

## 6000 Capital Outlay – Sites, Site Improvements and Buildings

This object is used to record all Capital Outlay expenditures. Included are amounts paid for the acquisition of capital assets or additions to capital assets; land or existing buildings; improvements of grounds; building construction, remodeling, or additions; and equipment.

Lease purchases (agreement constitutes a purchase) shall be recorded appropriately as Sites, Buildings, or Equipment. A lease without option or intent to purchase is recorded within Object 5000, Rents and Leases.

Object 6000, Capital Outlay, is the controlling account that summarizes expenditures recorded in the following subsidiary object categories:

<p><b>Sites and Site Improvements</b></p> <p><b>Account 6129</b> <i>(expenditures between \$500 to \$4,999)</i></p> <p><b>Account 6130</b> <i>(expenditures \$5,000 or more)</i></p>	<p><b>Sites</b> Expenditures for the <u>purchase of land</u> and incidental expenses of site acquisition, such as appraisal fees, title search and title insurance, surveys, and condemnation proceedings and fees.</p> <p>If the site is not acquired, the incidental costs must be recorded within Object 5000, Other Operating Expenses and Services.</p> <p><b>Site Improvement</b> Expenditures for the costs of developing new sites or improving existing sites. Applicable expenditures include:</p> <ul style="list-style-type: none"> <li>• <u>landscape grading, seeding, and planting trees and shrubs;</u></li> <li>• <u>constructing sidewalks, roadways, retaining walls, sewers, and storm drains;</u></li> <li>• <u>installing hydrants;</u></li> <li>• <u>treating soil and surfacing athletic fields and tennis courts;</u></li> <li>• <u>furnishing and installing fixed playground apparatus, flagpoles, gateways, fences, and underground storage tanks that are not parts of building service systems;</u></li> <li>• <u>demolition work in connection with improvement of sites; and special assessments against the district for capital improvements, such as streets, curbs, sewers, drains, and pedestrian tunnels on or off district property.</u></li> </ul> <p><u>Parking lots and fencing</u> may be treated as land improvements because they are typically adjacent to the buildings that they service and have a much shorter life than long-lived infrastructure assets as defined by GASB. Furthermore, these assets serve different functions than infrastructure assets and are considered part of the adjacent building. (Accounting Advisory No. 2000-01).</p>
<p><b>Buildings</b></p> <p><b>Account 6210</b></p>	<p>Expenditures for the costs of <u>construction or purchase of new buildings</u>, <u>additions to existing buildings</u>, and <u>replacement of obsolete buildings</u>.</p> <p>Costs of construction include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <u>advertising</u></li> <li>• <u>architectural and engineering fees</u></li> <li>• <u>blueprinting and inspection services</u></li> <li>• <u>demolition work</u> in connection with construction of new buildings</li> <li>• <u>tests and examinations</u></li> <li>• installation of <u>plumbing, electrical, sprinkling, or warning devices</u></li> <li>• installation of <u>built-in fixtures</u>, such as <u>heating, ventilating, and their attachments</u> (built-in fixtures are an integral part of the building, or building service system, and are reported in Object 6200, Buildings).</li> </ul> <p>Costs of purchase include:</p> <ul style="list-style-type: none"> <li>• fees for inspections</li> <li>• transfer title insurance, etc.</li> </ul> <p>Expenditures for repairs and maintenance of buildings that do not extend the usefulness of the building are recorded in the 5000's accounts.</p>