

**COMMONWEALTH OF KENTUCKY
HARDIN COUNTY FISCAL COURT**

RESOLUTION NO. 2003-056

CAPITALIZATION POLICY FOR HARDIN COUNTY

This Resolution duly made and adopted on this 27th day of May, 2003 by the Hardin County Fiscal Court, County of Hardin, Commonwealth of Kentucky.

WHEREAS, the Governmental Accounting Standards Board (GASB) is responsible for setting the accounting standards for state and local governments.

WHEREAS, GASB Statement No. 34 established a new framework for a full accounting for capital assets, including infrastructure for state and local governments .

NOW, THEREFORE, BE IT RESOLVED by the Hardin County Fiscal Court that this Capitalization Policy in compliance with GASB Statement No. 34 is hereby adopted on behalf of the Hardin County Fiscal Court and the following component units: Jail Commissary Fund; Library Fund; Hardin County Planning and Development Commission; and Hardin County Building Commission (Hardin Memorial Hospital is specifically excluded due to their separate GASB Statement No. 34 Capitalization Policy):

1. The policy of the Hardin County Fiscal Court is to capitalize assets when the useful life is greater than one year and the acquisition cost meets the capitalization threshold.
2. Purchased or constructed capital assets and infrastructure are reported at acquisition or construction cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.
3. Capital assets and infrastructure are capitalized and depreciated as outlined in the attached capitalization threshold table for the Hardin County Fiscal Court.
4. Assets will be depreciated on the straight-line basis over their estimated useful lives as outlined below.
5. The useful life table below shows the useful life by asset type for the Hardin County Fiscal Court,

<u>Asset Types</u>	<u>Examples</u>	<u>Useful Life</u> <u>(Expressed in Years)</u>	<u>Asset</u> <u>Code</u>
<u>Land Improvements</u>			
Land Improvements – structure	parking lots, sidewalks, bus ramps, fencing	20-25	LI

Land Improvements – ground work	golf course, ball fields, park Landscaping	20-25	
Landfill Disposal Systems		20-25	
<u>Land</u>			LD
Land		Not Depreciable	
<u>Buildings</u>			BD
Buildings	Office Buildings (building expansions)	40-50	
	Storage barns, warehouses, Temporary buildings	10-20	
	Portable buildings, trailers, Shelters, gazebos	10-20	
<u>Building Improvements</u>			BI
	Major renovation	30-50	
	Minor renovation	10-30	
	HVAC systems (air conditioning, Heating, ventilation system), roofing, Electrical/plumbing	20-30	
<u>Machinery and Equipment</u>			ME
Furniture, Office Equipment	desks, tables, chairs, files, safes	5-10	
Copiers and Fax Machine	copiers, fax machines	3-5	
Computer Hardware	monitors, CPU, printers, scanners, Laptops	3-5	
Telephone Equipment	central office switching and related Equipment	5-10	
Heavy Construction Equipment	backhoes, trucks, dozers, front end loaders, forklift	10-15	
Engineering, Scientific Equipment	lab equipment, survey equipment	5-10	
Police Special Equipment	weapons, radar detectors, scanners, detectors, breathalyzers, polygraph equipment	5-10	
Medical Equipment	x-rays, monitors, lab equipment beds	5-10	

Traffic Control Equipment	switching devices, stoplights	10-15
Air Transport	airplanes, helicopters	20-25
Radio, Communications Equipment	mobile, portable radios, TV, projector, Communication system, Video conference system	5-15
Library Books/Collections	books, collections	5-7
Outdoor Equipment	playground equipment, scoreboards bleachers	15-20
Custodial Equipment	floor scrubbers, vacuums	3-7
Ground Equipment	mowers, tractors and attachments	5-10
Road Equipment	tractors, bat-wing mowers, hydraulic sprayer, snow plows, salt spreaders	7-10
Security System	security system, door lock system fire alarm systems	5-15
Kitchen Equipment	dishwasher, oven, freezer, refrigerator, washer, dryer	5-10

Motor Vehicles:

MV

Cars and Light Trucks		5-10
Buses and Vans		12-15
Ambulances		12-15

Infrastructure:

INF

Drainage Systems		20-25
Roads	Unpaved Roadways	7-10
	Paved Roadways, Subdivision streets	20-25
	Resurfaced Roads/Streets	10-15
	Bridges (all types)	40-50
	Sidewalks (all types)	20-25

Intangibles:

INT

Easements	40
Software, Licenses	3-5
Software – Enterprise wide	5-10
Copyright, Patent	20-40

Works of Art and Historical Treasures

Artwork/Historical Treasures	artifacts, sculptures, historical Treasures, paintings, memorabilia	20-25
------------------------------	---	-------

Capitalization Threshold Table

	<u>Tracking and Inventory</u>	<u>Capitalize and Depreciate</u>
Land Improvements	\$1.00	\$25,000.00
Land	\$1.00	Capitalize Only
Buildings	\$1.00	\$30,000.00
Building Improvements	\$1.00	\$30,000.00
Construction in Progress	\$1.00	Capitalize Only
Machinery & Equipment	\$1,000.00	\$5,000.00
Motor Vehicles	\$1,000.00	\$5,000.00
Infrastructure	\$15,000.00	\$30,000.00

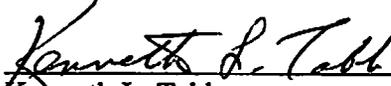
6. The salvage value policy for Hardin County shall be as follows:

- Buildings and Building Improvements 15% of acquisition cost
- Vehicles 10% of purchase price
- Machinery and Equipment 5% of purchase price

7. This Capitalization Policy shall remain in force until revised or modified by Resolution by the Hardin County Fiscal Court.


 Harry L. Berry
 Hardin County Judge/Executive

ATTEST:


 Kenneth L. Tabb
 Hardin County Court Clerk