

LA PLATA ARCHULETA WATER DISTRICT

A RESOLUTION ADOPTING AN INVENTORY CAPITALIZATION POLICY

WHEREAS, the La Plata Archuleta Water District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, Section 29-1-506(1), C.R.S., requires the governing body of a local government, including a special district, to make or cause to be made an annual inventory of both real and personal property items having an original cost that equals or exceeds an amount established by the governing body; and

WHEREAS, Section 29-1-506(1), C.R.S., further provides that the amount established by the governing body shall under no circumstances exceed the minimum amount specified in rules promulgated by the state controller pursuant to Section 24-30-202, C.R.S., which amount is currently \$5,000; and

WHEREAS, the Board of Directors of the La Plata Archuleta Water District desires to adopt a policy of capitalizing all capital asset acquisitions having an original cost or fair market value that equals or exceeds \$5,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the La Plata Archuleta Water District as follows:

1. All property acquired by the District, whether personal or real, including equipment and infrastructure that has an initial individual cost or fair market value of \$5,000 or more and an estimated useful life in excess of one year shall be capitalized for accounting purposes.

2. The depreciation of the property shall be calculated on a straight line method over the useful life span of such property, as estimated below:

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|-----|-------------------------|---------------|
| (a) | Furniture and fixtures: | 7 to 10 years |
| (b) | Field equipment: | 5 to 7 years |
| (c) | Vehicles: | 5 years |
| (d) | Computers: | 5 years |
| (e) | Office equipment: | 5 years |
| (f) | Infrastructure: | 40 years |
| (g) | Buildings: | 40 years |

3. **Severability**. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. **Effective Date**. This Resolution shall be effective January 1, 2012.

ADOPTED this 9th day of August, 2012.

LA PLATA ARCHULETA WATER
DISTRICT

By Richard T. Lunceford
Richard Lunceford, Chairman

ATTEST:

Cheryl Lynn
Cheryl Lynn, Secretary