

## CAPITAL ASSETS

Capital assets are defined as tangible and intangible assets used in operations with useful lives longer than one (1) year and a minimum cost based on approved capitalization levels. The New Hanover County Board of Education's capital assets are recorded at original cost, with donated assets listed at their estimated fair market value on the date of donation.

This Policy defines the capitalization levels and useful lives of the capital assets of New Hanover County Schools. Asset control is the responsibility of individual schools and departments and financial reporting and depreciation are the responsibility of the Finance Department. Asset control for items with a cost below the capitalization levels is also the responsibility of individual schools and departments. An annual inventory shall be taken of all capital assets.

Depreciation shall be calculated based on the straight-line method and the useful lives shown in the chart below.

ITEM	CAPITALIZATION LEVEL	USEFUL LIVES
Land	All land and easements Regardless of cash value	Land is not depreciated
Land improvements	\$10,000	20 years
Buildings	\$20,000	50 years
Building improvements	\$20,000	20 years
Mobile classrooms	\$20,000	20 years
Furnishings and fixtures	\$ 5,000	10 years
Vehicles (automobiles, vans and trucks)	All	6 years
Buses	All	10 years
Equipment (non-computer)	\$ 5,000	5 years
Cafeteria equipment	\$ 1,000	12 years
Computer equipment and Software	\$ 5,000	3 years

Improvements should be capitalized if they add value or capacity to an asset. Repairs and maintenance expenditures should not be capitalized.

Approved: 03/03/87

Revised: 02/06/90, 04/06/93, 07/01/01, 07/01/03, 04/10/12