

October 25, 2017

ADOPT A NEW ACCOUNTING AND FINANCIAL REPORTING FOR CAPITAL ASSETS POLICY

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Board adopt a new Accounting and Financial Reporting for Capital Assets Policy.

PURPOSE:

The "Policy on Capital Assets" defines requirements for accounting for capital assets and expands upon the "Policy on Asset Management" to identify capital asset categories, capitalization thresholds, useful lives, in-service dates, and depreciation methods.

SCOPE:

~~This policy covers all assets purchased, constructed or donated that meet or exceed the established~~

"Buildings" are structures that are permanently attached to the land, have a roof, are partially or

completely enclosed by walls, and are not intended to be transportable or moveable.

"Building improvements" are capital events that materially extend the useful life of a building or increase the value of a building by at least 25 percent of the original life period or cost, or both. For an improvement to a portion of a building to be capitalized, it must be part of a major repair or

Leases that do not meet any of the above requirements should be recorded as operating leases.

E. Depreciation Method

Capital asset costs are depreciated over their estimated useful lives. The straight line

depreciation method (historical cost divided by useful life) will be used. Depreciation expense and

17-1025-PO2

LEGAL REFERENCES: Illinois Administrative Code Title 23 Part 100 Section 100.60 (23 IL 100.60.a)

Approved for Consideration:



Ronald DeNard

Respectfully submitted,



Forrest Claypool

Approved for Consideration:

Approved as to Legal Form: