



Capitalization Policy

Garrison, Quincy, Ky-O-Heights Water District

Murphy's Lane, Post Office Box 279

Garrison, Kentucky 41141

The policy of the Garrison Water District is to capitalize assets when the useful life is greater than one year and the acquisition cost meet the capitalization threshold.

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.

Capital assets and infrastructure are capitalized and depreciated as outlined in the attached capitalization threshold table for the Garrison Water District

Assets will be depreciated on the straight-line basis over the estimated useful lives as outlined below.

The useful life table below shows the useful life by asset type for the Garrison Water District

Asset	Useful Life (Expressed in Years)
Land Improvements	10-60
Buildings	10-75
Building Improvements	10-20
Vehicles (New & Used)	3-5
Machinery and Equipment	3-25
Infrastructure	10-50
Intangibles	2-40
Medical Equipment	5

Note:

Each governmental entity may face different issues/situations that should be resolved based on the particular facts, circumstances, and materiality levels of that entity.

Garrison Water District

Capitalization Threshold Table

Tracking and Inventory Capitalize and Depreciate

	Tracking and Inventory	Capitalize and Depreciate
Land		Capitalize Only
Land Improvements	\$1	\$12,500
Building	\$1	\$25,000
Building Improvements	\$1	\$25,000
Construction in Progress	\$1	Capitalize Only
Machinery and Equipment	\$500	\$2,500
Vehicle	\$500	\$2,500
Infrastructure	\$10,000	\$20,000
Office Equipment	\$100.00	\$2500.00
Medical	\$100.00	\$2500.00

It is the policy of Garrison Water district to NOT include meters, meter installation or Hydrants
in our Capitalization or Depreciation.

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