

Book	Policy Manual
Section	(H) PROPERTY
Title	Policy H110 - Capitalization Fixed Assets
Code	H110
Status	Active
Adopted	August 14, 2002
Last Revised	September 11, 2013
Last Reviewed	September 11, 2013

Policy Number: H110

Title: Capitalization / Fixed Assets Section: Property

I. Purpose

The Joint Committee recognizes the need to implement the required accounting and financial reporting standards promulgated by the Governmental Accounting Standards Board (GASB).

II. Definition

GASB Statement 34 was issued to provide new and additional information to the diverse users of governmental entity financial statements. In addition to the information contained in previous financial reporting, GASB34 will now provide information in a highly aggregated manner looking at the long-term financial health of school entities. This new information will require school entities to account for capital assets in a manner different than previously recorded. The intent is to provide an additional set of entity-wide financial statements more similar to the private sector.

The primary objectives of GASB34 include:

- new entity-wide financial statements reflecting the overall financial position of the district
- long-term focus for EASTERN activities
- narrative overview and analysis
- information on major funds
- expanded budgetary reporting

It is important to note that the methods, calculations and procedures for determining the budgetary process of EASTERN will not be affected by the implementation of the new standards. The information contained in previous financial statements will largely be in the same format. The policy applies to Eastern Center for Arts and Technology's acquisition and depreciation of capital assets. Capital assets are defined as land, improvements to land, easements, buildings and building additions, building improvements, furniture, fixtures and equipment, equipment under lease, vehicles, works of art and historical treasures, construction in-progress, and infrastructure. Capital assets are tangible assets used in operations and have initial useful lives extending beyond a single reporting period. Equipment will not change its original shape, appearance or character with use and it can be expected to last more than one year with reasonable care and maintenance.

III. Authority

Governmental Accounting Standards Board Statement 34.

IV. Delegation of Authority

The Joint Committee delegates to the Business Manager, in cooperation with the local independent auditor, the responsibility to coordinate the compilation and preparation of all information necessary to implement this policy in accordance with district administrative procedures. The Business Manager shall be responsible for implementation of the necessary procedures to establish and maintain a capital asset inventory, including depreciation schedules.

Adopted: 8/14/02

Revised: 9/11/13