GASB 34

The State Board of Accounts Perspective

Basic Questions

• Why are we here?
• What is the big deal about GASB 34?
• Who is really affected and when?
• What does SBA expect from you?
• What if you don’t do GASB 34?
Why Are We Here?

In regards to GASB 34, we are here to discuss
State Board of Accounts
• Policies
• Expectations
• Actions

What Is the Big Deal With GASB 34?

CAPITAL ASSETS
Who Is Really Affected and When?

Counties

<table>
<thead>
<tr>
<th>2002</th>
<th>2003</th>
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<tbody>
<tr>
<td>Allen</td>
<td>Delaware</td>
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<tr>
<td>Lake</td>
<td>Elkhart</td>
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<tr>
<td>St Joseph</td>
<td>Hamilton</td>
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<td>Marion</td>
<td>Hendricks</td>
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<td></td>
<td>Johnson</td>
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<td>LaPorte</td>
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### Cities And Towns

<table>
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<tr>
<th>2002</th>
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<td>Muncie</td>
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<td>Carmel</td>
<td>West Lafayette</td>
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<td>East Chicago</td>
<td>? Columbus</td>
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<td>Elkhart</td>
<td>? Greenwood</td>
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<td>Fishers</td>
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<td>Kokomo</td>
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<td>Lafayette</td>
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<td>Lebanon</td>
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<td>Marion</td>
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</tbody>
</table>

### What Does State Board of Accounts Expect From You?
Capital Asset Policy

- Ordinance or Resolution
- Effective Date
- Responsible Employee
- Definition of Capital Assets
- Classification of Capital Assets
  - Threshold for Capitalizing
  - Depreciation Method
  - Useful lives of Assets
- Physical Inventory and Reconciliation
- Acquisitions and Dispositions
- Gains and Losses on Dispositions
- Method to Determine Maintenance from Capitalization
- Items Below the Threshold

Capital Asset Policy

Infrastructure Assets

- Definitions of Networks and Subsystems
- Method to Obtain Actual Cost
- Implementation Date and Plan for Retroactive
  - Estimate Cost
- Depreciation or Asset Management System
- Description of the Required Record Keeping
What More Does State Board of Accounts Expect From You?

- Infrastructure Records
- Other Capital Asset Records
- Depreciation Figures
- Reclassification Assistance
- Management Discussion and Analysis (MD&A)

What Happens If You Don’t Do This?

- The Independent Auditor’s Opinion could be modified
  - Qualified
  - Adverse
- Your bond rating could go down
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