AUGUST

# AUTHORIZE THE COMMENCEMENT OF THE PUBLIC COMMENT PERIOD FOR THE AMENDMENT OF THE POLICY ON ACCOUNTING AND FINANCIAL REPORTING FOR CAPITAL ASSETS

## THE CHIEF EXECUTIVE OFFICER RECOMMENDS

That the Board authorize the commencement of the Public Comm[ent...] September [...] for the Policy described in the disposition t[...] c the Board must authorize the commencement of the Public C[omment...]

| Current Policy Current Pol[icy] | New Policy Sec[tion] New Policy Tit[le] | Description of Revisi[ons] |
|---|---|---|
| Board Report Policy Accou[nting] and Financial R[eporting] Capital Assets | | Amend Policy Acco[unting] Financial Reporting f[or...] This policy is being up[dated] the required biennia[l] During this review it[...] several new account[ing] GASB [...] and GASB Implementation Guide[...] been implemented sin[ce] policy update and th[e] included within the [...] |

Approved as to Legal Form   Approved

Initial

_____ BBBBBBBBB
Ruchi Verma
General Counsel

_____ BBBBBBBBBBBBB
Pedro Martinez
Chief Executive Officer

$0(1'%2$5'5(3257          32
$&&2817,1*$1'),1$1&,$/
5(3257,1*)25&$3,7$/$66(76 32/,&<

7+(&+,()(;(&87,9(2)),&(55(&200(1'67+()2//2:,1*

³%XLOGLQJV´ DUH VWUXFWXUHV WKDW DUH SHUPDQHQWO\ DWWDFKH
FRPSOHWHO\ HQFORVHG E\ ZDOOV DQG DUH QRW LQWHQGHG WR EH W

³%XLOGLQJ LPSURYHPHQWV´ DUH FDSLWDO HYHQWV WKDW PDWHULD
LQFUHDVH WKH YDOXH RI D EXLOGLQJ E\ DW OHDVW SHUFHQW RI W
)RU D UHSODFHPHQW WR D SRUWLRQ RI D EXLOGLQJ WR EH FDSLWDO
UHKDELOLWDWLRQ SURMHFW LQFUHDVH WKH YDOXH DQG RU XVHIXO
LPSURYHG TXDOLW\ DQG KLJKHU YDOXH FRPSDUHG WR WKH UHSODFH
WR RULJLQDO XWLOLW\ OHYHO LV QRW FDSLWDOL]HG

³/HDVHKROG LPSURYHPHQWV´ DUH LPSURYHPHQWV PDGH WR H[LVWL
WKH ULJKW WR XVH WKHVH OHDVHKROG LPSURYHPHQWV RYHU WKH W
ZLOO UHYHUW WR WKH OHVVRU DW WKH H[SLUDWLRQ RI WKH OHDVH
LV QRW DWWDFKHG WR WKH OHDVHG SURSHUW\ LV QRW FRQVLGHUHG

³3HUVRQDO SURSHUW\´ LV DQ\ PRYDEOH WDQJLEOH DVVHW XVHG IR
H[WHQG EH\RQG D \HDU IURP WKH GDWH DFTXLUHG DQG UHQGHUH
DGGLWLRQV WR H[LVWLQJ SHUVRQDO SURSHUW\ WKDW FRQVWLWXWH
RI WKH DVVHW E\  SHUFHQW RI WKH RULJLQDO FRVW RU OLIH ZLOO
UHFRUGHG DV DQ DGGLWLRQ RI YDOXH WR WKH H[LVWLQJ DVVHW 1R
PDLQWHQDQFH DJUHHPHQWV ZKLFK FDQ EH VHSDUDWHO\ LGHQWLIL
QRW EH FDSLWDOL]HG

³:RUNV RI DUW DQG KLVWRULFDO WUHDVXUHV´ DUH FROOHFWLRQV RU
QRW KHOG IRU ILQDQFLDO JDLQ  EXW UDWKHU IRU SXEOLF H[KLELWL
SXEOLF VHUYLFH

³,QWDQJLEOH DVVHWV´ DUH DVVHWV WKDW KDYH WKHVH WKUHH FK
VXEVWDQFH  QRQILQDQFLDO LQ QDWXUH  DQG LQLWLDO XVHIXO OL
 VHH *$6%  *$6%  *$6%  DQG *$6%  ,QWDQJLEOH FDSLWDO DVV

  0DMRU FRPSXWHU V\VWHP VRIWZDUH ± $Q\ WUDGHPDUNHG VRIWZD
  GRQDWHG ZKLFK FRPSULVHV RU DGGV WR WKH XVHIXO OLIH RI WKH
  2UDFOHŒ GDWDEDVH V\VWHP  RU WKH 3HRSOHVRIW GDWDEDVH V\V

  0LQRU FRPSXWHU V\VWHP VRIWZDUH ± $Q\ WUDGHPDUNHG VRIWZD
  GRQDWHG  RU VRIWZDUH WKDW LV LQWHUQDOO\ GHYHORSHG WR FU
  DV 0DMRU &RPSXWHU 6\VWHP 6RIWZDUH

  ,QWDQJLEOH ULJKW WR XVH OHDVHG DVVHW ± /HDVH DJUHHPHQWV
  LQFOXGH DQ LQWDQJLEOH ULJKW WR XVH OHDVHG DVVHW ZKLFK LV
  RI WKH OHDVH DJUHHPHQW XSRQ FDSLWDOL]DWLRQ DQG UHODWHG
  OHDVH

  ,QWDQJLEOH ULJKW WR XVH VXEVFULSWLRQ DVVHW ± 6XEVFULSW
  DUUDQJHPHQWV  6%,7$  WKDW DUH FDSLWDOL]HG XQGHU *$6%   LQ
  VXEVFULSWLRQ DVVHW ZKLFK LV YDOXHG DW WKH QHW RI WKH SUHV
  DQG UHODWHG DFFXPXODWH DPRUWL]DWLRQ IRU WKDW 6%,7$

  ,QWDQJLEOH ULJKW WR XVH 333 DVVHW ± 333 DUUDQJHPHQWV WKD
  LQFOXGH DQ LQWDQJLEOH ULJKW WR XVH 333 DVVHW ZKLFK LV PHD
  SURYLGHG E\ *$6%

³&RQVWUXFWLRQ LQ SURJUHVV´ LV WKH HFRQRPLF FRQVWUXFWLRQ
EXLOGLQJ LPSURYHPHQWV VRIWZDUH HWF ZKLFK DUH VXEVWDQWL

## II    CAPITAL ASSET GUIDELINES

### A.    System of Record and Tracking

Initial purchases are first recorded via vendor invoice en[tered into the] system for disbursements  then compiled by location and p[…] financial reporting purposes  Donated assets and other[…] recorded directly in the financial reporting software  In[…] the "Policy on Asset Management" capital asset records sh[…]

- In service date
- Useful life
- Depreciation method

### B.    Capitalization Thresholds and Useful Lives

Capitalization thresholds and useful lives for each asset[…]

| Class of Asset | Threshold | Useful Lives |
|---|---|---|
| Land | Capitalize All | NA |
| Buildings | Capitalize All | years |
| Building improveme[nts] | Capitalize All | years |
| Leasehold improve[ments] | Capitalize All | Remaining term of |
| Personal proper[ty] Equipment | | years |
| Aggregated Assets*____ | | years |
| Works of art histo[rical] Intangible asset | Capitalize All | NA |
| Major software | | years |
| Minor software | | years |
| Intangible right asset | | Term of lease |
| Intangible right subscription ass[et] | | Term of agreement |
| Intangible right asset | | Term of agreement |
| Construction in P[rogress] | Capitalize All | NA |

*Aggregated Assets includes multiple assets purchased as a group that have been capitalized under GASB Implementation Guide 2021-1. See section D below for details.*

### C.    Capital Asset Acquisition Cost

Capital assets are recorded at historical cost or est[…] constructed  Historical cost includes the vendor s inv[…] educational allowance  initial installation cost  mo[…] apparatus necessary to make the asset usable and render[…] include ancillary charges such as freight and transporta[…] professional fees

The costs of normal maintenance and repairs that do not[…] materially extend assets lives are not capitalized

Capitalization of computer software includes software lic[…] fee divided by the number of units served  terminal or user[…]

WKH SXUFKDVH

,QWHUQDOO\ GHYHORSHG VRIWZDUH FRVWV DVVRFLDWHG ZLWK
SRVW LPSOHPHQWDWLRQ RSHUDWLQJ SKDVHV VKRXOG EH H[SHQVH
VKRXOG EHJLQ ZKHQ WKH SUHOLPLQDU\ SURMHFW SKDVH LV FRPSO
DXWKRUL]HG RU FRPPLWV WR IXQGLQJ WKH VRIWZDUH SURMHFW ZLW
WR SHUIRUP LWV SODQQHG IXQFWLRQV &DSLWDOL]DWLRQ VKRXOG
VXEVWDQWLDO WHVWLQJ LV FRPSOHWH DQG WKH VRIWZDUH LV UHDG
VHUYLFH

'XULQJ WKH DSSOLFDWLRQ GHYHORSPHQW SKDVH LQWHUQDO DQG
LQFOXGLQJ FRVWV WR GHYHORS RU REWDLQ VRIWZDUH WKDW DOORZ
QHZ LQIRUPDWLRQ V\VWHPV *HQHUDO DQG DGPLQLVWUDWLYH F
DVVRFLDWH ZLWK VRIWZDUH GHYHORSPHQW VKRXOG QRW EH FDSLW

'      $JJUHJDWLRQ DQG &DSLWDOL]DWLRQ RI *URXSV RI $VVHWV

3HU *$6% ,PSOHPHQWDWLRQ *XLGH 1R          JRYHUQPHQWV DUH DE
DVVHWV ZKRVH LQGLYLGXDO DFTXLVLWLRQ FRVWV DUH OHVV WKDQ W
LQ DJJUHJDWH DUH VLJQLILFDQW DQG H[FHHG WKH FDSLWDOL]DWLRQ
HQVXUH WKDW DOO VLJQLILFDQW FDSLWDO DVVHWV DUH FROOHFWLY

&36 ZLOO DJJUHJDWH DQG FDSLWDOL]H WKH FRVWV UHODWHG WR D
WDEOHWV HWF  WKDW DUH SXUFKDVHG RQ DQ DQQXDO EDVLV W
'HSDUWPHQW¶V VWDQGDUG SURFHVVHV ZKLFK HQVXUH WKDW HDF
DSSOLFDEOH DUH LVVXHG D GHYLFH 7KH ,QIRUPDWLRQ 7HFKQRORJ
$VVHW 0DQDJHPHQW 'HSDUWPHQW PDLQWDLQV LQYHQWRU\ GHWD
FRPSOHWHV DQQXDO SURFHGXUHV WR GHWHUPLQH REVROHVFHQF
UHSODFHV DQG LVVXHV GHYLFHV DV QHFHVVDU\ DQG WR HQVXUH DG
7KHVH FDSLWDOL]HG DVVHWV ZLOO EH GHSUHFLDWHG RQ D VWUDLJKV
EHORZ

(       /HDVHG $VVHWV   /DQG  %XLOGLQJ 9HKLFOH  (TXLSPHQW

~~3HU *$6% 6WDWHPHQW 1R      DVVHWV VKRXOG EH FDSLWDO~~L]HG LI LW
~~RI WKH IROORZ~~ZLQJ FULWHULD
   ~~”   7KH OHDVH WUDQVIHUV RZQHUVKLS RI WKH SURSHUW\~~ WR WKH OH
   ~~”   7KH OHDVH FRQWDLQV D EDUJDLQ SXUFKDVH RSWLRQ~~
   ~~”   7KH OHDVH WHUP LV HTXDO WR    SHUFHQW RU PRUH~~ RI WKH H
       ~~OHDVHG SURSHUW\~~
   ~~”   7KH SUHVHQW YDOXH RI WKH PLQLPXP OHDVH SD\~~PHQWV DW
       ~~H[FOXGLQJ H[HFXWRU\ FRVWV  HTXDOV DW OHDVW      SHUFHQW~~
       ~~OHDVHG S~~URSHUW\

3HU *$6% 6WDWHPHQW 1R      D OHDVH LV GHILQHG DV D FRQWUDFW W
REWDLQ WKH SUHVHQW VHUYLFH FDSDFLW\ RI DQ XQGHUO\LQJ DVV
QDWXUH DQG XVH RI WKH XQGHUO\LQJ DVVHW DV LGHQWLILHG ZLWKL
DVVHWV WKDW PD\ EH OHDVHG LQFOXGH EXLOGLQJV  ODQG  YHKLFO
FRQWUDFWV WKDW DUH QRW H[SOLFLWO\ GHILQHG DV OHDVHV DQG
ELRORJLFDO DVVHWV  OHDVHV RI LQYHQWRU\  VHUYLFH FRQFHVVLF
RWKHU VLPLODU LWHPV

$ OHDVH WKDW PHHWV WKH FULWHULD DERYH VKRXOG EH FDSLWDOL]H
   ”    WKH OHDVH WHUP H[FHHGV     PRQWKV DQG
   ”    WKH SUHVHQW YDOXH RI WKH OHDVH H[FHHGV WKH FDSLWDOL]DW

/HDVHV WKDW GR QRW PHHW DQ\ RI WKH DERYH UHTXLUHPHQWV VKRX
DERYH DUH QRW UHTXLUHG WR EH FDSLWDOL]HG DV D OHDVH XQGHU W

8SRQ FDSLWDOL]DWLRQ  WKH IROORZLQJ PXVW EH UHFRJQL]HG E\ W
 ODQGORUG  RU OHVVHH  WHQDQW

/HVVRU
    /HDVH UHFHLYDEOH DVVHW YDOXHG DW WKH SUHVHQW YDOXH F
    UHFHLYHG GXULQJ WKH OLIH RI WKH OHDVH OHVV DQ\ HVWLPDWH
    'HIHUUHG LQIORZ RI UHVRXUFHV DW WKH DPRXQW RI WKH OHDVH
    UHFHLYHG DW RU EHIRUH WKH EHJLQQLQJ RI WKH OHDVH WHUP
    DQ\ OHDVH LQFHQWLYHV SDLG WR WKH OHVVHH DW WKH EHJLQQL

/HDVH UHFHLYDEOH DVVHWV ZLOO EH UHGXFHG E\ OHDVH SD\PHQWV
UHYHQXHV  'HIHUUHG LQIORZ RI UHVRXUFHV ZLOO EH DPRUWL]HG V
PHWKRG RYHU WKH OLIH RI WKH OHDVH

/HVVHH
    /HDVH OLDELOLW\ YDOXHG DW WKH SUHVHQW YDOXH RI WKH SD\
    OLIH RI WKH OHDVH  DQG
    5LJKW WR XVH OHDVH DVVHW DW WKH DPRXQW RI WKH OHDVH
    PDGH WR WKH OHVVRU DW RU EHIRUH WKH EHJLQQLQJ RI WKH OH
    DQG DQ\ LQLWLDO GLUHFW FRVWV UHTXLUHG WR SODFH WKH OHD

/HDVH OLDELOLWLHV ZLOO EH UHGXFHG E\ OHDVH SD\PHQWV PDGH
5LJKW WR XVH OHDVH DVVHWV ZLOO EH DPRUWL]HG V\VWHPDWLFDOO
OLIH RI WKH OHDVH

0RGLILFDWLRQV DQG 7HUPLQDWLRQV
/HDVH DJUHHPHQWV PD\ EH PRGLILHG RU WHUPLQDWHG SULRU WR WK
DQG WHUPLQDWLRQV RI FRQWUDFWV ZLOO EH UHDVVHVVHG LQ DFFR
*$6%    DQG DSSURSULDWH DFFRXQWLQJ WUHDWPHQW ZLOO EH XVH
JXLGDQFH

)     3XEOLF 3ULYDWH DQG 3XEOLF 3XEOLF 3DUWQHUVKLSV DQG $D
$UUDQJHPHQWV

3HU *$6% 6WDWHPHQW 1R    D SXEOLF SXEOLF SDUWQHUVKLS ³333
ZKLFK RQH JRYHUQPHQW FRQWUDFWV ZLWK DQRWKHU JRYHUQPH
FRQYH\LQJ FRQWURO RI D QRQILQDQFLDO DVVHW ± VXFK DV LQIUDV
XQGHUO\LQJ 333 FDSL UO\  pÀÀ @ `À@ðN pÀ•À€É€`    L&eP¶XXLQÀ
*$6%  33QW 1R  •ÀJS2Ð @`P D 3fP@ D fP0T6%
ZKLFK GH5& p6HV   3Py'@DH À`€`   €` @V ³30fP @3˜WXFF "r? 07SRS  r? €

UHODWLRQ WR WKH 333  DQG
” $ GHIHUUHG LQIORZ RI UHVRXUFHV UHODWHG WR WKH 333 DV SUR

,I DQ XQGHUO\LQJ *purchased or constructed* E\ WKH RSHUDWRU  WKH WUDQVIH
UHFRJQL]H WKH IROORZLQJ ZKHQ WKH 333 DVVHW LV SODFHG LQWR VH
” $ UHFHLYDEOH IRU WKH XQGHUO\LQJ 333 DVVHW SXUFKDVHG RU
WKH RSHUDWRU EDVHG RQ WKH HVWLPDWHG FDUU\LQJ YDOXH R
H[SHFWHG GDWH WKDW RZQHUVKLS LV WUDQVIHUUHG IURP WKH
” $ UHFHLYDEOH IRU LQVWDOOPHQW SD\PHQWV DW WKH SUHVHQ
UHODWLRQ WR WKH 333  DQG
” $ GHIHUUHG LQIORZ RI UHVRXUFHV UHODWHG WR WKH 333 DV SUR

*Operator:*
,I DQ XQGHUO\LQJ 333 *existing asset* RQ WKH WUDQVIHURU DW WKH WLPH R
RI WKH 333 WHUP  WKH RSHUDWRU VKRXOG UHFRJQL]H WKH IROORZLQ
” $ OLDELOLW\ IRU LQVWDOOPHQW SD\PHQWV DW SUHVHQW YDOX
333  DQG
” $Q LQWDQJLEOH ULJKW WR XVH DVVHW UHODWHG WR WKH 333 DV

,I DQ XQGHUO\LQJ 333 DV *Purchased R Constructed* EH W WKH RSHUDWRU  WKH RS
VKRXOG UHFRJQL]H WKH XQGHUO\LQJ 333 DVVHW XQWLO RZQHUVKLS
WUDQVIHURU  LI DSSOLFDEOH  7KH RSHUDWRU VKRXOG FRQWLQXH
UHSRUWLQJ UHTXLUHPHQWV UHODWHG WR WKH DVVHW LQFOXGLQJ
XQGHUO\LQJ 333 DVVHW LV SODFHG LQWR VHUYLFH  WKH RSHUDWRU V
” $ OLDELOLW\ IRU WKH XQGHUO\LQJ 333 DVVHW EDVHG RQ WKH
XQGHUO\LQJ 333 DVVHW DV RI WKH H[SHFWHG GDWH RI WKH V
WUDQVIHURU  LI DSSOLFDEOH
” $ OLDELOLW\ IRU LQVWDOOPHQW SD\PHQWV DW SUHVHQW YDOX
333  DQG
” $ GHIHUUHG RXWIORZ RI UHVRXUFHV IRU WKH XQGHUO\LQJ 333
WUDQVIHURU DV SURYLGHG E\ WKH JXLGDQFH

6HUYLFH &RQFHVVLRQ $UUDQJHPHQW

$Q 6&$ LV D 333 DUUDQJHPHQW EHWZHHQ D WUDQVIHURU DQG RSH
REOLJDWLRQ WR SURYLGH SXEOLF VHUYLFHV WKURXJK WKH XVH DQG
H[FKDQJH IRU VLJQLILFDQW FRQVLGHUDWLRQ  XS IURQW SD\PHQWV
LPSURYHPHQWV WR D QHZ IDFLOLW\  HWF   DQG WKH RSHUDWRU FRO
WKLUG SDUWLHV  )XUWKHU  XQGHU DQ 6&$  WKH WUDQVIHURU GHW
DSSURYH ZKDW VHUYLFHV DQ RSHUDWRU LV UHTXLUHG WR SURYLGH
VHUYLFHV DQG WKH WUDQVIHURU LV HQWLWOHG WR VLJQLILFDQW U
XQGHUO\LQJ 333 DVVHW DW WKH HQG RI WKH DUUDQJHPHQW

*Transferor:*
8QGHU DQ 6&$  WKH WUDQVIHURU ZLOO UHFRJQL]H WKH IROORZLQJ LW
” $Q DVVHW IRU WKH SXUFKDVHG RU FRQVWUXFWHG XQGHUO\LQJ
333 DVVHW LV SODFHG LQWR VHUYLFH
” $ UHFHLYDEOH IRU LQVWDOOPHQW SD\PHQWV H[SHFWHG WR EH
DQ\  WR EH UHFHLYHG UHODWHG WR WKH 333 DW WKH FRPPHQFH
” $ GHIHUUHG LQIORZ RI UHVRXUFHV UHODWHG WR WKH 333 DW WK

*Operator:*
8QGHU DQ 6&$  WKH RSHUDWRU ZLOO UHFRJQL]H WKH IROORZLQJ LWH
” $ OLDELOLW\ IRU LQVWDOOPHQW SD\PHQWV  LI DQ\  WR EH PDG
FRPPHQFHPHQW RI WKH 333 WHUP  DQG
” $ ULJKW WR XVH DVVHW IRU WKH XQGHUO\LQJ 333 DVVHW DW WK

$YDLODELOLW\ 3D\PHQW $UUDQJHPHQWV ³$3$´

$Q $3$ LV DQ DJUHHPHQW LQ ZKLFK D JRYHUQPHQW HQWHUV LQWR D F
FRQVWUXFW ILQDQFH RSHUDWH DQG PDLQWDLQ DQ DVVHW LQ H[FKD
FRPSHQVDWH WKH RSHUDWRU IRU WKRVH VHUYLFHV DQG YDULDEOH
RQ ZKHWKHU FHUWDLQ PHDVXUHV KDYH EHHQ PHW $Q $3$ PD\ KDYH
UHTXLUH WUHDWPHQW DV VHSDUDWH FRPSRQHQWV EDVHG RQ WKH JX

&RPSRQHQWV RI DQ $3$ UHODWHG WR GHVLJQ FRQVWUXFWLRQ RU
ZKLFK RZQHUVKLS RI WKH DVVHW WUDQVIHUV WR WKH JRYHUQPHQW
UHSRUWHG DV D ILQDQFH SXUFKDVH E\ WKH JRYHUQPHQW RI WKH XQ

&RPSRQHQWV RI DQ $3$ UHODWHG WR SURYLGLQJ VHUYLFHV IRU WK
QRQILQDQFLDO DVVHW VKRXOG EH DFFRXQWHG IRU DV RXWIORZV RI
SHULRG LQ ZKLFK WKH SD\PHQW UHODWHV

* 6XEVFULSWLRQ %DVHG ,QIRUPDWLRQ 7HFKQRORJ\ $UUDQJHPHQ

3HU *$6% 6WDWHPHQW 1R 6XEVFULSWLRQ %DVHG ,QIRUPDWL
³6%,7$´ D 6%,7$ LV D FRQWUDFW WKDW FRQYH\V WKH ULJKW WR XV
RU LQ FRPELQDWLRQ ZLWK WDQJLEOH ,7 DVVHWV VXFK DV *$6% U
WKH DJUHHPHQW LQ DQ H[FKDQJH RU H[FKDQJH OLNH WUDQVDFWLR
 WKH ULJKW WR REWDLQ WKH SUHVHQW VHUYLFH FDSDFLW\ IURP X
WKH ULJKW WR GHWHUPLQH WKH QDWXUH DQG PDQQHU RI XVH RI WKH
WKH FRQWUDFW 6%,7$V PD\ LQFOXGH FRQWUDFWV WKDW DUH QRW
VSHFLILFDOO\ H[FOXGHV FRQWUDFWV WKDW VROHO\ SURYLGHV ,7 VX

$ 6%,7$ WKDW PHHWV WKH GHILQLWLRQ DERYH VKRXOG EH FDSLWDOL
    ” WKH 6%,7$ WHUP LV ORQJHU WKDQ PRQWKV DQG
    ” WKH SUHVHQW YDOXH RI WKH 6%,7$ H[FHHGV WKH FDSLWDOL]DW

6%,7$V WKDW GR QRW PHHW WKH UHTXLUHPHQWV DERYH DUH QRW U
XQGHU WKH JXLGDQFH

8SRQ FDSLWDOL]DWLRQ WKH IROORZLQJ PXVW EH UHFRJQL]HG E\ WK
    ” 6XEVFULSWLRQ OLDELOLW\ YDOXHG DW WKH SUHVHQW YDOXH R
        EH PDGH GXULQJ WKH OLIH RI WKH DJUHHPHQW SOXV DQ\ RWKH
        DVVRFLDWHG ZLWK WKH FRQWUDFW DQG DQ\ LQFHQWLYHV RU S
        DQG
    ” 6XEVFULSWLRQ DVVHW DW WKH YDOXH RI WKH VXEVFULSWLRQ O
        YHQGRU DW WKH FRPPHQFHPHQW RI WKH DJUHHPHQW WHU
        LPSOHPHQWDWLRQ FRVWV UHODWHG WR WKH 6%,7$

7KH VXEVFULSWLRQ OLDELOLW\ ZLOO EH UHGXFHG E\ 6%,7$ SD\PH
H[SHQVH 7KH VXEVFULSWLRQ DVVHW ZLOO EH DPRUWL]HG V\VWHP
RYHU WKH OLIH RI WKH 6%,7$

0RGLILFDWLRQV DQG 7HUPLQDWLRQV
6%,7$ DJUHHPHQWV PD\ EH PRGLILHG RU WHUPLQDWHG SULRU WR WK
DQG WHUPLQDWLRQV RI FRQWUDFWV ZLOO EH UHDVVHVVHG LQ DFF
DFFRXQWLQJ WUHDWPHQW ZLOO EH XVHG WR UHFRUG WKHVH FKDQJH

+

DEPRECIATION METHOD HISTORICAL COST DIVIDED BY USEFUL LI
ACCUMULATED DEPRECIATION WILL BE CALCULATED IN THE SYSTE
GENERAL LEDGER ON A MONTHLY BASIS

LAND AND WORKS OF ART AND HISTORICAL TREASURES ARE DEEMED

DEPRECIATION IS NOT APPLICABLE WHILE ASSETS ARE ACCOUNTE

BUILDINGS DESIGNATED AS HISTORICAL BY THE CITY OF CHICAG
THE OPERATIONS OF CPS HOWEVER BUILDING IMPROVEMENTS NOT
CHICAGO WILL BE DEPRECIATED THE SAME AS ANY OTHER BUILDIN

LEASEHOLD IMPROVEMENTS ARE AMORTIZED OVER THE SHORTER
DETERMINED BY THE GUIDANCE OR THE ~~USEFUL LIFE~~ OF THE IM
~~OPTION TO RENEW AND THE LIKELIHOOD OF RENEWAL~~ IS UNCER
~~AMORTIZED OVER THE LIFE OF THE INITIAL LEASE TERM~~ OR USEFU
~~SHO~~RTER

INTANGIBLE RIGHT TO USE ASSETS DISCUSSED WITHIN SECTI
PRONOUNCEMENTS AND WILL BE AMORTIZED ON A STRAIGH
RELATED AGREEMENT AN ACCUMULATED AMORTIZATION ACCOUNT
GENERAL LEDGER ANNUALLY TO PRESENT THE NET CARRYING VALUE

I. IMPAIRMENTS

PER STATEMENT NO OF THE GOVERNMENTAL ACCOUNTING STAN
REQUIRED TO EVALUATE PROMINENT EVENTS OR CHANGES IN CIR
DETERMINE WHETHER IMPAIRMENT OF A CAPITAL ASSET HAS OCC
CIRCUMSTANCES THAT MAY BE INDICATIVE OF IMPAIRMENT INCL
ENACTMENT OR APPROVAL OF LAWS OR REGULATIONS OR OTHER
TECHNOLOGICAL CHANGES OR EVIDENCE OF OBSOLESCENCE CHANGE
A CAPITAL ASSET AND CONSTRUCTION STOPPAGE A CAPITAL A
IMPAIRED IF BOTH A THE DECLINE IN SERVICE UTILITY OF THE CA
THE EVENT OR CHANGE IN CIRCUMSTANCE IS OUTSIDE THE NORMAL

THE GENERAL LEDGER AND FIXED ASSET SUBLEDGER BOOK VALUE O
REFLECT THE IMPAIRMENT AMOUNT IMPAIRED ASSETS WILL NOT
FIXED ASSET SUBLEDGER UNTIL DISPOSAL

J. DISPOSALS AND RETIREMENTS

DISPOSAL OF CAPITAL ASSETS PURCHASED WITH GRANT FUNDS MUST
GRANT ADMINISTRATOR DISPOSAL OF CAPITAL ASSETS PURCHASE
WITH THE CPS TREASURY DEPARTMENT

UPON DISPOSAL CAPITAL ASSETS AND THEIR RELATED ACCUMUL
GENERAL LEDGER AND FIXED ASSET SUBLEDGER THE USE OF PROCE
MAY BE RESTRICTED DEPENDING ON THE FUNDING SOURCE USED TO

LEGAL REFERENCES ILLINOIS ADMINISTRATIVE CODE TITLE PART SEC
GOVERNMENTAL ACCOUNTING STANDARDS BOARD GASB STATEMENT NO
STATEMENT NO GASB IMPLEMENTATION GUIDE NO