Fiscal Affairs Accounting and Reporting Update

September 2016

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Reporting Entity

As defined by Official Code of Georgia Annotated (O.C.G.A) § 20-3-50, the Institution is part of the University System of Georgia (USG), an organizational unit of the State of Georgia (the State) under the governance of the Board of Regents (Board). The Board has constitutional authority to govern, control and manage the USG. The Board is composed of 19 members, one member from each congressional district in the State and five additional members from the state-at-large, appointed by the Governor and confirmed by the Senate. Members of the Board serve a seven year term and members may be reappointed to subsequent terms by a sitting governor.

Reporting Entity

The Institution does not have the right to sue/be sued without recourse to the State. The Institution's property is the property of the State and subject to all the limitations and restrictions imposed upon other property of the State by the Constitution and laws of the State. In addition, the Institution is not legally separate from the State. Accordingly, the Institution is included within the State's basic financial statements as part of the primary government as defined in section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

Reporting Entity

The accompanying basic financial statements are intended to supplement the State's Comprehensive Annual Financial Report (CAFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the Institution. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2016, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Reporting Entity

- Institution Audited Financial Statements are considered a departmental report.
- GASB does not issue specific guidance related to stand-alone departmental audited financial statements.
- Beginning in Fiscal Year 2016, the State of Georgia is mandating that affiliated organizations (foundations) be reported as component units in the individual institution's audit financial statements and the Consolidated Annual Financial Report for the USG.

Reporting Entity

This new mandate is being phased in as follows:

- Fiscal Year 2016 – All institutional audit reports that have foundations in the CAFR must include these foundations in their individual reports as a component unit.

- Fiscal Year 2017 and Future Periods – All institutional audit reports must include all significant foundations as component units in their individual reports as a component unit. These additional component units must be included at the State of Georgia reporting level in the CAFR.

Affiliated Organizations/ Component Units

Affiliated Organizations/Component Units for Fiscal Year 2016

	Component Units of the State of Georgia
1	Georgia Southern University Housing Foundation, Incorporated
2	University of West Georgia Real Estate Foundation
3	VSU Auxiliary Services Real Estate Foundation, Inc.
4	Georgia Tech Foundation, Incorporated
5	Georgia College and State University Foundation
6	Georgia Gwinnett College Foundation Inc. and Subsidiaries
7	Georgia State University Foundation
8	Georgia Tech Athletic Association
9	Georgia Tech Facilities, Incorporated
10	Georgia Tech Research Corporation
11	Kennesaw State University Foundation, Incorporated
12	MCG Health Systems, Inc. d/b/a Georgia Regents Health System
13	Medical College of Georgia Foundation, Incorporated
14	Middle Georgia State College Real Estate Foundation, Inc.
15	The Medical College of Georgia Physicians Practice Group Foundation (d/b/a Georgia Regents Medical Associates and Subsidiaries)
16	University of Georgia Athletic Association, Incorporated
17	University of Georgia Foundation
18	University of Georgia Research Foundation, Incorporated
19	University of North Georgia Real Estate Foundation, Incorporated
20	University System of Georgia Foundation, Inc.

Discretely Presented Component Units

Statements of Net Position

	University of Georgia	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of Georgia Athletic Association
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 199,430,706	12,333,065	38,763,634	58,993,124
Short-term Investments	1,190,446	84,390,074		
Accounts Receivable, net				
Receivables - Federal Financial Assistance	4,080,596			
Sponsored Research, Licensing and Royalties			25,000,941	
Receivables - Other	31,064,705	2,251,374	4,751,682	5,606,368
Due From Affiliated Organizations	39,714,138			
Pledges Receivable		179,300		
Funds Deposited with the University of Georgia			18,606,941	
Trade and Other Receivables, net			22,820	
Contributions Receivable		20,561,575		
Due From Institution		131,309		
Inventories	6,519,956			
Notes and Mortgages Receivable		234,593		
Capital Lease Receivables, Current Portion			6,186,078	
Prepaid Items	5,108,124		198,892	178,034
Total Current Assets	287,108,671	120,081,290	93,530,988	64,777,526
Non-Current Assets				
Noncurrent Cash	$ 2,593,446			
Due from USO - Capital Liability Reserve Fund	1,767,538			
Investments	201,441,369	846,100,360	44,907,630	46,708,954
Investment in Georgia Venture Partners				
Investment in GRA Venture Fund				
Notes Receivable, net	9,318,399		9,318,399	
Bond Proceeds Restricted for Construction			5,765,025	
Operating Funds Held by Trustee			1,376,917	
Capital Lease Interest Receivable			3,025,730	
Capital Lease Recevaible, Noncurrent Portion			282,550,546	
Contributions Receivable		32,763,119		
Pledge Receivables		4,303,212		
Other Assets		27,615,814		688,452
Capital Assets no being Depreciated			17,572,229	
Capital Assets, net	1,838,371,489	16,730,459	1,821,641,030	232,944,559
Total Non-Current Assets	2,053,492,241	927,512,964	2,186,157,506	280,341,965
TOTAL ASSETS	2,340,600,912	1,047,594,254	2,279,688,494	345,119,491

Discretely Presented Component Units

To be Included:

- GASB Basis Foundations
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Note Disclosures: Cash, Investments, Capital Assets, Long Term Debt

- FASB Basis Foundations
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
    - FASB Basis Financial Statements reconfigured into GASB Presentation
      - Reclassifications of Net Position
      - Reclassification of current and non-current assets/liabilities
      - Including note disclosure for Investments and Capital Assets in FASB format
      - Long Term Debt Note disclosure in a GASB Format

Discretely Presented Component Units

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- FASB Basis Foundations
  - Statement of Net Position
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    - FASB Basis Financial Statements reconfigured into GASB Presentation
      - Reclassifications of Net Position
      - Reclassification of current and non-current assets/liabilities
      - Function to Natural Expenditure Classification
      - Including note disclosure for Investments and Capital Assets in FASB format
      - Long Term Debt Note disclosure in a GASB Format

Blended Component Units

GEORGIA SOUTHERN UNIVERSITY

Statements of Net Position

	Georgia Southern University
ASSETS	
Current Assets	
Cash and Cash Equivalents	$46,298,379
Short-term Investments	2,507,295
Accounts Receivable, net	
Receivables - Federal Financial Assistance	4,688,185
Receivables - State General Appropriations	
Margin Allocation Funds	
Receivables - Other	5,479,270
Due From Affiliated Organizations	3,379,496
Inventories	3,082,254
Net Investment in Capital Assets	0
Notes and Mortgages Receivable	0
Prepaid Items	101,321
Other Assets	
Total Current Assets	65,536,200
Non-Current Assets	
Noncurrent Cash	34,632,651
Short-term Investments	
Investments (Externally Restricted)	5,481,689
Due from Affiliated Organizations	4,059,400
Due from USO - Capital Liability Reserve Fund	1,778,721
Investments	
Lease Receivable	0
Notes Receivable, net	2,898,072
Capital Assets, net	546,081,786
Other Assets	4,445,277
Total Non-Current Assets	599,377,596
TOTAL ASSETS	664,913,796

Blended Component Units

GEORGIA SOUTHERN UNIVERSITY

Statements of Net Position

	GSU	GSU Housing Foundation	Eliminations	Total Georgia Southern University
ASSETS				
Current Assets				
Cash and Cash Equivalents	$42,889,571	3,408,808		$46,298,379
Short-term Investments		2,507,295		2,507,295
Accounts Receivable, net				
Receivables - Federal Financial Assistance	$4,688,185			4,688,185
Receivables - State General Appropriations				
Margin Allocation Funds				
Receivables - Other	$5,479,270			5,479,270
Due From Affiliated Organizations	$3,289,359	90,137		3,379,496
Inventories	$3,082,254			3,082,254
Net Investment in Capital Assets		6,040,864	-6,040,864	0
Notes and Mortgages Receivable		275,581	-275,581	0
Prepaid Items	$101,321			101,321
Other Assets				
Total Current Assets	$59,529,960	12,322,685	-6,316,445	65,536,200
Non-Current Assets				
Noncurrent Cash		34,632,651		34,632,651
Short-term Investments				
Investments (Externally Restricted)	$5,481,689			5,481,689
Due from Affiliated Organizations	$4,059,400			4,059,400
Due from USO - Capital Liability Reserve Fund	$1,778,721			1,778,721
Investments				
Lease Receivable		208,400,130	-208,400,130	0
Notes Receivable, net	$2,468,130	429,942		2,898,072
Capital Assets, net	$546,081,786			546,081,786
Other Assets		4,445,277		4,445,277
Total Non-Current Assets	$559,869,726	247,908,000	-208,400,130	599,377,596
TOTAL ASSETS	$619,399,686	260,230,685	-214,716,575	664,913,796

Blended Component Units

To be Included:

- Foundation has to be converted to GASB Basis Financial Statements
- MD & A
- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Cash Flow Statements
- All Note Disclosures

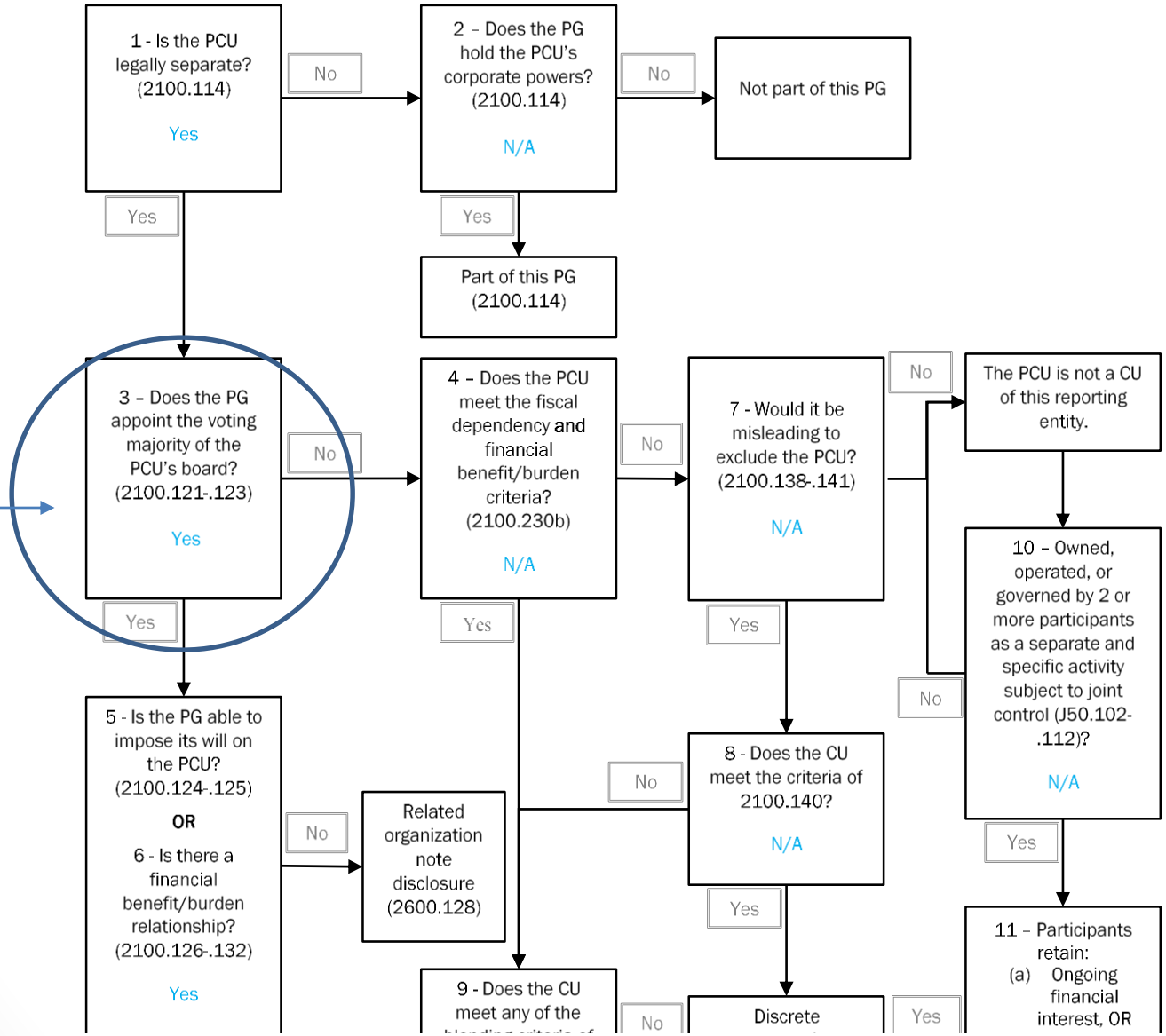
Other Considerations

- Lower Materiality Thresholds
- Misstatements
- Eliminating Entries
- Conversion Errors
- Indirect Cost Reporting
- IPEDS
- Other Financial Reports
- SACSCOC

Blended Component Units

ENTITY DETERMINATION FLOWCHART

Answer doesn't need to be "yes".



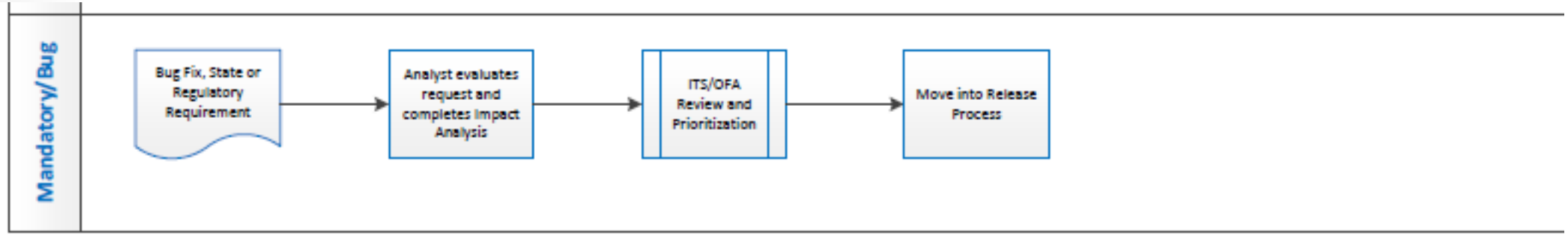
Blended Component Units

Foundation By-Laws:

- Does the president appoint the foundation board members directly
- Nominating Committee provides listing for the president to make foundation board member selections
- Other method

If your President appoints foundation board members directly we ask that your institution take step immediately to have the by-laws revised.

PS Financials Model Change/Enhancement Request Process



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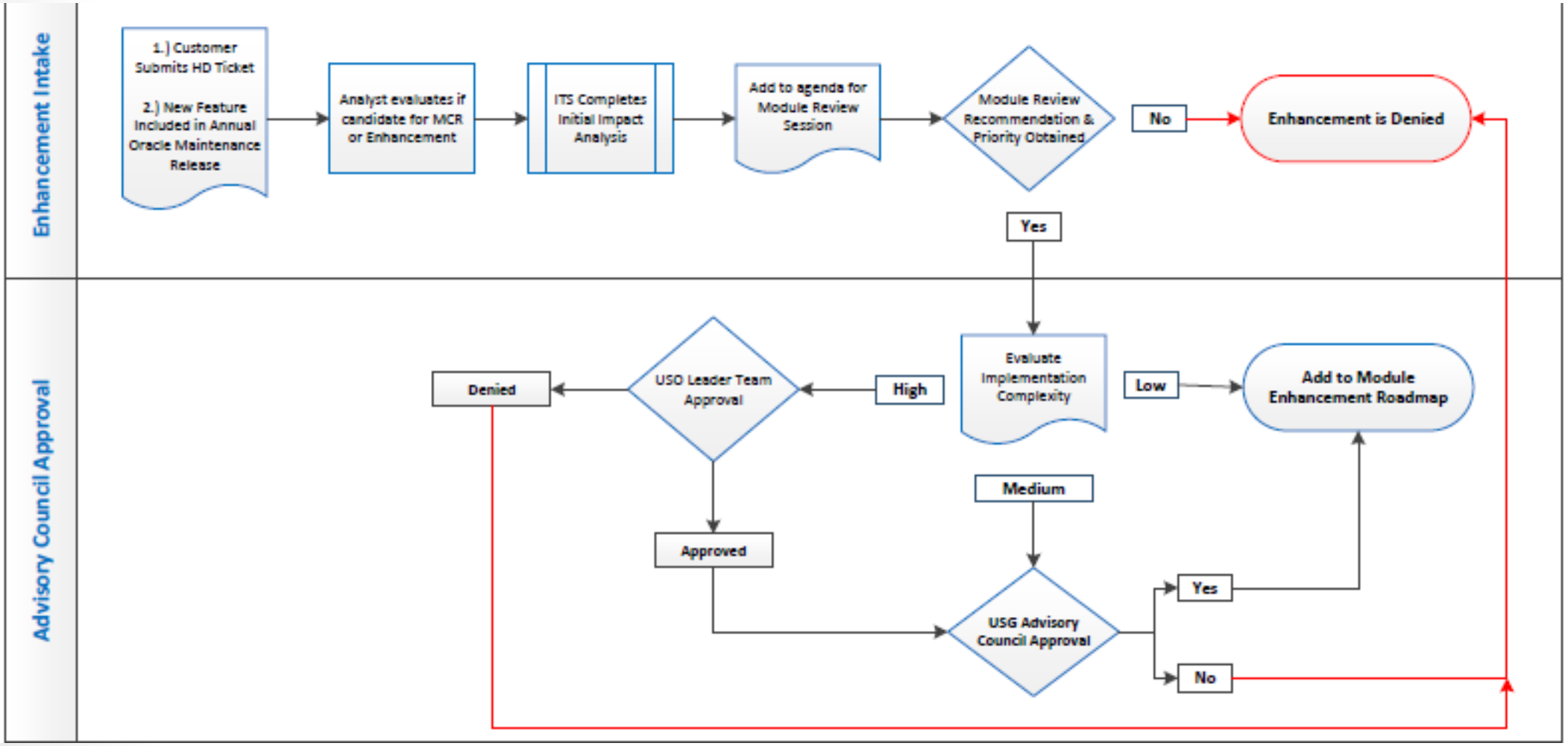

Additional Items

- Document Analysis/Review of Segregation of Duties – October 31 Submission for Banner
- Student Financial Aid findings
- Updated/clear Policies and Procedures for SFA
- Documented - SFA Risk Assessment
- USDOE Title IV Compliance Review Instructions
- Balance Sheet Documentation
- Include Fiscal Affairs in DOAA Exit Conference

December Workshop

Dates: December 7 and 8
Location: Middle Georgia Math Auditorium
Time: Day 1 - 9:00 am to 5:00 pm
Day 2 - 8:00 am to 4:00 pm

Preliminary Topics:

- **SACSCOC Financial Information Submissions**
- **P-Cards**
- **Athletic Reporting Training**
- **Employee Compensation**
- **BPM Tuition and Fees Update**
- **Purchasing**
- **E-Core**

AFR Workshop Scheduled for May 1, 2 and 3