

08.01.09 CAPITAL ASSETS

Division: **Budget and Financial Services**
Adopted: **02/2019**
Revised: **05/2023**
Reviewed:

Capital assets include buildings, property, equipment and infrastructure assets, such as roads. Capital assets are defined by the District as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Interest incurred during the construction of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Straight-line depreciation is used based on the following estimated useful lives:

Land	N/A
Buildings and improvements	15 – 40 years
Furniture and equipment	5 – 20 years
Land Improvements	20-40 years

The basis of accounting for depreciable capital assets is acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use will be capitalized.

Impairment of Long-Lived Assets: A recognized impairment of a long-lived asset will be reflected whenever events or circumstances warrant. For disclosure purposes, any recognized impairment loss will be accompanied by a description of the impairment asset or group of assets and the measurement assumptions used in determining the impairment loss.

Related Institutional Procedures:

None