**ST TAMMANY PARISH LEVEE, DRAINAGE AND CONSERVATION DISTRICT**

**CAPITAL ASSET POLICY**

A capital asset is a tangible asset of the St. Tammany Parish Levee, Drainage and Conservation District (District) that meets the following capitalization thresholds:

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| --- | --- | --- |
| **Capital Asset** | **Threshold** | **Useful Live** |
| Movable Property  | $1,500 | Varies – see table below |
| Buildings  | $50,000 | 40 years |
| Building improvements | $5,500 | 20 years |
| Leasehold Improvements | $10,000 | 20 years or terms of lease |
| Land and Non-Depreciable land improvements | N/A – capitalize all | No useful life assigned for inexhaustible assets |
| Depreciable Land Improvements |  |  |
|  |  |  |

|  |  |
| --- | --- |
| **Movable Property**  | **Estimated Useful Life**  |
| Machinery and Equipment |  5 years |
| Vehicles |  7 years |
| Computers |  3 years |
| Office Equipment |  7 years |
| Furniture |  7 years |

Building Improvements are major repairs, renovations, or additions to a building that increases the future service potential of the building and benefit future periods. The building and the improvements become one and inseparable.

Leasehold Improvements are improvements made by the District to leased property such as land and buildings. The District has the right to use the facilities and improvement during the life of the lease, but improvements would revert back to the lessor at the expiration of the lease.

Depreciable Land Improvements are defined as improvements made to land that have determinable estimated useful lives and deteriorate with use or passage of time. These improvements are built or installed to enhance or facilitate the use of the land for a particular purpose. Depreciable land improvements made include walking paths and trails, fences and gates, landscaping, sprinkler systems, and fountains.

Capital assets are reported in the District’s financial statements at cost (including interest and freight, if any). However, capital assets received as donations are reported at their estimated fair market value at the time of donation.

Except for land which is not depreciated, capital assets are depreciated over their estimated useful lives using the straight-line method of depreciation. A full year of depreciation is taken in the year the asset is placed in service, while none is taken in the year the asset is disposed.

The District will maintain records of its capital assets. Upon purchase all movable assets will be tagged (for identification purposes). Annually an inventory of all capital assets will occur. The listing of capital assets is to be updated each year for assets acquired and disposed.