



ADDENDUM

**Regular Board Meeting
Wednesday, January 21, 2026
SPCC-Governor's Room
5:00PM**

VIII. ACTION ITEMS

4. AGENDA ITEM #4

Subject: Consider Approval of Capitalization Threshold

Action: Requires a Motion

Background: The District currently utilizes a capitalization threshold of \$2,500 for our fixed assets. The significance of the capitalization threshold is that it is the dollar amount that the District uses to determine if a long-term purchase (like a piece of equipment) is considered a fixed asset and depreciated over time or expensed immediately. As part of the District's 2024-2025 audit, it was the recommendation of Abdo, our District auditor, to increase the capitalization threshold from \$2,500 to \$10,000.

The Business Committee reviewed this recommendation at their January 13th meeting and is recommending that the Board officially approve increasing the District's threshold from \$2,500 to \$10,000 beginning with the 25-26 school year.

Presentation: Superintendent of Schools, Jon Graff
Business Manager, Megan Gracia

Options/Recommendation: I recommend your approval of the Capitalization Threshold as presented.