

# SYD (Sum-of-Years-Digits) Depreciation Document

**Asset Name:** Office Equipment  
**Acquisition Cost:** \$10,000  
**Salvage Value:** \$1,000  
**Useful Life:** 5 Years  
**Date Prepared:** 2024-06-20

## Depreciation Calculation

**Formula:**  
Annual Depreciation = (Remaining Life / Sum of Yearsâ€™ Digits) Ã— (Cost - Salvage Value)

**Sum of Yearsâ€™ Digits (SYD) = 5 + 4 + 3 + 2 + 1 = 15**

Year	Remaining Life	Depreciation Expense	Accumulated Depreciation	Book Value (End of Year)
1	5	\$3,000	\$3,000	\$7,000
2	4	\$2,400	\$5,400	\$4,600
3	3	\$1,800	\$7,200	\$2,800
4	2	\$1,200	\$8,400	\$1,600
5	1	\$600	\$9,000	\$1,000

## Depreciation Schedule Summary

- Total Depreciable Amount: \$9,000 (\$10,000 - \$1,000)
- Total Depreciation over Useful Life: \$9,000
- Book Value at End of Life: \$1,000

## Important Notes

- The SYD method gives higher depreciation expense in earlier years.
- Best suited for assets that lose value more quickly in early years.
- Book value equals salvage value at the end of useful life.
- Change in asset usage or estimates may require method revision.
- Appropriate documentation and support for chosen method are essential.