



2016 Annual Financial Report (AFR) Mapping

AFR nVision Reports

- AFR nVision reports have been moved to production.
- ITS plans on making additional mapping tweaks which should be out 6/20/16.
- We will send notification once they have moved the final reports to production.

Tying Out nVision Reports

- SNP, SRECNP, and Cash Flows have been tested for all GaFirst institutions. All variances have been identified to zero out reports (i.e. SNP doesn't balance, SRECNP ending net position doesn't agree with SNP, Ending Cash Per Cash Flow doesn't agree with SNP)
- Examples of reasons reports did not tie:
 - Entry to reclassify inactive account has not been made. Need to reclassify accounts 2118xx and 706100.
 - If account 2118xx had a balance in PY, the amount will have to be manually entered into the nVision Report.

Tying Out nVision Reports

- We will be placing these variances on Movelt on 6/15/16 at [/FiscalAffairs/AccountingAndReporting/{Your College Folder}/AFR/](#)
- If you find that your nVision report doe not zero out (with the variances identified and placed on Movelt, please let us know. We would like to keep track of the reasons the reports are not tying out.

AFR nVision Reports

| Report ID | Description | | |
|-------------|--------------------------------|-------------------------------|---|
| 1 SNP | GASB Statement of Net Position | Pg. 9 of presentation packet | |
| 2 SRECNP | GASB SRECNP | Pg. 11 of presentation packet | |
| 3 CASHFLOW | GASB CASHFLOW | Pg. 13 of presentation packet | |
| 4 ACCTRECV | Accounts Receivable | Pg. 16 of presentation packet | |
| 5 INV | GASB Inventories | Pg. 17 of presentation packet | |
| 6 CAPASS | GASB Capital Asset | Pg. 18 of presentation packet | |
| 7 ADVANCES | Advances | Pg. 19 of presentation packet | |
| 8 LTLIAB | Long Term Liability | Pg. 20 of presentation packet | |
| 9 NPCLASS | Classification of Net Position | Pg. 21 of presentation packet | New - Takes the place of FY 2015 R&R, Unrestricted, and Restricted nVision Reports. These reports are no longer necessary. |
| 10 LEASEOBL | Lease Obligations | Pg. 25 of presentation packet | New |
| 11 NAT | GASB Natural | Pg. 26 of presentation packet | |
| 12 AUXSNP | GASB Auxiliary Statement of Ne | Pg. 27 of presentation packet | |
| 13 AUXSREC | GASB SRECNP AUX | Pg. 28 of presentation packet | |
| 14 AUXCAPAS | Auxiliary Capital Assets | Pg. 29 of presentation packet | |
| 15 SASNP | Student Activities SNP | Pg. 30 of presentation packet | |
| 16 SASRECNP | Student Activities SRECNP | Pg. 31 of presentation packet | |
| 17 SACAPASS | Student Activities Cap Assets | Pg. 32 of presentation packet | |



Year End Journal Entries

Changes to Closing JEs

- Pages 34 through 38 in the Day 1 presentation packet summaries the changes to the closing entries.
- Most modifications were related to changing accounts due to conversion to Share accounts or breaking out activity for Statement of Cash Flow mapping.
- Overall there were 20 closing JE's modified and 8 new JE's for FY 2016.
- All modifications are noted in **RED** text on the JE's located in your presentation packet.

YE-6b

- Original JE included payable account 211800 which was removed due to conversion to Share accounts.
- Changed payable account to 2114xx range.

YE-6d

- Original JE included deferred inflow account
Deferred Inflow of Resources – Grants 298003
which no longer exists due to conversion to Share
accounts.
- Updated deferred inflow account to new share
account.
- Also, broke out example to include deferred inflows
for nonoperating and capital activity, which is
necessary for cash flow reporting.

YE-6e

- New for FY 2016 as discussed by Ben at the year-end training in Athens.
- It recognizes the revenue in the subsequent period related to YE-6d.

YE-8, YE-8a, YE-8b

- Related to R&R Reserve
- YE-8 records the increase in R&R reserve related to depreciation expense.
- YE-8a records decreases in R&R reserve related to capital additions.
- YE-8b is new for FY 2016 to allow the institutions the opportunity to allocate noncapitalized renovation improvements made to capital assets to the R&R reserve.

YE-8, YE-8a, YE-8b

- Complete Calculated Value of Current Year R & R Reserves worksheet located on the “Back up for YE8, 8a, 8b” tab within the closing JE file.
- Should maintain this worksheet on file to support the R&R reserve.

YE-8, YE-8a, YE-8b

- Beginning in FY 2016, the Deferred Gift Revenue from Auxiliary Vendor (see YE-32) should no longer be recorded in the R&R reserve account (323100). Instead, this balance should be broken out into a separate reserve account (acct. 329200). The Reserves for Deferred Gift Revenue from Auxiliary Vendor should equal the deferred inflow balance associated with the deferred gift.

YE-29, YE-29a

- Original JE included retainage payable and contracts payable being reported in the same account.
- Under Share accounts, retainages and contracts payable are reported in separate accounts.
- Also, added example of construction payables for noncapital asset items. Necessary to separate capital and noncapital payables for cash flow reporting.

YE-32, YE-32a, YE-32b, YE-32c

- Updated accounts for Share accounts.
- Updated example for GASB 65. Original example included balance in Advances (2170xx). Changed example to Deferred Inflow – Grants Recd in Adv of Time Req – Capital (298402).

YE-32, YE-32a, YE-32b, YE-32c

- Changed reserve account from R&R reserve to Reserve for Deferred Gift Revenue from Auxiliary Vendor (329200)
- Reserve for Deferred Gift Revenue from Auxiliary Vendor (329200) is required when a scenario exists where the institution would have to repay portions of the gift to the vendor in the event the institution cancelled the contract. BPM 3.1.1

YE-35a

- New JE for FY 2016 to break out loans issued for cash flow reporting

YE-36, YE-37, YE-37a

- Original JE included balance being recorded in prepaid 13xxx.
- Updated example to include specific account for prefunded capital assets 1332xx which is necessary for cash flow reporting.

YE-38a

- New JE for FY 2016 to break out investments purchased for cash flow reporting

YE-39

- Added reminder that accrued payables for capital asset purchases should be recorded in an capital related payable account (i.e. 211450, 211980, etc)

YE-46

- Original JE included pollution remediation liabilities being recorded in other liabilities.
- Share accounts have specific accounts for these liabilities so that the long-term note nVision report will map.

YE-53

- Original JE included capital lease interest payable being recorded in accounts payable – general 2114xx.
- Share accounts have a specific account for capital lease interest payable for cash flow mapping.

YE-54

- Updated account descriptions for Share accounts.
- Share accounts have a specific account for the amortization of deferred inflow for debt refunding for cash flow mapping.

YE-55

- Pension Liability JE will be discuss this afternoon in detail.

YE-56

- New JE for FY 2016 to book claims and judgment liability. Share accounts include specific accounts so that the long-term liability note nVision report will map.
- Example of applicable claim and judgment liability – Title IV questioned costs assessed by USD OE. Treat as contingency (i.e. probable and can be reasonably estimated before accruing liability).

YE-57

- New JE for FY 2016 to adjust Net Investment in Capital Assets.
- Worksheet included in JEs to assist with calculation.
- GASB 63.9 – NICA should consists of capital assets, net of accumulated depreciation, reduced by the outstanding liabilities that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

YE-58

- New JE for FY 2016 to reclassify Non Capital and Capital Financing Activities from Operating Activities for Cash Flow Presentation Purposes.
- Misstatements & MLC have resulted in past related to Non-operating Grants and Contract receivables/advances recorded in restricted funds reported as operating activities.
- JE provides the opportunity to reclassify Noncapital Financing Activity and Capital Financing Activity not already mapped out of Operating Activity.

YE-59

- New JE for 2016 only.
- To reclassify balances in inactive accounts due to conversion to Share accounts.
- Run BOR_SCOA_RENAMED_OR_MOVED query for inactivated accounts that should be reclassified.
- Most critical balances to reclassify are balances in 211800 and 760100. Mapping documents will not work with balances in these accounts.

Changes to Standard and Correcting JEs

- Page 90 in the Day 1 presentation packet summarizes the changes to the Standard and Correcting JEs entries.
- Only two modifications were necessary related to changing accounts due to conversion to Share accounts. S-2 (page 91) and S-12 (page 92)
- Overall there were 20 closing JE's modified and 8 new JE's for FY 2016.
- All modifications are noted in **RED** text on the JE's located in your presentation packet.



AFR Preparation Workshop

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AFR Preparation Workshop

Learning Objectives:

- AFR Format Changes
- AFR Excel Updates
- AFR & Other Key Dates
- Affiliated Organizations

AFR/Word Global Changes

- Prior Year Columns (AFR excel document) must now be populated by the Institution.
- There will be no colored coded text in AFR word document. A pdf copy will be provided with colors to serve as a guide to help you to complete document. The goal of this change is to have camera-ready documents that will require minimal editing.
- There will be no colored columns in AFR excel document. A pdf copy will be provided with colors to serve as a guide to help you as you enter your data.
- A Finalized/Cleaned Up AFR can be provided – Only by Request

AFR Excel Updates

Statement of Net Position

| NEW ACCOUNTS 2016 | | | |
|--|-----------------------|-----------------------|-------------------------------------|
| | June 30, 2016 | June 30, 2015 | Increase/(Decrease) FY 2016/2015 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 23,742,341 | 18,237,814 | \$5,504,527 |
| Short-term Investments | | | \$0 |
| Accounts Receivable, net | | | |
| Receivables - Federal Financial Assistance | 18,765 | 7,824 | \$10,941 |
| Receivables - State General Appropriations | | | \$0 |
| Margin Allocation Funds | | | \$0 |
| Receivables - Other | 2,869,835 | 3,738,582 | (\$868,747) |
| Due From Affiliated Organizations | 9,561 | 87,957 | (\$78,396) |
| Notes Receivable, net | | | \$0 |
| Due From Other Funds | | | \$0 |
| Prepaid Items | 252,977 | 163,197 | \$89,780 |
| Inventories | | | \$0 |
| Other Assets | | | \$0 |
| Total Current Assets | 26,893,479 | 22,235,374 | \$4,658,105 |
| Non-Current Assets | | | |
| Non-current Cash (Externally Restricted) | | | \$0 |
| Short-term Investments (Externally Restricted) | | | \$0 |
| Investments (Externally Restricted) | | | \$0 |
| Notes Receivable, net | | | \$0 |
| Due From Affiliated Organizations | | | \$0 |
| Due From Other Funds | | | \$0 |
| Due From USO - Capital Liability Reserve Fund | 1,507,117 | 1,507,117 | \$0 |
| Investments (Including Real Estate) | | | \$0 |
| Capital Assets, net | 262,294,906 | 235,936,817 | \$26,358,089 |
| Other Assets | | | \$0 |
| Total Non-Current Assets | \$ 263,802,023 | \$ 237,443,934 | \$26,358,089 |
| TOTAL ASSETS | \$ 290,695,502 | \$ 259,679,308 | \$31,016,194 |

New Accounts

- Due From Other Funds (Current & Non-Current)
- Accounts Payable (Capital Asset Purchases)
- Contracts Payable (Capital & Non-Capital)
- Retainage Payable (Capital & Non-Capital)
- Claims & Judgments (Current & Non-Current)
- Due to USO – Capital Liability Reserve Fund (Current & Non-Current)
- Service Concession Arrangement – (Capital Related Asset)
- Other Post Employment Benefits Liability

Statement of Revenues, Expenses and Changes in Net Position

REVENUES

Operating Revenues

| | |
|--|---------------|
| Student Tuition and Fees (net of allowance for doubtful accounts and scholarship allowances) | \$ 31,198,631 |
| Federal Appropriations | |
| Grants and Contracts | |
| Federal | 36,634 |
| State | 23,589 |
| Other | 235,015 |
| Sales and Services | 31,370 |
| Rents and Royalties | 5,780 |
| Auxiliary Enterprises | |
| Residence Halls | 7,873,400 |
| Bookstore | 607,873 |
| Food Services | 1,009,191 |
| Parking/Transportation | 2,392,420 |
| Health Services | 603,332 |
| Intercollegiate Athletics | 3,107,839 |
| Other Organizations | 181,598 |
| Other Operating Revenues | 104,989 |
| Total Operating Revenues | 47,411,661 |

EXPENSES

Scholarship Allowances is no longer on a separate line. It is now netted in Student Tuition and Fees

The Scholarship Allowance Reconciliation has not changed. The only thing that has changed is where the Scholarship Allowances balance resides.

Statement of Cash Flows

| PEACHTREE STATE UNIVERSITY | |
|--|---------------|
| Statement of Cash Flows | |
| | June 30, 2016 |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Payments from Customers | \$ 48,083,586 |
| Federal Appropriations | |
| Grants and Contracts (Exchange) | 296,458 |
| Payments to Suppliers | (39,996,032) |
| Payments to Employees | (54,476,814) |
| Payments for Scholarships and Fellowships | (10,804,351) |
| Loans Issued to Students | - |
| Collection of Loans to Students | - |
| Other Payments | (180,843) |
| Net Cash Provided (Used) by Operating Activities | (57,077,996) |

(REVISED)

Tuition & Fees, Auxiliary Enterprise Charges, Sales and Services, & Other Receipts have been replaced with **Payments From Customers.**

Statement of Cash Flows

| | |
|---|-----------------|
| Amortization of Deferred Loss on Debt Refunding Reducing Interest Paid | |
| Amortization of Service Concession Arrangement | |
| Change in Accounts Receivable Related to GSFIC Gifts | \$ 801,770 |
| Change in Accrued Interest Payable Affecting Interest Paid | \$ (57,427) |
| Change in Fair Value of Investments Recognized as a Component of Interest Income | |
| Fixed Assets Acquired by Incurring Capital Lease Obligations | |
| Gift of Capital Assets Reducing Proceeds of Capital Gifts and Grants | \$ (23,939,089) |
| Gift Reducing Proceeds of Gifts and Grants Received for Other Than Capital Purposes | |
| Gain on Debt Refunding | |
| Special Item | |

Reduced number of transactions due to Non-Cash Investing, Non-Capital in Financing, and Capital and Related Financing Activities from **21 to 12**.

Please contact us if you encounter a unique circumstance that would require adding another transaction.

Net Investment in Capital Assets Definition

GASB Codification

Section 2200.118

Net Investment in Capital Assets

.118

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets or related debt should also be included in this component of net position.

If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. [GASBS,63, ¶19]

Net Investment in Capital Assets Calculation (Modified in FY 16)

Capital Assets, Net

Less:

- Lease Purchase Obligations (Current & Non-current)
- Notes and Loans Payable (Current & Non-current)
- Deferred Gain on Debt Refunding
- Accounts Payable (Capital-Related)
- Contracts Payable (Capital-Related)
- Retainage Payable (Capital-Related)
- Service Concession Arrangements (Capital-Related)

Add:

- Deferred Loss on Debt Refunding
- Leases (non Capital-Related)

| | | |
|--|------------------|------------------|
| Check Point: | | |
| Capital Assets, net | 262,294,906.00 | 235,936,817.00 |
| Less: Lease Purchase Obligations (current portion) | (2,115,934.00) | (1,934,644.00) |
| Less: Lease Purchase Obligations (noncurrent portion) | (179,562,821.00) | (181,678,754.00) |
| Less: Notes and Loans Payable (current portion) | 0.00 | 0.00 |
| Less: Notes and Loans Payable (noncurrent portion) | 0.00 | 0.00 |
| Less: Accounts Payable (Capital-Related) Enter Amount → | 0.00 | |
| Less: Contracts Payable (Capital-Related) Enter Amount → | 0.00 | |
| Less: Retainage Payable (Capital-Related) Enter Amount → | 0.00 | |
| Less: Service Concession Arrangements (Capital-Related) Enter Amount → | 0.00 | |
| Less: Deferred Gain on Debt Refunding | 0.00 | 0.00 |
| Add: Deferred Loss on Debt Refunding | 0.00 | 0.00 |
| Add: Leases non Capital-Related Enter Amount → | 0.00 | |
| Total: Net Investment in Capital Assets (Calculation) | 80,616,151.00 | 52,323,419.00 |
| Less: Net Investment in Capital Assets (Net Position) | 80,616,151.00 | 52,323,419.00 |
| Difference should be zero | \$0.00 | \$0.00 |

Once analysis has been completed to identify capital-related activity, amounts must be entered manually for cells in yellow to complete calculation.

Note 2: Deposits & Investments

| PEACHTREE STATE UNIVERSITY | | | | | |
|---|------------|-------------|-----------|------------|--------------------|
| Note 2. Deposits and Investments | | | | | |
| DEPOSITS | | | | | |
| Carrying Value | | | | | \$23,739,841 |
| Bank Balance | | | | | \$24,604,476 |
| Insured | | | | | \$750,000 |
| Uninsured Total | | | | | \$23,854,476 |
| Collateralized w/ Securities held in the Entity's Name | | | | | \$23,854,476 |
| Collateralized w/ Securities not held in the Entity's Name | | | | | \$0 |
| Uncollateralized | | | | | \$0 |
| Interest Rate Risk | | | | | |
| | Fair Value | 4-12 Months | 1-5 Years | 6-10 Years | More Than 10 Years |
| Investment type | | | | | |
| Debt Securities | | | | | |
| U.S. Treasuries | \$ - | | | | |
| U.S. Agencies | | | | | |
| Explicitly Guaranteed | - | | | | |
| Implicitly Guaranteed | - | | | | |
| Bond Securities | - | | | | |
| Corporate Debt | - | | | | |
| General Obligation Bonds | - | | | | |
| Money Market Mutual Funds | - | | | | |
| Municipal Obligations | - | | | | |
| Mutual Bond Funds | - | | | | |
| Repurchase Agreements | - | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Investments | | | | | |
| Cash Surrender Value | | | | | |
| Equity Mutual Funds - Domestic | | | | | |
| Equity Mutual Funds - International | | | | | |
| Equity Securities - Domestic | | | | | |
| Equity Securities - International | | | | | |
| Real Estate Held for Investment Purposes | | | | | |
| Real Estate Investment Trusts | | | | | |
| Investment Pools | | | | | |
| Board of Regents | | | | | |
| Short-Term Fund | | | | | |
| Legal Fund | | | | | |
| Balanced Income Fund | | | | | |
| Total Return Fund | | | | | |
| Diversified Fund | | | | | |
| Office of the State Treasurer | | | | | |
| Georgia Fund 1 | | | | | |
| Georgia Extended Asset Pool | | | | | |
| Total Investments | \$ - | | | | |
| \$0.00 Ckpoint: Total Investments per Note 2 equals Total Investments per "Note 2 Backup-Invest Analysis" tab | | | | | |

| Credit Quality Risk | | | | | | |
|--|------------|-----|-----|-----|-----|---------|
| | Fair Value | AAA | AA | A | BBB | Unrated |
| Related Debt Investments | | | | | | |
| U. S. Agency Securities | - | | | | | |
| Bond Securities | - | | | | | |
| Corporate Bonds | - | | | | | |
| Corporate Debt | - | | | | | |
| General Obligation Bonds | - | | | | | |
| Money Market Mutual Fund | - | | | | | |
| Municipal Obligation | - | | | | | |
| Mutual Bond Fund | - | | | | | |
| Repurchase Agreements | - | | | | | |
| | \$ - | \$0 | \$0 | \$0 | \$0 | \$0 |
| <div>\$0.00</div> <div>Ckpoint: Total Credit Quality Risk detailed should equal Debt Securities total minus U.S. Treasury and Explicitly Guaranteed U.S. Agency amounts. Note: Check point may be out if a portion of the underlying investments from Repurchase Agreements are explicitly guaranteed.</div> | | | | | | |

| Foreign Currency Risk | | | | |
|--|------------|------|--------|-------|
| Currency | Short-Term | Debt | Equity | Total |
| Argentine peso | \$ - | \$ - | \$ - | \$ - |
| Aruban guilder | | | | - |
| Australian dollar | | | | - |
| Total Securities subject to foreign currency risk | 0 | 0 | 0 | - |
| United States dollars (securities held by International investment managers) | | | | - |
| Total international investment securities | \$ - | \$ - | \$ - | \$ - |

Creating A More Educated Georgia

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Note 2: Deposits & Investments

Interest Rate Risk Section

Interest rate risk is the risk that changes in the interest rates of debt investments will adversely affect the fair value of an instrument. The State Accounting Office (SAO) uses the Segmented Time Distribution method. Debt investments held are grouped by maturity periods to disclose interest rate exposure. In our example, Peachtree State University had no investments.

| <u>Interest Rate Risk</u> | | | | | | |
|---------------------------|--------------|-----------------------|--------------|---------------|---------------|-----------------------|
| | Fair Value | Less Than 3 Months | 4-12 Months | 1-5 Years | 6-10 Years | More Than 10 Years |
| Investment type | | | | | | |
| Debt Securities | | | | | | |
| U.S. Treasuries | \$ 5,779,425 | \$ - | | \$ 5,712,107 | \$ 58,218 | \$ 9,100 |
| U.S. Agencies | | | | | | |
| Explicitly Guaranteed | 13,446,012 | | | 5,889,579 | 4,606,329 | 2,950,104 |
| Implicitly Guaranteed | 99,486,672 | | 1,190,446 | 21,513,436 | 11,404,309 | 65,378,481 |
| Bond Securities | - | | | | | |
| Certificates of Deposit | - | | | | | |
| Corporate Debt | 103,864 | | | 3,385 | 100,479 | |
| General Obligation Bonds | - | | | | | |
| Money Market Mutual Fund | - | | | | | |
| Municipal Obligation | - | | | | | |
| Mutual Bond Fund | - | | | | | |
| Repurchase Agreements | 962,610 | 962,610 | | | | |
| | 119,778,583 | \$ 962,610 | \$ 1,190,446 | \$ 33,118,507 | \$ 16,169,335 | \$ 68,337,685 |

Note 2: Deposits & Investments

Interest Rate Risk Section

In our example, Peachtree State University had no investments. However, if they did, the completed schedule would look like this.

| <u>Interest Rate Risk</u> | | | | | | |
|---------------------------|--------------|-----------------------|--------------|---------------|---------------|-----------------------|
| | Fair Value | Less Than 3 Months | 4-12 Months | 1-5 Years | 6-10 Years | More Than 10 Years |
| Investment type | | | | | | |
| Debt Securities | | | | | | |
| U.S. Treasuries | \$ 5,779,425 | \$ - | | \$ 5,712,107 | \$ 58,218 | \$ 9,100 |
| U.S. Agencies | | | | | | |
| Explicitly Guaranteed | 13,446,012 | | | 5,889,579 | 4,606,329 | 2,950,104 |
| Implicitly Guaranteed | 99,486,672 | | 1,190,446 | 21,513,436 | 11,404,309 | 65,378,481 |
| Bond Securities | - | | | | | |
| Certificates of Deposit | - | | | | | |
| Corporate Debt | 103,864 | | | 3,385 | 100,479 | |
| General Obligation Bonds | - | | | | | |
| Money Market Mutual Fund | - | | | | | |
| Municipal Obligation | - | | | | | |
| Mutual Bond Fund | - | | | | | |
| Repurchase Agreements | 962,610 | 962,610 | | | | |
| | 119,778,583 | \$ 962,610 | \$ 1,190,446 | \$ 33,118,507 | \$ 16,169,335 | \$ 68,337,685 |

Repurchase Agreements are usually money-market instruments and involve U.S. Treasury bonds. If your Institution has Repurchase Agreements, you will need to analyze this amount and find the credit ratings for the debt securities that support the total. You will need this information to complete the Credit Quality Risk section.

Note 2: Deposits & Investments

Credit Quality Risk Section

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit ratings are not required for debt securities of the US Treasury or obligations of US Government agencies that are explicitly guaranteed by the US Government.

Credit Quality Risk

| | Fair Value | AAA | AA | A | BAA | BBB | Unrated |
|--------------------------|-----------------------|----------------------|------------------|------------------|------------------|------------------|----------------------|
| Related Debt Investments | | | | | | | |
| U. S. Treasuries | \$ - | | \$ - | \$ - | \$ - | \$ - | \$ - |
| U. S. Agency Securities | 99,486,672 | 27,322 | - | - | - | - | 99,459,350 |
| Bond Securities | | | | | | | |
| Certificates of Deposit | - | | | | | | |
| Corporate Bonds | - | | | | | | |
| Corporate Debt | 107,872 | | 27,548 | 41,424 | 23,307 | 15,593 | |
| General Obligation Bonds | - | | | | | | |
| Money Market Mutual Fund | - | | | | | | |
| Municipal Obligation | - | | | | | | |
| Mutual Funds - Bonds | - | | | | | | |
| Repurchase Agreements | 962,610 | 962,610 | | | | | |
| | <u>\$ 100,557,154</u> | <u>\$ 989,932.00</u> | <u>\$ 27,548</u> | <u>\$ 41,424</u> | <u>\$ 23,307</u> | <u>\$ 15,593</u> | <u>\$ 99,459,350</u> |

Note 2: Deposits & Investments

Credit Quality Risk Section

New in FY 16

In the Comprehensive Annual Financial Report (CAFR), the State Accounting Office (SAO) uses the **S&P's rating scale** to report credit ratings. Effective FY 16, the University System will use the same scale.

https://www.ici.org/policy/regulation/products/mmf/faqs_mmfs_treasury_secs

In cases where multiple ratings have been reported, SAO chooses the lowest rating reported then cross-references it using S&P's rating scale that is equivalent to whatever the rating of another agency's rating is (if S&P's rating is not the lowest).

Money Market Funds & Credit Ratings on Treasury Securities – Rating Scale

New in FY 16

The following table shows how these major credit rating agencies align their long-term and short-term ratings, and which short-term ratings constitute first tier and second tier:

| Money market fund category | | Moody's | | Standard & Poor's | | Fitch | |
|----------------------------|----------------------|--|------------|--------------------------|------------|--------------------------------|------------|
| | | Long-term | Short-term | Long-term | Short-term | Long-term | Short-term |
| Eligible securities | First Tier | Aaa Aa1 Aa2 Aa3 A1 A2* A3* | P-1 | AAA AA+ AA AA- | A-1+ | AAA AA+ AA AA- A+* | F-1+ |
| | | | | A+ A* | A-1 | A+* A A* | F-1 |
| | Second Tier | A2* A3* Baa1 Baa2* | P-2 | A* A- BBB+ BBB* | A-2 | A- BBB+ BBB | F-2 |
| Ineligible securities | Third Tier | Baa2* Baa3 | P-3 | BBB* BBB- BB+* | A-3 | BBB* BBB- | F-3 |
| | Non-investment grade | Ba1 to B3 Caa1 to Ca | Not Prime | BB+* to CCC* B* to CC | B C | BB+ to B- CCC to C | B C |
| | In default | C | Not Prime | SD, D | SD, D | RD, D | RD, D |

*All three agencies allow some overlap in rating categories.

Sources: Moody's Investor Services, Standard & Poor's Global Credit Portal, Fitch Ratings, Bank for International Settlements

As the table shows, short-term rating bands are broader and contain fewer rating "steps" than long-term ratings. An issuer whose long-term rating was downgraded from AAA to AA would still be rated A-1+ and, hence, first tier for short-term debt.

Note 2: Deposits & Investments

Credit Quality Risk Section

New in FY 16

The State Accounting Office does not report credit quality modifiers. Therefore, the University System will no longer report the 1, 2, 3, + or – modifier following the rating. For example:

| Former Way Reported | New Way Reported |
|---------------------|------------------|
| A-1 or A+1 | A |
| AA+ or AA- | AA |

Comparing Rating Agencies using the Rating Scale

(Example)

Scenario: The lowest rating on a particular investment being reported is a “Baa1” rating from Moody’s.

| Rating Scale | | | | | |
|--------------|------------|-------------------|------------|-----------|------------|
| Moody’s | | Standard & Poor’s | | Fitch | |
| Long-Term | Short-Term | Long-Term | Short-Term | Long-Term | Short-Term |
| Baa1 | | BBB+ | | BBB | |

Per the Rating Scale, S&P does not have a “Baa” rating. The S&P equivalent for Moody’s **Baa1** rating is **BBB**. Thus, USG Institution would report the investment holding as having a **BBB** rating.

Note 2: Deposits & Investments

Foreign Currency Risk Section

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The value in US dollars of holdings denominated in a foreign currency must be provided.

| <u>Foreign Currency Risk</u> | | | | |
|--|------------|------|--------|-------|
| Currency | Short-Term | Debt | Equity | Total |
| Argentine peso | \$ - | \$ - | \$ - | \$ - |
| Aruban guilder | | | | - |
| Australian dollar | | | | - |
| Total Securities subject to foreign currency risk | 0 | 0 | 0 | - |
| United States dollars (securities held by International investment managers) | | | | - |
| Total international investment securities | \$ - | \$ - | \$ - | \$ - |

Note 2: Deposits & Investments

Other Investments Section

| | |
|--|--|
| Other Investments | Standardized Categories |
| Cash Surrender Value | |
| Equity Mutual Funds - Domestic | |
| Equity Mutual Funds - International | |
| Equity Securities - Domestic | |
| Equity Securities - International | |
| Real Estate Held for Investment Purposes | |
| Real Estate Investment Trusts | |
| Investment Pools | Amounts must tie to: SunTrust, Georgia Fund 1, & GEAP statements at 6-30-16 |
| Board of Regents | |
| Short-Term Fund | |
| Legal Fund | |
| Balanced Income Fund | |
| Total Return Fund | |
| Diversified Fund | |
| Office of the State Treasurer | |
| Georgia Fund 1 | |
| Georgia Extended Asset Pool | |
| Total Investments | \$ - |

Entity Name: PEACHTREE STATE UNIVERSITY

NEW in FY 16 Drop Down List

PART A: ANALYSIS OF FOOTNOTE INVESTMENTS INCLUDED ON THE GENERAL LEDGER

| GENERAL LEDGER INFORMATION | | | | | | | |
|----------------------------|---------------------|--|----------------------------------|---|---------------------|--|---|
| A | B | C | D | E | F | G | H |
| GL | B - GL Account Name | C - Financial Institution/Broker/Dealer Name | D - Investment Type | E | F | G | H |
| Acct. | | | Select from Drop Down List Below | | Acct./Portfolio No. | CUSIP or other identifying number, if applicable | |
| No. | | | General Obligation Bonds | | | | |
| | | | General Obligation Bonds | | | | |
| | | | Money Market Mutual Funds | | | | |
| | | | Municipal Obligations | | | | |
| | | | Mutual Bond Funds | | | | |
| | | | Repurchasing Agreements | | | | |
| | | | Cash Surrender Value | | | | |
| | | | Equity Mutual Funds-Domestic | | | | |

Creating A More Educated Georgia

Concentration of Credit Risk –
The risk of loss attributed to the magnitude of an organization's investment in a single investment instrument. Holdings of investments in any one issuer in concentrations of greater than 5% of the total investments must be disclosed. This applies to all investments except Investments in US gov't. explicitly guaranteed securities which is not required.

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[illegible]

| | |
|---|---------------|
| Check point: Total column must equal sum of columns I, J, K, L and M: | |
| Total from above: | 24,604,476.00 |
| Custodial Credit Risk for Deposits Cat. 1 | 750,000.00 |
| Custodial Credit Risk for Deposits Cat. 2 | 23,854,476.00 |
| Custodial Credit Risk for Deposits Cat. 3 | 0.00 |
| Custodial Credit Risk for Deposits Cat. 4 | 0.00 |
| Custodial Credit Risk for Deposits Cat. 5 | 0.00 |
| | 24,604,476.00 |
| Should be -0- | 0.00 |

$$\left(\begin{array}{c} 52 \end{array} \right)$$

Custodial Credit Risk & Categories

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, an organization will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

Category 1

Accounts with balances of \$250,000 or less are 100% FDIC insured.

Category 2 (New in FY 16)

Collateralized with Financial Institution's trust department or agent by pledging of investments held for the State organization or the State of Georgia. **Pledging to the State organization or the State of Georgia must be referenced by collateralization information provided by the Financial Institution.** This includes (but is not limited to) deposits with financial institutions who are members of the Georgia State Pledging Pool.

Bank of America – collateral amounts above \$250,000 deposit insurance limit

SunTrust – collateral for amounts above \$250,000 deposit insurance limit

CB&T – collateral for amounts above \$250,000 deposit insurance limit

Deposits of any bank where deposit is collateralized with pledging of investments held by bank's trust department or agent in the organization's or the State's name.

Custodial Credit Risk & Categories

Category 3

Collateralized with Financial Institution's Trust Department or Agent by pledging of investments, but NOT specifically held for the State organization or the State of Georgia. **If the Financial Institution cannot provide specific references that the collateral is being held for the State organization or the State of Georgia then collateral must be categorized as category 3.**

Category 4

Deposits collateralized under pledging of investments held with the Financial Institution.

Category 5 (New in FY 16)

No collateral provided. Any bank not mentioned above which indicates that collateral is not provided in which balances exceed the FDIC insurance of \$250,000.

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This schedule reconciles items reported as cash equivalents on general ledger but included in Investment footnote, petty cash, and amounts reported as investments on the general ledger but included in deposits footnote which results in Cash and Cash Equivalents per Statement of Net Position.

| | |
|---|------------------------|
| Total Cash and Cash Equivalents per Deposit Reconciliation: | <u>\$23,742,341.00</u> |
| Cash and Cash Equivalents per SNP | 23,742,341.00 |
| Non-current Cash per SNP | <u>0.00</u> |
| | <u>23,742,341.00</u> |
| Should be -0- | \$0.00 |

Creating A More Educated Georgia

(56)

New Schedule in FY 16

Reconciliation of Cash and Cash Equivalent Balances to Carrying Value of Deposits

| | | |
|--|----------------------|---|
| Business-type Activities | | LEGEND |
| Statement of Net Position | | |
| Cash and Cash Equivalents | 23,742,341 | Statement of Net Position - Cash & Cash Equivalents |
| Non-Current Cash and Cash Equivalents | | Statement of Net Position - Non-Current Cash |
| Fiduciary Fund | | |
| Pension and Other Post Employment Benefit Trust Funds | | |
| Statement of Fiduciary Net Pension | | |
| Cash and Cash Equivalents | | Fiduciary Statement of Net Position - Cash and Cash Equivalents (if applicable) |
| Total Cash and Cash Equivalents | 23,742,341 | |
| Add: | | |
| Deposits with original maturity over 90 days reported as Investments | 0 | Note 2 Backup Inv. Recon - Reconciling Item #1 |
| Less: | | |
| Cash on Hand | (2,500) | Note 2 Backup Deposit Recon - Reconciling Item #2 |
| Investments with original maturity less than 90 days reported as Cash and Cash Equivalents | | Note 2 Backup Inv. Recon - Reconciling Item #2 |
| Investment pool reported as Cash and Cash Equivalents | | |
| Board of Regents Short-Term Fund | | SunTrust - Short Term Fund |
| Georgia Fund 1 | | Office of State Treasurer - Georgia Fund 1 |
| Total Carrying Value of Deposits - June 30, 2016 | \$ 23,739,841 | |
| Checkpoint: | | |
| Total Carrying Value of Deposits | \$23,739,841.00 | |
| Footnote 2 Deposits and Investments Carrying Value | 23,739,841.00 | |
| Difference | \$0.00 | |

Note 6: Capital Assets (*Capital Lease Accounts*)

New in FY 16, Capital Leases Account 166000 and the related accumulated depreciation account 166900 will be eliminated. These accounts have been replaced with the following leased accounts:

| | |
|--------|---|
| 161100 | Leased Land & Land Improvements |
| 162100 | Leased Buildings and Building Improvements |
| 162190 | Accum. Depr – Leased Buildings & Bldg Impr |
| 163100 | Leased Facilities and Other Improvements |
| 163190 | Accum Depr – Leased Facilities & Other Impr |
| 165100 | Leased Equipment |
| 165190 | Accum Depr – Leased Equipment |
| 167100 | Leased Infrastructure |
| 167190 | Accum Depr – Leased Infrastructure |

Note 6: Capital Assets (*Capital Lease Accounts*)

Christy Todd - *Re-categorizing Capital Assets Presentation*

Documentation referencing the additional Capital Lease accounts the process to re-categorize the assets sent out in March and is located on the GaFirst website:

www.usg.edu/gafirst-fin/documentation/job_aids/category/asset_management

The capital lease re-categorization entries must be adjusted out of the current year additions and deduction columns in order to correctly to reflect the true additions and deletions for FY 2016.

Accounting & Reporting has provided the FY 15 Consolidated Reconciliation of Leased Assets by Asset Category to assist in completing this task.

Note 6: Capital Assets (Capital Lease Accounts)

The capital lease re-categorization entries must be adjusted out of the current year additions and deductions in order to correctly to reflect the true additions and deletions for FY 16.

Accounting & Reporting will provide the FY 15 Consolidated Reconciliation of Leased Assets by Asset Category to aid in this process.

| UNIVERSITY SYSTEM OF GEORGIA Capital Assets Held by Capital Lease Year Ended June 30, 2015 (Not a published schedule) (Use information for Note 13a on Capital Leases) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| INSTITUTION | Land | Infrastructure | | Equipment | | Buildings | | Facilities and Improvements | Total Assets Held Under Capital Lease | Total Assets Held Under Capital Lease | Outstanding Balance 6-30-15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Cost | Cost | Accumulated Depreciation | Cost | Accumulated Depreciation | Cost | Accumulated Depreciation | Cost | Capital Leases already classified into correct categories by Institution | Adjusted Totals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Georgia Institute of Technology | 11,457,418.00 | 38,705,000.00 | (10,720,350.00) | 8,341,338.00 | (464,808.00) | 21,358,666.00 | (111,743,718.00) | 679,713.00 | (484,708.00) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | 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Note 6: Capital Assets (*Capital Lease Accounts*)

PEACHTREE STATE UNIVERSITY

For the Fiscal Year Ended June 30, 2015

Note 6 - Capital Assets Disclosure

| | Beginning Balances 7/1/2014 | Special Item Transfer | Additions | Reductions | Ending Balance 6/30/2015 |
|--|-----------------------------------|--------------------------|----------------|--------------|--------------------------------|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | 9,749,030 | | | | 9,749,030 |
| Capitalized Collections | | | | | 0 |
| Construction Work-in-Progress | 2,877,675 | | 1,536,294 | 2,952,154 | 1,461,815 |
| Software Development in Progress | | | | | 0 |
| Total Capital Assets Not Being Depreciated | 12,626,705 | 0 | 1,536,294 | 2,952,154 | 11,210,845 |
| Capital Assets, Being Depreciated: | | | | | |
| Infrastructure | | | 2,952,154 | | 2,952,154 |
| Building and Building Improvements | 66,104,245 | | | | 66,104,245 |
| Facilities and Other Improvements | | | | | 0 |
| Equipment | 4,464,889 | | 501,941 | 95,946 | 4,870,884 |
| Capital Leases | 184,938,875 | | | | 184,938,875 |
| Library Collections | 5,365,196 | | 615,684 | 1,829 | 5,979,051 |
| Totals | 260,873,205 | 0 | 4,069,779 | 97,775 | 264,845,209 |
| Less: Accumulated depreciation | | | | | 0 |
| Infrastructure | | | | | 0 |
| Building and Building Improvements | 7,713,832 | | 1,377,102 | | 9,090,934 |
| Facilities and Other Improvements | | | | | 0 |
| Equipment | 3,163,088 | | 570,033 | 94,884 | 3,638,237 |
| Capital Leases | 18,979,841 | | 5,607,550 | | 24,587,391 |
| Library Collections | 2,347,592 | | 456,912 | 1,829 | 2,802,675 |
| Totals | 32,204,353 | 0 | 8,011,597 | 96,713 | 40,119,237 |
| Total Capital Assets, Being Depreciated, Net | 228,668,852 | 0 | (3,941,818) | 1,062 | 224,725,972 |
| Capital Assets, net | \$ 241,295,557 | \$ - | \$ (2,405,524) | \$ 2,953,216 | \$ 235,936,817 |

nVision Report - Capital Assets - CY

Following are the changes in capital assets for the years ended June 30, 2016 and 2015:

All Funds except Funds 11921, 80xxx, & 90xxx, unless specifically excluded

| Footnote 6 - Capital Assets Disclosure | (Restated) Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 | |
|--|---------------------------------------|----------------|----------------|--------------------------|---------------------------------------|
| Capital Assets, not being depreciated | | | | | |
| Land | 9,749,030.00 | - | - | 9,749,030.00 | 161xxx |
| Capitalized Collections | - | - | - | - | 1681xx |
| Construction Work-In-Progress | 1,461,815.00 | 3,086,790.00 | 147,927.00 | 4,400,678.00 | 1690xx |
| Software Development-In-Progress | - | - | - | - | 1699xx |
| Total Capital Assets Not Being Depreciated | 11,210,845.00 | 3,086,790.00 | 147,927.00 | 14,149,708.00 | |
| Capital Assets, Being Depreciated: | | | | | |
| Infrastructure | 2,952,154.00 | - | - | 2,952,154.00 | 167xxx(except 167900 and 167190) |
| Building and Building Improvements | 66,104,245.10 | 213,878,543.00 | - | 279,982,788.10 | 162xxx(except 162900 and 162190) |
| Facilities and Other Improvements | - | - | - | - | 163xxx(except 163900 and 163190) |
| Equipment | 4,870,884.00 | 1,738,488.00 | 32,030.00 | 6,577,342.00 | 165xxx(except 165900 and 165190) |
| Capital Leases | 184,938,874.36 | 62,380,552.26 | 247,319,426.62 | - | 166xxx(except 1669xx) |
| Library Collections | 5,979,051.00 | 517,225.00 | 5,267.00 | 6,491,009.00 | 164xxx(except 1649xx) |
| Capitalized Collections | - | - | - | - | 168xxx(except 1689xx, 1682xx, 1681xx) |
| Water, Timber, Mineral Rights, and Easements | - | - | - | - | 16822x |
| Patents, Trademarks, and Copyrights | - | - | - | - | 16823x |
| Software | - | - | - | - | 16821x |
| Total Capital Assets, Being Depreciated | 264,845,208.46 | 278,514,808.26 | 247,356,723.62 | 296,003,293.10 | |
| Less: Accumulated depreciation | | | | | |
| Infrastructure | - | 157,032.00 | - | 157,032.00 | 167900 and 167190 |
| Buildings and Building Improvements | 9,090,934.00 | 30,910,298.00 | - | 40,001,232.00 | 162900 and 162190 |
| Facilities and Other Improvements | - | - | - | - | 163900 and 163190 |
| Equipment | 3,638,237.00 | 719,323.00 | 29,136.00 | 4,328,424.00 | 165900 and 165190 |
| Capital Leases | 24,587,391.00 | - | 24,587,391.00 | - | 1669xx |
| Library Collections | 2,802,675.00 | 573,999.00 | 5,267.00 | 3,371,407.00 | 1649xx |
| Capitalized Collections | - | - | - | - | 1689xx(except 16891x, 16892x, 16893x) |
| Water, Timber, Mineral Rights, and Easements | - | - | - | - | 16892x |
| Patents, Trademarks, and Copyrights | - | - | - | - | 16893x |
| Software | - | - | - | - | 16891x |
| Total Accumulated Depreciation | 40,119,237.00 | 32,360,652.00 | 24,621,794.00 | 47,858,095.00 | |
| Total Capital Assets, Being Depreciated, Net | 224,725,971.46 | 246,154,156.26 | 222,734,929.62 | 248,145,198.10 | |
| Capital Assets, net | 235,936,816.46 | 249,240,946.26 | 222,882,856.62 | 262,294,906.10 | |

Note 6: Capital Assets *(Capital Lease Accounts)*

| Note 6 - Capital Assets Disclosure | | | | | | |
|--|---|------------------------------------|--------------------------|---------------|------------|------------------------------------|
| | (Restated) Beginning Balances July 1, 2015 | Capital Leases Recategorization | Special Item Transfer | Additions | Reductions | Ending Balance June 30, 2016 |
| Capital Assets, Not Being Depreciated: | | | | | | |
| Land | \$ 9,749,030 | | | | | \$ 9,749,030 |
| Capitalized Collections | - | | | | | - |
| Construction Work-in-Progress | 1,461,815 | | | 3,086,790 | 147,927 | 4,400,678 |
| Software Development-in-Progress | - | | | | | - |
| Total Capital Assets Not Being Depreciated | \$ 11,210,845 | \$ - | \$ - | \$ 3,086,790 | \$ 147,927 | \$ 14,149,708 |
| Capital Assets, Being Depreciated/Amortized: | | | | | | |
| Infrastructure | 2,952,154 | | | | | 2,952,154 |
| Building and Building Improvements | 66,104,245 | 184,938,875 | | 28,939,668 | | 279,982,788 |
| Facilities and Other Improvements | - | | | | | - |
| Equipment | 4,870,884 | | | 1,738,488 | 32,030 | 6,577,342 |
| Capital Leases | 184,938,875 | (184,938,875) | | | | - |
| Library Collections | 5,979,051 | | | 517,225 | 5,267 | 6,491,009 |
| Capitalized Collections | - | | | | | - |
| Water, Timber, Mineral Rights, and Easements | - | | | | | - |
| Patents, Trademarks, and Copyrights | - | | | | | - |
| Software | - | | | | | - |
| Total Capital Assets Being Depreciated/Amortized | \$ 264,845,209 | \$ - | \$ - | \$ 31,195,381 | \$ 37,297 | \$ 296,003,293 |
| Less: Accumulated Depreciation/Amortization | | | | | | |
| Infrastructure | - | | | 157,032 | | 157,032 |
| Building and Building Improvements | 9,090,934 | 24,587,391 | | 6,322,907 | | 40,001,232 |
| Facilities and Other Improvements | - | | | | | - |
| Equipment | 3,638,237 | | | 719,323 | 29,136 | 4,328,424 |
| Capital Leases | 24,587,391 | (24,587,391) | | | | - |
| Library Collections | 2,802,675 | | | 573,999 | 5,267 | 3,371,407 |
| Capitalized Collections | - | | | | | - |
| Water, Timber, Mineral Rights, and Easements | - | | | | | - |
| Patents, Trademarks, and Copyrights | - | | | | | - |
| Software | - | | | | | - |
| Total Accumulated Depreciation/Amortization | \$ 40,119,237 | \$ - | \$ - | \$ 7,773,261 | \$ 34,403 | \$ 47,858,095 |
| Total Capital Assets, Being Depreciated/Amortized, | 224,725,972 | - | - | 23,422,120 | 2,894 | 248,145,198 |
| Capital Assets, net | \$ 235,936,817 | \$ - | \$ - | \$ 26,508,910 | \$ 150,821 | \$ 262,294,906 |

Note: Current Year depreciation to the capital assets categories where capital leases were transferred must be adjusted for the transfer manually.

Note 8: Long Term Liabilities

New in FY 16

Claims & Judgments

Claims against the State may include those arising out of (a) employment, such as workers' compensation and unemployment claims; (b) contractual actions, such as claims for delays or inadequate specifications; (c) actions of government personnel, such as claims for medical malpractice, damage to privately owned vehicles by government-owned vehicles, and improper police arrest; and (d) incidents involving governmental properties, such as claims relating to personal injuries and property damage.

Each organization in the State reporting entity must maintain internal controls to ensure that any claims, judgments or related contingencies affecting the organization are identified in a timely manner and assessed to determine whether recognition, measurement, or disclosure is required under each of the bases of accounting that apply to the organization.

Note 8: Long Term Liabilities

New in FY 16

Claims and Judgments continued

A more comprehensive document covering Claims, Judgments, and Accounting for Contingencies can be found by clicking on link below.

https://sao.georgia.gov/sites/sao.georgia.gov/files/related_files/site_page/A_M_Claims-Judgments-Contingencies.pdf

Pollution Remediation

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as spills of hazardous substances or asbestos abatement.

Other Post Employment Benefits Liability

Cumulative unpaid benefits to be provided at or after separation from employment and other than types of post employment benefits for employee services rendered.

Note 8: Long Term Liabilities

New in FY 16

PEACHTREE STATE UNIVERSITY
Fiscal Year Ended June 30, 2016

Note 8 - Long Term Liabilities

| | Beginning Balance July 1, 2015 | Additions | Reductions | Ending Balance June 30, 2016 | Current Portion |
|--|--------------------------------------|--------------|--------------|------------------------------------|--------------------|
| Leases | | | | | |
| Lease Purchase Obligations | \$ 183,613,398 | \$ 57,427 | \$ 1,992,070 | \$ 181,678,755 | \$ 2,115,934 |
| Other Liabilities | | | | | |
| Claims and Judgments | - | 1,200 | | 1,200 | 1,200 |
| Compensated Absences | 1,686,516 | 1,331,425 | 1,120,104 | 1,897,837 | 1,029,080 |
| Net Pension Liability | 28,802,077 | | 6,561,859 | 22,240,218 | |
| Notes and Loans Payable | - | | | - | |
| Other Post Employment Benefits Liability | - | | | - | |
| Pollution Remediation | - | 1,500 | | 1,500 | 1,500 |
| Total | 30,488,593 | 1,334,125 | 7,681,963 | 24,140,755 | 1,031,780 |
| Total Long-Term Obligations | \$ 214,101,991 | \$ 1,391,552 | \$ 9,674,033 | \$ 205,819,510 | \$ 3,147,714 |

Note 10: Net Position

New in FY 16

PEACHTREE STATE UNIVERSITY CLASSIFICATION OF NET POSITION Fiscal Year Ended June 30, 2016

| | June 30, 2016 | June 30, 2015 | Increase/(Decrease) FY 2016/2015 |
|----------------------------------|----------------------|----------------------|-------------------------------------|
| NET POSITION | | | |
| Net Investment in Capital Assets | \$ 80,616,151 | 52,323,419 | \$28,292,732 |
| Restricted for | | | |
| Permanent Trust | | | |
| Nonexpendable | | | |
| Permanent Endowment | | | \$0 |
| Expendable | | | |
| Restricted E&G and Other | | | |
| Organized Activities | | 38,195 | (\$38,195) |
| Federal Loans | | | \$0 |
| Institutional Loans | | | \$0 |
| Term Endowments | | | \$0 |
| Quasi-Endowments | | | \$0 |
| Capital Projects | | | \$0 |
| Health Insurance Reserve | | | \$0 |
| Sub-Total | - | 38,195 | (\$38,195) |
| Other Purposes | | | \$0 |
| Unrestricted | | | |
| Auxiliary Operations | | | \$0 |
| R & R Reserve | 101,466 | 76,784 | \$24,682 |
| Reserve for Encumbrances | 5,465,176 | 9,084,357 | (\$3,619,181) |
| Reserve for Inventory | | | \$0 |
| Other Unrestricted | (16,954,652) | 4,371,551 | (\$21,326,203) |
| USO Reserve Fund | | | \$0 |
| Sub-Total | (11,388,010) | 13,532,692 | (\$24,920,702) |
| TOTAL NET POSITION | \$ 69,228,141 | \$ 65,894,306 | \$ 3,333,835 |

RR nVision report
no longer exist.

RR journal entry
has been
enhanced to more
accurately record
activity and reflect
ending balance.

Note 13a – Lease Obligations

RE Ben Riden presentation - 4/28/16 – Year End Workshop

PPV rent is made up of Base Rent and Additional Rent

- Base Rent covers the Principal and Interest portion of the PPV agreement
- Additional Rent is expensed as Maintenance expense when paid.
- Some schools report this Additional Rent as part of the future total minimum lease payments commitment in the Capital Lease obligation note disclosure and then back those amounts out as **executory costs** along with the interest component reduction to get to Principal Outstanding.
- ***Executory Costs-normally defined as lessor costs paid by lessee, such as insurance, maintenance and taxes.***
- Since the “Additional Rents” are part of the total lease payment made, these payments should be included in the future commitments note disclosure. Therefore, going forward for those schools that have not done so, please modify your note disclosure accordingly.

Note 13: Lease Obligations (*Capital Lease Accounts*)

By having the leased assets broken out into separate lease accounts, you can now run a simple PeopleSoft query to populate this schedule.

| Description | Gross Amount (+) | Less: Accumulated Depreciation (-) | Net, Assets Held Under Capital Lease at June 30, 2016 (=) | Outstanding Balances per lease schedules at June 30, 2016 |
|---|---------------------|--|--|---|
| Leased Land & Land Improvements | | | \$ - | |
| Leased Infrastructure | | | \$ - | |
| Leased Equipment | | | \$ - | |
| Leased Buildings & Building Improvements | 184,938,875 | 29,105,618 | \$ 155,833,257 | 181,678,755 |
| Leased Facilities and Other Improvements | | | \$ - | |
| Total Assets Held Under Capital Lease at June 30, 2016 | \$ 184,938,875 | \$ 29,105,618 | \$ 155,833,257 | \$ 181,678,755 |
| Check Point | | | | |
| Footnote #13a - Lease Obligations I22 | \$ 181,678,755.00 | | | |
| Footnote #8 Long Term Liab. I15 | 181,678,755.00 | | | |
| Should be -0- | \$ - | | | |

Note 13a – Lease Obligations

In this example, the Additional Rent has been included in the Total Minimum Lease Payments and backed out as Executory Costs.

| | Real Property and Equipment | |
|--|-----------------------------|------------------|
| | Capital Leases | Operating Leases |
| Year Ending June 30: | | |
| 2017 | 13,022,194 | 347,924 |
| 2018 | 13,384,870 | 356,382 |
| 2019 | 13,670,449 | 66,000 |
| 2020 | 13,936,422 | 66,000 |
| 2021 | 14,244,604 | 66,000 |
| 2022 through 2026 | 71,918,013 | |
| 2027 through 2031 | 76,103,579 | |
| 2032 through 2036 | 77,093,863 | |
| 2037 through 2041 | 75,062,665 | |
| 2042 through 2046 | 2,398,337 | |
| 2047 through 2051 | - | |
| Total minimum lease payments | \$ 370,834,996 | \$ 902,306 |
| Less: Interest | 165,848,126 | |
| Less: Executory costs (if paid) | 23,308,115 | |
| Principal Outstanding | <u>\$ 181,678,755</u> | |

New in FY 16

Note 18. Natural Classifications with Functional Classifications

- Reminder that this note should not report any negative expenses. Negative amounts will need to be fixed.

| | Year Ended June 30, 2016 | | | | | |
|---|---------------------------|-----------------------|--------------------------------|--------------------------------|-----------------------|----------------------|
| All Funds except Funds 11921, 80xxx & 90xxx, unless specifically excluded | Functional Classification | | | | | |
| Actual, Capital, and GAAP Ledger | Student Services | Institutional Support | Plant Operations & Maintenance | Scholarships Fellowships | Auxiliary Enterprises | Unallocated Expenses |
| 51xxx, 53xxx | 160,119.84 | 208,318.61 | 26.11 | - | 3,150.00 | - |
| 52xxx, 54xxx | 11,306,959.42 | 11,987,446.50 | 7,636,815.48 | - | 7,332,325.58 | - |
| 55xxx | 3,353,725.60 | 6,274,530.76 | 2,705,779.47 | - | 2,036,065.08 | - |
| 56xxx, 59xxx, 723xxx | 31,247.17 | 510,359.76 | (84,602.23) | Negative will need to be fixed | 141,606.16 | - |
| 6xxxx (except 65xxx) | 181,127.17 | 152,668.62 | 45,938.69 | | 47,728.17 | - |
| 78xxx | 316,033.17 | 206,541.73 | - | | 3,051,606.50 | - |
| 717xxx, 771xxx | 260,886.29 | (295,294.03) | 4,773,315.76 | | 446,585.50 | - |
| 65xxx, 700xxx, 702xxx->704xxx, 712xxx, 714xxx, 715xxx, 719xxx->722xxx, 724xxx, 725xxx, 726xxx, 727xxx, 733xxx, 734xxx, 735xxx, 742xxx -> 744xxx, 748xxx, 751xxx -> 753xxx, 798xxx, 799990, 800000 -> 889xxx (except 8182xx), 9xxxxx (except 99999x), 4711xx, 7281xx | 4,763,032.56 | 9,771,772.33 | 10,227,760.20 | 2,799.89 | 38,306,309.84 | 1,000.0 |
| 8901xx, 890900 | 2,041,331.88 | 2,033,513.41 | 3,867,655.58 | - | 7,591,468.42 | - |
| | 22,414,463.10 | 30,849,857.69 | 29,172,689.06 | 51,604,414.42 | 58,956,845.25 | 1,000.0 |

Note 20. Affiliated Organizations

- We've significantly added to the affiliated organization note. In addition, we are asking colleges to provide amounts of activity between the college and their affiliates.

Through the normal course of operations, [PSU](#) both receives funds and/or assets from and provides funds and/or assets to the before mentioned affiliated organizations in support of [sponsored research projects, capital outlay projects, scholarships and other supporting activities](#) of the [College/University](#). Funds received and/or provided during the fiscal year related to these activities (excluding lease activities previously disclosed in Note 13) are as follows:

| Affiliated organization | Activity Reported by the College/University | | | |
|-------------------------|---|--|----------------------|--|
| | Revenue | Outstanding Receivable or Other Assets | Expense | Outstanding Payable or Other Liabilities |
| USGF | \$ 42,000 | | | |
| PSUF | 954,631 | \$ 89,331 | | |
| PSUREF | | | \$ 679,141 | \$ 20,000 |
| PSURF | 25,485,943 | 487,993 | 24,653,184 | |
| PSAF | | | 1,276,648 | |
| Total | \$ <u>26,482,574</u> | \$ <u>577,324</u> | \$ <u>26,608,973</u> | \$ <u>20,000</u> |

Saving Your AFR Files

Remember to save your AFR files on the C drive in a folder entitled **AFR**. - C:\AFR once downloaded from **MoveIt**.

- Open files to ensure links are working by adding some numbers.
- Should links not work immediately upon opening, close files and verify there is no email security issue. Refer to ***Unblocking Files Reference Guide***.
- Enter all amounts in **whole** dollars.
- Please don't change formulas.
- Remember that Notes 8 Long Term Liabilities and Note 13 Capital Lease Obligations schedules are linked to supplemental detail below schedules.
- **There is a new password for FY 16.**
- Once files are completed and it's time to submit, please make sure that your files have been saved in your C:\AFR folder by opening your files in this folder and clicking on save to ensure that the path for both the excel and word document displays **C:\AFR**.
- Upload files into **MoveIt**.

Schedule of Reports - June/July

| <u>Description</u> | <u>Date(s)</u> <u>Institutions/Foundations to</u> <u>receive reports</u> |
|---|--|
| 2016 AFR Model & Instructions | 6/20/16 |
| 2016 Affiliated Organizations Model & Instructions | 6/20/16 |
| GSFIC Expenditures Report - 5/31/16 | Week of 6/20-24 |
| SunTrust Investment Balances @ 6/30/16 | |
| GSFIC Expenditure Report - 6/30/16 | |
| GSFIC (Type 1) Projects Listing - 6/30/16 | Week of 7/18-22 |
| GA Fund 1 Investment Balances @ 6/30/16 | |
| Georgia Extended Asset Pool Balances @ 6/30/16 | Week of 7/18-22 |

Affiliated Organizations

New in FY 16

Foundations not reported in the CAFR, **will no longer** fill out these files as done in prior years:

- FASB to GASB Conversion File
- Affiliated Organization File

In FY 16, Foundations not reported in the CAFR **will** now fill out these files:

- FASB Financial Stmt Model – FY2016-USG Consolidation
- GASB Financial Stmt Model – FY2016-USG Consolidation

Affiliated Organizations

New in FY 16

If your foundation's financial statements are prepared on the FASB basis, they will complete the FASB Financial Stmt Model.

- FASB Financial Stmt Model – FY2016-USG Consolidation includes only the
 1. Statement of Financial Position (FASB Basis)
 2. Statement of Activities (FASB Basis)

If your foundation's financial statements are prepared on the GASB basis, they will complete the GASB Financial Stmt Model.

- GASB Financial Stmt Model – FY2016-USG Consolidation includes only the
 1. Statement of Net Position (GASB Basis)
 2. Statement of Revenue, Expenses, and Changes in Net Position (GASB Basis)

