

**A RESOLUTION APPROVING A CAPITAL ASSET POLICY FOR THE VILLAGE OF
CAMPTON HILLS, KANE COUNTY, ILLINOIS**

WHEREAS, the Village of Campton Hills, Kane County, Illinois (the "*Village*") is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, the Village President and Board of Trustees of the Village of Campton Hills (the "*Corporate Authorities*") deem it advisable and in the best interest of the health, safety and welfare of the residents of the Village to formalize a Policy for the control and accountability over capital assets; and

WHEREAS, the Corporate Authorities have determined that a Capital Asset Policy, providing guidelines for the inventory, depreciation, disposal and maintenance of all property and assets owned by the Village of Campton Hills, is needed.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Campton Hills, Kane County, Illinois, as follows:

Section 1. That the above recitals and legislative findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

Section 2. That the Capital Asset Policy for the Village of Campton Hills, which is attached hereto and made a part hereof as Exhibit A, is hereby approved and adopted in its entirety and in the form presented to the Village Board.

Section 3. That the officials and officers of the Village are further hereby authorized to undertake actions on the part of the Village as contained in the Capital Asset Policy to implement and enforce said Policy.

Section 4. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any other provision of this Resolution.

Section 5. All ordinances, resolutions, motions or orders in conflict with this Resolution are hereby repealed to the extent of such conflict.


Section 6. This Resolution shall be in full force and effect upon its passage, approval, and publication in the manner provided by law.

Intentionally Left Blank

Passed this 15th day of June 2021, pursuant to a roll call vote as follows:

	AYES	NAYES	ABSENT	ABSTAIN
Trustee Darlene Bakk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Susan P George	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Jim McKelvie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Mike Millette	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trustee Edward Muncie III	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Wendy K. White Eagle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Mike Tyrrell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVED this 15th day of June 2021



Michael Tyrrell, Village President

(SEAL)

ATTEST:



Lynn Baez, Village Clerk

EXHIBIT A
CAPITAL ASSET POLICY

Village of Campton Hills, Illinois

Capital Asset Policy

INTRODUCTION

Purpose

The purpose of this capital asset policy is to provide control and accountability over capital assets, and to gather and maintain information needed for the preparation of financial statements. The Village of Campton Hills capital asset policy is herein established to safeguard assets and to insure compliance with GASB34 for governmental financial reporting.

Definition

Capital assets are real or personal property used in operations that have a value equal to or greater than the capitalization threshold for their respective asset class and have an estimated initial useful life of greater than one year. Capital assets shall include land, land improvements, buildings, building improvements, machinery and equipment, vehicles and infrastructure. A capital asset is to be reported and depreciated, if applicable, in the financial statements. Assets not capitalized are expended in the year of acquisition.

Overview

This policy is herein established to safeguard and address the Village of Campton Hills' investment in property, which comprises a significant resource. This policy is meant to ensure compliance with various accounting and financial reporting standards including Generally Accepted Accounting Principles (GAAP), and Governmental Accounting, Auditing, and Financial Reporting (GAAFR).

Further, this policy is meant to reflect the Village of Campton Hills' desire to meet the reporting requirements set forth in the Governmental Accounting Standards Board (GASB) Statement No. 34. Specifically, the GASB Statement No. 34 states that governments should provide additional disclosures in their summary of significant accounting policies including the policy for capitalizing assets and for estimating the useful lives of those assets which is used to calculate the depreciation expense. The Statement also requires disclosure of major classes of assets, beginning and end-of-year balances, capital acquisition, sales/dispositions, and current-period depreciation expense.

INVENTORY, VALUING, CAPITALIZING, AND DEPRECIATION

Inventory

Responsibility for control of capital assets will rest with the operating department wherein the asset is located. The Finance Director/Village Treasurer shall ensure that such control is maintained by establishing an inclusive capital asset inventory schedule. Asset purchases, which fall below the capitalization threshold, will not be included in the capital asset inventory.

Each Department will be responsible for control of capital assets for their department. The Department Head shall ensure that such control is maintained by establishing a capital asset inventory schedule. The inventory schedule will include the following for each asset:

- Asset Description – A description of the asset (serial #, model#)

- Asset Classification (Land and Land Improvements, Building and Building Improvements, Vehicles, Machinery and Equipment, and Infrastructure Assets)
- Department name and physical location of asset
- Date asset was purchased/acquired and or disposed
- Cost of Asset
- Method of acquisition (purchased or donated)
- Estimated useful life

This list will be maintained, updated, and reviewed by the Department Head and given to the Finance Director/Village Treasurer on an ongoing basis.

Valuing Capital Assets

Capital assets should be valued at cost or historical costs, plus those costs necessary to place the asset in its location (i.e. freight, installation charges.) In the absence of historical costs information, a realistic estimate will be used. Donated assets will be recorded at the estimated current fair market value.

Capitalizing

When to Capitalize Assets:

Assets are capitalized at the time of acquisition. To be considered a capital asset for financial reporting purposes an item must be at or above the capitalization threshold (see schedule-**pages 3 & 4**) and have a useful life of at least one year.

Assets not Capitalized:

Capital assets below the capitalization threshold (see schedule-**pages 3 & 4**) on a unit basis but warranting “control” shall be inventoried at the department level and an appropriate list will be maintained. All items that do not meet the capitalization threshold and do not warrant “control” by default will be expensed and not capitalized.

Capital Assets should be capitalized if they meet the following criteria:

- Tangible
- Useful life of more than one year (benefit more than a single fiscal period)
- Cost exceeds designated threshold (see schedule-**pages 3 & 4**)

Capital Assets include the following major classes of assets:

Land and Inexhaustible Land Improvements – Capitalized value is to include the purchases price plus costs such as legal fees and filing fees; improvements such as excavation work, preparation of land for construction, landscaping.

Land Improvements – Capitalized value is to include the purchases price plus costs such as legal fees and filing fees; improvements such as parking lots, fences, pedestrian bridges.

Building and Building Improvements – Costs include purchase price plus costs such as legal fees and filing fees; improvements include structures and all other property permanently attached to, or an integral part of the structure. These costs include re-roofing, electrical/plumbing, carpet replacement, and HVAC.

Vehicles – Costs include purchase price plus costs such as title & registration.

Machinery and Equipment – Assets included in this category are heavy equipment, traffic equipment, generators, office equipment, phone system, and kitchen equipment.

Infrastructure Assets – Infrastructure Assets are long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

Depreciation

Depreciation is computed on a straight-line method with depreciation computed monthly from the month of acquisition. Additions and improvements will only be capitalized if the cost either enhances the asset's functionality or extends the asset's useful life.

Projects in process will be added to the asset base as the projected expenses are incurred. However, the project will first need to meet its individual threshold.

Capital Assets Useful Lives are as follows:

Category	Useful Life	Capitalization Threshold	Inventory Threshold
Land & Inexhaustible Land Improvements		\$5,000.00	
Land	50		
Land Improvements (exhaustible)	10		
Parking Lots	20		
Fences	15		
Ground/Drainage Improvements	10		
Building			
Buildings	37.5	\$5,000.00	
Building Improvements		\$5,000.00	
HVAC	20		
Re-roof	20		
Electrical / Plumbing	20		
Carpet Replacements	10		
Vehicles		\$5,000.00	
Vehicles – police squads	5		
Vehicles – general	7		
Small Trucks	7		
Large Trucks	10		

Machinery and Equipment		\$5,000.00	\$1,000.00
Police equipment	5		
Communications equipment	5		
Heavy equipment	15		
Recreational equipment	20		
Traffic equipment	30		
Generators	20		
Computers	4		
Furniture and Fixtures		\$5,000.00	\$1,000.00
Office furniture	20		
Office equipment	5		
Phone system	20		
Kitchen / breakroom equipment	5		
Infrastructure		\$5,000.00	\$1,000.00
Roads / Streets	50		

Removing Capital Assets from Inventory

Capital assets are to be removed from inventory once they are obsolete or claimed as surplus property. The item must be removed from the department inventory listing and reported to the Finance Director/Village Treasurer.

Donations or Transfer

Each Department must add additions and deletions from donated or transferred assets to the inventory listing.

Surplus Property

Each Department must report all capital assets classified as surplus to the finance department. Per Village Code 3-1-8, any property valued at \$500.00 or less can be declared surplus by the Village President. Property valued more than \$500.00 must be declared surplus by the Village Corporate Authorities (Village Board). Once declared surplus, an auction, sealed bid or sale can occur as needed to sell the surplus property.

Lost or Stolen Property

When suspected or known losses of inventoried assets occur, the Department should conduct a search for the missing property. The search should include transfer to another department, storage, scrapping, surplus property. If the missing property is not found, the department must contact the Finance Director/Village Treasurer.

The Finance Committee shall review this Policy on a regular basis and the Village Board must approve any modifications made thereto.