>	CNU, GMU, LU, ODU, VMI, VPI&SU, VSU
<b>September 16</b>	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](mailto:finrept-HE@doa.virginia.gov).

Copy APA via e-mail to [APAFinRept@apa.virginia.gov](mailto:APAFinRept@apa.virginia.gov).

**Do not submit paper copies of this spreadsheet.**

Also submit the **Statement of Net Position (SNP)** and **Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)** that were used to prepare the reconciliation tabs as required by Supplemental Information Item 7. 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**, submit the following supplemental information items:

- **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)**

In addition, **Attachment HE-10a\*\***, **GASBS No. 68 Entries**, and **Attachment HE-10b\*\***, **GASBS No. 75 Entries**, must be submitted along with the Attachment HE-10.

**\*\*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.

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**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.

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**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.

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**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](http://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 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.

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**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 except as noted below, regardless of whether the funds are recorded on Cardinal. This includes all trust, local, and endowment funds.

Fiduciary activity that must be reported on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position pursuant to **GASBS No. 84** should be excluded from the HE-10. Refer to GASB Implementation Guide No. 2015-1, question 4.28.11.

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**Preliminary steps**

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. Typically, 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.
  
  - Review the Checklist tab to help ensure propriety of certain amounts and should serve as a preparation aid.
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**Additional  
guidance**

For additional information/guidance, see the following documents on DOA’s website:

- Higher Education Institution Reporting Procedures\*
- Manual Leave Liability Calculation Guidelines
- **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 21<sup>st</sup> 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.

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**Foundation  
information**

The institution should coordinate receiving complete and accurate information from the foundations within an appropriate time frame to allow the institution to complete this attachment by the applicable attachment due date.

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## Report Formats

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### Background

The institution's separately issued 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**. As previously mentioned, fiduciary activity that must be reported on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position pursuant to **GASBS No. 84** should be excluded from the HE-10. Refer to GASB Implementation Guide No. 2015-1, question 4.28.11.

**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 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**

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**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 Permanent and Term Endowments, Extraordinary Items, and Special Items

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**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.
- 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 separately issued financial statements for purposes of identifying what eliminations are required.

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**Report Formats, Continued**

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**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 1: 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.)
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**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 2: 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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**Listing of Tabs**

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**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)**

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**FST**

**HEI Total Year-End June 30, 2020** 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.

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 \$4,600,000 or
- Increases or decreases greater than \$18,500,000 (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**

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### **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 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, 2019, would be used to report amounts on the Combining FST for fiscal year ended June 30, 2020, 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 using professional judgment. 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.

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**Line Items**

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**Informational**

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 1: 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 - Net Pension Liability:** This line item should be used to report any liabilities required to be reported in accordance with **GASBS No. 68**, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Amounts should agree to Attachment HE-10a.
- **Long-Term Liabilities – Net Other Postemployment Benefits (OPEB) Liabilities – Due Within One Year & Due in More than One Year:** These line items should be used to report applicable liabilities required to be reported in accordance with **GASBS No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEBs). Amounts should agree to Attachment HE-10b’s TAB 1-VRS.
- **Long-Term Liabilities – Total Other Postemployment Benefits (OPEB) Liabilities – Due Within One Year & Due in More than One Year:** These line items should be used to report applicable liabilities required to be reported in accordance with **GASBS No. 75**. Amounts should agree to the Attachment HE-10b’s TAB 2-DHRM.

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**Line Items, Continued**

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**Informational,**  
*continued*

- **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 2: 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**

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**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**

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**HEI – net  
position for  
endowments**

Contributions to permanent **and** term endowments must be reported on the financial statement template's "Contributions to Permanent and Term Endowments" line item. 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 governed by the 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**

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**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.

**Note:** CAPP Topic 30325, “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.

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**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.

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**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*.

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**Lag pay**

Record any applicable lag pay accruals in the financial statement template. At a minimum, this will require recording of the July 1 (June 10-24 pay period) and a portion of the July 16 (June 25-30 pay period) pay date.

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**Pell Grants – separately issued 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 separately issued 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**

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**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.

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**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.

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**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 2020 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**

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**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 due date during the fiscal year and June 30) should be reported on the financial statement template.

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**Bonds payable – due within one year**

For consistency in the Commonwealth’s 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 2021 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.

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**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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**Premiums/ discounts – taxable debt**

Based on **GASBS No. 62**, paragraphs 183 to 187, premiums or discounts on taxable debt should be calculated using the effective interest method rather than the straight-line method.

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**Advance refundings – accrued interest on old debt**

For advance refundings that took place during FY 2020, interest accrued on the old debt up until the date of the refunding should be expensed in accordance with the Implementation Guide No. 2015-1 question Z.23.1.

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*Continued on next page*

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**Miscellaneous Information – HEI, Continued**

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**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 question Z33.16 in the GASB Implementation Guide No. 2015-1. For consistency in the CAFR, HEIs that receive interest/rebates during the current fiscal year via E&G transfers should report those amounts in the Attachment HE-10 as E&G Transfers.

---

**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, 2020, in fund 03220, Covered Institution Interest Escrow Fund, should not be reported on the financial statement template. For CAFR reporting purposes, DOA will 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.

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**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.

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*Continued on next page*

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**Miscellaneous Information – HEI, Continued**

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**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.

---

**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.

---

**Miscellaneous Information – Foundation(s)**

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**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.

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**Fluctuation Analysis**

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**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 \$4,600,000 or
- Increases or decreases greater than \$18,500,000 (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.

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**Elimination Entries to FST**

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**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 31<sup>st</sup> or December 31<sup>st</sup>) 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
-

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

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**TAB 1A,  
GASBS 3**

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

<b>Part</b>	<b>Guideline</b>
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"> <li>• Cash not held with Treasurer of Virginia</li> <li>• Restricted Cash not held with Treasurer of Virginia</li> </ul> <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 <b>Nonnegotiable Certificates of Deposits (CDs) not held with the Treasurer of Virginia</b> 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"> <li>• Restricted SNAP Individual Portfolio– Cash Equivalents</li> <li>• Restricted SNAP Individual Portfolio - Investments</li> <li>• Cash Equivalents &amp; Restricted Cash Equivalents <b>not held</b> with Treasurer of Virginia</li> <li>• Investments &amp; Restricted Investments <b>not held</b> with Treasurer of Virginia</li> </ul> <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*

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

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

Follow the procedures below:

<b>Part</b>	<b>Guideline</b>
4a through 4d	<p>Provide descriptions and amounts for the following amounts <b>held with the Treasurer of VA</b>:</p> <ul style="list-style-type: none"> <li>• Cash Equivalents held with Treasurer of VA (excludes SNAP &amp; LGIP)</li> <li>• Restricted Cash Equivalents held with Treasurer of VA (excludes SNAP &amp; LGIP):</li> <li>• Investments held with Treasurer of VA (excludes SNAP)</li> <li>• Restricted Investments held with Treasurer of VA (excludes SNAP)</li> </ul> <p>Local Government Investment Pool (LGIP) amounts should be reported at amortized cost. LGIP Extended Maturity (LGIP EM) amounts should be reported at fair value. LGIP EM amounts should be reported on the FST tab as Investments held with Treasurer of VA (excludes SNAP) or Restricted Investments held with Treasurer of VA (excludes SNAP), if restricted. The LGIP EM and/or Restricted LGIP EM amounts should also be reported in Parts 4c and/or 4d of TAB 1A, GASBS 3.</p>
5a & b	<p>For any Local Government Investment Pool (LGIP) and/or Restricted Local Government Investment Pool amounts, provide the LGIP account # and amounts.</p> <p>For any LGIP EM and/or Restricted LGIP EM amounts, provide the LGIP EM account # and amounts.</p>
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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**Footnote/Other Information for HEI (TABs 1A to 9), Continued**

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**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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*Continued on next page*

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

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**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*.

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, 2019, 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*

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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*Continued on next page*

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

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**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, 2019, 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. 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, including a breakdown of tax supported (paid from state appropriations) and non-tax supported total capital lease obligations, must be provided. If a breakdown cannot be determined, an explanation must be provided in Part 3a.
- Parts 4 & 4a) Bonds Payable (Institutional Debt) – Part 4 is to provide future interest and principal payments. Amounts for **GASBS No. 88**–Other and **GASBS No. 88**–Direct Placements must be provided separately. 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.)
- 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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**Footnote/Other Information for HEI (TABs 1A to 9), Continued**

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**TAB 6,  
Commitments**

This tab provides the following footnote information for the HEI:

Parts 1 and 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.

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**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 Nos. 38 and 88**.

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*Continued on next page*

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

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**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 17a & 17b regarding the deferral on debt defeasance-loss and deferral on debt defeasance-gain amounts.

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*Continued on next page*

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

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**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)**

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**Overview**

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**.

Many tabs have two columns to record footnote elimination entries to foundation amounts reported on the Combining FST and/or the Elimination Entries to FST. Also, there is a total after all elimination entries.

---

**TAB F1**

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

- Part 1) Answer questions regarding cash and cash equivalents.
  - Part 2a) Record the fair value of investments
  - 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 and/or LGIP EM. 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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**Footnote/Other Information for Foundations (TABs F1 to F10),**

Continued

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**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) and/or LGIP EM 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<br>Restricted Cash & Cash Equivalents |
| Part 1a) LGIP EM amounts: | Investments<br>Restricted Investments                         |
| Part 2) SNAP amounts:     | Restricted Cash & Cash Equivalents<br>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.

**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.

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*Continued on next page*



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

Continued

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**TAB F4, Capital Assets** Provide year-end capital asset amounts by category, gross amounts, and accumulated depreciation amounts.

**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.).

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**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-2c) 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 two parts to obtain descriptions and outstanding balances of the following:

- Part 5) Long-term Liabilities – Other
- Part 6) Claims Payable

TAB F5.1 has four parts to obtain future payments on the amounts reported on TAB F5. 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.

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*Continued on next page*

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

Continued

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**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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**TAB F7,  
Miscellaneous**

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

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

Continued

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**TAB F8,  
Intrafund  
continued**

Below is an example of how this type of activity/balances should be reported on the Attachment HE-10 for FY 2020 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 12/31/2019	As of 6/30/2020
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	1/1/2019 to 6/30/2019	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020
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

*Continued on next page*

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**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.

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**Reconciliation Tabs – HEI & Foundations**

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**Reconciliation tabs**

The following eight reconciliation tabs are to document the reconciliation between the Supplemental Item 7, SNP & SRECNP (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 Supplemental Item 7, SNP & SRECNP, line items. Keep the following in mind when competing the reconciliation tabs:

- For all reconciliation tabs: Row line item titles and row totals must agree to the Supplemental Item 7, SNP & SRECNP.
  - For HEI reconciliation tabs: Column totals must agree to the FST’s “HEI Total Year-End June 30, 2020” column.
  - For Foundation reconciliation tabs: Column totals must agree to the Combining FST’s “Subtotals (Prior to Elimination Entries)” or the “Foundation(s) Year-End Totals” columns.
  - For all reconciliation tabs: The row line item titles should be reasonable when compared to the column titles.
-

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**Checklist & Certification**

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**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.

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**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.

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**Comptroller's Directive 2-20**  
**Attachment HE-10**  
**Financial Statement Template**

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## **Errors Discovered after Submission**

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### **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](mailto:Sharon.Lawrence@doa.virginia.gov) and copy:

John Sotos, Assistant Director - Financial Statements, at  
[John.Sotos@doa.virginia.gov](mailto:John.Sotos@doa.virginia.gov);

Christy Tuck, CAFR Project Lead, at  
[Christy.Tuck@doa.virginia.gov](mailto:Christy.Tuck@doa.virginia.gov); and

Auditor of Public Accounts, at  
[APAFinrept@apa.virginia.gov](mailto:APAFinrept@apa.virginia.gov)

Include 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 Christy Tuck at (804) 225-3180, John Sotos at (804) 225-2111 or Sharon Lawrence at (804) 225-2414.

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**Comptroller's Directive 2-20**  
**Attachment HE-10**  
**Financial Statement Template**

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**Appendix 1: Cash, Cash Equivalents, and Investments**

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**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 (LGIP). Whether an asset is a cash equivalent is determined only once based on the length of the original maturity when the asset is first acquired.

**Investments** – Securities and other assets that 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 1: Cash, Cash Equivalents, and Investments, Continued**

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**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.

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**HEI – LGIP &  
LGIP EM**

The LGIP and the LGIP Extended Maturity (LGIP EM) are managed by the Virginia Department of Treasury. LGIP amounts should be reported at amortized cost and should be reported on the applicable Local Government Investment Pool and/or Restricted Local Government Investment Pool FST line items. The LGIP EM amounts should be reported at fair value and should be reported on the Investments held with Treasurer of Virginia (excludes SNAP) and/or Restricted Investments held with Treasurer of VA (excludes SNAP) FST line items.

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**Appendix 1: Cash, Cash Equivalents, and Investments, Continued**

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**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
- 

**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.

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**Appendix 2: Revenue Classifications**

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**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** and **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 2: Revenue Classifications, Continued**

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**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.

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**General  
revenue -  
miscellaneous  
revenue**

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

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**Contributions  
to permanent &  
term  
endowments**

The **Contributions to Permanent and Term Endowments** line item should include the following:

- **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 included.)
  
  - **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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