

## **GASB Statement 34**

### **Purpose**

The Board of Trustees recognizes the need to implement the required accounting and financial reporting standards set out in Governmental Accounting Standards Board Statement 34 (GASB 34).

The primary objectives of implementing the GASB 34 are to assure compliance with state requirements, and to properly account for both the financial and economic resources and to provide new and additional information to users of district financial statements.

### **Authority**

Participation of, and reporting, shall be in accordance with board policy, State of Idaho Fiscal Policies manuals as prepared by the office of the State of Idaho Controller's Office, and GASB 34.

### **Delegation of Responsibility**

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the superintendent in cooperation with the district business manager.

This designated individual shall be responsible for implementing the necessary procedure to establish and maintain a fixed-asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expenses as incurred; major renewals and betterments that materially extends the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the board of trustees.

If the district chooses, the superintendent, in cooperation with the business manager, shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the board for approval, prior to publication.

Prior to submission of the MD&A for board approval, the independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information".

**Guidelines**

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. The life of these assets shall be considered relative to the time of the respective debt amortizations.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall not be less than five thousand dollars (\$5,000.00).

The following assets do not normally individually meet capitalization threshold criteria: library books, classroom texts, computer equipment, classroom furniture, or any other asset valued individually at less than \$5,000.00.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.

**Legal source:** Government Accounting Standards Board Statement 34 (GASB 34)

**Adopted:** July 17, 2003  
**Reviewed:** July 13, 2004  
**Revised:**