



DON SIEGELMAN  
Governor

HENRY C. MABRY, III  
Director of Finance

STATE OF ALABAMA  
DEPARTMENT OF FINANCE  
OFFICE OF THE STATE COMPTROLLER

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ROBERT L. CHILDREE  
State Comptroller

November 1, 2002

To: Department Heads

FROM: Robert L. Childree, State Comptroller

RE: CAFR Instructions - Capital Assets in **Proprietary Funds**

With the implementation of GASB 34 for the Fiscal Year 2002 Comprehensive Annual Financial Report (CAFR), the methodology for reporting Capital Assets has changed. You will continue to perform your own depreciation as a Proprietary Fund. All other reporting requirements for Proprietary Funds as explained in the CAFR Instructions dated October 1, 2002 still apply.

However, due to GASB 34 requirements, we need additional information from Proprietary Funds in order to prepare the Note to the Financial Statements pertaining to Capital Assets for the CAFR. This information needs to be furnished to the State Comptroller's office no later than 5:00 PM, Monday, December 2, 2002. Data should be submitted electronically (by diskette or CD) according to the following instructions to the Financial Reporting Section, RSA Union Suite 206, 100 N. Union St., Montgomery, AL 36130-2602 or by email to [mmay@comptroller.state.al.us](mailto:mmay@comptroller.state.al.us).

Capital Assets are defined as 1) assets meeting your defined capitalization threshold and 2) assets that have useful lives greater than one year. Your capitalization threshold is assumed to be set at assets greater than or equal to \$500.00 unless we are notified differently by memorandum. Therefore, the requirements of this memorandum apply to all of your agency's Capital Assets. **Please note that Proprietary Fund assets are no longer exempt from having to load Comptroller codes for State Fund, Activity and Class (Balance Sheet Account) in Protégé FA7.** If you use Protégé FA7 and your agency operates inside the Treasury and does not have Financial Statements prepared by outside CPAs, then the three Comptroller's codes must be loaded by 5:00 PM, Monday, December 2, 2002. These codes

can be loaded by spreadsheet through Incircuit for a fee. If all of your personal property assets are in Protégé FA7 and you do not own Real Property, you do not have to furnish a spreadsheet. The below referenced spreadsheet is required if you meet any of the following criteria. You may meet more than one of the criteria:

- 1) Own Real Property
- 2) Agency is exempt from State Auditor
- 3) Own property exempt from State Auditor
- 4) Do not use FA7

If the attached flowchart points you to a document entitled “Proprietary Fund Type Capital Asset Restatements, Additions and Reductions” spreadsheet, please electronically submit the required data as outlined on the attached spreadsheet. Although, a blank spreadsheet is attached for explanatory purposes, the electronic version of the spreadsheet should be downloaded from the Comptroller’s website. The file for the spreadsheet is available for download at [www.comptroller.state.al.us](http://www.comptroller.state.al.us) under the heading “2002 CAFR Instructions”. Please select the link entitled “Proprietary Fund Capital Asset Worksheet Reductions” spreadsheet. Please use this spreadsheet and not a substitute. If you do not have Excel, please contact this office for alternative acceptable electronic formats. If you meet the criteria to complete a spreadsheet, it applies even if you have Financial Statements prepared by outside CPAs, but the data should be lifted from the Notes to your Financial Statements.

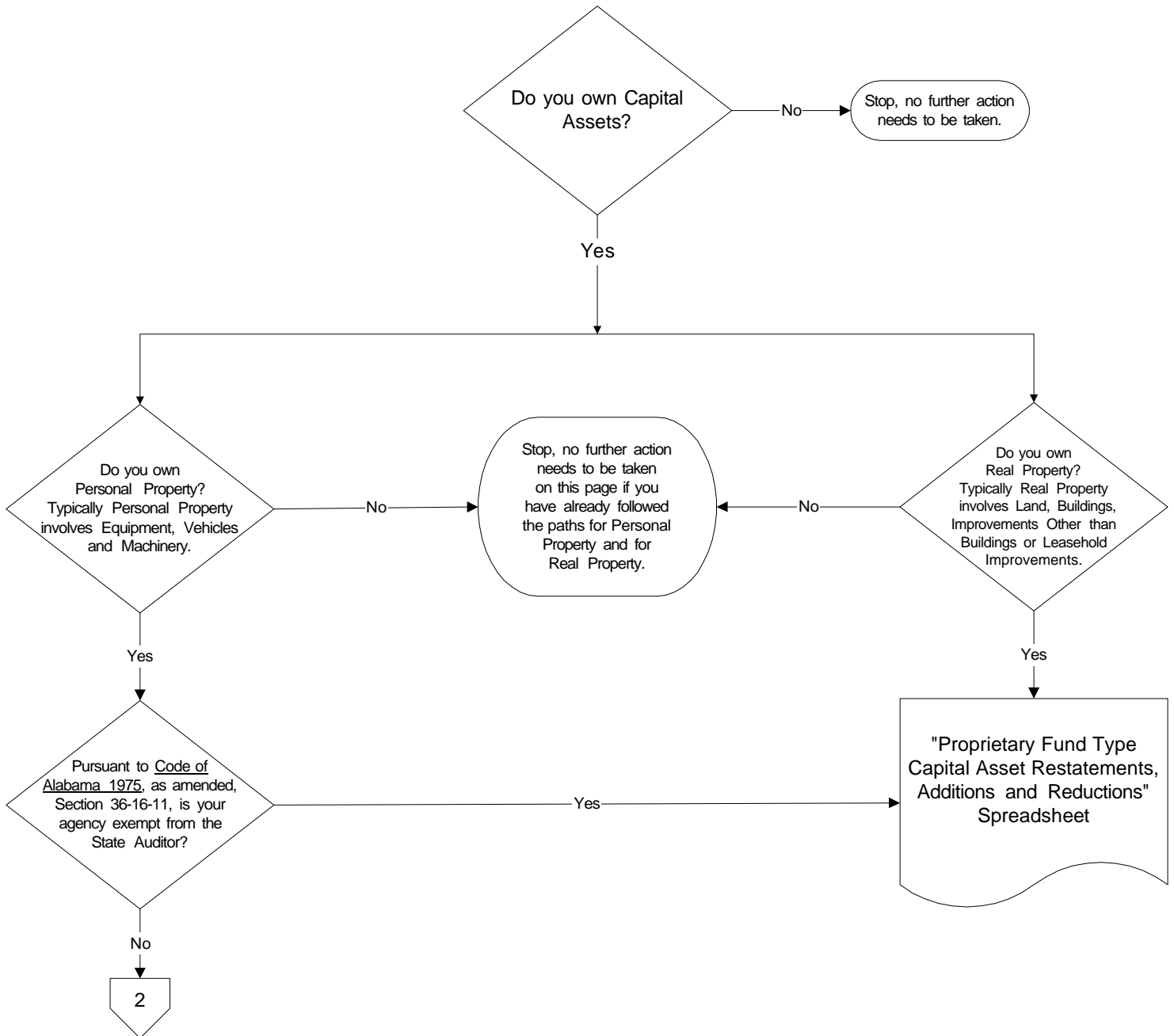
Please contact Melanie May at (334) 242-4954 or [mmay@comptroller.state.al.us](mailto:mmay@comptroller.state.al.us) if you have any questions. Questions regarding Protégé FA7 should continue to be directed to Patty Toney in the State Auditor’s office at (334) 242-7036 or [ptoney@auditor.state.al.us](mailto:ptoney@auditor.state.al.us).

RLC/mrm

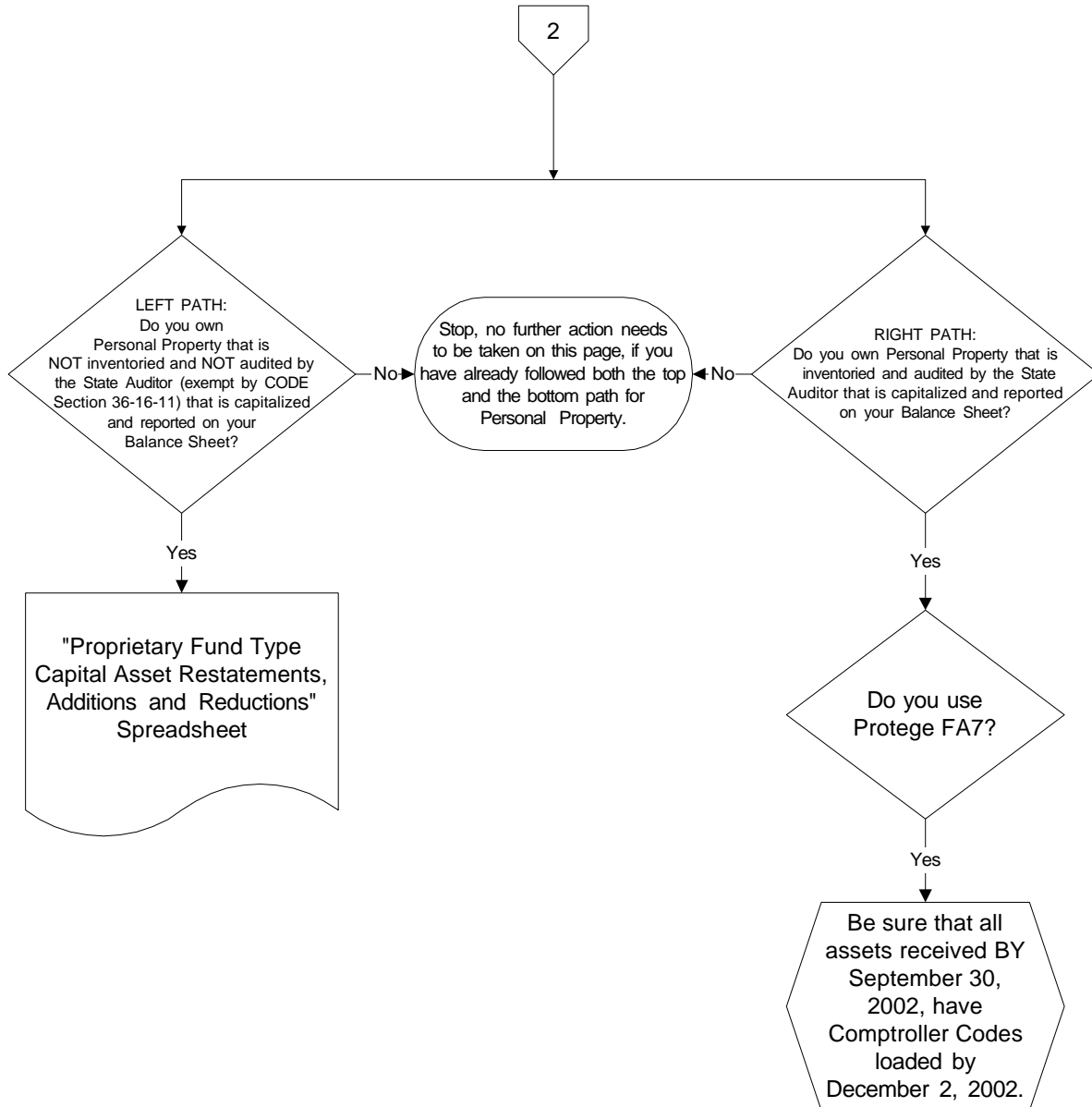
Cc:    Dr. Susan Parker, State Auditor  
       Mr. Ron L. Jones, Chief Examiner

Attachments (3)

**PROPRIETARY FUND TYPE CAPITAL ASSETS  
FLOWCHART FOR CAFR REPORTING FY2002  
Part One of Two**



**PROPRIETARY FUND TYPE CAPITAL ASSETS  
FLOWCHART FOR CAFR REPORTING FY2002  
Part Two of Two**



Proprietary Fund Type Capital Asset Additions and Reductions.  
Spreadsheet for Reporting Changes in Capital Assets  
October 1, 2001 through September 30, 2002

Please fill in the worksheet entitled "Additions/Reductions" to Capital Assets.

Return to                   Melanie May  
                                  c/o State Comptroller  
                                  100 N. Union St.,  
                                  RSA Union Suite 206  
                                  Montgomery, AL 36104

Must be in electronic format and received by the Comptroller's Office no later than December 2, 2002.

Agency Name						
Agency Contact						
Agency Address						

**PROPRIETARY FUND TYPE CAPITAL ASSET RESTATEMENTS, ADDITIONS, AND REDUCTIONS (INSIDE AND OUTSIDE TREASURY)**

Balance Sheet Capital Asset Classifications (for example, Land, Buildings, etc.)*	Balance Sheet Account Number**	Beginning Balance as of October 1, 2001***	Restatements****	Additions	Reductions*****	Ending Balance September 30, 2002*****
<b>Asset Book Values:</b>						

<b>Accumulated Depreciation by Classification*****:</b>						

\*All agencies will have Balance Sheet Capital Asset Classifications  
 \*\*CAS Balance Sheet Account Numbers apply only to In-Treasury agencies.  
 \*\*\*Though presented separately on this spreadsheet, beginning Balances (Book Value net of Accumulated Depreciation) should agree with amounts reflected on last year's financial statements.  
 \*\*\*\*Restatements intended to lower the beginning balance should be keyed as negative (-) numbers.  
 \*\*\*\*\*Reductions should be keyed as negative (-) numbers.  
 \*\*\*\*\*Ending Balances, net of Accumulated Depreciation should agree with amounts reflected on this year's financial statements.  
 \*\*\*\*\* Accumulated Depreciation Beginning Balances and Additions should be keyed as negative (-) numbers. Accumulated Depreciation Reductions should be keyed as positive (+) numbers. Restatements intended to reduce the Accumulated Depreciation Beginning Balance should be keyed as positive (+) numbers.