

CAPITALIZATION METHODS FOR HISTORICAL COSTS

As historical costs of all assets have not been adequately tracked by predecessor school divisions, the following means of valuing and amortizing existing costs has been utilized for the initial valuation of all existing assets.

Buildings - The Good Spirit School Division used the average cost of several projects of differing types with actual costs verified from the audited financial statements from previous school divisions. They were costed to the base year of 2006 to obtain the average cost per square meter of \$1915. We then used the deflation index spreadsheet to estimate historical cost based on major additions and renovation projects as provided by the Ministry of Education Facilities Branch. Knowing the year the projects occurred and the square footage of the addition or renovation we were able to apply the historic cost from the deflation index schedule to each component of the building. Due to the large number of roof repairs and other related capital projects that have been capitalized in the past there is a significant write-down to occur in the value of physical assets reflected in the financial statements.

Vehicles, Buses & Heavy Equipment – Assets have been identified through various sources including Department Managers and existing lease documents and actual invoices for most items. Where actual costs could not be verified there was sufficient information of similar comparative value to estimate and deflate the individual asset identified.

Computers – Most major technology refreshes are done every four to five years as a capital lease agreement. For these purposes we have included the entire lease component as computer hardware and equipment, even though they include some software and development components. Software is actual costs to acquire major software that lasts for the life of the product as it does not include annual license fees or service agreements.

Furniture and Equipment – These costs have been pooled for the last ten years with actual costs contained from Good Spirit School Division and its predecessor boards directly from their general ledger accounts. Accounts most commonly used included: Furniture, Academic & Science Equipment, Audio Visual Equipment, Physical Education Equipment, PAA (Practical and Applied Arts) Equipment, Special Education Equipment, Technology Equipment, Band Equipment, etc.

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