

Capital Assets and Depreciation

Capital Assets

Educational Service District 112 will establish and maintain standard procedures for capitalizing fixed assets and facilitating the identification, reporting and safeguarding of assets in compliance with generally accepted accounting principles, and the Accounting Manual for Educational Service Districts.

In compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, fixed assets are defined as any capital purchase, dedication of land, infrastructure, buildings and/or equipment in excess of ESD 112's capitalization threshold, which shall be established as \$15,000 for a single acquisition, and with a useful life of five years or more.

Theft-Sensitive Assets

For purposes of this policy "theft-sensitive" assets are those identified by ESD 112 as most subject to loss. Theft-sensitive assets will be inventoried and monitored in accordance with procedures that are adopted to implement this policy.

Depreciation

The Superintendent or designees shall depreciate fixed assets using the straight-line method of the estimated useful lives for classes of assets, as defined by Chapter 30 of the Washington State Administrative & Accounting Manual issued by the Office of Management and Budget, when the following criteria apply:

- A. Depreciation represents the recognition of the cost of an asset over time by calculating its estimated loss in value during each accounting period;
- B. GASB 34 allows ESD 112 to use any established depreciation method;
- C. The Accounting Manual for Educational Service Districts allows ESD 112 to use any established depreciation method based on a reasonable estimate of the length of time that the asset is expected to be used in operations.

The Superintendent will develop procedures to implement this policy. This policy, and implementing procedures, shall be retroactive to September 1, 2015.

Adoption Date: **9-1-15**