

Valuation: Capital Assets other than Buildings

Actual cost must be used in all cases where it is known or can be readily determined.

Tangible capital assets (other than buildings) with the following characteristics must be capitalized:

- have an unamortized balance at March 31/06, **and**
- meet or exceed the established threshold for their asset class

The threshold and useful life for each asset class are also posted on the website. There is no residual value for any of the assets and amortization is calculated on a straight line basis.

The Capital Assets/Amortization Schedule template that was used for your buildings can be used to amortize and calculate the net book value of all your assets. A blank template has been posted to the website for this purpose. Refer to <http://www.edu.gov.mb.ca/k12/finance/sbr/amortization_template.xls>

One half year of amortization is to be taken in the year of acquisition (and in the year of disposal for assets that are not fully amortized) for all assets in order to comply with the province's rules. The Capital Assets/Amortization Schedule will automatically perform those calculations.

The original cost, date of acquisition, etc. for buses may be obtained from the Bus Depreciation Schedule in the financial statements. This information can then be input onto the Capital Assets/Amortization Schedule where the current and accumulated amortization will be calculated.

Contributed (Donated) Assets

Where a school division receives a donation of capital assets, the cost of the capital asset will be reflected at the fair value of the asset at the date of donation, and deferred revenue will be recorded in an equivalent amount, for all assets except land. The deferred revenue will be recognized as revenue over the useful life of the related asset, on the same basis that the amortization of the asset cost is determined.

Grouping

Grouping of assets is not permitted. Each asset must individually meet the capitalization threshold for its class in order to be recorded as a capital asset. The only exception to this is for computers, where a work station approach is to be used. All the component parts acquired as part of the installation of a computer are to be recorded as one asset and capitalized if together they meet the capitalization threshold.

Land

All land will be valued by Land Management Services and the values forwarded to school divisions as soon as the amounts are known (probably not until March/07).

<<http://www.edu.gov.mb.ca/k12/finance/sbr/index.html>>