

Scotts Valley Fire Protection District	Policy: 1604
Subject: Depreciation Policy	DATED: April 14, 2004

Purpose:

To establish a depreciation policy for capital assets and infrastructure to comply with the new reporting requirements under Governmental Accounting Standards Board (GASB) Statement No. 34.

Policy: 1604 Depreciation Policy

The District will establish the following General Fixed Assets Account groups:

- Land
- Buildings and Improvements
- Fire Apparatus and Vehicles
- Furniture, Fixtures and Equipment

The District will depreciate capital assets using the straight-line method with the following estimated useful lives:

- Land: Indefinite life, no depreciation
- Structures and Improvements:
 - Buildings: 40 years
 - Portable buildings: 20 years
 - HVAC systems: 20 years
 - Roofing: 20 years
 - Carpeting: 5 years
 - Electrical & plumbing: 20 years
- Fire Apparatus and Vehicles:
 - Motor vehicles: 10 years
 - Fire apparatus: 20 years
- Furniture, Fixtures and Equipment:
 - Furniture & office equipment: 5 years
 - Computer equipment: 3 years
 - Firefighting equipment: 10 years

Scotts Valley Fire Protection District	Policy: 1604
Subject: Depreciation Policy	DATED: April 14, 2004

- Telephone equipment: 10 years
- Radio communications: 10 years
- Medical equipment: 5 years

The concept of depreciation allows for the systematic reduction of the carrying value of fixed assets over the period of time the assets are in service. The annual deprecations expense is calculated by dividing the historical cost of the asset by the estimated useful life.

The fixed assets are inventoried when purchased and at that time a determination is made as to the estimated useful life. The estimated useful life of the asset will be included in the fixed asset report compiled for the annual audit. Any asset that is no longer in service or disposed of prior to the expiration of its useful life will be identified.

Depreciation will be allocated to each group based upon the nature of each asset and their use. If an asset is disposed of before the expiration of its useful life, a loss will be recorded on the remaining balance.