

**CAPITAL ASSET POLICY****PURPOSE**

It is the policy of the District to maintain appropriate procedures regarding the procurement, management, and disposal of all capital assets, in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34). This Capital Assets Policy update addresses increase in asset values in current market conditions.

**CAPITALIZATION THRESHOLDS**

A capital asset is real or personal property used in operations and having a value equal to or greater than the capitalization threshold set forth by the District, for that specific asset classification, and has an estimated useful life greater than one year. For financial reporting purposes only, the District will classify and establish capitalization thresholds for each asset class as follows:

<b>CAPITAL ASSET CLASSIFICATION</b>	<b>CAPITALIZATION THRESHOLD</b>
Land and land improvements	\$10,000
Buildings and building improvements	\$25,000
Building improvements	\$10,000
Other improvements	\$10,000
Machinery and equipment	\$ 5,000
Vehicles	\$ 5,000
Other assets	\$ 5,000

This policy will retroactively take effect on July 1, 2022.