

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/Amortization and Allowance for Depreciation/Amortization

- Increases to depreciation/amortization expense are debits. If you have a credit to depreciation/amortization expense, please review and correct it in AFRS if appropriate, otherwise explain it below.
- Increases to allowance for depreciation/amortization are credits. A debit to allowance for depreciation/amortization 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/amortization 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/ Amortization 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/ Amortization 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 deprn 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 deprn 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
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*Data from AFRS

** A minor difference may exist due to rounding.

Reconciliation of Depreciation/Amortization Expense to Allowance for Depreciation/Amortization

Debits to Depreciation/Amortization Expense should equal credits to Allowance for Depreciation/Amortization.

Total Depreciation/Amortization Expense debits from above: 120,000

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

Difference (should be zero): 0

If there is a difference, provide an explanation below: