

## BARNEVELD SCHOOL DISTRICT

### CAPITALIZATION AND DEPRECIATION

This Barneveld School District 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.

1. All fixed asset purchases in excess of \$ 2,500 for items that have a useful life of more than one year shall be capitalized.
2. All fixed asset purchases must be entered into the district's computer system, including the equipment's useful life for depreciation purposes.
3. Certain categories of assets costing less than \$ 2,500 shall be inventoried and tracked, although not in the general ledger. These items will not be depreciated.
4. In accordance with GAAP, assets must be depreciated over their estimated useful lives.

a. Computer Equipment	5 years
b. Vehicles and Buses	7 years
c. Other Equipment	10 years
d. Site Improvements	20 years
e. Buildings	50 years
f. Subsequent Modernization to Buildings	20 years
5. For depreciation purpose only, the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100% of cost.
6. The "half-year" convention will be utilized where by one-half of depreciation is recorded in the year of acquisition and the year of disposition.

Adopted: January 14, 2004

Revised: November 11, 2009

Revised: July 8, 2015