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DIRECTOR'S OFFICE
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TRANSPORTATION
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AUG - 3 2001

## COMPTROLLER'S MEMORANDUM NO. 2001-21

TO: Heads of Departments

FROM: Wayne H. Kimura, Comptroller

SUBJECT: Financial Statement Reporting

This memorandum is an addendum to Comptroller's Memorandum No. 2001-8, dated February 27, 2001. It sets forth the statewide policy for the reporting of buildings, land and works of art by departments under GASB Statement No. 34.

The State's policy is based on asset ownership. The department/agency holding title to a capital asset shall report the capital asset. Where the State holds title to a capital asset rather than a specific department/agency, asset usage will determine which department/agency will report the capital asset. Therefore, the capital assets in question are to be reported as follows:

Buildings:

- Cost of all buildings shall be reported in the departmental financial statements of the user department/agency.

- Cost of a building occupied by more than one department/agency must be allocated proportionately to the individual department/agency. The allocation of the cost of buildings in the civic center area will be provided by DAGS.

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Land:

- Land owned by the State shall be reported by the user department/agency.
- Land used by a department/agency but owned by the counties shall not be reported by the user department/agency.

Works of Art:

- All works of art acquired and owned by the State Foundation on Culture and the Arts (SFCA) shall be reported by the SFCA.
- Any works of art acquired by a department/agency and not transferred to the SFCA shall be reported by that department/agency.

The above policy is for financial reporting purposes only. It is separate and apart from the current property inventory reporting instructions of the DAGS Inventory Management Branch.

Any questions on the above may be directed to the DAGS Accounting Division at 586-0600.

WAYNE H. KIMURA
State Comptroller