



Dave Yost • Auditor of State

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TO: City Auditors and Finance Directors
County Auditors and Fiscal Officers
School District Treasurers
Education Service Center Treasurers
Community School Fiscal Officers
Independent Public Accountants

FROM: Dave Yost
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SUBJECT: Estimating Historical Costs of Capital Assets Using the Consumer Price Index

SUMMARY

Political subdivisions reporting in accordance with Generally Accepted Accounting Principles may have to calculate the historical cost of a capital asset. Listed below is the consumer price index (CPI) for years ranging from 1935 to 2014 that may be used for such calculations. Please note that the base year of the index is "1967" (at 100.0). This should not be confused with the consumer price index used for computing the change in compensation for a variety of local government officials which uses "1982" as its base year.

The formula to compute the estimated historical cost of an asset using the CPI is as follows:

$$\text{Estimated Current Cost} \times \frac{\text{Index Rate for Estimated Year of Acquisition}}{\text{Index Rate for Current Year}} = \text{Estimate Historical Cost}$$

Example: The estimated or actual year of acquisition of an asset is 1950. The purchase price of the same asset in 2014 is \$91,500. The estimated historical cost would be computed as follows:

$$\$91,500 \times 72.1 \div 709.2 = \$9,302$$

CONSUMER PRICE INDEX

<u>Year</u>	<u>Index No.</u>	<u>Year</u>	<u>Index No.</u>	<u>Year</u>	<u>Index No.</u>
2014	709.2	1987	340.4	1960	88.7
2013	697.8	1986	328.4	1959	87.3
2012	687.8	1985	322.2	1958	86.6
2011	673.8	1984	311.1	1957	84.3
2010	653.2	1983	298.4	1956	81.4
2009	642.7	1982	289.1	1955	80.2
2008	644.9	1981	272.4	1954	80.5
2007	621.1	1980	246.8	1953	80.1
2006	603.9	1979	217.4	1952	79.5
2005	585.0	1978	195.4	1951	77.8
2004	565.8	1977	181.5	1950	72.1
2003	551.1	1976	170.5	1949	71.4
2002	538.8	1975	161.2	1948	72.1
2001	530.4	1974	147.7	1947	66.9
2000	515.8	1973	133.1	1946	58.5
1999	499.0	1972	125.3	1945	53.9
1998	488.3	1971	121.3	1944	52.7
1997	480.8	1970	116.3	1943	51.8
1996	469.9	1969	109.8	1942	48.8
1995	456.5	1968	104.2	1941	44.1
1994	444.0	1967	100.0	1940	42.0
1993	432.7	1966	97.2	1939	41.6
1992	420.3	1965	94.5	1938	42.2
1991	408.0	1964	92.9	1937	43.0
1990	391.4	1963	91.7	1936	41.5
1989	371.3	1962	90.6	1935	41.1
1988	354.3	1961	89.6		

Additional information can be obtained from the Bureau of Labor Statistics at <http://stats.bls.gov>.

If you have any questions regarding the information in this Bulletin, please contact the Local Government Services staff of the State Auditor's Office at (800) 345-2519.



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