

Tangible Capital Asset Policy

These guidelines apply to all tangible capital assets owned by Mountain Fire Protection District (District). Its purpose is to provide the District with the procedures to track fixed assets and to provide for the safekeeping of assets owned by the District.

Defining Tangible Capital Assets

Tangible capital assets are those assets of a permanent nature that are required for the normal conduct of operations. Tangible capital asset ownership rests with the District. Tangible capital assets include land, buildings, furniture and fixtures, equipment, firefighting equipment, computers, and vehicles.

Tangible capital assets are recorded at cost which generally includes the purchase price including PST if applicable and other acquisition costs such as installation costs, freight charges, transportation, duties, exchange rates etc. Donated assets are recorded at their estimated fair value upon acquisition. Tangible capital assets are recognized where the cost is \$500 or greater (before tax).

The following goods are not considered to be tangible capital assets:

- An operating lease (ie. ownership will never transfer to the district, strictly a rental agreement).
- Items whose useful life is less than one year.
- Goods with a cost (before tax) less than \$500.

Amortization Rates

The tangible capital assets of the District will be amortized on a straight line basis over their estimated useful lives as follows:

- | | |
|---|---------------|
| • Land | not amortized |
| • Buildings | 40 years |
| • Furniture and fixtures, and equipment | 5-15 years |
| • Firefighting equipment | 10-30 years |
| • Computers | 5 years |
| • Vehicles | 20 years |

Amortization is not taken until the asset is in use and is taken at one-half the normal rate in the first year.