

GASB 34 General Fixed Assets SWGF = 80

The following items are changes that will be implemented in recording and reporting General Fixed Assets under GASB 34, starting with the fiscal year ending June 30, 2002.

1. At the funds level we will eliminate reporting specifically on the General Fixed Asset Account Group SWGF = 80. However we will not stop using the SWGF = 80, although the way we will use it will be very different. We should rename it *General Fixed Assets*.
2. At the entity wide perspective amounts in operating GL's will be used to offset amounts recorded in the governmental funds related to general fixed asset transactions.
3. The only balance sheet GL's that can be used are 26XXX, 27XXX and 28XXX.
4. All operating accounts will be closed into GL 521XX "Investments in General Fixed Assets" after all agencies have closed for the year.
5. Anyone wishing to segregate the donated general fixed assets GL 528XX, will have to do so manually through adjustments to GL 521XX and GL 528XX, similar to the way we currently record reserved fund balance in governmental funds.
6. Operating GL's 66XXX, 67XXX, 68XXX, 73XXX, 76XXX, 77XXX or 78XXX cannot be used.
7. *All OCO and FCO disbursements* that are in reality grants to non-state entities **must be recorded in GL 711XX**, not 721XX or 722XX. Only items that will be booked as General Fixed Assets of the state are to be reported in GL's 721XX or 722XX.

Depreciation

As of June 30, 2001, depreciation will be calculated on all designated property in the property system at that time. It will be posted to the appropriate Accumulated Depreciation account and the offset amount will be posted to GL 542XX "Prior Period Adjustment". Each agency will be responsible for making the appropriate entries for any general fixed assets not in the property system or in the property system, but marked not to be depreciated that should be depreciated.

Depreciation expense will be recorded using the state program code assigned to each item. All active general fixed assets must have a state program.

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Acquisition of general fixed assets

When general fixed assets are acquired, the offset entries to record the assets in the SWGF = 80 must match the GL's and state program codes used to record the transactions in the operating funds.

Movement of general fixed assets between SWGF = 80 and proprietary funds

Assets moving between the SWGF = 80 and proprietary funds, will show the asset cost and the accumulated depreciation as separate items. ***When assets are moved from a SWGF = 80 to a proprietary fund (SWGF 50, 60, 72 or 73) or between proprietary funds, transfer GL's (652XX and 752XX) will be used, not GL 511XX "Contributed Capital" (the way it is currently recorded).***

When fixed assets are move between a SWGF = 80 and a proprietary fund or between proprietary funds, the asset acquisition cost and the accumulated depreciation amount will move as separate items (*it will not net out*).

This is a list of the GL's that may be used in the SWGF = 80 for the first time:

| <u>GL</u> | <u>Title</u> |
|--------------|--|
| 263XX | <i>Infrastructure – nondepreciable (NEW)</i> |
| 264XX | <i>Works of art & historical treasures (NEW)</i> |
| 265XX | <i>Accum. Deprec. Works of art and historical treasures (NEW)</i> |
| 266XX | <i>Works of art and historical treasures – nondepreciable (NEW)</i> |
| 542XX | Prior period adjustment |
| 616XX | Fines, forfeits, judgments and settlements |
| 621XX | <i>Capital grants and donations (NEW)</i> |
| 622XX | <i>Sale of general fixed assets (NEW)</i> |
| 652XX | <i>Property transfer in (NEW)</i> |
| 711XX | Expenditures |
| 718XX | <i>Special item (NEW)</i> |
| 719XX | <i>Extraordinary item (NEW)</i> |
| 721XX | Expend – OCO |
| 722XX | Expend – FCO |
| 723XX | Installment purchase acquisition |
| 724XX | Capital lease acquisition |
| 725XX | <i>Depreciation expense (NEW)</i> |
| 726XX | <i>Gain or loss on disposal of GFA (NEW)</i> |
| 752XX | <i>Property transfer out (NEW)</i> |