



Government Finance Officers Association

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Dear Certificate of Achievement Program Participant,

Thank you for participating in the Certificate of Achievement for Excellence in Financial Reporting award (COA) program's annual application process. We will be implementing a small, but important, change to the program submission criteria that we hope will improve the review process for you and our review staff.

Beginning March 1, 2022, applications submitted to the COA will be required to be accompanied by a file (PDF or Excel) containing the calculations of *net investment in capital assets* reported on government-wide statements of net position for both governmental and business-type activities, as applicable, in addition to other application materials currently required. Applications by governments that are stand-alone business-type activities will be required to be accompanied by the calculation of net investment in capital assets reported on their statements of net position. Governments will also have the *option* to include, in that same uploaded file, their calculations of net investment in capital assets for other reporting units in their annual comprehensive financial report (ACFR), such as for discretely presented component units or for some or all of their proprietary funds.

Our COA reviewers frequently see significant errors made in the calculation of net investment in capital assets. Unfortunately this is a calculation reviewers usually cannot re-perform based on information reported elsewhere in an ACFR. Where reviewers see the potential for a significant error, they must contact applicants to request copies of these calculations. Months after the issuance of ACFRs and submission of COA applications, governments often struggle to track down and explain the calculations, which may have been initially performed by consultants or auditors. We hope that by obtaining the calculations in advance, the process can be made faster and easier for both applicant governments and reviewers.

Thank you very much for your understanding and, more importantly, for your participation in the COA, thereby demonstrating your commitment to financial transparency and accountability.

Michele Mark Levine

A handwritten signature in blue ink that reads "Michele Mark Levine". The signature is fluid and cursive, written in a professional style.

GFOA Director of Technical Services

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