

GOLDEN WEST COMMUNITY SERVICES DISTRICT

SUGGESTED CAPITAL ASSETS GUIDELINES

1. INTRODUCTION

The purpose of these guidelines is to describe district operations, list the district asset, and describe appropriate practices in the event the district decides to purchase any capital asset. At this time the district's method of operation does not lend itself to purchases of assets which meet the capital asset standard. However, the guidelines may be useful in describing the condition of roads and helping formalize the scheduling of major and minor maintenance on these roads. The guidelines are intended to augment and support long term plans, not supersede them.

Golden West CSD has as its sole authority the maintenance of approximately eight miles of road adjacent to Hiway 49 outside of the township of El Dorado in El Dorado County. This task is accomplished through hiring contractors to perform maintenance tasks such as weed spraying, tree trimming and paving/road maintenance. Since the district contracts for this work, we do not need capital assets as equipment and supplies are included in contract costs for work performed.

All members of the GWCS D Board use their personal hardware and connectivity to perform district work. No hardware or software is purchased by the District for use by Board members or others who support the operations of the district.

2. DEFINITIONS

- A. Capital Asset: Non-financial assets used in operations with an initial life in excess of one year.
- B. Capitalization Threshold: Minimum cost which an asset must exceed in order to be capitalized.
- C. Capital Improvement Project: Any expenditure that relates to purchase of a capital asset.
- D. Depreciation: The process of allocating the cost of an asset over a period of time.
- E. Intangible Assets: An asset that is not tangible in nature.
- F. Tangible Assets: Assets that have a physical form.
- G. Useful Life: The amount of time that an asset is expected to provide benefit to the District.

3. GENERAL PROVISIONS

A. Capital Asset Types and Lives

ASSET TYPE	ASSET CATEGORY	ASSET LIFE	ASSET LOCATION	COMMENTS
Land	Land	Infinite	Off Dolomite	
Improvements	Pipes, pumps, drains	30 years	Crystal, Dolomite	
Buildings	Buildings	variable	none	
Equipment	Lawn mowers, stripers, chippers	variable	none	

Vehicles	Vehicles	variable	none	
Office	Software, hardware, furniture	variable	none	
Roads	roads	5-10 years	See attached list	

- B. Scope: The GWCSO Board will annually review its assets to prioritize projects from year to year and establish plans for completing the projects. The capitalization threshold for GWCSO is \$5000. Assets will be capitalized if the cost exceeds the threshold, including where groups of similar assets such as large roadside drains combine to exceed the threshold.
- C. Budgeting: (At its March meeting?) The GWCSO will determine what projects need to be completed for the following fiscal year and include these costs in the proposed budget. All capital purchases will be approved by the GWCSO Board at a regular or special meeting.
- D. Funding Sources: The GWCSO currently has two major funding sources, ad valorem tax revenues and the special tax (\$120/year/parcel) approved in 1983. Any carryover from prior year budget will be incorporated into budgeting process to insure all funds are accounted for. Any grants or other outside funding sources will be incorporated into the annual budget with a budget amendment, and allocated among appropriate budget categories.
- E. Accounting: All purchases and billing will be accounted for by the Finance Officer and regularly reported to the GWCSO Board. Any funds remaining due to projects under budget will remain in appropriate budget categories.
- F. Management of Assets: District assets will be regularly reviewed for condition and need for update, maintenance or repair. Any repairs will be discussed and scheduled as needed, considering historical and projected costs. If assets show excessive wear, consideration should be given to replacing the asset. Operating costs over the life of the asset should be considered.

4. DISPOSAL OF ASSETS

If the GWCSO determines that an asset is surplus, the property may be disposed of appropriately. A disposition proposal should include original purchase price of the asset, residual value, and fair market value. The method used to determine the value of the asset will include local agents, comparable listings of similar assets and current market. Proceeds from the disposal of an asset shall be added to the regular annual budget with a budget amendment.

The GWCSO Board will annually review these guidelines and make changes as needed. The purpose of the guidelines is to assist Board members and the community to understand the district's assets and the method by which decisions are made regarding updating, repair or replacement.

GWCS D President

Date Approved by Board