

Administrative Procedure

Adopted: January 10, 2011

Revised:

606 ACCOUNTING FOR FIXED ASSETS

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, and equipment of the District is depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 50 years.

Land is not being depreciated.

Capital leases are included in the equipment and improvement categories. Amortization of the capital leases is included in depreciation expense.

Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.