

## *Capital Assets*

### Purpose

The District's accounting for capital assets is governed by Governmental Accounting Standards Board ("GASB") Statements which sets forth requirements as they pertain to capital asset reporting. GASB requires the District to implement full accrual, liability and asset financial statement reporting requirements and establish capital asset tracking and accounting. The primary objectives are to assure compliance with state requirements and properly account for both the financial and economic resources of the District.

This policy and the accompanying regulation will document the District's capital asset guidelines.

### Definition

The policy and the accompanying regulation apply to the District's acquisition and depreciation of capital assets.

**Capital assets** are tangible assets used in operations and have initial estimated useful lives extending beyond a single reporting period and exceed the dollar thresholds as described in the accompanying Administrative Regulation. Equipment will not change its original shape, appearance, or character with use, and it can be expected to last more than one (1) year with reasonable care and maintenance. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, furniture, fixtures and equipment, works of art and historical treasures, construction-in-progress, infrastructure, and group purchases of technology devices.

### Delegation of Responsibility

The responsibility to comply with all applicable requirements and to coordinate the compilation and preparation of all information necessary to implement this policy and the accompanying regulation is delegated to the Business Manager or designee.

The Business Manager shall be responsible for implementing the necessary procedures to establish and maintain a capital asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the estimated useful lives of the assets, using an averaging convention.

The Business Manager shall be responsible for preparing the required Management Discussion and Analysis ("MD&A) in the form required by Generally Accepted Accounting Principles ("GAAP") to be reviewed by the District's independent auditors.