

BUSINESS PROCEDURE

Series 800

Policy Title: Fixed Assets

Code Number: 800.2

The District will follow Generally Accepted Accounting Principles in the recording of Capital Asset acquisitions, disposals and depreciation.

The term Capital Assets is used to describe assets that are used in operations and that have initial lives extending beyond a single reporting period. Capital assets may be either intangible (e.g., easements, water rights) or tangible (e.g., land, buildings, building improvements, vehicles, machinery, equipment and infrastructure).

Implementation of GASB34 accounting standards, requires governmental entities to record Capital Assets on the Balance Sheet of the new government-wide statements and to record depreciation on the new Statement of Activities. The cost of usage is called depreciation. The amount of depreciation to be recorded in a fiscal year is determined by dividing cost by the useful life assigned to the asset.

Depreciation expense is reported as part of the direct expenses of functions and programs in the governmental activities column of the government-wide Statement of Activities, which assists in determining the full cost of providing each function or program.

See Administration Regulation 800.2 for current capitalization threshold and useful lives.

First Adoption: August 13, 2007
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Legal Reference: