

Capital Assets - Summary of Activity Disclosure

Example:

Agency Code: 0123 Agency Title: Any Agency

90.40.38.A Capital Assets - Summary of Activity Disclosure

Capital Assets

Increases in assets will be debit amounts and should be entered as positive numbers.
 Decreases in assets will be credit amounts and should be entered as negative numbers.
 Adjustments can be either debit or credit amounts. Examples of Adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections.
 Adjustments require an entry in the Comment field.

| Account Code & Title | GL Code & Title | Beginning Balance from AFRS | DR Additions | CR Deletions | Adjustments | Calculated Ending Balance | Ending Balance from AFRS | Difference (Must be zero) | Comment |
|---|-----------------------------------|-----------------------------|--------------|--------------|--------------|---------------------------|--------------------------|---------------------------|--|
| <i>Example 1: Purchase of an asset in a proprietary fund type account.</i> | | | | | | | | | |
| 608 - Accident Account | 2410 Furnishings and Equipment | 500,000 | 5,000 | 0 | 0 | 505,000 | 505,000 | 0 | |
| <i>Example 2: Disposal of an asset in a proprietary fund type account.</i> | | | | | | | | | |
| 608 - Accident Account | 2350 Leasehold Improv | 200,000 | 0 | (200,000) | 0 | 0 | 0 | 0 | |
| <i>Example 3: Transfer of assets from a proprietary fund type account to Account 997 "General Capital Assets Subsidiary Account."</i> | | | | | | | | | |
| 608 - Accident Account | 2210 Buildings | 28,000,000 | 0 | 0 | (28,000,000) | 0 | 0 | 0 | Transfer of assets from Account 608 to Account 997 |
| 997 - General Capital Assets | 2210 Buildings | 0 | 0 | 0 | 28,000,000 | 28,000,000 | 28,000,000 | 0 | Transfer of assets to Account 997 from Account 608 |

Capital Assets - Summary of Activity Disclosure - continued

Depreciation and Allowance for Depreciation

Increases to depreciation expense are debits. If you have a credit to depreciation expense, please review and correct it in AFRS if appropriate, otherwise explain it below.

Increases to allowance for depreciation are credits. A debit to allowance for depreciation would be appropriate if there was a sale or disposal of an asset. If an asset is sold or disposed of, the asset GL code is credited and the allowance for depreciation GL code is debited.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

| Account Code & Title | GL Code & Title | Beginning Balance from AFRS | DR | CR | Adjustments | Calculated Ending Balance | Ending Balance from AFRS | Difference (Must be zero)** | Comment |
|---|--------------------------------|-----------------------------|---------|----------|-------------|---------------------------|--------------------------|-----------------------------|---------|
| <i>Example 4: Record depreciation expense and increase the allowance for depreciation in a proprietary fund type account.</i> | | | | | | | | | |
| 608 Accident Account | 6511 Depreciation Expense* | 0 | 50,000 | 0 | 0 | 50,000 | 50,000 | 0 | |
| 608 Accident Account | 2420 Allow for Depreciation | (200,000) | 0 | (50,000) | 0 | (250,000) | (250,000) | 0 | |
| <i>Example 5: Record depreciation expense and increase the allowance for depreciation in Account 997 "General Capital Assets Subsidiary Account."</i> | | | | | | | | | |
| 997 – General Capital Assets Subsidiary Account | 6591 Depreciation Expense* | 0 | 70,000 | 0 | 0 | 70,000 | 70,000 | 0 | |
| 997 – General Capital Assets Subsidiary Account | 2420 Allow for Depreciation | (500,000) | 0 | (70,000) | 0 | (570,000) | (570,000) | 0 | |
| <i>Example 6: Disposal of an asset and related allowance for depreciation in a proprietary fund type account.</i> | | | | | | | | | |
| 608 Accident Account | 2360 Allow for Depreciation | (150,000) | 150,000 | 0 | 0 | 0 | 0 | 0 | |

Capital Assets - Summary of Activity Disclosure – concluded

Example 7: Transfer of allowance for depreciation from a proprietary fund type account to Account 997 “General Capital Assets Subsidiary Account.”

| | | | | | | | | | |
|--|-----------------------------------|-------------|---|---|-------------|-------------|-------------|---|--|
| 608 - Accident Account | 2220 Allow for Depreciation | (6,000,000) | 0 | 0 | 6,000,000 | 0 | 0 | 0 | Transfer of allow for depn from Account 608 to Account 997 |
| 997 – General Capital Assets Subsidiary Account | 2220 Allow for Depreciation | 0 | 0 | 0 | (6,000,000) | (6,000,000) | (6,000,000) | 0 | Transfer of allow for depn to Account 997 from Account 608 |

Example 8: Immaterial prior year correction to allowance for depreciation. Prior year was over depreciated in Account 997 “General Capital Assets Subsidiary Account).”

| | | | | | | | | | |
|--|-----------------------------------|-----------|---|---|--------|-----------|-----------|---|---|
| 997 – General Capital Assets Subsidiary Account | 2420 Allow for Depreciation | (110,000) | 0 | 0 | 10,000 | (100,000) | (100,000) | 0 | Prior period correction to Allow for Depn |
|--|-----------------------------------|-----------|---|---|--------|-----------|-----------|---|---|

*Data from AFRS

** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Allowance for Depreciation

Debits to depreciation expense should equal credits to allowance for depreciation.

Total Depreciation Expense debits from above: 120,000

Total Allowance for Depreciation credits from above: (120,000)

Difference (should be zero): 0

If there is a difference, provide an explanation below: