

Capital Assets Depreciation Schedule in EERP

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OVERVIEW

The Capital Assets Depreciation Schedule provides a listing of asset details that were depreciated for the reporting year as posted from the Capital Asset module for the reporting year. Asset descriptions and depreciation details are included such as estimated life, the number of periods taken for the year, first and last year periods of depreciation, and acquisition cost; all to assist auditors in verifying the depreciation calculation and amounts. The report also includes assets that have been fully depreciated but have a balance remaining of Life-To-Date accumulated depreciation for the reported year.

The asset amounts are reported as posted from the Capital Asset history detail records generated from the Capital Asset module and do NOT include amounts generated from General Journal Entries. The Depreciation Schedule pulls from two different Capital Asset sources:

1. Capital Asset record found in Capital Asset Inquiry
2. Capital Asset history records

The **Asset Inquiry** is where the actual asset master records reside; where assets are added and maintained. Key fields and amounts such as the asset Acquisition cost field, Asset Type (Governmental or Proprietary), Class, and Sub-class codes are pulled from the asset master file for the Depreciation Schedule. These key fields must be accurate and tied to the Capital asset history records.

Any discrepancies between the asset acquisition cost on the asset master and the asset history records will be evident.

The **Capital Asset history records** are automatically created from capital asset transactions PROPERLY processed from the key fields on the asset master. History records are generated from transactions created for assets added, adjusted, transferred, and retired. History records are also generated from depreciation and the Capital Asset General Journal Entry processes within the Capital Asset module. Transaction history detail records provide the journal entry detail (DR/CR) as posted to the general ledger for each asset based on the asset account codes (org/objects) for types 1, 2, 3, 5, and 6 existing on the asset when the asset transactions are created. If changes are made to the key fields for Acquisition cost and Status and a history transaction record is NOT created, such differences will become evident when verifying this report.

CHECKLIST TO PRODUCE THE DEPRECIATION SCHEDULE REPORT

- Reconcile the Capital Assets module to the General Ledger.
- Generate the Depreciation Schedule Report.
- Verify the Current Year Depreciation total.
- Verify the LTD Accumulated Depreciation total.
- Verify the Acquisition Cost total.

RECONCILE THE CAPITAL ASSET MODULE TO THE GENERAL LEDGER

It is suggested to reconcile the Capital Asset module to the General Ledger module to the Capital Asset balance sheet accounts to verify the amounts reported on the Capital Assets Depreciation Schedule.

NOTE: This is part of the recommended process for Capital Assets at the end of the year. It is not necessary to recreate the report unless additional Capital Asset transactions have been processed for the reporting year.

To Generate an Assets History by GL Account report, Select:

Financials > Capital Assets > Inquiries and Reports > Asset History by GL Account

- 1) Select **Seg Find**:
 - a) Enter **62*** in the Object field and select **Accept**.
- 2) Select **Define**:
 - a) Enter **2002/01** to **20XX/13** in Year/period field (where XX=fiscal year reporting through).
 - b) Enter **07/01/2001** to **CURRENT DATE** in the Effective date fields.
 - c) Check all boxes within the “Status” and “Type” sections of the screen.

- d) Sort by: Object.
 - e) Select:
 - (1) Total by account
 - (2) Totals only
 - f) Select **Accept**.
 - g) Select **Process**.
 - h) Select the **Excel** to export the report.
- 3) Calculate (in column H) the Net of Debit Amt/Credit Amt (per org/object) in the spreadsheet.
 - 4) Find the Balance Sheet accounts in the General Ledger for the asset balance sheet org/objects. *If the year has been closed, then process the Balance Sheet for funds 8 to 84 otherwise Go to the GL Account Inquiry to find the GL balances as follows*

Select: *Financials > General Ledger Menu > Inquiries and Reports > Account Inquiry*

- 1) Find on org=8* and object=62*; select **Accept**.
- 2) Enter (in column I) the General Ledger amounts from the Balance Sheet or the GL Account Inquiry (memo field) balances per org/object.
- 3) Calculate any differences between the Capital Asset and General Ledger amounts in column J.

GENERATING THE ASSET DEPRECIATION SCHEDULE

Process the Capital Assets Depreciation Schedule as follows:

Financials > Capital Assets > Inquiries and Reports > Depreciation Schedule

- 1) Select **Seg Find**:
 - a) Enter **0740** in the Object code field.
 - b) Select **Accept**
- 2) Select **Define**

3) Enter the **fiscal year** in the Fiscal Year for report field.

NOTE: The report can be run for the current or two prior years.

a) Enter Sequence report by fields as follows:

- i) **Sequence 1:** *Asset Type*
- ii) **Sequence 2:** *Class, Select "Total"*

	Field	Total	Page Break
Sequence 1	Asset type	<input type="checkbox"/>	<input type="checkbox"/>
Sequence 2	Class	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sequence 3		<input type="checkbox"/>	<input type="checkbox"/>
Sequence 4		<input type="checkbox"/>	<input type="checkbox"/>

4) Select **Accept**

5) Select **Object Codes**

Note: Verify all accumulated depreciation object codes are listed (6212,6222,6232,6242,6246, 6252, 6256,6262,6272). Two new object codes (6246 and 6256) were added in FY 2023 and the report settings should be reviewed. The Balance sheet object codes are used to calculate each asset’s LTD Accumulated depreciation balance based on the asset’s history transactions through the fiscal year specified on the report.

6) Select **Back**

7) Select **Process**

8) Select desired option to view the report.

NOTE: It is recommended to produce an Excel version of the report to assist in verifying the data. For example, sorting by status and confirming the conditions of assets appearing on the report as identified below under “Things to verify.”

Sample Report:

KDE													
ASSET DEPRECIATION SCHEDULE													
FOR FISCAL YEAR 2024													
TP	CLS	SUB CLS	DEPT	S	ASSET	DESCRIPTION	FIRST YR/PER	LAST YR/PER	EST LIFE	CY PER TAKEN	COST OF ACQUISITION	REPORT YEAR DEPRECIATION	LIFE-TO-DATE DEPRECIATION
G	10	120	2600	A	10953	RESURFACE TRACK AT STADIUM	2014/03	2022/12	20	0	11,878.00	0.00	5,246.12
G	10	120	1100	A	20300438	RUNNING TRACK ASPHALT	1990/07	2010/12	20	0	49,154.00	0.00	3,686.49
G	10	120	1100	A	20300450	PAVING ASPHALT	2000/07	2020/06	20	0	4,595.00	0.00	2,642.01
G	10	120	1100	A	20300451	PAVING CONCRETE	2000/07	2020/06	20	0	1,002.00	0.00	576.09
CLASS 10 TOTALS											66,629.00	0.00	12,150.71

VERIFYING THE REPORT

This report does **NOT** reflect any GEN or GRV journal entries posted to the capital asset accounts. Assets will **NOT** appear if they have zero balances for both the current year's depreciation and LTD Accumulated depreciation for the year reported. Differences between the capital asset master records and the capital asset history records will become evident in the following verification process.

REPORT YEAR - CURRENT YEAR DEPRECIATION

Current year depreciation amounts reported are Capital Asset history transactions posted to the object code 0740 as specified during the “Seg Find” process for the reported year. The Current Year activity for object code = 0740 should be equal to the total amount of Depreciation expense posted to the General Ledger from the Capital Asset module. The report does NOT reflect GEN or GRV journal entries posted to the 0740 object code.

Things to verify:

- 1) Assets listed with \$0 current year depreciation should **ONLY** be Active assets (Status A under column E (labeled S) of the printed report) **AND** have a balance in the Life-To-Date Depreciation column for the reporting year.
- 2) Retired assets (Reported as R under Column E) appearing on the report should have current-year depreciation and \$0 in the Life-To-Date Depreciation column.
- 3) Total of Current Year Deprecation should = GL Inquiry for object code 0740 totals for Asset Funds for the reporting year.

LIFE-TO-DATE DEPRECIATION

Life-to-date (LTD) Depreciation or LTD Accumulated Depreciation amounts reported are the asset history transactions posted to the Capital Asset balance sheet object codes (62?2 and 62?6) through the reporting year.

Things to verify:

- 1) Assets with \$0 in the LTD Depreciation should ONLY be Retired assets with final depreciation expense for the reporting year.
- 2) A negative LTD Depreciation is incorrect and should be corrected.
- 3) Total of Life-To-Date Depreciation should = GL Inquiry object code 62?2 and 62?6 for Asset Funds for the reporting year.

ACQUISITION COST TOTAL

Acquisition cost amounts reported are pulled directly from Asset Inquiry. Any differences between Asset Inquiry and the asset history transactions posted for the acquisition cost will appear when verifying this total. Once the Capital Asset file matches the Capital Asset History transaction records, then reconciliation is possible to verify the total depreciable assets reported on the Depreciation Schedule for the reporting year.

Things to verify:

- 1) Assets appearing on the report with a sub-class of 110 or 610 need to be corrected as they should NOT have depreciation. *This may happen if the asset is coded incorrectly to either the wrong sub-class code or to the wrong org/object codes or the Flag to depreciate is Y on the asset. A correction is required and should be posted to the reporting year (period 13) to reverse the expense or to correct the org/object and sub-class codes. Then reprocess the report.*
- 2) The Total Acquisition cost on the report should = calculated depreciable asset total which is the totals of object codes = 62?1 and 62?5 excluding land and CWIP (object codes 6201 and 6261).

SEE STEPS THAT FOLLOW TO VERIFY ACQUISITION COST ON THE REPORT.


Calculation as follows to verify Acquisition Cost total:

Depreciable Asset total:

- General Ledger or FA History net (62?1 and 62?5)
- Less net land (6201)
- Less Construction Work in Progress (6261)
- Depreciable Asset Total = A

- 1) Calculate the Total Asset History Acquisition cost by subtracting the **Report Total** of the Credit amount from the Debit amount for the sum of object codes 62?1 and 62?5. (See Appendix A.)
- 2) Subtract from the Total Asset History Acquisition cost (*calculated in the previous step*) the Net of Debit and Credit for non-depreciable assets which would include the following:
 - a) Land (object code 6201)
 - b) Construction Work in Progress (object code 6261)
 - c) This provides a total for non-depreciable assets.
- 3) Compare this calculated Depreciable Asset total (A) to the Active Total of the Acquisition Cost column on the Depreciation Schedule as shown below.

Depreciation Schedule report total page:

KDE 8/2 08/27										 munis a tyler erp solution			
ASSET DEPRECIATION SCHEDULE													
FOR FISCAL YEAR 2021													
TP	CLS	CLS	DEPT	S	ASSET	DESCRIPTION	FIRST YR/PER	LAST YR/PER	EST LIFE	CY PER TAKEN	COST OF ACQUISITION	REPORT YEAR DEPRECIATION	LIFE-TO-DATE DEPRECIATION
CLASS 50 TOTALS											156,603.77	12,251.97	63,143.31
P	50	520	3100	A	10198	ICE MAKER	1999/07	2011/12	12	0	3,465.00	0.00	721.95
P	50	520	3100	A	10217	REFRIGERATOR 1 DOOR	2001/07	2013/06	12	0	5,346.00	0.00	2,004.73
P	50	520	3100	A	10936	FOOD SERVICE GARBAGE DISPOSAL	2011/05	2021/12	12	24	2,492.00	415.33	2,215.11
P	50	520	3100	A	10937	FOOD SERVICE STEAMER BOILERLESS	2011/06	2021/12	12	24	6,090.00	1,015.00	5,371.04
P	50	520	3100	A	10938	FOOD SERVICE HOBART FOOD MIXER	2011/06	2021/12	12	24	4,204.32	700.72	3,707.98
P	50	520	3100	A	10939	FOOD SERVICE HEATED CABINET (1 OF 2)	2011/06	2021/12	12	24	2,302.76	383.79	2,030.91
P	50	520	3100	A	10940	FOOD SERVICE HEATED CABINET(2 OF 2)	2011/06	2021/12	12	24	2,302.76	383.79	2,030.91
P	50	520	3100	A	10963	KITCHEN HOOD/FAN/SUPPRESSION SYSTEM	2016/11	2021/12	12	24	19,890.00	3,315.00	8,563.75
CLASS 50 TOTALS											202,696.61	18,465.60	89,789.69
REPORT TOTALS											8,683,374.44	469,081.70	3,728,939.73
LESS RETIRED											118,489.00		
ACTIVE TOTALS											8,564,885.44	469,081.70	3,728,939.73

- 4) Any differences will need to be investigated.
 - a) Determine if any land assets (sub-class 110) or Construction Work in Progress/CWIP (sub-class 610) are included in the report. If so, this is due to an error and needs to be corrected via adjustments.
 - b) Subtract any sub-class 110 or 610 asset acquisition costs from the Active Total.

Adjusted Active Total:

Active Total on the report (Report total less Retired)
Less any land or CWIP included in the report (subclass 110 or 610)
Adjusted Active Totals on the report = B

- 5) Compare A to B as calculated above: **Depreciable Asset Total** to **Adjusted Active Total**. Differences can occur due to the Acquisition Cost History total not being equal to the actual Acquisition cost on the report that is pulled from the asset master. If this is the case, then begin by comparing totals by Governmental and Proprietary and then by sub-class totals to determine where the difference exists.
- 6) Make the necessary corrections, post to period 13, and reprocess the report.

APPENDIX A

Generating a Capital Asset History Report for Total Acquisition Cost

Financials > Capital Assets > Inquiries and Reports > Asset History by GL Account

- 1) Select **Seg Find**
 - a) In the Object field enter **62?1|62?5** and select **Accept**.
 - b) Select **Define**
 - c) In the Year/period field enter **2002/01** to **20XX/13** (where XX=fiscal year reporting through)
 - d) In the Effective date fields enter **07/01/2001** to **CURRENT DATE**
 - e) In the Status field, select all boxes.
 - f) In the Type field, select all boxes.
 - g) Under Report Options, select:
 - Sort by: Object
 - Total by account
 - Totals only
- 2) Select **Accept** and then **Process**.
- 3) Select the desired option to view the report:

Sample report:

ACCOUNT		DEBIT	CREDIT
80-6201	LAND	187,865.00	11,878.00
80-6211	LAND IMPROVEMENTS	110,190.00	.00
80-6221	BUILDING & BUILDING IMPROVEMTS	8,174,357.73	51,500.00
80-6231	TECHNOLOGY EQUIPMENT	1,341,006.06	44,926.96
80-6241	VEHICLES	438,036.00	121,465.00
80-6251	GENERAL EQUIPMENT	225,229.77	.00
	FUND 8 TOTALS	10,476,684.56	229,769.96
81-6231	TECHNOLOGY EQUIPMENT	4,774.00	.00
81-6251	GENERAL EQUIPMENT	232,617.84	.00
	FUND 81 TOTALS	237,391.84	.00
	REPORT TOTALS	10,714,076.40	229,769.96