

Example #1: Transferring Asset as a replacement of receiving department asset

As of August 1, 2008					As of Sept 1, 2008					
Dept.	Asset Type	Acquistion Date	Qty	Book Value	Asset Type	Acquistion Date	Qty	Book Value		
Security	Truck	Oct-05	1	\$6,000	Truck	May-06	1	\$9,000	\$6,000 truck is sold, trade-in or scrapped	
Grounds	Truck	May-06	1	\$9,000	Truck	Sep-08	1	\$18,000	\$9,000 truck is transferred from Grounds \$18,000 truck is replacement of \$6,000 truck	
				2					2	
				\$15,000					\$27,000	

End Result has no quantity impact to existing assets

Example #2:

As of August 1, 2008					As of Sept 1, 2008					
Dept.	Asset Type	Acquistion Date	Qty	Book Value	Asset Type	Acquistion Date	Qty	Book Value		
Security	Truck	Oct-05	1	\$6,000	Truck	Oct-05	1	\$6,000		
Security					Truck	May-06	1	\$9,000	Transfer from Grounds	
Grounds	Truck	May-06	1	\$9,000	Truck	Sep-08	1	\$18,000	per By-Laws, Art.7, Sec.10 is considered "addition"	
				2					3	
				\$15,000					\$33,000	

It is the Finance Committee's position that an increase of the existing asset base from a quantity(inventory) standpoint results in an "addition" (new) capital purchase.