

**TOWN of READSBORO
READSBORO, VERMONT
Capitalization of Assets Policy**

The Board of Selectmen of the Town of Readsboro hereby adopts the following policy with regard to the accounting treatments of assets purchased and or placed in service by Town of Readsboro.

If the purchases of materials, goods, and services or the combination thereof, meet the following criteria, they shall be treated as Capital Assets and capitalized as per Generally Accepted Accounting Practices:

- 1) If the combined cost to purchase, install, and or replace a unit currently in service exceeds \$2500.00 and the unit has an estimated life of at least three (3) years, or;
- 2) The cost of a purchase exceeds \$2500.00 (excluding items intended to be placed into stock or inventory until they are placed in service) or;
- 3) In case of the Electric Department, Federal Energy Regulatory Commission and or the Public Service Board guidelines will control. Work orders to "place in service" new equipment or materials (from inventory or purchase), will generally be capitalized, unless the Public Works Superintendent determines the nature of the work should be treated as an expense, (such as replacement of transformer that was hit by lightning) or;
- 4) In the case of structures, buildings or improvements thereof, the cost shall exceed \$50,000.00

All other purchases shall be treated as expenses for accounting purposes under the normal accounting practices of the Town of Readsboro.

Purchases that meet the guidelines for capitalization shall be depreciated according to the following schedule:

ELECTRIC DEPARTMENT:	DEPRECIABLE LIVES IN YRS
Buildings & Structures	50
Building Mechanical Systems	30
Overhead Conductor & Devices	33
Poles, Towers & Fixtures	33
Line Transformers	33
Underground Conduit, Conductor & Devices	30
Underground Vaults & Structures	30
Services	33
Meters	30
Street Lights	20
Substation Structures	50
Substation Transformers, Switches, Regulators & Related Equip.	33
Large Trucks & Equipment	15
Small Trucks & Equipment	5
Heavy Equipment (Construction Equipment)	12

Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & related	5-10
Meter Reader Reading Devices, Equipment & Software	5-10
Small Tools & Equipment	5-10
Personal Protective & Electrical Safety Equipment	5-10

WATER DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
Pumps, Controls & Related Equipment	25
Filtration, Controls & Related Equipment	50
SCADA System, Controls & Related Equipment	25
Distribution Piping System	100
Gate Valves, Corporations & Related Equipment	50
Water Storage Tank	100
Meters & Related Equipment	10
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Trucks & Equipment	5
Small Tools & Equipment	5-10
Meter Reading Devices, Equipment & Software	5-10

SEWER DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
SCADA System, Controls & Related Equipment	25
Pumps, Blowers, Belt Presses & Related Equipment	25
Disinfection Systems & Related Equipment	25
Collection Piping Systems	100
Pumping Station Pumps, Controls & Related Equipment	25
Manholes & Pumping Station Structures	50
Heavy Equipment (Construction Equipment)	12
Small Trucks & Equipment	5
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Tools & Equipment	5-10

GENERAL DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
Storm Drain Collection Piping Systems	100
Sidewalks & Related Structures	25
Catch basins & Related Structures	50

TOWN
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Capitalization of Assets Policy

ORIGINAL
8/5/08

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- 2) The cost of a purchase exceeds \$500.00 (excluding items intended to be placed into stock or inventory until they are placed in service) or;
- 3) In case of the Electric Department, Federal Energy Regulatory Commission and or the Public Service Board guidelines will control. Work orders to "place in service" new equipment or materials (from inventory or purchase), will generally be capitalized, unless the Public Works Superintendent determines the nature of the work should be treated as an expense, (such as replacement of transformer that was hit by lightning) or;
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Buildings & Structures	50
Building Mechanical Systems	30
Overhead Conductor & Devices	33
Poles, Towers & Fixtures	33
Line Transformers	33
Underground Conduit, Conductor & Devices	30
Underground Vaults & Structures	30
Services	33
Meters	30
Street Lights	20
Substation Structures	50
Substation Transformers, Switches, Regulators & Related Equip.	33
Large Trucks & Equipment	15

ORIGINAL

Small Trucks & Equipment	5
Heavy Equipment (Construction Equipment)	12
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & related	5-10
Meter Reader Reading Devices, Equipment & Software	5-10
Small Tools & Equipment	5-10
Personal Protective & Electrical Safety Equipment	5-10

WATER DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
Pumps, Controls & Related Equipment	25
Filtration, Controls & Related Equipment	50
SCADA System, Controls & Related Equipment	25
Distribution Piping System	100
Gate Valves, Corporations & Related Equipment	50
Water Storage Tank	100
Meters & Related Equipment	10
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Trucks & Equipment	5
Small Tools & Equipment	5-10
Meter Reading Devices, Equipment & Software	5-10

SEWER DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
SCADA System, Controls & Related Equipment	25
Pumps, Blowers, Belt Presses & Related Equipment	25
Disinfection Systems & Related Equipment	25
Collection Piping Systems	100
Pumping Station Pumps, Controls & Related Equipment	25
Manholes & Pumping Station Structures	50
Heavy Equipment (Construction Equipment)	12
Small Trucks & Equipment	5
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Tools & Equipment	5-10

GENERAL DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
Storm Drain Collection Piping Systems	100

ORIGINAL

Sidewalks & Related Structures	25
Catch basins & Related Structures	50
Large Trucks	15
Small Trucks & Equipment	5
Heavy Equipment (Construction Equipment)	12
Communication Equipment	10
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Tools & Equipment	5-10

FIRE DEPARTMENT

Building & Structures	50
Building Mechanical Systems	30
Pumpers	30
Tanker	25
Rescue Truck	15
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Tools & Equipment	5-10

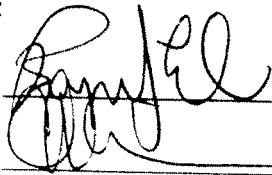
CEMETERY

Building & Structures	50
Small Tools & Equipment	5-10
Small Tools & Equipment	5-10

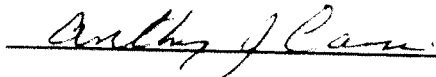
LIBRARY

Building & Structures	50
Office Furniture & Equipment	20
Computers, Copiers, Software & Related Equipment	5-10
Small Tools & Equipment	5-10
Communication Equipment	10
Books	5-10

Signatures:



Date: 8-5-08



Adopted On: July 8, 2008