



GASB Statement 72

Fair Value Measurement & Application

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GASB 72 Fair Value Measurement & Application

- Primarily clarifies/expands on GASB Statement 31 and Statement No. 53.
- Reviews/revises the definition of fair value.
- Clarifies the methods used to measure fair value.
- Determines the fair value guidance to investments/other items currently reported at fair value.
- Determines potential disclosures about fair value measurements and reporting.
- Statement effective for financial statements for reporting periods beginning after June 15, 2015.
- USG implemented GASB 72 in fiscal year June 30, 2016.

GASB 72 Fair Value Measurement & Application

Statement consists of three sections:

1. **Measurement** – Definitions, principals to apply.
2. **Application** – When measurements are required, primarily focused on Investments.
3. **Disclosure** – Required note disclosures.

GASB 72 Fair Value Measurement & Application

Fair Value – *Old Definition*

- The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Value – *New Definition*

- 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**. The objective of a fair value measurement is to estimate the **exit price** of assets and liabilities.

GASB 72 Fair Value Measurement & Application

Orderly Transactions

A transaction that assumes exposure to the market for a period before the measurement date to allow marketing activities that are usual and customary for transactions involving such assets or liabilities. It is not a forced transaction. (i.e. a forced liquidation or distress sale)

Market participants

Buyers and sellers that are:

- In the principal market (engaged in the specific type of business).
- Independent of each other.
- Knowledgeable about the transaction.
- Able and willing to enter into a transaction (not forced or otherwise compelled to do so).

Measurement date

The date as of which the fair value of an asset or liability is determined.

GASB 72 Fair Value Measurement & Application

Price (considered an *exit price*)

The price that would be received to sell an asset or paid to transfer a liability. *(What you would pay/accept to get rid of it?)*

Acquisition value

The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Unit of Account

The level at which an asset or a liability is aggregated or disaggregated for measurement, recognition, or disclosure purposes. The items to be valued could be a:

- Single asset or liability

- A group of assets of liabilities; or

- A group of related assets and liabilities

GASB 72 Fair Value Measurement & Application

Valuation Techniques

A specific method or combination of methods used to determine the fair value of an asset or liability. This method should be based on the use of inputs.

(Which approach should be used to arrive at fair value?)

Market

Uses prices and other relevant information generated by market transactions involving identical or similar assets/liabilities.

Ex. Looking up value in NYSE (New York Stock Exchange)

Cost

Uses amount currently required to replace the service capacity of an asset. Ex. Estimating how much would you have to pay to buy this asset.

Income

Converts expected future amounts to a single current amount.

Ex. Present value of future cash flows, option-pricing models, etc.

Note: If the valuation or fair value is changed, it is considered an change in **accounting estimate** which may result in having to restate.

GASB 72 Fair Value Measurement & Application

Valuation techniques should:

- Maximize the use of **observable** inputs.
- Minimize the use of **unobservable** inputs.
- Select **inputs** that are **consistent** with the characteristics of the asset or liability that market participants would take into account in a transaction for the asset or liability.

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Observable inputs

Inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability.

Unobservable inputs

Inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

GASB 72 Fair Value Measurement & Application

The same valuation techniques should be **consistently applied** from period to period **unless**:

- New markets develop
- New information becomes available
- Information previously used is no longer valid
- Valuation technique has improved
- Market conditions have changed

If an asset or liability was not previously required to be recorded at fair value, this statement will not change the measurement basis of that particular asset or liability.

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Investments – *new definition versus old definition*

A security or other asset that is **held** by a government primarily **for the purpose of income or profit** and the investment has the **present service capacity** based solely on this ability to generate cash or to be sold to generate cash.

The investment designation is made at **acquisition** and remains for the life of the asset – even if the usage changes over time.

Ex. Building changes from a capital asset to investment property
(Is this an investment or capital asset?)

GASB 72 Fair Value Measurement & Application

Investments should generally be reported at fair value.

Exceptions include

- Non-participating interest-earning investment contracts.
- Money market and participating interest-earning investment contracts with a remaining maturity at the time of purchase of less than one year.
- Investments in 2a7-like external investment pools
Ex. Georgia Extended Asset Pool and Georgia Fund 1
while not 2a7-like external investment pools, the fair value of the pool is determined daily. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro-rata share of the pooled fund's investment returns.

GASB 72 Fair Value Measurement & Application

Level 1 – Most Reliable

Quoted prices are available in active markets for identical investments as of the measurement date.

Level 2 - Reliable

Pricing inputs are **observable** for the investments, either directly or indirectly, as of the measurement date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies.

Level 3 – Least Reliable

Pricing inputs are **unobservable** for the investment and include situations where there is little, if any, market activity for the investments.

GASB 72 Fair Value Measurement & Application

The hierarchy levels are meant to provide a measurement criteria to provide consistency in reporting among reporting groups. The Level 1, 2, and 3 inputs reflect:

- Relative risk/safety of an investment.
- The degree to which fair value is based on observable and unobservable inputs.
- The credit ratings of investments.
- Whether investments are held by third parties or by the government itself.

GASB 72 Fair Value Measurement & Application

- Starting Fiscal Year 2017, all institutions will be reporting Investments differently from the past. In addition to the new way investments will be measured and recorded, the Fair Value Hierarchy schedule which reports investments aggregated by Level 1, 2, and 3 is required to be reported along with a note disclosure.
- USG has standardized on using the **SunTrust Fair Value Evaluation Matrix** to report Investments with their corresponding Fair Value Levels.
- Although there may be differences in the Hierarchy Levels provided by other banking partners, Institutions will need to discuss with the Financial Accounting & Reporting before changing a fair value valuation for an investment.

GASB 72 Fair Value Measurement & Application

To accomplish this, the format for filling out the Note 2 Backup Investment schedule has changed from this:

Back up for note 2				See Separate file for instructions		
Entity Code:						
Entity Name:		PEACHTREE STATE UNIVERSTY				
GEORGIA COMPREHENSIVE ANNUAL FINANCIAL REPORT NOTE DISCLOSURE INFORMATION INVESTMENT ANALYSIS AND DISCLOSURE OF RISKS						
PART A: ANALYSIS OF FOOTNOTE INVESTMENTS INCLUDED ON THE GENERAL LEDGER						
GENERAL LEDGER INFORMATION						
A	B	C	D	N	F	G
GL Acct.	B - GL Account Name	C - Financial Institution/Broker/Dealer Name	D - Investment Type <small>Select from Drop Down List Below</small>	Financial Institution Broker/Dealer	CUSIP or other Identifying number.	General Ledger
No.				Acct./Portfolio No.	If applicable	Amount
General Obligation Bonds						
US Treasuries						
INVESTMENT POOLS:						
BOR Short Term Fund						
BOR Legal Fund						
BOR Balanced Fund						
BOR Total Return Fund						
BOR Diversified Fund						
OFFICE OF STATE TREASURER:						
Georgia Fund 1						
Georgia Extended Asset Pool						
TOTAL FOOTNOTE INVESTMENTS to Part B						0.00
Concentration of Credit Risk Threshold (5%)						0.00
Investments subject to Concentration of Credit risk that exceed 5%:						
				Amount	% of Total	Investment
				\$0.00	F	#DIV/0!
				\$0.00	F	#DIV/0!
				\$0.00	F	#DIV/0!
				\$0.00	F	#DIV/0!

GASB 72 Fair Value Measurement & Application

To this.....

Note 2 **Backup A Investment Analysis** will have to be filled out according to the Hierarchy Levels identified during the FY 16 USG Consolidation process.

June 30, 2016			Gilbert Trust			
Information for this schedule can be found on Note 2 Backup B-Inv. Recon tab within all individual Institution AFR excel workbooks .						
Fund	Financial Institution	Type	Investment	GL	Fair Value	Fair Value Hierarchy
Higher Ed	Albany State University	BOR Pool - ELIMINATE	BOR Pool - ELIMINATE	423,455.00		See Note 2
Higher Ed	Georgia Institute of Technology	GEAP Pool	GEAP Pool	155,462.00	155,462.00	See Note 2
Higher Ed	Georgia Institute of Technology	LGIP Pool	LGIP Pool	53,531,491.00	53,531,491.00	See Note 2
Higher Ed	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	314,186.55	314,186.55	Level 1
Higher Ed	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	3.44	3.44	Level 1
Higher Ed	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	151,934.99	151,934.99	Level 1
Higher Ed	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	441.31	441.31	Level 1
Higher Ed	Georgia Institute of Technology	Money Market Mutual Funds	Gilbert Investment account (Money Market)	99,488.82	99,488.82	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Held for Investment Purposes	Real Estate	481,110.00	481,110.00	Level 3
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	Prudential Global Real Estate Fund CL Z (RE	360,272.90	360,272.90	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	Vanguard REIT ETF (REIT)	367,980.50	367,980.50	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	Credit Suisse Commodity Return Strategy Fu	44,936.04	44,936.04	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	SPDR DJ Wilshire International Real Estate F	52,241.82	52,241.82	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	T Rowe Price Real Estate Fund #122 (REIT)	41,705.58	41,705.58	Level 1
Higher Ed	Georgia Institute of Technology	Real Estate Investment Trusts	Vanguard REIT Viper (REIT)	86,364.58	86,364.58	Level 1
Higher Ed	Georgia Institute of Technology	US Agencies-Explicitly Guaranteed	U.S. Treasury Note	119,994.14	119,994.14	Level 2
Higher Ed	Georgia Institute of Technology	US Agencies-Explicitly Guaranteed	U.S. Treasury Note	211,147.59	211,147.59	Level 2
Higher Ed	Kennesaw State	Equity Securities-Domestic	CHURCH & DWIGHT CO	6,173.00	6,173.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	COSTCO WHOLESALE CO	5,496.00	5,496.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	CSX CORP	3,782.00	3,782.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	CVS HEALTH CORP	4,404.00	4,404.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	NIKE INC	3,754.00	3,754.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	ORACLE CORPORATION	4,093.00	4,093.00	Level 1
Higher Ed	Kennesaw State	Equity Securities-Domestic	PAYPAL HOLDINGS INCO	1,826.00	1,826.00	Level 1
Higher Ed	University System Office - Total Return Fund	Equity Mutual Funds-Domestic	VANGUARD INSTITUTIONAL INDEX FUND	5,294,509.01	5,294,509.01	Level 1
Higher Ed	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES CORE S&P MID-CAP ETF	1,121,171.95	1,121,171.95	Level 1
Higher Ed	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES RUSSELL 1000 VALUE ETF	1,019,912.40	1,019,912.40	Level 1
Higher Ed	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES RUSSELL 1000 GROWTH ETF	1,177,724.60	1,177,724.60	Level 1
Higher Ed	University System Office - Total Return Fund	Money Market Mutual Funds	FEDERATED MONEY MKT OBLIGS TR	488,043.15	488,043.15	Level 1
Higher Ed	USO	LGIP Pool	LGIP Pool	68,262,134.00	68,262,134.00	See Note 2
Higher Ed	Valdosta State University	BOR Pool - ELIMINATE	BOR Pool - ELIMINATE	7,467,467.00		See Note 2
Higher Ed	Valdosta State University	GEAP Pool	GEAP Pool	6,739,927.00	6,739,927.00	See Note 2
Higher Ed	Valdosta State University	LGIP Pool	LGIP Pool	10,031,696.00	10,031,696.00	See Note 2
				1,446,253,473.99	1,446,253,473.99	

GASB 72 Fair Value Measurement & Application

USG Fair Value hierarchy – Note Disclosure will look like this...

- **Level 1**

Investments valued using prices quoted in active markets for those securities.

- **Level 2**

Investments valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

- **Level 3**

Investments include real estate funds that invest primarily in US commercial real estate. The fair values of the investments in this category have been estimated using the net asset value of the USG's ownership interest in partners' capital. These investments are less liquid and, general, cannot be redeemed with the funds through normal redemption procedures. Distributions from this fund will be received as the underlying investments of the funds are liquidated.

GASB 72 Fair Value Measurement & Application

Acquisition value (an entry price)

The price that would be paid to acquire an asset with equivalent service potential in an **orderly** market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Use the acquisition value for:

- Donated capital assets
- Donated works of art, historical treasures and similar assets
- Capital assets received through a service concession arrangements.

GASB 72 Fair Value Measurement & Application

Net Asset Value

A fund's NAV is its assets less liabilities often reported as a per share amount for fair value measurement purposes.

- The Net Asset Value (NAV) per share for an investment may be used by a nongovernmental entity that does not have a readily determinable fair value.
- The NAV per share must be calculated as of the government's measurement date. (i.e. 6/30)
- Investments that are valued at net asset value per share are not subject to the fair value hierarchy and the associated disclosures by level.

GASB 72 Fair Value Measurement & Application

Required Note Disclosures at year-end for fair value measurements must should include:

- Level of fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3).
- Description of valuation techniques used in fair value measurement.
- Change in a valuation technique that has a significant impact on the result — also disclose the reason for making the change.
- Additionally, for nonrecurring fair value measurements (for example, impaired capital assets no longer used), must be disclosed.

GASB 72 – Major Takeaways

- GASB 72 primarily affects Investments.
- For FY 2017 year end reporting, Institutions will use the **Suntrust Fair Value Hierarchy** Levels as listed in your AFR Excel Template to complete Note 2 – Backup A Investments. Each institution will update their investment data only. The hierarchy levels listed should remain the same.
- In the event an institution feels that the fair value hierarchy level for an investment should be changed, it should be discussed with Accounting & Reporting before making the change.
- The required note disclosure will also be included in Note 2.



GSFIC Reconciliation – *A Refresher*

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GSFIC Spend Report

GSFIC Spend Report consist of State Capital and Non-Capital monies spent/reimbursed by GSFIC. The purpose of this report is to ensure that institutions have recorded revenue/reimbursement activity related to GSFIC, MRR, ADA, and GRA that has occurred in the current year.

- The GSFIC Spend Report is a life-to-date report which is sent out three times a year in December, May, and June for reconciliation to your books.
- As part of the AFR Review process, the **GSFIC Spend Report** and the **MRR & ADA Spend Reports** are reconciled to the *Supplemental Schedule for Capital and Non-Capital and Gifts –State* and the *Supplemental Schedule for State, Capital and Non-Capital Gifts to ADA and MRR Project Status Reports* located at the bottom of the **SRECNP** (Statement of Revenue, Expenses, and Changes in Net Position) at year-end to ensure that the State Capital & Non-Capital Gifts from GSFIC have been recorded correctly for the year and tie out to GSFIC.

GSFIC Reconciliation Spend Report

GSFIC Projects with total expended amount as of 5-31-16 (Report sorted in Institution Order, then alpha/numerically by Project Number)

Project #	Name of Project	Institution	Type of Project (See below for descriptions)	Date of Completion on GSFIC Report	Fiscal Year Posted	Total Amount Expended as of 5-31-16	Total Amount Expended as of 6-30-15	Difference between 6-30-2015 and 12-31-2015 CIP Reports
J-172	Computer Infrastructure	Columbus State University	3			2,000,000.00	2,000,000.00	0.00
J-214	Renovate Howard Hall-Columbus	Columbus State University	3			3,900,000.00	2,831,870.30	1,068,129.70
J-243	Arnold Hall	Columbus State University	3			180,900.00	55,526.25	125,373.75
J-271	Academic Core	Columbus State University	1			0.00	0.00	0.00
LEGEND								
Types of Projects								
1 Administered by GSFIC (Note -displays "Y" on original GSFIC report with zero value)								
3 additions.								
4 GRA or TIP Projects								
"D" - Indicates that GSFIC has disbursed all funds for this project								
NEW PROJECTS								
FY2016 Completed Projects								
								\$1,193,503.45

GSFIC Projects with total expended amount as of 6-30-16 (Report sorted in Institution Order, then alpha/numerically by Project Number)

Project #	Name of Project	Institution	Type of Project (See below for descriptions)	Date of Completion on GSFIC Report	Fiscal Year Posted	Total Amount Expended as of 6-30-16	Total Amount Expended as of 05-31-16	Difference between 06-30-16 and 05-31-16 CIP Reports
J-172	Computer Infrastructure	Columbus State University	3			2,000,000.00	2,000,000.00	0.00
J-214	Renovate Howard Hall-Columbus	Columbus State University	3			3,900,000.00	3,900,000.00	0.00
J-243	Arnold Hall	Columbus State University	3			1,902,913.91	180,900.00	1,722,013.91
J-271	Academic Core	Columbus State University	1			0.00	0.00	0.00
LEGEND								
Types of Projects								
1 Administered by GSFIC (Displays on original GSFIC report with zero value)								
3 capital additions.								
4 GRA or TIP Projects								
"D" - Indicates that GSFIC has disbursed all funds for this project								
NEW PROJECTS								
FY2016 Completed Projects								

MRR & ADA Projects Spend Report

University System of Georgia MRR and ADA Projects with Total Expended Amounts as of 06-30- 2016	ACTIVITY Difference							Total MRR Expended through 6-30-16 (FY2016)
	J-171	J-191	J-205	J-207	J-229	J-261	J-265	
Columbus State University	0.00	0.00	0.00	0.00	-	488,500.00	24,300.00	512,800.00

GSFIC Spend Reports

Project Status Report (Run Frequency - Real time)

PeopleSoft
GSFIC PROJECT/GRANT STATUS REPORT

Report ID: MDCGL529 Page No. 1
Run Date 04/25/2017
Run Time 13:32:33

Business Unit: GSFIC
Project Name: Renovate ScienceBldg-At1 Metro

Project	Bda.	Per	DeptID	Account	Description	Budget Amount	Expended Amount	Remaining Amount
J_222	2000	000472	802000		Contingency	3,494,133.18	3,494,133.18	0.00
J_222	2000	000472	804000		Equip - Carol	305,866.82	305,866.15	0.67
Total for Project/Grant: J_222						<u>3,800,000.00</u>	<u>3,799,999.33</u>	<u>0.67</u>
J_222			201304			3,800,000.00	3,799,999.33	0.67
Total Source for Project/Grant:						<u>3,800,000.00</u>	<u>3,799,999.33</u>	<u>0.67</u>

End of Report

Check Detail Report (Run Frequency - Static)

PeopleSoft
GSFIC BOND ACCOUNT CHECK LISTING

Report ID: MDCGL556 Page No. 1
Run Date 04/25/2017
Run Time 13:44:50

From Date: 01/01/1900
Thru Date: 04/25/2017

BANK DATE	VEND#	VENDOR NAME	CHECK#	PROJ	SER	ACCOUNT	AMOUNT	DEPTID	STAT
SUN 08/10/2015	6883	Exemplis Corporation	055427	J_222		201304 804001	\$25,173.26	000472	P
SUN 08/10/2015	3626	FSUEGER INTERNATIONAL, INC.	055428	J_222		201304 804001	\$34,262.48	000472	P
SUN 08/10/2015	3626	FSUEGER INTERNATIONAL, INC.	055428	J_222		201304 804001	\$235,574.38	000472	P
SUN 08/14/2015	6891	KEILHADER	055444	J_222		201304 804001	\$5,441.70	000472	P
SUN 08/27/2015	6983	FALCON	055465	J_222		201304 804001	\$2,082.00	000472	P
SUN 08/27/2015	3408	FRDG FURNITURE, INC.	055466	J_222		201304 804001	\$3,332.33	000472	P

Total for SUN ARBITRAGE = \$305,866.15

Statement of Revenue, Expenses, and Changes in Net Position

FY 16 Student Tuition and Fees is now shown net of allowance for doubtful accounts and scho

COLUMBUS STATE UNIVERSITY

Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2016
REVENUES	
Total Operating Revenues	64,593,646
EXPENSES	
Total Operating Expenses	115,067,823
Operating Income (loss)	(50,474,177)
NONOPERATING REVENUES (EXPENSES)	
Gifts	304,771
Net Nonoperating Revenues	50,875,426
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	401,249
Capital Grants and Gifts	
State	3,899,597
Other	217,505
Total Other Revenues, Expenses, Gains or Losses, and Special Item	4,117,102
Increase (Decrease) in Net Position	4,518,351

NET POSITION

Supplemental Schedule for Capital and Non-Capital Grants and Gifts - State Capital:

GSFIC or GRA capital gift revenue recognized on reimbursement basis	3,469,069.00
GSFIC or GRA capital gift revenue recognized on non-reimbursement basis (funds did not flow through the institution)	
MRR and ADA Funds - Capital (assumed all reimbursement basis)	430,528.00
Total	3,899,597.00

Non-capital (reflected in Non-operating Gift revenue):

GSFIC or GRA non-capital gift revenue recognized on reimbursement basis	
GSFIC or GRA non-capital gift revenue recognized on non-reimbursement basis (funds did not flow through the institution)	
MRR and ADA Funds - non-capital (assumed all reimbursement basis)	213,500.00
Total	213,500.00

Note: State Capital Grants and Gifts are broken out by reimbursed and non-reimbursed amounts for Cash Flow purposes

Reconciliation of Supplemental Schedule for State Capital and Non-Capital Gifts to GSFIC Spend Report @ 6/30/XX

GSFIC Capital and Non-capital gifts reported in FY2016 AFR		\$3,469,069.00	Agrees to AR Accrual at 6/30 current year
Less: Amounts recognized as revenue in FY2016, but not reflected yet in GSFIC 6/30/2016 spend report		(901,213.00)	
Add: Amounts recognized as revenue in FY2015, that were not included in the GSFIC 6/30/2015 spend report		347,661.00	AR Accrual Reversal at 6/30 prior year
Plus or minus Other: (please explain below):			Adjustments/journal entries
Total		\$2,915,517.00	
GSFIC Spend Report @ 6/30/2016 minus balances at 6/30/2015		\$2,915,517.00	
Difference (Should be 0-)		0.00	

Reconciliation

GSFIC Spend Report @ 5/31/16 – \$1,193,503.45 (July – May activity)

GSFIC Spend Report @ 6/30/16 - \$ 1,722,013.91 (June activity)

Agrees to final GSFIC Spend Report @ 6/30/16

Total \$2,915,516.46

Reconciliation of Supplemental Schedule for State Capital and Non-Capital Gifts to ADA and MRR Status Report @ 6/30/XX

Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/16:		
MRR and ADA Capital and non-capital gifts reported in FY2016 AFR		\$644,028.00
Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports		(131,228.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report		
Plus or minus Other: (please explain below):		
Total		\$512,800.00
ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-16 minus balances at 6-30-15		\$512,800.00
Difference (Should be -0-)		\$0.00

Agrees to AR
Accrual at 6/30
current year

Reconciliation

GSFIC Spend Report @ 6/30/16 – \$512,800.00 (July – June activity)

Agrees to final GSFIC Spend Report @ 6/30/16 Total \$512,800.00

3-Year Comparison GSFIC Spend Report

2016		2015		2014	
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2016: GSFIC Capital and non-capital gifts reported in FY2016 AFR		\$3,469,069.00		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2015: GSFIC Capital and non-capital gifts reported in FY2015 AFR	
\$3,469,069.00		\$3,248,908.00		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2014: GSFIC Capital and non-capital gifts reported in FY2014 AFR	
\$976,256.00					
Less: Amounts recognized as revenue in FY2016, but not reflected yet in GSFIC 6/30/2016 spend report	(901,213.00)	Less: Amounts recognized as revenue in FY2015, but not reflected yet in GSFIC 6/30/2015 spend report	(347,661.00)	Less: Amounts recognized as revenue in FY2014, but not reflected yet in GSFIC 6/30/2014 spend report	(117,705.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the GSFIC 6/30/2015 spend report	347,661.00	Add: Amounts recognized as revenue in FY2014, that were not included in the GSFIC 6/30/2014 spend report	117,705.00	Add: Amounts recognized as revenue in FY2013, that were not included in the GSFIC 6/30/2013 spend report	10,020.00
Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):	
				0.00	
Total	\$2,915,517.00	Total	\$3,018,952.00	Total	\$868,571.00
GSFIC Spend Report @ 6/30/2016 minus balances at 6/30/2015	\$2,915,517.00	GSFIC Spend Report @ 6/30/2015 minus balances at 6/30/2014	\$3,018,952.00	GSFIC Spend Report @ 6/30/2014 minus balances at 6/30/2013	\$868,571.00
Difference (Should be -0-)	0.00	Difference (Should be -0-)	0.00	Difference (Should be -0-)	0.00
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/16: MRR and ADA Capital and non-capital gifts reported in FY2016 AFR		\$644,028.00		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/15: MRR and ADA Capital and non-capital gifts reported in FY2015 AFR	
\$644,028.00		\$1,371,523.00		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/14: MRR and ADA Capital and non-capital gifts reported in FY2014 AFR	
\$1,052,232.00					
Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports	(131,228.00)	Less: Amounts recognized as revenue in FY2015, but not reflected yet in MRR/ADA 6-30-15 Project Status Reports		Less: Amounts recognized as revenue in FY2014, but not reflected yet in MRR/ADA 6-30-14 Project Status Reports	(178,940.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report		Add: Amounts recognized as revenue in FY2014, that were not included in the MRR/ADA 6-30-14 Project Status Report	178,940.00	Add: Amounts recognized as revenue in FY2013, that were not included in the MRR/ADA 6-30-13 Project Status Report	29,670.00
Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):	
Total	\$512,800.00	Total	\$1,550,463.00	Total	\$902,962.00
ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-	\$512,800.00	ADA/MRR Project Status Reports (Total of J-170; J-171; J-191, J-205, J-207) 6-30-15 minus balances at 6-	\$1,550,463.00	ADA/MRR Project Status Reports (Total of J-170; J-171; J-191, J-205, J-207) 6-30-14 minus balances at 6-	\$902,962.00
Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00

3-Year Comparison MRR-ADA Spend Report

2016		2015		2014	
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/16: MRR and ADA Capital and non-capital gifts reported in FY2016 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/15: MRR and ADA Capital and non-capital gifts reported in FY2015 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/14: MRR and ADA Capital and non-capital gifts reported in FY2014 AFR	
	\$644,028.00		\$1,371,523.00		\$1,052,232.00
Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports	(131,228.00)	Less: Amounts recognized as revenue in FY2015, but not reflected yet in MRR/ADA 6-30-15 Project Status Reports		Less: Amounts recognized as revenue in FY2014, but not reflected yet in MRR/ADA 6-30-14 Project Status Reports	(178,940.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report		Add: Amounts recognized as revenue in FY2014, that were not included in the MRR/ADA 6-30-14 Project Status Report	178,940.00	Add: Amounts recognized as revenue in FY2013, that were not included in the MRR/ADA 6-30-13 Project Status Report	29,670.00
Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):		Plus or minus Other: (please explain below):	
Total	<u>\$512,800.00</u>	Total	<u>\$1,550,463.00</u>	Total	<u>\$902,962.00</u>
ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-16 minus balances at 6-30-16	\$512,800.00	ADA/MRR Project Status Reports (Total of J-170; J-171, J-191, J-205, J-207); ADA3 at 6-30-15 minus balances at 6-30-14	\$1,550,463.00	(Total of J-170; J-171; J-191, J-205, J-207) 6-30-14 minus balances at 6-30-13	\$902,962.00
Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00

Acronyms/Definitions

- **GSFIC** - The Georgia State Financing and Investment Commission was created by a constitutional amendment in 1972, and is responsible for the proper application of proceeds from general obligation debt and the issuance of all public debt by the State. No agency or authority can incur debt or employ other financial or investment advisory counsel, without Commission approval. The Commission consists of the following divisions:
 - Financing and Investment Division** - performs all services related to the planning, scheduling, advertising, selling and delivery of general obligation bonds. The Financing and Investment Division performs services directed by the Commission and the issuer regarding guaranteed revenue debt bond issues, manages all other state debt, handles related financial advisory matters, and prepares the annual debt management plan. Additional responsibilities include the investment and accounting of all proceeds derived from the issuance of general obligation bonds or from other amounts appropriated by the Legislature to GSFIC for capital outlay purposes.
 - Construction Division** - provides construction management services on capital outlay projects for the various State agencies and other State entities which includes the University System of Georgia.
- **GRA** - GRA is an independent nonprofit (501c3) organization that works in partnership with the [University System of Georgia](#) and Georgia's [Department of Economic Development](#). Its partner universities include The University of Georgia, Augusta University, Emory University, Clark Atlanta University, Georgia Institute of Technology, Georgia State University, Mercer University, and Morehouse School of Medicine. GRA helps seed and shape new companies launched out of university labs — to support the state's economic development strategy and create the companies and jobs of Georgia's future.
- **MRR – Major Repairs and Rehabilitation** – A capital renewal program for state-owned facilities of the USG. The program is designed to help the USG maintain its physical plants, facilities, and infrastructure. This program is administered by the USG Office of Real Estate and Facilities.
- **ADA – American Disabilities Act** – The state of Georgia receives funding under the Assistive Technology Act, the Board of Regents of the University System of Georgia has determined that all institutions under the Board of Regents fall within the scope of Section

GSFIC Spend Report Major -*Takeaways*

- Request the GSFIC Spend Reports (Project Status Report and the Check Detail Report) to aid your reconciliation process
- Reconcile GSFIC/MRR expenditures on a quarterly basis to stay ahead of any potential issues
- When filling out the Reconciliation of Supplemental Schedules at the bottom of the Statement of Revenue, Expenses, and Changes in Net Position (SRECNP), do not net the amounts recognized as revenue current year with the amounts recognized as revenue in the prior year.

Significant Commitments: *Refresher*

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Significant Commitments - *Definition*

Commitments are agreements that will be performed in the future.

- Commitments consist of existing arrangements to enter into future obligations of the college/university to external entities for future purchases at specified prices and sometimes at specified quantities.
- Significant commitments are obligations that have not been accrued.
- **(New)** Institutions should only disclose Significant Commitments >\$100,000.

Significant Commitments - *Issues*

Issues in the area of commitments relate to recognition of expenditures in the proper period and disclosure of future payments.

- Accruals are not commitments. They are agreements to incur an obligation in the future.
- Commitments are not recorded on the balance sheet as a liability. However, they are disclosed in the footnotes to the financial statements

Significant Commitments- *Examples*

- Long-term contractual obligations with suppliers for future purchases.
- Contractual obligations associated with the construction or purchase of real property or equipment, etc.
- Unconditional non-cancelable purchase obligations.
- Contractual obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met.
- Non-cancellable operating lease obligations.

Do not include contracts for GSFIC-managed projects.

Significant Commitments - *Takeaways*

- 1) Determine if a commitment exists.
- 2) Do not record commitment if accrued in current year at 6/30/20XX.
- 3) Record commitments on schedule Note 12 – Significant Commitments.
- 4) **(New)** threshold established to record significant commitments. List only commitments greater than \$100,000.

Subsequent Events - *Refresher*

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Subsequent Events - *Definition*

According to generally accepted accounting principals – a subsequent event is defined as events that occur after the balance sheet date (***after fiscal year-end***) which is the reporting date but before the financial statements are issued.

Examples:

- Georgia State University – Turner Field Acquisition
- University System Office – Certificates of Substantial Completion issued on Student Housing Resource Projects for five campuses.

Subsequent Events – *Two types*

1. Additional Information

Events or transactions that provide additional evidence about conditions that existed at the balance sheet date.

2. New Events

Events that provide evidence about conditions that did not exist at the balance sheet date but arose subsequent to that date.

Subsequent Events – *Disclosure Requirements*

- The entity shall disclose the date through which subsequent events have been evaluated. That date is either the date the financial statements were issued or the date the financial statements were available to be used.
- Additionally, certain unrecognized subsequent events must be disclosed if omitting them would cause the financial statements to be misleading.
- For these events, the nature of the event and an estimate of its financial effect, or a statement that an estimate cannot be made, must be disclosed.

Subsequent Events - *Examples*

Institutions

- New lease agreements
- Early retirement of debt
- Consolidation
- Pending/Settlement Litigation
- Loss due to Natural Disaster

Affiliated Organizations

- Issuance of Debt
- Large or unusual commitments of materials or services
- New lease agreements
- Early retirement of debt
- Pending/Settlement Litigation



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