

School Board & School Authority Tangible

Capital Asset Guide revisions

Release no. 7

August 2011

This release should be retained and filed.

This release's is accomplishing two purposes:

- A. Update guide to clarify that the cost to remove an old building on an existing piece of land should be capitalized to the cost of the new building as the existing building must be removed in order to build the new building.
- B. Update to guide to clarify that if building demolition costs are being incurred and the building is on situated on land that is being sold, the demolition costs should be expensed.
- C. Update to guide to clarify that repair costs to restore an asset damaged by fire, flood, or similar events, to a condition just prior to the event should be expensed only if the original cost and associated accumulated amortization are not being written down.

Revisions have therefore been made to the following areas:

BUILDINGS

Updated this section to clarify how demolition costs should be handled.

RETIREMENTS AND DISPOSALS OF TANGIBLE CAPITAL ASSETS

Updated this section to clarify how demolition costs should be handled.

APPENDIX E

Updated this section to clarify when repair costs associated with fire, flood, or similar events should be expensed.