

### Policy

All employees at Authority shall ensure the Authority's public property is adequately protected and properly used.

#### Capitalization Policy

All personal and real property with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years are recognized as capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the assets. The cost of normal maintenance or repairs that do not add to the value, add service capacity, or materially extend an asset's useful life is not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Software 3 – 5 years

Computers and equipment 3 – 7 years

Furniture 5 – 7 years

Leasehold improvements 5 – 10 years

Vehicles 10 years

Buildings 30 years

#### Physical Inventory

All capital assets should be inventoried periodically, but not less than every two years, to reconcile the total capital assets with the capital asset schedule (a sub-ledger).

Appropriate staff members shall be assigned to prove the existence of each item on the capital assets schedule and verify the asset's information against that on the list. Such staff are to update missing or incorrect information.

When a listed asset on the capital asset schedule cannot be located (either during the year or at the time of the inventory verification), a Notification of Lost/ Missing Asset form is completed and submitted to the Accounting Team.

### **Disposition**

All capital asset dispositions shall be approved by Chief Executive Director. Any disposition in excess of \$50,000 shall be approved by the Implementation Board.

### **Capital Asset Impairment**

Capital asset impairment is conducted on an annual basis or at the time the impairment occurs. Only permanent impairments of capital assets should be recognized in the financial statements.