

# Mary Taylor, CPA

## Auditor of State

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

**FROM:** Mary Taylor, CPA  
Ohio Auditor of State

**SUBJECT:** Estimating Historical Costs of Capital Assets using the Consumer Price Index

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 2009 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:

**Estimated Current Cost** x **Index Rate for Estimated Year of Acquisition** ÷ **Index Rate for Current Year** = **Estimate Historical Cost**

Example: The estimated or actual year of acquisition of an asset is 1950. The purchase price of the same asset in 2009 is \$90,000. The estimated historical cost would be computed as follows:

$$\$90,000 \times 72.1 \div 642.7 = \$10,096$$

CONSUMER PRICE INDEX

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

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.



Mary Taylor, CPA  
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