

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

NOTE: All items in **RED** are offsets between the governmental fund and the SWGF 80 or SWGF 90.

CAPITAL ASSET EXAMPLES									
		Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
		DR	CR	DR	CR	DR	CR	DR	CR
ADDITIONS:									
A vehicle was purchased for \$24,500 cash using GL 721XX.									
122XX	^(a) Cash in Treasury		24,500					24,500	24,500
276XX	Furniture & Equipment			24,500				24,500	
721XX	Expend - OCO	24,500			24,500				
A building was acquired for \$1,125,000 cash using GL 722XX.									
122XX	^(a) Cash in Treasury		1,125,000					1,125,000	1,125,000
272XX	Buildings			1,125,000				1,125,000	
722XX	Expend - FCO	1,125,000			1,125,000				
A camcorder was purchased for \$900, using GL 711XX. The agency will record this item for tracking purposes.									
122XX	^(a) Cash in Treasury		900					900	900
276XX	Furniture & Equipment			900				900	
711XX	Expenditures	900			900				
Equipment that cost \$22,500 with accumulated depreciation of \$4,500 that had previously been recorded in a proprietary fund was reclassified as general fixed assets.									
276XX	Equipment			22,500				22,500	
277XX	Accum Dep: Furn & Equip				4,500				4,500
652XX	Property Transfer				18,000				18,000
Equipment with a Fair Market Value of \$76,000 was received as a donation.									
276XX	Equipment			76,000				76,000	
621XX	Capital Grants & Donations				76,000				76,000
A vehicle with a Fair Market Value of \$35,000 was seized during a drug arrest by state authorities. The vehicle was confiscated by the State.									
276XX	Furniture & Equipment			35,000				35,000	
616XX	Fines, Forfeits				35,000				35,000

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

CAPITAL ASSET EXAMPLES (CONT'D)									
		Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
		DR	CR	DR	CR	DR	CR	DR	CR
Vehicles and equipment with a Fair Market Value of \$650,000 seized by the Feds during arrests were given to the State.									
276XX	Furniture & Equipment			650,000				650,000	
621XX	Capital Grants & Donations				650,000				650,000
\$250,000 was donated to the State for use in construction of a new building. At the close of the fiscal year, construction had not begun.									
121XX ^(a)	Cash in Treasury	250,000						250,000	
621XX	Capital Grants & Donations		250,000						250,000
DEPRECIATION:									
2XXXX	Accumulated Depreciation				156,500				156,500
725XX	Depreciation Expense			156,500				156,500	
DELETIONS:									
Equipment with a purchase price of \$15,000 and fully depreciated was sold for the \$2,000 estimated salvage value.									
121XX ^(b)	Cash in Treasury	2,000						2,000	
276XX	Equipment				15,000				15,000
277XX	Accum Dep: Furn & Equip			15,000				15,000	
622XX	Sale of Fixed Assets		2,000	2,000					
726XX	Gain or Loss on Disposal				2,000				2,000
Equipment with a purchase price of \$31,750 and accumulated depreciation of \$11,000 was sold for \$17,150.									
121XX ^(b)	Cash in Treasury	17,150						17,150	
276XX	Equipment				31,750				31,750
277XX	Accum Dep: Furn & Equip			11,100				11,100	
622XX	Sale of Fixed Assets		17,150	17,150					
726XX	Gain or Loss on Disposal			3,500				3,500	
Equipment with a purchase price of \$6,750 and depreciation of \$1,500 was not found during the inventory and was reclassified as lost or stolen.									
276XX	Equipment				6,750				6,750
277XX	Accum Dep: Furn & Equip			1,500				1,500	
726XX	Gain or Loss on Disposal			5,250				5,250	

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

CAPITAL ASSET EXAMPLES (CONT'D)

		Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
		DR	CR	DR	CR	DR	CR	DR	CR
The lost property from the previous example was later found and re-established.									
276XX	Equipment			6,750				6,750	
277XX	Accum Dep: Furn & Equip				1,500				1,500
726XX	Gain or Loss on Disposal				5,250				5,250
Equipment with a purchase price of \$9,450 and accumulated depreciation of \$7,500 was scrapped.									
276XX	Equipment				9,450				9,450
277XX	Accum Dep: Furn & Equip			7,500				7,500	
726XX	Gain or Loss on Disposal			1,950				1,950	
Various pieces of equipment with a cost of \$3,175 that was recorded for tracking purposes and not depreciated were deleted.									
276XX	Equipment				3,175				3,175
726XX	Gain or Loss on Disposal			3,175				3,175	
Equipment that cost \$40,000 with a trade in allowance of \$5,200 was acquired. The equipment that was traded in cost \$17,175 with accumulated depreciation of \$9,165.									
122XX ^(a)	Cash in Treasury		34,800						34,800
276XX	Equipment			40,000	17,175			25,635	
277XX	Accum Dep: Furn & Equip			9,165				9,165	
721XX	Expend - OCO	34,800			34,800				
726XX	Gain or Loss on Disposal			2,810					
Land is being swapped to protect it from development. The land we are giving up is on our books at \$6,725,900, and the land we are receiving has an appraised value of \$8,125,000.									
271XX	Land			8,125,000	6,725,900			1,399,100	
718XX	Special Items				1,399,100				1,399,100
Land recorded at \$140,000 and a building which cost \$150,000 with \$25,000 of accumulated depreciation is given to a county.									
271XX	Land				140,000				140,000
272XX	Buildings				150,000				150,000
273XX	Accum Dep: Build			25,000				25,000	
711XX	Expenditures			265,000				265,000	

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

CAPITAL ASSET EXAMPLES (WITH LONG-TERM DEBT)

			Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
			DR	CR	DR	CR	DR	CR	DR	CR
<u>CAPITAL ASSETS ACQUIRED THROUGH AN INSTALLMENT PURCHASE AGREEMENT (can be used for CEF):</u>										
Equipment that cost \$75,000 was acquired through a 4-year, \$75,000 installment purchase agreement.										
Record Equipment in SWGF 80:										
276XX	TR16	Equipment			65,000				65,000	
723XX	TR16	Install Purch Acquisitions				65,000				
Record Debt in SWGF 90:										
485XX	TR10	Installment Purchase Contracts						65,000		65,000
693XX	TR10	Installment Purchase Note Proceeds					65,000			
Governmental Fund offset:										
723XX	TR10	Install Purch Acquisitions	65,000							
693XX	TR10	Installment Purchase Note Proceeds		65,000						
<i>(Note: This example could also be used for CEF contracts.)</i>										
An \$18,000 payment was made on an installment purchase contract that originated during the fiscal year. Out of the \$18,000 amount, \$17,700 was applied to the principal, and \$300 went to interest.										
122XX	^(a) TR 51/70	Cash in Treasury		18,000						18,000
731XX	TR 51/70	Principal Retirement	17,700							
732XX	TR 51/70	Interest & Fiscal Charges	300						300	
485XX	TR10	Installment Purchase Contracts					17,700		17,700	
731XX*	TR10	Principal Retirement						17,700		
<i>*Offset to 731XX in Governmental Fund)</i>										
<i>(Note: Since the installment purchase liability was initially incurred during the fiscal year, no amount of the long-term liability has been reclassified yet to the short-term liability using GL 385XX. After the initial year, GL 485XX would be replaced in this example with GL 385XX. See Reclassification below.)</i>										
Reclassify upcoming FY principal payments to a current liability during FY close (see note above for future years' payments):										
485XX	TR10	Installment Purchase Contracts					17,600		17,600	
385XX	TR10	Installment Purch Contracts - Current						17,600		17,600

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

LONG-TERM DEBT									
		Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
		DR	CR	DR	CR	DR	CR	DR	CR
<u>Bond Sale:</u>									
\$10,000,000 in bonds were sold, with \$475,000 in underwriter fees and a discount of \$875,000									
121XX	Cash in Treasury	8,650,000						8,650,000	
461XX	Bonds Payable						10,000,000		10,000,000
464XX	Discount					875,000		875,000	
691XX	Bond Proceeds		9,125,000			9,125,000			
711XX	Expenditures	475,000						475,000	
<u>Bond Principal and Interest Payments:</u>									
A \$597,500 payment was made. Of this amount, \$500,000 was applied to the principal, and \$97,500 went to interest.									
122XX	Cash in Treasury		597,500						597,500
461XX	Bonds Payable					500,000		500,000	
731XX	Principal Retirement	500,000					500,000		
732XX	Interest & Fiscal Charges	97,500						97,500	
<u>Refunding:</u>									
A \$306,910,000 bond issue was sold to refund \$288,860,000 of currently outstanding bonds with an associated discount of \$3,250,795.									
\$5,235,587 was also transferred from the sinking fund to the escrow agent.									
The bonds were issued at a discount of \$4,888,527 with costs of \$1,304,704.									
\$109,050 of accrued interest was collected from the buyer.									
Accrued interest payable on the refunded bonds was \$275,750.									
121XX/122XX	Cash in Treasury	300,825,819	305,108,375						4,282,556
379XX	Accrued Interest - Current						275,750		275,750
461XX	Bonds Payable					288,860,000	306,910,000		18,050,000
464XX	Discount					4,888,527	3,250,795	1,637,732	
465XX	Amount Deferred on Refunding					19,499,170		19,499,170	
691XX	Bond Proceeds		302,021,473			302,021,473			
732XX	Interest & Fiscal Charges	1,304,704	109,050			275,750		1,471,404	
795XX	Payments to Escrow Agent	305,108,375					305,108,375		
(Note: The governmental fund entries will be made by the agencies with information supplied by SBA. <u>SBA</u> will make the SWGF = 90 entry.)									

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.

CAPITAL ASSET/LONG-TERM DEBT ACCOUNTING ENTRY EXAMPLES

LONG-TERM DEBT (CONT'D)

		Governmental Fund		SWGF = 80 Capital Asset Account		SWGF = 90 Long-Term Debt		Entity Wide Perspective (not an actual entry)	
		DR	CR	DR	CR	DR	CR	DR	CR
<u>Year-End Entries:</u>									
379XX	Interest Payable						475,387		475,387
464XX	Discount						216,950		216,950
465XX	Amount Deferred on Refunding						1,895,750		1,895,750
732XX	Interest Expense					2,588,087		25,880,887	
<i>(Note: This entry will be made by SBA.)</i>									
<u>Compensated Absences:</u>									
The Compensated Absence balance at June 30 was \$39,695,000, an increase of \$3,250,000 over last year's ending balance. The amount estimated at year end that is considered current is \$1,750,000, of which \$350,000 is for new DROP members and employees that are terminating and will be paid for their compensated absences within 60 days of the fiscal year end.									
386XX	Compensated Absences - Current		350,000				1,400,000		1,750,000
486XX	Compensated Absences - Non-Current						1,500,000		1,500,000
711XX	Expenditures	350,000				2,900,000		3,250,000	
The Compensated Absence balance at June 30 was \$39,695,000, a decrease of \$3,250,000 over last year's ending balance. The amount estimated at year end that is considered current is \$1,750,000, of which \$350,000 is for new DROP members and employees that are terminating and will be paid for their compensated absences within 60 days of the fiscal year end.									
386XX	Compensated Absences - Current		350,000				1,400,000		1,750,000
486XX	Compensated Absences - Non-Current					3,250,000		3,250,000	
711XX	Expenditures	350,000					1,850,000		1,500,000

^(a) This may be replaced by GL 131XX or 311XX as appropriate.

^(b) This may be replaced by GL 546XX or 151XX as appropriate.