

**FIXED ASSET POLICY**

This policy establishes the minimum cost value (capitalization amount) that shall be used to determine the capital assets, including infrastructure assets that are to be recorded in the District’s annual financial statements in order to comply with the requirements of GASB Statement No. 34.

This policy also addresses other considerations for recording and depreciating fixed assets in order to comply with the provisions of GASB Statement No. 34.

**Capital Asset Definition**

Capital assets will be defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

**Capitalization Method**

All capital assets will be recorded at historical cost as of the date acquired or constructed. If historical cost information is not available, assets will be recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

**Capitalization Thresholds**

The District establishes the following minimum capitalization thresholds for capitalizing fixed assets:

Land and improvements	\$ 25,000
Buildings and improvements	\$ 50,000
Machinery/equipment/vehicles	\$ 5,000
Infrastructure	\$150,000

Detailed records shall be maintained for all fixed assets above the established thresholds.

**Infrastructure Assets**

In accordance with GASB Statement 34, the District will record, at a minimum, “major” infrastructure assets as defined in Statement 34 that were acquired, constructed or significantly reconstructed, or that received significant improvements after June 30, 1980. Other infrastructure assets may be capitalized as deemed appropriate. The District does not intend to use the “modified approach” to record infrastructure.

**Other Assets**

Detailed records shall be maintained at the discretion of the Business Administrator/designee for all items below the capitalization thresholds that should be safeguarded from loss. These items will be part of the annual physical inventory discussed below. These items may include computer equipment that falls below the established thresholds and any other assets specified by the Business Administrator/designee.

## Depreciation and Useful Life

The Business Administrator/designee will assign an estimated useful life to all assets for the purposes of recording depreciation. The attached "Suggested Useful Lives" schedule will be used to establish lives for most assets. Asset lives will be adjusted depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight line method using no salvage value and half year convention.

## Safeguarding and Controlling Fixed Assets

Schedules of property and equipment shall be maintained by the District. The schedules shall be reviewed by an external auditor on an annual basis. These schedules shall serve the functions of control and conservation of assets.

Responsibility for maintenance of these schedules shall be with the Business Manager/designee, to whom principals and supervisors shall be accountable for the assets at each school.

Assets purchased with federal grant funds shall be so designated on the asset.

### SCHEDULE OF USEFUL LIVES

<u>Category</u>	<u>Asset Type</u>	<u>Useful Life in Years</u>
Buildings	Carpeting and Carpet Replacement	7
Buildings	Building Roofs and Roofing	20
Buildings	HVAC Systems	20
Buildings	Building Electrical and Plumbing	30
Buildings	Building Structures	30
Infrastructure	Land Improvements	15
Infrastructure	Drainage Systems	25
Infrastructure	Water Systems – Irrigation	15
Light Vehicles	Motor Vehicles – Cars	7
Light Vehicles	Motor Vehicles – Light Trucks	7
Maintenance Equipment	Custodial Equipment	12
Maintenance Equipment	Grounds Equipment	12
Office and Related	Telephone Equipment	10
Office and Related	Furniture	5
Office and Related	Office Equipment	5
Office and Related	Computer Hardware	5
School Equipment	Recreational Equipment	10
School Equipment	Kitchen Equipment	12
School Equipment	Outdoor Equipment	20

Adopted: November 17, 2004  
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