

**CAPITALIZATION AND DEPRECIATION POLICY**

This capitalization and depreciation policy is established to safeguard assets, enhance accountability and provide for more accurate and uniform financial reporting in compliance with accounting principles generally accepted in the United States of America (GAAP) and GASB 34.

All fixed asset purchases in excess of \$1,000.00 for items that have a useful life of more than one year shall be capitalized.

Certain categories of assets costing less than \$1,000.00 shall be inventoried and tracked, although not in the general ledger. These items will not be depreciated.

In accordance with GAAP, assets must be depreciated over their estimated useful lives.

<b>ASSET CLASS</b>	<b>EXAMPLES</b>	<b>YEARS</b>
Computer Hardware	PC's, Printers, Network Hardware	5
Copiers		5
Carpet Replacement		7
Licensed Vehicles	Busses, Vans, Other On-Road Vehicles	8
Computer Software	Instructional, Other Short-Term	5-10
Athletic Equipment	Gymnastics, Football, Weight Machines, Mats	10
Audio Visual Equipment	Projectors, Cameras (Still & Digital)	10
Business Machines	Fax, Duplicating & Printing Equipment	10
Communications Equip.	Mobile, Portable Radios, Non-Computerized	10
Contractors Equipment	Major Off-Road Vehicles, Front-End Loaders, Large Tractors, Mobil Air Compressor	10
Musical Instruments	Pianos and Band Instruments	10
Science & Engineering	Lab Equipment, Scientific Apparatus	10
Computer Software	Administrative or Long-Term	10-20

Custodial Equipment	Floor Scrubbers, Vacuums, Other	15
Grounds Equipment	Movers, Tractors, Attachments	15
Kitchen Equipment	Appliances	15
Machinery & Tools	Shop & Maintenance Equipment, Tools	15
Furniture & Accessories	Classroom and Office Furniture	20
HVAC Systems		20
Outdoor Equipment	Playground, Radio Towers, Fuel Tanks, Pumps	20
Roofing		20
Site Improvements	Paving, Flagpoles, Retaining Walls, Sidewalks, Fencing, Outdoor Lighting, etc.	20

<b>ASSET CLASS</b>	<b>EXAMPLES</b>	<b>YEARS</b>
Interior Construction		25
Portable Classrooms		25
Sprinkler/Fire System	Fire Suppression Systems	25
Electrical/Plumbing		30
School Buildings		50

For depreciation purposes only, the salvage value of assets is estimated to be immaterial.

Therefore, assets will be depreciated at 100% of cost.

The "half-year" convention will be utilized whereby one-half of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.

Straight-line depreciation will be calculated for all depreciable property.