

**GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
REPORT OF REGISTERED AUTHORITY FINANCES
DEFINITIONS**

GENERAL DEFINITIONS

- Audited Information** Financial data included in an annual report of your authority (and/or of the primary government to which the authority is attached) that has been audited by certified independent public accountants, in accordance to generally accepted auditing standards.
- Component Unit** A legally separate organization for which the elected officials of the primary government are financially accountable. If your authority's financial activities are included in the audited financial statements of a local government jurisdiction, the implication is that your authority is a component unit of that government, and that this local government jurisdiction is the primary government. Component unit entities often have separate audits and publish their own audited component unit financial statements; however, component units are still included in the financial statements of a local government jurisdiction. See Governmental Accounting Standards Board (GASB), Statement 14 for a comprehensive discussion of this subject.
- Conduit Debt** Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a governmental entity specifically to provide capital financing for a specific independent third party. While the governmental entity is the issuer, their liability for the debt extends only to resources provided by a lease or loan with the third party. Governmental accounting standards do not require conduit debt and the related lease/loan, be included on the balance sheet of the authority's financial statements (see GASB C65 for additional information). Governmental accounting and financial reporting standards require that authorities report the aggregate amount of all conduit debt outstanding at the end of the fiscal year. However, **for the purposes of this report, include only debt issuances closed after your authority's fiscal year ended 2002.** This means conduit debt issuances in fiscal year ended 2003 and all subsequent fiscal years must be included in the report.
- Authority** For the purposes of these reporting requirements, Authority means any local public body corporate and politic created in and for a county, municipality, consolidated government, or combination thereof, which is authorized to issue bonds under the Constitution and laws of this state (O.C.G.A. 36-81-8).

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Governmental Accounting and Financial Reporting Standards

The standards promulgated by the Governmental Accounting Standards Board (GASB); for financial reporting matters not specifically addressed in the GASB standards, by the American Institute of Certified Public Accountants; and, when specifically applicable, by other regulatory agencies such as the Federal Energy Regulatory Commission, the National Association of Regulatory Utility Commissioners.

Fiscal Year

The 12-month accounting and reporting period established by a local independent authority, in accordance with Governmental Accounting and Financial Reporting Standards.

BALANCE SHEET/REVENUES/EXPENDITURES DEFINITIONS		Block #
<u>Current Assets</u>		
Cash and cash equivalents	Currency, coins, checks, money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash or demand deposits with financial institutions. Cash equivalents are short-term highly liquid investments including treasury bills, commercial paper, and money market funds (maturing within 3 months of acquisition date).	200
Accounts receivable	Amounts owed on open accounts from private individuals or organizations for goods and services furnished by an authority (excluding intergovernmental receivables). Also, taxes and special assessments receivable, if any, should be included here.	201
Inventories	For the purposes of this report, include both supplies and materials on hand for future consumption, and goods held for resale.	202
Other	Current assets other than cash and accounts receivable.	203
 <u>Noncurrent Assets</u>		
Land	Land purchased or otherwise owned by an authority. This account includes costs incurred in preparing land for use (e.g., razing of structures). Also, include are permanent improvements, other than infrastructure, and buildings, that add value to land (e.g., fences, retaining walls, pavements).	205

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Buildings	Permanent structures purchased or otherwise acquired by the government and improvements thereon. This account includes costs incurred in the acquisition of buildings (e.g., broker's fees).	206
Machinery and equipment	Tangible property of a permanent nature, other than land or buildings and improvements thereon (e.g., machinery, tools, trucks, and furnishings). This account includes costs incurred in the acquisition of machinery and equipment (e.g., transportation costs).	207
Construction in Progress	Capital projects that have begun but have not been completed. This could apply to the construction of buildings or major land improvements.	208
Accumulated depreciation	The accumulation of systematic and rational allocations of the estimated cost of using land improvements, buildings, machinery and equipment over the useful lives of the assets.	209
Other noncurrent	Noncurrent assets not meeting any of the noncurrent asset definitions provided above.	211
 <u>Current Liabilities</u>		
Accounts payable	A short-term liability account reflecting amounts owed to private persons or organizations for goods and services a government receives. For the purposes of this Report, include salaries and wages payable, payroll deductions payable, the current portion of compensated absences, and contracts payable.	214
Matured bonds payable	The face value of bonds due within one year, except for deep-discount bonds (e.g., zero coupon). The accreted value of deep-discount bonds due within one year should be included in this account.	215
Matured interest payable	Unpaid interest on bonds that have reached or passed their maturity date.	216
Accrued interest payable	Interest costs related to the current period and prior periods, but not due until a later date.	217
Capital leases payable—current	Current portion of the discounted present value of total future stipulated payments on lease agreements that were capitalized. See Capital leases payable-noncurrent for completed definition of a Capital lease.	218

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Accrued closure and post-closure costs-current The current portion of closure and post-closure care costs for government-owned landfills (GASB Codification Section L10.109). 219

Other This account should be used to report current liabilities not meeting the definitions for blocks 216 through 218. 220

Noncurrent Liabilities

Bonds payable-noncurrent The face value of bonds not due within one year, except for deep-discount bonds (e.g., zero-coupon). The accreted value of deep-discount bonds not due within one year should be presented in this account. 222

Capital leases payable-noncurrent As used in this Report, capital leases refer to leases involving property and equipment leased by the authority, with the authority being legally obligated to make the lease payments. If any one of the following 4 criteria apply to a lease, it is a capital lease: *(1)* transfers ownership to the lessee by the end of the lease term *(2)* contains a bargain purchase agreement *(3)* lease term is equal to 75% or more of the useful economic life of the leased property *(4)* lease payments at the inception of the lease, excluding executory costs, equals or exceeds 90% of the fair value of the leased property. 223

Accrued closure and post-closure costs-current The current portion of closure and post-closure care costs for government-owned landfills (GASB Codification Section L10.109). 224

Other This account should be used to report noncurrent liabilities not meeting the definitions for blocks 221 through 224. 225

Net Assets

Net Assets Total assets (current and non-current, without regard to restricted assets, reserves etc.) minus total liabilities. The amount reported as Net assets must reconcile to the previous year amount reported (see Part III of these instructions for additional information). 228

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Operating Revenues

Sales and services	Fees and charges collected by authorities, for services or products provided to or on behalf of individuals, other governmental entities, or nongovernmental entities.	301
Leases	Financial resources derived from the use by others of an authority's assets.	302
Other	Operating revenues other than Sales and services, and Leases.	303

Operating Expenses

Cost of sales and services	Cost of sales and services is not an account to which expenses are posted directly. For reporting purposes Cost of sales and services is determined by combining applicable expense categories. For example, the cost of sales (or cost of goods sold) includes the cost of supplies, and/or other inventories purchased for resale (plus or minus change-in-inventory). Cost of Services generally includes the actual costs, such as salaries/benefits etc., associated with the provision of specific services.	305
General Administration	Generally, with the exception of depreciation expense, this classification would include most authority expenses not included in Cost of Sales and Services.	306
Depreciation	The periodic cost for asset use during an accounting period. The original cost of assets is spread out over the estimated useful life of the assets. When an asset is purchased, the original purchase cost is booked as an asset, and then each year a portion of the original purchase cost is charged to depreciation expense. To offset the debit accounting entry to depreciation expense, an "accumulated depreciation" account is credited. See the definition for <i>accumulated depreciation</i> .	307
Other	This line should be used for expenses that do not fit any of the other three Operating Expenses categories.	308

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Non-operating revenues/expenses

State grants	Transfers or payments received from the State of Georgia for specified purposes, usually subject to a measure of supervision and review by the granting agency in accordance with prescribed standards and requirements.	311
Federal grants	Transfers or payments received from the federal government for specified purposes, usually subject to a measure of supervision and review by the granting agency in accordance with prescribed standards and requirements.	312
Local government grants	Transfers or payments received from a local government for specified purposes, usually subject to a measure of supervision and review by the granting agency in accordance with prescribed standards and requirements.	313
Interest expense	Interest expense on debt incurred for the purchase of capital assets (land, buildings, and equipment). Note that interest expense associated with a loan made for operating purposes (usually short-term) should be included in Operating expenses on line 305, 306, or 308 (depending on the specific purpose of the loan proceeds). For example, if a short-term loan was made to acquire inventory for resale, block 305 would be appropriate. Similarly, if a short-term loan was made for administrative salaries, block 306 would be appropriate.	314
Gains (losses) on sale of assets	Nonoperating revenue or expense resulting in the sale of a capital asset such as a piece of equipment. The gain or loss is the difference between the net sales proceeds and the book value (purchase price less accumulated depreciation) of the asset.	315
Other non-operating revenues (expenses)	This classification includes investment earnings, bond issuance costs, or any other revenues or expenses not qualifying as operating activity.	316

Capital contributions and other

Capital contributions	Capital contributions are not considered revenues. This classification would include contributions of cash or other assets from another governmental entity or a private entity. Generally, such contributions are in the form of capital assets (land, buildings, or equipment). However, cash contributions that are provided without restrictions of purpose (not meeting the definition of a grant) also qualify as capital contributions.	319
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Other	Other nonrevenue items that are similar in nature to capital contributions. For example the portion of water/sewer tap fees that exceeds the actual cost to connect the service. This excess charge represents the new customers' share of the capital cost associated with the capital expenditures necessary to keep up with capacity increases.	320
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Prior period Adjustments/changes

Prior Period Adjustments/changes	Corrections of material accounting errors from prior fiscal years, changes in accounting principles (or application of an accounting principle), and retroactive changes required by GASB. This classification provides for adjustments to Net Assets reported in the prior year (or Beginning Net Assets in the current year Report). Also, include under this broad classification, changes resulting when an authority uses the Purchase method of inventory accounting. Note that when the purchase method of accounting for inventories is used, there will be an entry in this section each year.	323 & 324
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