

Public Private Venture Program

New News in the World of PPV Cash Reporting



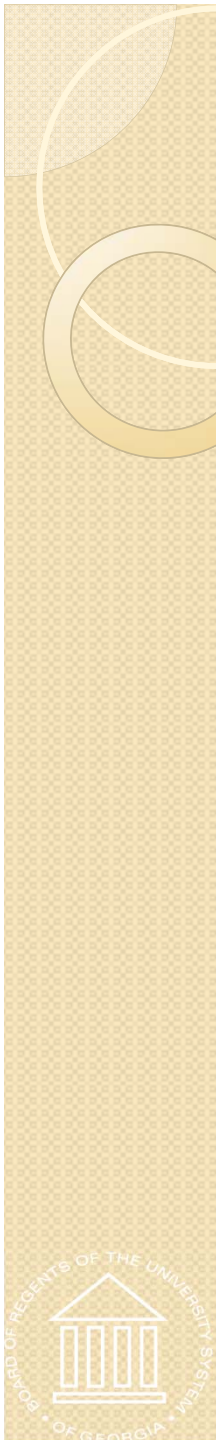
Office of Fiscal Affairs

Board of Regents of

The University System of Georgia

Presentation at the Georgia Summit

September 19, 2013



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OLD NEWS - Portfolio Approach

BENCHMARKS AND STANDARDS

PERFORMANCE MATTERS

TRANSPARENCY

BEST IN CLASS

PROACTIVE

STRATEGIC



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What our Cash Flow Numbers Are Suggesting!

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Our Goal For PPV Performance – Staying Balanced!



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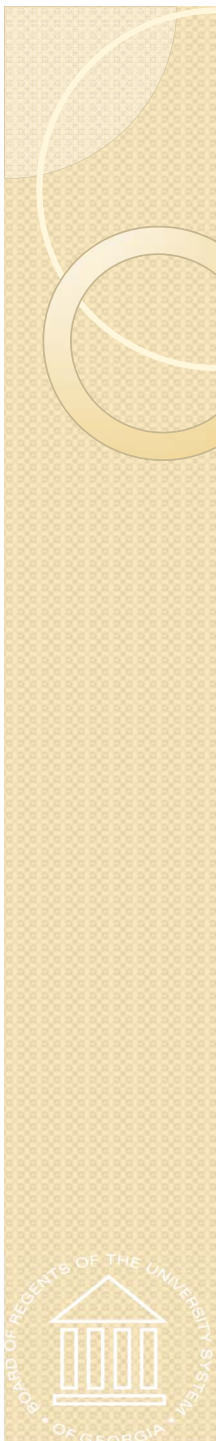
New News in the World of PPV Cash Reporting

TRENDS:

- **INCREASING REQUESTS FOR CASH FLOW DATA** - Continued and More Frequent Requests For Reviews and Cash Flow Data From Standard & Poor's, Moody's and other Financial Investors and Bond Holders. (Approximately 25% of Portfolio Reported on During FY 2013)



- **NON-PERFORMING ASSETS** – Growing Concern About Number of PPV Projects Not Meeting Proforma and Not Being Self-Liquidating (Impact of more stringent admission's criterion, changes to learning support requirements, growing on-line population and ongoing challenges with matriculation.)



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TRENDS:

- **REAL-TIME DATA** - Growing Need for Real-Time Cash Flow Data. Currently Cash Flow Submittal Is Done Once A Year, Movement Toward More Frequent Reporting
- **OTHER PPV NEWS – (INCREASE OVERSIGHT AND MORE POLICIES)**



- **Board of Regents Policy Additions Addressing PPV Projects November 2012 –**
 - 1) **System Capacity as % of Revenues**
 - 2) **Creation of Capital Liability Reserve Fund**
 - 3) **Guidelines Addressing Refinancing**
- **Established 5-Year Debt Management Plan December 2012**



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TRENDS:

- **OTHER PPV NEWS – (INCREASE OVERSIGHT AND MORE POLICIES)**

- ***Capital Liability Pooled Reserve Fund Created and Funded July 2013***



- ***Increased Refinancing of PPV Deals the First Half of 2013 Resulting in Savings***
- ***Integrated Review of All Proposed PPV Projects, Must Address Critical Need***
- ***P3 Initiative Underway (Susan Ridley and Marty Nance)***

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TRENDS:



- **ACCURACY** - *Increased Accuracy in Reporting Cash Flow for PPV Projects*

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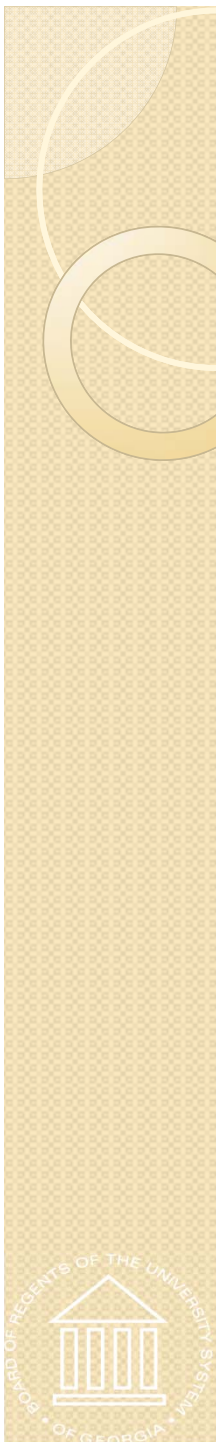
New News in the World of PPV Cash Reporting: Fiscal Year 2013

FY 2013 Initiatives: Pilot-PeopleSoft Program (Use of PeopleSoft to Support Cash Flow Submittals)

- *Pilot Schools*
 - Georgia College & State University
 - Georgia Gwinnett College
 - Georgia Perimeter College
 - Georgia Southern University
 - Georgia State University Savannah State University
 - Savannah State University
 - University of North Georgia
- *Creation of Nvision Report/Efforts to Make Reporting More Simplified*
- *Redefined Operating and Expense Categories To Be Consistent with PeopleSoft*
- *Better Clarity as to Source of Revenues*



Calculating Expenses



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New News in the World of PPV Cash Reporting: Fiscal Year 2013

FY 2013 Initiatives: Pilot-PeopleSoft Program (Use of PeopleSoft to Support Cash Flow Submittals)

PeopleSoft Description		Nvision Report		PPV Cash Flow Report	
PROJECT REVENUE (direct project income)					
Account					
404xxx	Student Transportation Fees		Student Fees		Student Fee Income
406xxx	Student Health Fees				
405xxx	Parking/Vehicle Registration Fees	↔			
407xxx	Student Athletic Fees				
408xxx	Student Activity Fees				
409xxx	Other Fees				
451xxx	Rents	↔	Rents	↔	Rental Income
All other 4xxxxx accounts not separately identified in the Revenue section	Fund 10000 (State General)		Fund 10000 (State General)		Fund 10000 (State General)
	Fund 10500 (Tuition)		Fund 10500 (Tuition)		Fund 10500 (Tuition)
	Fund 10600 (Other General)	↔	Fund 10600 (Other General)	↔	Fund 10600 (Other General)
	Fund 14000 (Dept'l Sales & Services)		Fund 14000 (Dept'l Sales & Services)		Fund 14000 (Dept'l Sales & Services)
	Fund 15000 (Indirect Cost Recovery)		Fund 15000 (Indirect Cost Recovery)		Fund 15000 (Indirect Cost Recovery)
	All Other Funds		All Other Funds		All Other Funds
Non-Project Revenue (other revenue either pledged in the pro-forma or not pledged but needed to cover project deficit/shortfall)					
911xxx, 921xxx	Non-Mandatory Transfers	↔	Non-Mandatory Transfers		If funding sources are pledged in Proforma
					Bookstore Auxiliary Income
					Food Services/Dining Auxiliary Income
				Concession Auxiliary Income	
				Other Auxiliary Income	
					If funding sources are not pledged in Proforma and needed to cover project deficit/shortfall
					Non-Mandatory Transfers



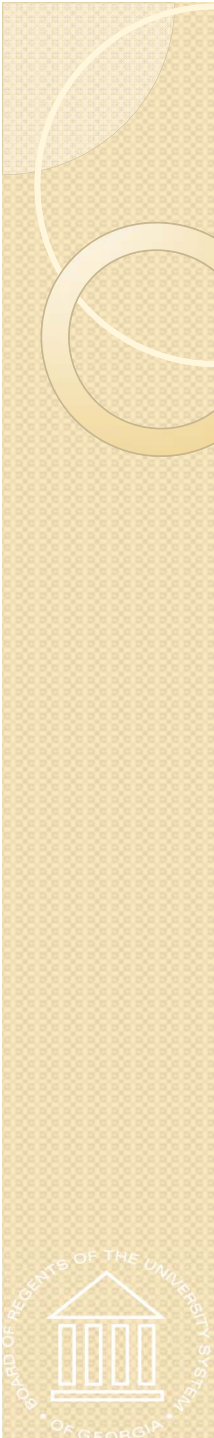
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New News in the World of PPV Cash Reporting: Fiscal Year 2013

FY 2013 Initiatives: Pilot-PeopleSoft Program

(Use of PeopleSoft to Support Cash Flow Submittals)

PeopleSoft Description		Nvision Report		PPV Cash Flow Report	
PROJECT EXPENSE					
5xxxxx	Salaries and Benefits	↔	Personnel	↔	Personnel
7172xx	Electricity	↔	Electricity	↔	Electricity
7174xx	Natural/Propane Gas	↔	Natural/Propane Gas	↔	Natural/Propane Gas
7175xx	Water	↔	Water/Sewer	↔	Water/Sewer
7171xx	Coal	↔	Other Utilities	↔	Other Utilities
7173xx	Fuel Oil				
7176xx	Other Utilities				
7151xx	Repairs & Maintenance	↔	Repairs & Maintenance	↔	Repairs & Maintenance
7152xx	Repairs & Replacement	↔	R&R Contribution	↔	R&R Contribution
					Placeholder New Account
7201xx	Insurance & Bonding	↔	Insurance & Bonding	↔	Insurance & Bonding
7531xx	Contracts	↔	Contracts	↔	Contracts
6xxxxx	Travel	↔	Other Operating Expense	↔	Other Operating Expense
All other 7xxxxx accounts not separately identified in the Project Expense section					
83xxxx - 88xxxx	Equipment				
890xxx	Depreciation	↔	✖	↔	✖
LEASE PAYMENTS					
8181xx	Lease Purchase Principal	↔	Base Rent	↔	Base Rent
8182xx	Lease Purchase Interest				
			✖		Non-Mandatory Transfers (will show here for Cash Flow Analysis)



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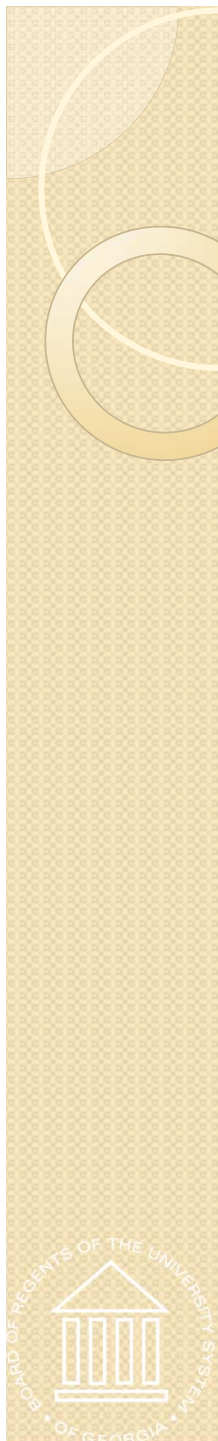
New News in the World of PPV Cash Reporting: Fiscal Year 2013

Analysis of FY 2013 Cash Flow Data

- Analysis prioritized for Institutions experiencing the combination of enrollment challenges and student fee-supported PPVs
- Likewise, all GHEFA Projects Review Underway
- Goal is to Complete Comprehensive Review of All Institutions by February 2014

Action Plan for Non-Liquidating Assets: Buy-in at System Office

- Devise Plan with System Involvement for Each Non-Liquidating Asset
- 5-Year Projection including FY 2012 and 2013 Actuals



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Institutions Required to Submit FY 2013 Cash Flow Data Early

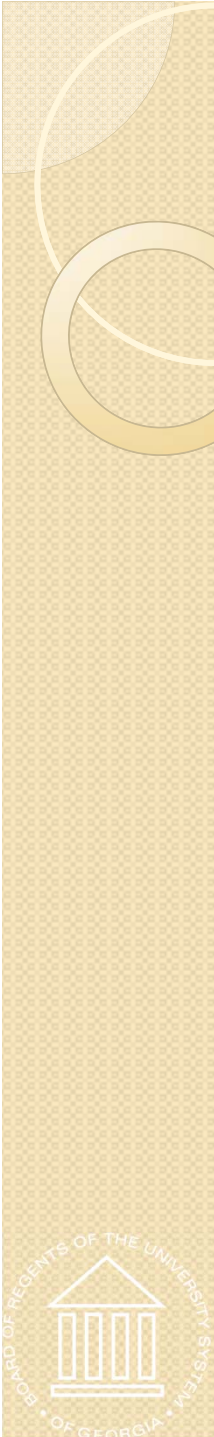
➤ **Priority Institutions - determined by Preliminary Fall 2013 Enrollment Results**

- Bainbridge State College
- Fort Valley State University
- Georgia Perimeter College
- Georgia Regents University
- Middle Georgia State College
- South Georgia State College
- Valdosta State University



➤ **All GHEFA Projects To Support External Reporting Requirements (Year-End 2013)**

- College of Coastal Georgia – Student Center & Housing
- Columbus State University – Student Recreation Center
- Dalton State College – Parking Structure
- Darton College – Student Center
- East Georgia College – Student Housing
- Georgia College & State University – Theater & Bookstore
- Georgia State University – Student Housing
- Savannah State University – Student Center/Stadium
- Southern Polytechnic State University – Parking Deck & Housing/Dining
- University of North Georgia – Parking Structure on Gainesville Campus
- University of West Georgia – Bookstore
- Addressed Above (Bainbridge, Ft. Valley)



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New News in the World of PPV Cash Reporting: Fiscal Year 2013

Institutions Required to Submit FY 2013 Cash Flow Data Early

- Goal is to complete review of all institutions by February 2014

Action Plan for Non-Liquidating Assets: Buy-in at System Office

- Devise Plan with System Involvement for each non-liquating Asset
- 5-Year Projection including FY 2012 and 2013 Actuals





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Data Required for Submittal of FY 2013 PPV Cash Flow

- ❖ **Passwords**
- ❖ **Executed Proforma**
- ❖ **FY 2013 Actual Revenue and Expenses (Obtained from PeopleSoft)**
- ❖ **Confirm Amount Paid for FY 2013 Lease Payment
(Base Rent and Repair and Replacement)**
- ❖ **Confirm Amount Held by Trustee in Repair and Replacement Reserve
Account as of June 30, 2013.**
- ❖ **Confirm Amount Spent for Capital Expenditure (Specify the Expenditure
by:**
 - ❖ **Interiors,**
 - ❖ **Systems (Mechanical, Electrical, Plumbing and Structural)**
 - ❖ **Envelope (Roof, Windows and Walls)**
 - ❖ **Site Improvements**

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ACCESS TO PPV CASH FLOW DATA BASE:

- ❖ **Use URL to Access System**
<https://www.usg.edu/ppv/>
- ❖ **Select institution from the drop-down list and enter your password**
- ❖ **Select the project and enter data as tracked in PeopleSoft.**
- ❖ **Preparer and CBO must certify the Information**
- ❖ **Submit On or Before Due Date**
Wednesday, November 20, 2013 or
(ASAP – Priority Institutions and
Monday, October 14, 2013 – GHEFA)



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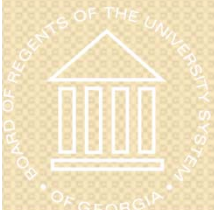
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Submittal of FY 2013 Cash Flow Data

- **Wednesday, November 20, 2013**
System Open and Available

- **Wednesday, November 20, 2013**
Drive-in Assistance/Training
(Individual Assistance/Training Available Upon Request)

- **Wednesday, December 6, 2013**
Information Due (except for Priority Institutions and GHEFA)



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REMEMBER TO:

- ❖ **Submit On or Before Due Date**
ASAP – Priority Institutions
Monday, October 14, 2013 - GHEFA
Wednesday, November 20, 2013 – All Others
- ❖ **For Non-Performing Asset Create Work-Out Plan**
Approved By System Office – Call System Office
(Cynthia Alexander)
- ❖ **FY 2014 Establish Separate Project ID in PeopleSoft for**
each PPV Project – Call System Office (Regina Travis)



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What the Future Holds as to Cash Flow Reporting: Smooth Sailing



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New News in the World of PPV Cash Reporting: Fiscal Year 2013



What the Future Holds as to PPV Cash Flow Results: Challenging Times



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New News in the World of PPV Cash Reporting: Fiscal Year 2013



**We're In This Together – Institution &
System Office**

