

University of Alaska  
Financial Reporting: Yellow Book, audited financial statements, and IPEDS

This document summarizes the major differences between UA's budgetary reporting basis (the Yellow Book), the audited financial statements, and Integrated Postsecondary Education Data System (IPEDS).

- A. Yellow Book. The Yellow Book presents financial activity on a budgetary basis.
  
- B. Audited financial statements are presented on a Generally Accepted Accounting Principles (GAAP) basis. The following adjustments are made to Yellow Book figures to arrive at financial statements:
  - Intra-UA transfers (the revenue and expense) are eliminated,
  - Certain revenues are reported as non-operating (e.g. PELL grant revenue) or as capital revenue instead of as operating revenue,
  - Only interest paid on debt is reported as an expense, not the principal portion,
  - Interest paid on capital assets under construction is capitalized instead of expensed,
  - Includes depreciation expense (presented on a separate row; not allocated to functional areas),
  - Expenditures for capital assets are removed from expenses and reported as capital assets,
  - Staff Benefits over or under recovered are allocated to the functional areas (e.g. Instruction, Academic support, Research, etc.),
  - Encumbrances are not an expense and therefore eliminated from the functional areas
  - F&A recovery and expense are eliminated
  - On-behalf pension payments in accordance with GASB 24 are recorded as revenue and expense
  - GASB 68 pension and GASB 75 OPEB adjustments may be additions to expense or reductions (depends on valuation of net pension liability) and are allocated to the functional areas, and
  - A search for unrecorded liabilities is performed and expenses and/or capital assets maybe recorded, depending on the source of funds for capital assets, revenue maybe recorded, e.g. federal grants & contracts revenue.
  - Other GASB adjustments as necessary
  - Other adjustments
  
- C. Integrated Postsecondary Education Data System (IPEDS). IPEDS are prepared based on instructions provided by IPEDS. The following adjustments are made from the financial statements to arrive at IPEDS data:
  - Financial data is reported by main university campuses: UAA, UAF, UAS and Statewide,
  - Operations & Maintenance, depreciation and interest expenses are allocated to the functional areas,
  - On-behalf pension payments in accordance with GASB 24 are not included,
  - GASB 68 pension and GASB 75 OPEB expenses or credits are not allocated to the functional areas; they are presented on a separate row,
  - Net transfers and F&A costs (can be expenses or credits) are reported as nonoperating revenues or expenses, and
  - Gains or losses on disposal of capital assets are reported as changes to beginning net position instead of nonoperating revenues or expenses.