

**NC Office of the State Controller - GASB 83 Appendix A**  
**New Accounts Added to Implement GASB 83 *Certain Asset Retirement Obligations***  
**Effective for Fiscal Year 2019**

| <b>New NCAS</b>  |   |                                     |   |
|------------------|---|-------------------------------------|---|
| <b>Account #</b> | <b>Full Acct Title; Account classification</b>  | <b>NCAS Account Title (25 Char)</b> | <b>Definition/Explanation</b>   |
| <b>129706</b>    | Deferred Outflows for Asset Retirement Obligation (ARO) - acct classified as <b>Deferred outflow of resources</b> | DEF OUTFLOWS FOR ARO                | For deferred outflows for Asset Retirement Obligation as defined by GASB 83   |
|                  |   |                                     |   |
| <b>211925</b>    | Asset Retirement Obligation - Current - acct classified as <b>Current liability</b>                               | ASSET RET OBLIG-CURR                | To record the current portion of the liability related to ARO as defined by GASB 83. A legally enforceable liability associated with the retirement of a tangible capital asset. (Don't expect to have a current liability) |
|                  |   |                                     |   |
| <b>221925</b>    | Asset Retirement Obligation - Non-current - acct classified as <b>Noncurrent liability</b>                        | ASSET RET OBLIG-NONCURR             | To record non-current liability related to ARO as defined by GASB 83. A legally enforceable liability associated with the retirement of a tangible capital asset.   |

**Accounting Entries at Year-end**  
**Asset Retirement Obligations (GASB 83)**

| <b>Entry #</b>  |   | <b>Account #</b> | <b>Debit</b>         | <b>Credit</b>        |                            |
|---|---|------------------|----------------------|----------------------|----------------------------|
| <b><u>Initial Entry (Year of GASB 83 Implementation Only)</u></b> |   |                  |                      |                      |                            |
| (1)   | Deferred outflow of resources - ARO   | 129706           | \$ 15,000,000        |                      |                            |
|   | Asset retirement obligation   | 221925           |                      | \$ 15,000,000        |                            |
|   | (To record initial balance equal to the corresponding liability)                    |                  |                      |                      |                            |
| <b><u>Current Year Changes</u></b>                                |   |                  |                      |                      |                            |
| (2)   | Deferred outflow of resources - ARO   | 129706           | 350,000              |                      |                            |
|   | Asset retirement obligations  |                  | -                    |                      |                            |
|   | Asset retirement obligation   | 221925           |                      | 350,000              |                            |
|   | Deferred outflow of resources - ARO   |                  |                      | -                    |                            |
|   | (To adjust current amount of ARO for the effects of general inflation or deflation) |                  |                      |                      |                            |
| (3)   | Deferred outflow of resources - ARO   | 129706           | -                    |                      |                            |
|   | Asset retirement obligations  | 221925           | -                    |                      |                            |
|   | Asset retirement obligation   |                  |                      | -                    |                            |
|   | Deferred outflow of resources - ARO   |                  |                      | -                    |                            |
|   | (To adjust current amount of ARO for significant changes in the estimated outlays)  |                  |                      |                      |                            |
| (4)   | Other operating expenses  | 5359XX           | 334,000              |                      |                            |
|   | Deferred outflow of resources - ARO   | 129706           |                      | 334,000              |                            |
|   | (To record amortization amount for current fiscal year)                             |                  |                      |                      |                            |
| <b><u>Combined Year-end Entry</u></b>                             |   |                  |                      |                      |                            |
|   |   | <b>Account #</b> | <b>Debit</b>         | <b>Credit</b>        | <b>Year-end Entry, Net</b> |
|   | Deferred outflow of resources - ARO   | 129706           | \$ 15,350,000        | \$ 334,000           | \$ 15,016,000              |
|   | Asset retirement obligation   | 221925           | -                    | 15,350,000           | (15,350,000)               |
|   | Other operating expenses  | 5359XX           | 334,000              | -                    | 334,000                    |
|   |   |                  | <u>\$ 15,684,000</u> | <u>\$ 15,684,000</u> | <u>\$ -</u>                |

| <b>Entry #</b>                        |   | <b>Account #</b> | <b>Debit</b>      | <b>Credit</b>     |                            |
|---------------------------------------|---|------------------|-------------------|-------------------|----------------------------|
| <b><u>Subsequent year entries</u></b> |   |                  |                   |                   |                            |
| <b><u>Current Year Changes</u></b>    |   |                  |                   |                   |                            |
| (1)                                   | Deferred outflow of resources - ARO   | 129706           | \$ 200,000        |                   |                            |
|                                       | Asset retirement obligations  |                  | -                 |                   |                            |
|                                       | Asset retirement obligation   | 221925           |                   | \$ 200,000        |                            |
|                                       | Deferred outflow of resources - ARO   |                  |                   | -                 |                            |
|                                       | (To adjust current amount of ARO for the effects of general inflation or deflation) |                  |                   |                   |                            |
| (2)                                   | Deferred outflow of resources - ARO   | 129706           | -                 |                   |                            |
|                                       | Asset retirement obligations  | 221925           | 100,000           |                   |                            |
|                                       | Asset retirement obligation   |                  |                   | -                 |                            |
|                                       | Deferred outflow of resources - ARO   |                  |                   | 100,000           |                            |
|                                       | (To adjust current amount of ARO for significant changes in the estimated outlays)  |                  |                   |                   |                            |
| (3)                                   | Other operating expenses  | 5359XX           | 334,000           |                   |                            |
|                                       | Deferred outflow of resources - ARO   | 129706           |                   | 334,000           |                            |
|                                       | (To record amortization amount for current fiscal year)                             |                  |                   |                   |                            |
| <b><u>Combined Year-end Entry</u></b> |   |                  |                   |                   |                            |
|                                       |   | <b>Account #</b> | <b>Debit</b>      | <b>Credit</b>     | <b>Year-end Entry, Net</b> |
|                                       | Deferred outflow of resources - ARO   | 129706           | \$ 200,000        | \$ 434,000        | \$ (234,000)               |
|                                       | Asset retirement obligation   | 221925           | 100,000           | 200,000           | (100,000)                  |
|                                       | Other operating expenses  | 5359XX           | 334,000           | -                 | 334,000                    |
|                                       |   |                  | <u>\$ 634,000</u> | <u>\$ 634,000</u> | <u>\$ -</u>                |