

## GASB 34 Long-Term Debt Changes

**The following are changes that will be implemented in recording and reporting General Long-Term Debt under GASB 34, starting with the fiscal year ending June 30, 2002.**

1. We will eliminate reporting specifically on the General Long-Term Debt Account Group SWGF = 90. However, we will not stop using the SWGF = 90 although the way it will be used will be drastically altered. We will probably just start calling it General Long-Term Debt.
2. At the entity wide perspective, the amounts recorded in the operating GL's will be used to offset transactions recorded in the funds.
3. We will stop using the GL's 291XX "Amount available", 292XX "Amount to be provided" and 293XX "Amount to be provided by component units". Effective June 30, 2001, we will close GL's 291XX, 292XX and 293XX into 542XX "Prior Period Adjustment". This will be an automated function in the closing process. All three general ledger codes will then be deactivated as soon as the last agency closes this year.
4. No 1XXXX, 2XXXX, 66XXX, 67XXX, 68XXX, 76XXX, 77XXX or 78XXX GL's will be used in this SWGF.
5. Changes to specific balance sheet items will have to be offset using specific operating GL's 6XXXX and 7XXXX. Starting with the 6/30/2002, statewide closings, the 6XXXX and 7XXXX GL's will close into 549XX "Unreserved Fund Balance".

### **Capital Assets net of related debt**

The net amount of bonds outstanding at June 30, used to acquire general fixed assets recorded in a SWGF = 80 must be recorded using GL 564XX "Debt used to acquire General Fixed Assets". This will be recorded by SBA. GASB 34 requires that General Fixed Assets be shown net of the outstanding debt used to acquire them.

### **Interest on long-term debt**

At year-end interest must be accrued and posted for all outstanding bonds, installment purchases or capital leases. The interest payable for bonds reported as General Long Term Debt will be calculated and posted by SBA.

### **Compensated Absences**

Agencies will be responsible for recording both current and long-term. The difference between the previous year's total and the current year's total will be offset to GL 711XX in the SWGF = 90.

### **Capital Leases and Installment Purchases**

As with compensated absences, the agencies will be responsible for recording current and noncurrent. Any new installment purchases or capital leases must be

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recorded with an offset to GL 693XX or 694XX as appropriate. As principal payments are made and the outstanding amount is reduced the offset must be a credit to GL 731XX “Principal payments”.

The amount of capital leases and installment purchases outstanding at June 30, in a SWGF = 90 must be recorded in the offset GL 564XX “Debt used to acquire General Fixed Assets”.

### **Due to Federal Government – Arbitrage GL 456XX**

Any change to this account has to be offset to 732XX “Interest and fiscal charges”.

### **Various Other Long-Term Liabilities**

Agencies will be responsible for reporting current and noncurrent portions. Any change in the totals must be offset by recording a debit to a 6XXXX GL when the liability is booked and a credit to a 7XXXX GL as payments are made.

This is a list of some of the additional GL’s that will now have to be used in SWGF = 90:

<b>GL</b>	<b>Title</b>
379XX	Current interest payable
463XX	Unamortized premiums on bonds payable
464XX	Unamortized discount on bonds payable
465XX	Amount deferred on refunding
469XX	Accrued interest
<b>498XX</b>	<b><i>Casualty insurance liability (NEW)</i></b>
542XX	Prior period adjustment
<b>548XX</b>	<b><i>Bonded debt used to acquire state reported fixed assets (NEW)</i></b>
549XX	Fund balance unreserved
691XX	Bond proceeds
693XX	Installment purchase proceeds
694XX	Capital lease inceptions
695XX	Proceeds of refunding Bonds
711XX	Expenditures, current
731XX	Principal payment
732XX	Interest and fiscal charges
795XX	Payments to refunded bond escrow agent