

RESOLUTION NO. 2018-~~01~~<sup>12-13</sup>

VILLAGE OF MAPLETON, ILLINOIS

RESOLUTION ADOPTING CAPITALIZATION POLICY

WHEREAS, the Village wishes to adopt a capitalization policy threshold for its capital asset acquisitions;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND THE VILLAGE BOARD OF THE VILLAGE OF MAPLETON, PEORIA COUNTY, ILLINOIS AS FOLLOWS:

Section 1: It is hereby determined that it is advisable, necessary and in the public interest that the Village adopt a capitalization policy threshold for its capital asset acquisitions as set forth on the page attached hereto and made a part hereof.

Section 2: From and after the effective date of this Resolution, the President and Village Clerk are hereby authorized and directed to do all things necessary and essential to carry out the intent of this Resolution.

PASSED AND APPROVED THIS 13th DAY OF December 2018.

Ayes: 6

Nays: 0

Absent: 0

VILLAGE OF MAPLETON, ILLINOIS

*Carl Anthony Bishop*

By: Carl Anthony Bishop, President



Attest:

*Patricia S. Briggs*

Patricia S. Briggs, Village Clerk

**VILLAGE OF MAPLETON**  
**PEORIA COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2017**

1. Summary of significant accounting policies

**Assets, Liabilities, and Net Position/Fund Balance**

**Capital Assets**

The Village's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations, and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements:**

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost. Prior to May 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since May, 2004, are recorded at cost. Capital assets, including infrastructure acquired by the Village through noncash transactions, have not been recorded in the government-wide financial statements.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The Village has adopted the following capitalization policy threshold for its capital asset acquisition:

| <u>Description</u>                    | <u>Capitalization</u><br><u>Threshold</u> |
|---------------------------------------|---|
| Road Infrastructure                   | \$ 5,000                                  |
| Water distribution system             | 3,000                                     |
| Buildings                             | 5,000                                     |
| Water storage system and pumps        | 2,500                                     |
| Building and water tower improvements | 2,000                                     |
| Land Improvements                     | 750                                       |
| Road department vehicles              | 2,000                                     |
| Road department equipment             | 1,000                                     |
| Water equipment                       | 500                                       |
| Office Equipment                      | 500                                       |
| Computer equipment                    | 1,000                                     |





Summary of Significant Accounting Policies  
Page Two

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

| <u>Description</u>                    | <u>Estimated Life</u> |
|---------------------------------------|-----------------------|
| Road Infrastructure                   | 50 Years              |
| Water distribution system             | 50 Years              |
| Buildings                             | 40 Years              |
| Water storage system and pumps        | 40 Years              |
| Building and water tower improvements | 20 Years              |
| Land Improvements                     | 15 Years              |
| Road Department Vehicles              |                       |
| Over 13,000 gross vehicle weight      | 20 Years              |
| Under 13,000 gross vehicle weight     | 10 Years              |
| Road department equipment             | 10 Years              |
| Water equipment                       | 10 Years              |
| Office equipment                      | 10 Years              |
| Computer-equipment                    | 5 Years               |

*Fund Finance Statements:*

In the fund financial statements, capital assets arising from cash transactions acquired for use in government fund operations are account for as capital outlay expenditures of the government fund upon acquisition. Capital assets acquired for us in proprietary fund operations are account for the same as in the government-wide statements.