

TOWN OF PITTSFIELD, N.H.

CAPITAL ASSET ACCOUNTING POLICY

Capital assets are a large public investment in our community. To safeguard these assets, the Board of Selectmen establishes with this policy an accounting and internal control structure to maintain a complete and accurate accounting for fixed assets with significant value.

Section 1. Capital asset

A capital asset is a specific item of property that is tangible in nature, has a life longer than three years, and has significant value. The significant value determination is important because the town has individual assets that are tangible and long-lived, but whose value is so small that the time incurred in maintaining the accounting records is not justified.

Section 2. Capitalization thresholds

The value that will be considered significant will be \$5,000 per single item and \$25,000 for capital projects. These dollar amounts will set the threshold of determining which assets are tracked on the capital asset listing.

Capital projects are work that results in an asset, or an enhancement to an existing asset, which has a cost of \$25,000 or more.

Section 3. Depreciation

The cost of a capital asset will be apportioned over the years of its useful life utilizing the straight-line method of depreciation.

Estimated salvage value of the asset at the end of the useful life may be taken into consideration when calculating the annual depreciation expense.

The depreciation expense for the first year that a capital asset is placed into service can be prorated based on the months in service.

Section 4. Asset classification & estimated useful lives for depreciation

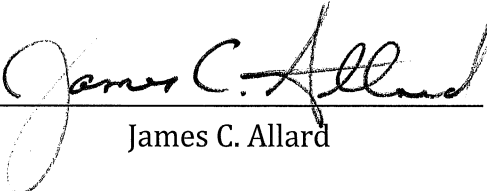
The following list serves a general guide, may vary depending on asset/project

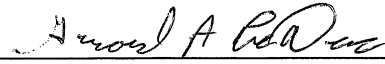
Land	not depreciated
Buildings	50
Building Improvements	determined by project
Infrastructure	
Roadways.....	30
Sewer.....	15
Street Lighting.....	10
Structural Improvements	determined by project
Machinery & Equipment	
Construction Equipment.....	15
Fire/Rescue Vehicles.....	20
Light Vehicles - police cruisers, trucks <= GVRW 16,000lbs.....	5
Heavy Vehicles – trucks >= GVRW 16,001lbs.	10
Construction in progress	not depreciated

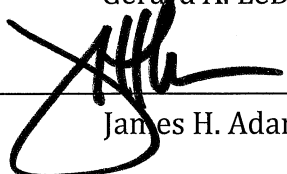
Section 5. Write off

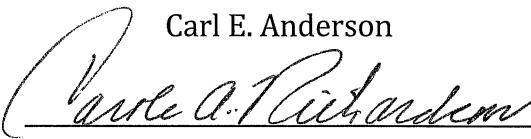
When a capital asset is no longer in service, the asset's value will be written off the books, along with its accumulated depreciation. Assets fully depreciated, but still in use, will remain on the books.

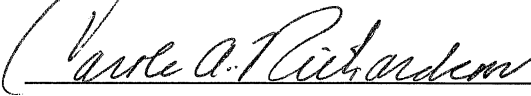
Adopted on July 9, 2019


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