

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 |
| 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 |
| 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 |
| 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 |
| | | | | | | | | | |
| <u>DEPRECIATION:</u> | | | | | | | | | |
| 2XXXX | Accumulated Depreciation | | | | 156,500 | | | | 156,500 |
| 725XX | Depreciation Expense | | | 156,500 | | | | 156,500 | |
| | | | | | | | | | |
| <u>DELETIONS:</u> | | | | | | | | | |
| 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 | | | 13,000 | | | | 13,000 | |
| 622XX | Sale of Fixed Assets | | 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 | | | 42,810 | 17,175 | | | 25,635 | |
| 277XX | Accum Dep: Furn & Equip | | | 9,165 | | | | 9,165 | |
| 721XX | Expend - OCO | 34,800 | | | 34,800 | | | | |
| 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>ACQUISITION OF CAPITAL ASSETS THROUGH A CAPITAL LEASE:</u> | | | | | | | | | | |
| Equipment with a cost of \$275,000 was acquired through a capital lease. | | | | | | | | | | |
| 284XX | | Property Under Capital Lease | | | 275,000 | | | | 275,000 | |
| 487XX | | Capital Leases | | | | | | 275,000 | | 275,000 |
| 694XX | | Capital Lease Inceptions | | 275,000 | | | 275,000 | | | |
| 724XX | | Capital Lease Acquisitions | 275,000 | | | 275,000 | | | | |
| <u>CAPITAL ASSETS ACQUIRED THROUGH AN INSTALLMENT PURCHASE AGREEMENT (can be used for CFP):</u> | | | | | | | | | | |
| Equipment that cost \$65,000 was acquired through a 4-year, \$65,000 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 CFP 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 |
| Bond Sale: | | | | | | | | | |
| \$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 | |
| Bond Principal and Interest Payments: | | | | | | | | | |
| 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 | |
| Refunding: | | | | | | | | | |
| 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. **SBA 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 |
| Year-End Entries: | | | | | | | | | |
| 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> | | | | | | | | |
| Compensated Absences: | | | | | | | | | |
| 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.*