

The Superintendent will designate the person responsible for managing the District's capital assets and maintaining the fixed assets inventory. In accounting for capital assets, the District will implement the standards required by Statement 34 of the Governmental Accounting Standards Board.

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold of the particular classification of asset, and have an estimated useful life of greater than five years. Fixed assets are additional material items purchased or obtained by the District that have a value less than the capitalization threshold for capital assets but are material to the District's inventory.

Capital Assets Include: Land

Land Improvements (not depreciable), Land Improvements (depreciable), Infrastructure Construction in Progress

Buildings and Building Improvements, Vehicles

Furniture, Equipment & Machinery

Fixed Assets include:

Technology equipment (computers, printers), Custodial equipment (scrubbers, buffers)

All assets, or at least a representative sampling, including those that are reported on a composite basis, must be evaluated annually to reflect either an increase or decrease in total value.

#### **CAPITALIZATION THRESHOLD**

For financial reporting purposes, capitalization thresholds are set at \$5,000 per item, or for like-kind (aggregate) purchases, for all classes except Infrastructure assets, which are capitalized and depreciated if over \$100,000 per item.

#### **ESTIMATED USEFUL LIFE THRESHOLD**

For financial reporting purposes, an asset must have an estimated useful life greater than five years to be considered for capitalization and depreciation.

#### **ACQUISITION OF ASSETS**

Assets may be acquired through donation, purchase, or may be constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The asset value of constructed assets will include all costs of construction.

**DEPRECIATION OF ASSETS**

For all assets that qualify as a depreciable asset, the straight-line, full-year depreciation method should be utilized to depreciate the capital asset, over the estimated useful life of the related asset.

**DISPOSITION OF ASSETS**

When capital assets are sold or otherwise disposed of, the inventory of capital assets should be relieved of the cost of the asset and the associated accumulated depreciation. Assets will be removed on an annual basis in conjunction with the annual update. The appropriate depreciation will be taken for the year of disposal.

Law Reference:

Date Adopted: April 3, 2017

Last Review/Revision Date: