

LONG-TERM LIABILITIES

INTRODUCTION



Carl Vinson Institute of Government

The University of Georgia

L/T LIABILITIES—WHO/WHEN/HOW?

◎ WHO?

- Not receiving a financial statement audit from external CPA firm

◎ WHEN?

- DUE DATE—SEPTEMBER 11, 2009

◎ HOW?

- SAVE FILE XXX_Form09_Long-Term Liabilities.xls
- SAO_Reporting @sao.ga.gov



L/T LIABILITIES—WHY REPORT?

- GAAP—Generally Accepted Accounting Principles—
 - Require reporting of ALL liability balances in Entity-Wide Financial Statements.
 - Require note disclosures on changes in long-term liability balances
- Financial statements—CAFR—must be in accordance with GAAP to receive unqualified



L/T LIABILITIES—CAFR DISCLOSURES

- Note 12 in CAFR
- Form shows exact columns as in CAFR
 - Balance, July 1
 - Restatement of PY Balance
 - Additions
 - Reductions
 - Balance, June 30
 - Due Within One Year



LONG-TERM LIABILITIES REPORTING FORM

Line-by-Line Instructions



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L/T LIABILITIES—SECTION A

	A	B	C	D	E	F	
1	Long Term Liabilities						
2							
3	A. Entity Code: _____ Entity Name: _____ Prepared by: _____ Telephone #: _____						
4							
5							
6							
7							



L/T LIABILITIES—COMPENSATED ABSENCES DEFINED

- Compensated Absence
 - Absence from work for which we are still paid
 - Examples Include:
 - Vacation Leave
 - Sick Leave



L/T LIABILITIES—COMPENSATED ABSENCES DEFINED

- Record a liability
 - Attributable to services already rendered
 - If the leave vests with the employee
- Do vacation leave and/or sick leave meet the requirements for accruing liability?



L/T LIABILITIES— COMPENSATED ABSENCES

				Balance, July 1	Retroactive Restatement of PY Balance <i>(Identify below)*</i>	Additions <i>(enter as positive amount)</i>	Reductions <i>(enter as negative amount)</i>	Balance, June 30 <i>(calculated)</i>	Due Within One Year
<u>Long-Term Liabilities:</u>									
1.	*Compensated Absences			0.00	0.00	0.00	0.00	0.00	0.00
	* Non-PeopleSoft Only								



L/T LIABILITIES—COMPENSATED ABSENCES NON P/S

- Vacation days  rate of pay at EOY
- State's share of
 -  FICA
 - Health Insurance
- Due within one year—generally the average of two year's actual expenditures.



L/T LIABILITIES—OTHER LONG TERM LIABILITIES

● CAPITAL LEASES PAYABLE

- BALANCE JULY 1ST
- ADDITIONS
 - NEW leases—principal amount only
- Reductions
 - Principal portion of payments—current year activity only
- Balance, June 30th
 - Calculated column
 - Must agree to Capital Leases Form, Line 20

