

OAKMONT VILLAGE ASSOCIATION (OVA)
Capitalization of Assets & Asset Replacement Fund (ARF) Policy

Asset Capitalization:

The threshold below which newly acquired assets shall be expensed is hereby set at \$2,000. An asset or a related group of assets costing \$2,000 or more, shall be capitalized (and thereby made subject to depreciation in accordance with generally accepted accounting guidelines).

This policy shall not require, but shall permit removal of assets from OVA's depreciation schedule that have been capitalized for amounts less than the stated threshold.

Asset Replacement Fund Expenditures:

For purposes of including expenditures in the Asset Replacement Fund (ARF), the threshold is hereby also set at \$2,000. Any individual, stand alone replacement expenditure below \$2,000 shall be expensed in the Operating Fund (OF). Replacement expenditures of \$2,000 or above are to be included in OVA's Reserve Study.

Prepared by: Elke Strunk, OVA Treasurer 4/10/2019

Adopted by OVA Board April 16, 2019