RESOLUTION NO. 07-20-26-46
CHANGING FIXED ASSET (VEHICLES / EQUIPMENT) CAPITALIZATION POLICY

To comply with the Office of Management and Budget, who increased the threshold for capital asset reporting to $10,000.00 the Chickasaw County Board of Supervisors approves this resolution. This resolution is intended to replace Resolution No. 12-28-20-81 Changing Fixed Asset (Vehicle/Equipment) Capitalization Policy.

WHEREAS, the Office of Management and Budget has increased the capitalization threshold for reporting capital assets to $10,000.00, effective July 1, 2026; and the Capital Asset thresholds for financial reporting purposes are:

1.	Capital Assets	$10,000.00
2.	Land & Building Improvements	$25,000.00
3.	Infrastructure (Roads/Bridges)	$50,000.00

WHEREAS, Fixed assets with an initial cost of $100.00 or more but less than $10,000.00 will be maintained on an inventory list for public accountability and insurance purpose.

WHEREAS, Estimated useful life of Capital Assets

1.	Machinery and Equipment	2-20 years
2.	Vehicles	3-10 years
3.	Buildings	40-65 years
4.	Building improvements	20-50 years
5.	Infrastructures	10-65 years

WHEREAS, Infrastructure Class and Sub-system
Infrastructure will consist of three classes: Roadways, Bridges and Culverts, and ROW
Infrastructure will consist of four sub-systems: Paved, Hard surfaced, Gravel, and Earth.

WHEREAS, Recommended Lifetimes of Infrastructures
Based on the recommended values from the Iowa County Engineers Association (ICEA)

1.	Right-of-way (ROW)	not depreciated
2.	Bridges	40-65 years
3.	Culverts	40-65 years
4.	Grading	50 years
5.	Paving & Surfacing	10-30 years
6.	Roadside construction	included in grading or paving
7.	Traffic control & safety	25 years

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Chickasaw County, Iowa, that: **Capitalization Threshold**. Effective for assets acquired on or after July 1, 2026, the capitalization threshold for reporting capital assets shall be increased from $5,000.00 to $10,000.00. Only individual capital asset acquisitions with an acquisition cost greater than $10,000.00 shall be capitalized and reported as capital assets for Fiscal Year 2027 and thereafter, unless otherwise required by law or accounting standards.

1. **Prospective Application.** This resolution shall apply prospectively only. Capital assets acquired prior to July 1, 2026, including those with acquisition costs below $10,000.00 that were properly capitalized under the County's prior policy, shall remain in the County's capital asset records and shall not be removed or adjusted solely as a result of this policy change.
2. **Other Capital Asset Classifications.** The County Auditor is authorized to review and recommend updates, as necessary, to capitalization thresholds for other capital asset classifications to ensure consistency with applicable accounting standards and operational needs.
3. **Estimated Useful Lives.** Department heads, the County Engineer, and the County Auditor shall review the estimated useful lives assigned to capital assets, including infrastructure assets, to ensure they remain appropriate, are consistently applied, and are consistent with applicable recommendations of the Iowa Department of Transportation and the Iowa State Association of County Engineers (or other applicable guidance).
4. **Implementation.** The County Auditor is authorized to implement this policy and make any administrative changes necessary to comply with State of Iowa reporting requirements.

PASSED AND APPROVED this 20 day of July, 2026.

BOARD OF SUPERVISORS CHICKASAW COUNTY, IOWA

AYES:

JACOB HACKMAN, CHAIR
BOARD OF SUPERVISORS

SCOTT CERWINSKE

STEVE BREITBACH

ISSAC CARTER

TRAVIS SUCKOW

NAYS:

JACOB HACKMAN, CHAIR
BOARD OF SUPERVISORS

SCOTT CERWINSKE

STEVE BREITBACH

ISSAC CARTER

TRAVIS SUCKOW

ATTEST:

Sheila Shekleton
Chickasaw County Auditor