## **Chapter 9 Adjusting and Closing Entries for Governmental Activities, Government-wide Level; Preparation of Government-wide and Major Fund Financial Statements**

1. Prior to preparing financial statements at the end of FY 2017, it is necessary to record depreciation expense for the year for governmental activities at the government-wide level.

Based on general capital assets assigned to specific functions, depreciation expense related to equipment and infrastructure is allocated to functions as shown below:

 Equipment Infrastructure Buildings

General Government $ 54,920 $47,700

Public Safety 187,840 78,150

Public Works 125,596 $ 98,620 50,980

Culture and Recreation 72,244 32,170

 Totals $440,600 $ 98,620 $209,000

**Required:** **[Para. 9-a]** Record depreciation expense for the year 2017 in the governmental activities general journal at the government-wide level. Post to the general ledger by clicking **[Post Entries]**.

Add across the types of assets to obtain the total for each function and debit to Expenses for that function. Credit the asset type and use Accumulated Depreciation.

1. **Closing Entries.** Although closing entries were made in each fund in Chapters 4 through 6 of this cumulative problem, they have not yet been recorded at the government-wide level.

Run the pre-closing trial balance to see where these amounts are coming from.

**Required:** Record the journal entries required on December 31, 2017 to close all temporary accounts for governmental activities at the government-wide level. These entries should also recognize changes in the accounts

1. Net Position—Net Investment in Capital Assets,

2. Net Position—Restricted for Public Safety

3. Net Position—Restricted for Capital Projects

**(Note: Due to the need to deduct accrued interest on long-term debt in calculating the December 31, 2017 balance of Net Position—Restricted for Debt Service you will end up with no restriction on net position for debt service.)**

For each account to be closed or reclassified, be sure and click on the check mark for **[Closing Entry]** and that “Closing Entries” appears in the **[Transaction Description]** box. Post the closing entries to the general ledger by clicking on **[Post Entries]**.





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