TOWN OF CHESHIRE
CAPITAL ASSETS
YEAR END REPORTING PROCEDURES

The capital assets "access" database is stored in a software program from Sungard Pentamation. Department of Education capital assets are maintained on a separate system using Industrial Appraisal Company software. These assets are entered into the Sungard system along with Town assets. Infrastructure acquired on or before June 30, 2006 (grouped and depreciated by decade, based on estimated historical costs) and construction-in-progress are maintained on separate excel spreadsheets. Infrastructure acquired on or after July 1, 2006 is maintained on the Sungard system. The construction-in-progress spreadsheet needs to be rolled forward each year, being careful to add on Town, BOE, and infrastructure projects, generally from Capital Projects, Capital and Nonrecurring funds, and sometime the General or other funds. Also, 14th month acitivity should be included. A sub-schedule is maintained on infrastructure items. Be sure to check for any donated assets acquired by the Town during the year, e.g. developer roads, sidewalks, sewers. These must be entered into the data base at their fair market value when acquired.

Various reports for motor vehicles, land, land improvements, buildings and improvements, machinery and equipment, and infrastructure acquired on or after July 1, 2006 are updated automatically when you place new information into the database. These reports categorize capital assets by type, department, and source. Before preparing financial statements, the infrastructure acquired prior to July 1, 2006, as well as construction-in-progress, excel summaries must be manually prepared and combined with the Sungard reports that summarize all of the other capital assets. Separate reports are run for acquisitions and deletions for the fiscal year. Prior year accumulated depreciation must be recalculated manually on the acquisition and deletion reports due to programming issues. Assume zero depreciation in year of disposition for simplicity. You must trace the accumulated depreciation back to prior year reports. Also, if you change the useful life of an asset, the reports must be manually adjusted for the prior year accumulated depreciation and current year depreciation since the system calculates through the date input, and does not retain calculated depreciation under another useful life.

Transfers between departments must be processed as additions and deletions, being careful to add on the original cost and accumulated depreciation from the asset that is being deleted. When computing the amount deleted for the financial statement footnotes (based on category), back out any transfers from the deletion report to get a "true" addition and deletion amount. The schedule based on activity would, of course, need to show transfers as well.

To be able to prepare CAFR reports, the following reports must be run: Asset Depreciation by Asset Number – Category Sort, Asset Depreciation by Asset Number – Activity Sort, Assets by Category, Assets by Category and Activity, Assets by Source

(Note: the assets by source data base is not complete – some assets were never coded for "source". It can help in preparing the current year additions to the CAFR report by source). For infrastructure acquired prior to July 1, 2006, an excel Infrastructure Asset Summary Report must be prepared. Although cumbersome, perhaps the best way to prepare the CAFR reports accurately, is to manually add each new asset to each activity, department, category, source; as well as each deletion during the year. Then report totals can be used as a double check that everything has been entered in its proper location. You must add report totals from several sources to come up with financial statement amounts: the Sungard database reports, retroactive infrastructure, and construction-in-progress schedules including any sub-schedules.

Also, assets acquired by function can be used to prepare GASB 34 schedules, but you must make sure that the function codes entered agree and correspond to the activity codes for any additions during the year, otherwise the functional groupings will not be accurate. (Note that the database requires the input of both activity and function codes, and the process is redundant. If a new system is implemented, perhaps the function code can be linked to the activity, and not require separate manual input.)