



**RESOLUTION NUMBER: 1 -2020**

**A RESOLUTION ESTABLISHING A CAPITAL ASSET MANAGEMENT POLICY  
AND SETTING A CAPITALIZATION THRESHOLD.**

**WHEREAS**, the Board of the Jasper County Airport Authority has a statutory requirement to establish and maintain a capital asset policy containing an inventory of capital assets owned, recorded on a Capital Asset Ledger;

**WHEREAS**, a complete inventory of capital assets listed on the Capital Asset Ledger should be completed annually for good internal control and verifying account balances carried in the accounting records;

**WHEREAS**, A Capitalization Threshold shall be established, setting the dollar amount, at or above which, capital assets will be recorded on the capital asset schedule and reported to the State Board of Accounts.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Jasper County Airport Authority, City of Rensselaer, County of Jasper, State of Indiana that:

The Jasper County Airport Authority Adopts the following Capital Asset Policy Titled "Exhibit A" including setting Capitalization Thresholds of \$1 for land and \$5,000 for all other capital asset categories.

PASSED AND ADOPTED on this 12th day of March, 2020.

AYE	NAY
<u>David W. Pettet</u>	David W. Pettet _____
<u>Sean M. Yallaly</u>	Sean M. Yallaly _____
<u>W. Craig Jackson</u>	W. Craig Jackson _____
<u>Kimberlie J. DeWees</u>	Kimberlie J. DeWees _____
<u>Allen P. Mushett</u>	Allen P. Mushett _____

ATTEST:

Presented by me to the President of the Board of the Jasper County Airport Authority on the 12th day of March, 2020.

W. Craig Jackson  
W. Craig Jackson, Secretary/Treasurer





## Exhibit A

# JASPER COUNTY AIRPORT

## CAPITAL ASSET MANAGEMENT POLICY





## Exhibit A

# Capital Asset Management Policy

This policy establishes the minimum cost value (capitalization amount) that shall be used to determine capital assets, including infrastructure assets, which are to be recorded on the Jasper County Airport Authority's (JCAA) annual financial statements. This policy will be effective upon adoption by the JCAA Board.

### Capital Asset Definition

Capital assets are defined as tangible and intangible assets that have initial useful lives that extend beyond a single year and cost equal to or greater than the relevant capitalization threshold.

### Capitalization Method

All capital assets are recorded at historical costs as of the date acquired or constructed. If historical cost information is not available, assets are recorded at estimated historical costs or replacement costs. Other relevant historical documents may be used in determining fair value.

### Capitalization Thresholds

JCAA establishes the following minimum capitalization thresholds for capitalizing fixed assets:

Land	\$1
Buildings	\$5,000
Improvements Other Than Buildings	\$5,000
Machinery, Equipment, and Vehicles	\$5,000
Infrastructure	\$5,000

Detailed records shall be maintained for all assets at or above the established thresholds. Assets meeting the capitalization threshold shall be recorded on an Indiana State Board of Accounts (SBOA) form 369 Capital Asset Ledger, or equivalent record approved by SBOA and reported on the JCAA's annual financial report.

### Other Asset Records

At the discretion of the JCAA, detailed records may also be maintained for other items below the capitalization thresholds, which should be safeguarded from loss. These items are part of the annual physical inventory discussed below, but are not reported to SBOA on JCAA's annual financial report.

*"A mile of highway will take you a mile, but a mile of runway will take you anywhere." -Author Unknown*





## **Exhibit A**

### **Depreciation and Useful Life**

JCAA will assign an estimated useful life to all assets for the purpose of recording depreciation based on SBOA useful life suggestions, manufacture designed useful life estimates, or industry professional useful life estimates. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. An assets historical cost will be depreciated down to the asset's salvage value or when the asset's net book value is zero.

### **Contributed or Donated Assets**

Contributed or donated assets must be capitalized at appraised or fair market value as of the date of donation.

### **Capital Leases**

JCAA will record items acquired through a lease/purchase as capital assets if they meet applicable capitalization thresholds.

### **Asset Retirement**

When retiring an asset, JCAA shall maintain records of the date of retirement. If the asset was traded in, records reflecting the trade in credit received for the retired asset as well as the description of the new asset and date the new asset was received shall also be documented.

### **Impairments**

JCAA, or its designee shall be responsible for determining whether an asset should be classified as impaired. In order to determine impairment, one or more of the following conditions must apply:

- Evidence of physical damage (damage by fire, flood, act of nature or other means with restoration efforts needed to restore service utility)
- Enactment of approval of laws or regulations or other changes in environmental factors
- Technological changes or evidence of obsolescence
- Change in the manner or expected duration of use of capital asset
- Construction stoppage

If an asset is impaired, JCAA shall reevaluate its remaining useful life and salvage value.





## Exhibit A

### Construction in Progress

Capital expenditures incurred with constructing or developing a tangible or intangible capital asset before it is substantially ready to be placed into service is categorized as Construction in Progress. Once the asset is complete and placed into service, the asset will be reclassified in to the appropriate capital asset category. Until the asset is placed into service, no depreciation expense will be incurred.

### Asset Inventory

JCAA will perform a physical inventory of both fixed capital assets meeting capitalization thresholds as well as other assets not meeting capitalizations thresholds. The inventory shall become part of JCAAs internal controls policy and shall be performed by two JCAA board members at a minimum, annually before January 31<sup>st</sup>.