

IDYLLWILD FIRE PROTECTION DISTRICT

POLICY TITLE: Capital-Asset Capitalization
POLICY NUMBER: 3115

3115.1 The purpose of this policy is to provide criteria for determining when assets and associated costs are to be capitalized and depreciated.

3115.2 Single-item purchases with at least an anticipated useful life of five years and exceeding \$5,000 each shall be capitalized as a capital asset. The purchase of these capital assets shall be included on the District's statement of net position and depreciated over the asset's estimated useful life. The purchase of capital assets for less than \$5,000 shall be expensed.

3115.3 Other expenditures of \$5,000 or more that provides a significant increase in future service potential of a capital asset shall also be capitalized as part of the existing asset.

3115.3.1 To meet the criteria for a capital expenditure the purchase should extend the useful life of an asset, increase the quantity of service provided by an asset, or increase the quality of service by an asset.

3115.3.2 Capital expenditures may include the following: additions (enlargements, expansions or extensions of existing assets), replacements and improvements, and rearrangement and/or relocation of an asset.

3115.4 Expenditures for normal repairs and maintenance shall not be considered as capital expenditures

3115.5 Depreciation will be computed over the estimated useful lives of the assets as follows:

ASSET DEPRECIATION LIFE

Capital Asset	Useful Life (years)
General Plant/Structures	50
Cars and Pickups	10-12
Fire Engines	15-20
Ambulances	10-12
Office Equipment	10-12
Office Furniture	10-15
Computer Equipment	5-7

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Clerk of the Board