

INVENTORIES

Generally accepted accounting principles require the establishment and maintenance of fixed asset records. A fixed asset is land, buildings, improvements other than buildings, equipment, and construction work-in-progress which East Dakota Educational Cooperative plans to hold or continue to use over a long period of time. All fixed assets related to specific proprietary funds or trust funds should be accounted for in these funds, while other fixed assets should be accounted for in the General Fixed Assets Account Group. Fixed assets are to be accounted for at original cost, or if cost cannot be readily determined, at an estimated cost.

The Director shall annually cause an inventory of personal property to be made and placed on file with the Business Manager as required by law. All fixed assets will be capitalized at these set values:

<u>Assets</u>	<u>Years</u>	<u>Depreciation Method</u>	<u>Capitalization Amount</u>
Land	N/A	N/A	All
Buildings	50	Straight Line	\$50,000
Improvement Other Than Building	15	Straight Line	\$10,000
Equipment & Vehicles	5-10	Straight Line	\$5,000

Other assets may be inventoried and tracked as equipment and may be included in the inventory record, but are not considered a fixed asset.

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