

EPHRATA AREA SCHOOL DISTRICT

SECTION: FINANCES

TITLE: GASB STATEMENT 34

ADOPTED: June 21, 2010

REVISED: May 16, 2016

622. GASB STATEMENT 34	
1. Purpose	<p>The Board recognizes the need to implement the required accounting and financial reporting standards stipulated by the Pennsylvania Department of Education.</p> <p>The primary objectives of implementing the Governmental Accounting Standards Board (GASB) Statement 34 are to assure compliance with state requirements, and properly account for both the financial and economic resources of the district.</p>
2. Authority SC 218, 613	<p>Participation of the school district in any such activity shall be in accordance with Board policy and GASB Statement 34.</p>
3. Delegation of Responsibility	<p>The responsibility to coordinate the compilation and preparation of all information necessary to implement this policy is delegated to the Business Manager or designee.</p> <p>The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be directly reported to the appropriate Fund-Function account code, when applicable. Depreciation that cannot be directly reported may be allocated using generally accepted and approved methods of allocation (i.e., percentage of square footage, percentage of time used/occupied, etc) if possible. Any remaining depreciation may be recorded as unallocated. 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 expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year.</p> <p>The Business Manager or designee 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.</p> <p>Prior to submission of the MD&A for Board approval, the district's independent auditors shall review the MD&A, in accordance with SAS No. 52, "Required Supplementary Information".</p>

<p>4. Guidelines</p>	<p>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 asset life of these assets shall be considered relative to the time of the respective debt amortizations.</p> <p>For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$5,000.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 218, 613</p> <p>Governmental Accounting Standards Board, Statement No. 34</p>
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