



Infrastructure Capitalization Recording and Reporting (GASB 34 Compliance)

Date Originated: 05/24/04  
Date of Modifications: 08/21/18  
Policy Number: 315

1. PURPOSE:

To create guidelines for the capitalization of infrastructure for GASB34 recordkeeping and reporting.

2. ORGANIZATIONS AFFECTED:

This policy applies to all Iowa County departments, boards, commissions, and employees unless otherwise exempted by a policy or protective service agreement.

3. POLICY:

It is the policy of Iowa County to establish uniform guidelines for the accounting, recording, and reporting of property owned or held by the County. The Governmental Accounting Standards Board revised the requirements and established standards for governmental body financial reporting with reference to infrastructure assets. The date of 12/31/2002 was established as the date of reporting of values for infrastructure. This policy identifies and sets forth what values were established for Iowa County's infrastructure network.

Definitions:

Bridges – a bridge shall be defined by the Federal Highway Administration definition and is defined as an opening in the roadway which is measured as a length of 20 feet or greater along the roadway centerline at the opening. Construction for roads - shall include all new construction, re-construction, pavement rehabilitation, and pavement overlays.

Culvert – any roadway crossing or opening which measures less than 20 feet in length as measured along the centerline of the roadway at the opening.

4. REFERENCES:

Resolution 2-0504 Infrastructure Capitalization Policy dated May 24, 2004; Highway Department Infrastructure Capitalization Policy adopted May 19, 2003; Governmental Accounting Standards Board Statement No.34.

5. PROCEDURES:

The following guidelines are hereby established for reporting infrastructure balances for roads, culverts, bridges, and right-of-way:

A. Roads :

1. Life Expectancy is 25 Years for asphalt pavements.
2. Salvage value is 25%.
3. The dollar value agreed to for existing roads on 12/31/2002 was \$537,000 / mile for a two-lane asphalt or concrete road. The cost includes all incidental infrastructure such as signs, guardrail, and small culverts.

B. Culverts :

1. Life Expectancy shall be 50 Years.
2. Salvage value shall be 0%.
3. Dollar values agreed to shall vary by size according to the following:
  - a. Culverts less than 54 inches in diameter or equivalent are considered incidental to the existing roadway.
  - b. Culverts between 54 inch and 72 inch in diameter or equivalent are valued at \$12,000 / each location.
  - c. Culverts between 84 inch and 144 inch in diameter or equivalent which are a steel multi-plate type structure are valued at \$62,000 / each location.
  - d. The remaining culverts which are of materials other than steel and shapes of other than round or larger than the above criteria are valued at \$32,000 / each location.

C. Bridges :

1. Life Expectancy shall be 50 Years.
2. Salvage value shall be 0%.

3. Bridges shall have a value based on the size of the bridge deck at \$143 / SF of area.
- D. Right-of-way :
1. Life Expectancy given is none.
  2. Salvage value given is none.
  3. The dollar value agreed to shall be based on the square foot of acreage of \$0.06 / SF. The value is arrived at on the basis of a value of \$2,500 / acre divided by 43,560 SF / acre.
    - a. Age and value of right-of-way is difficult to establish due to procurement methods, acquisition procedures, and the dates of acquisition. The County acquisition of right-of-way was by purchase, donation, cost sharing agreements with other governmental agencies, purchases by other governmental agencies, and other methods. Because of these methods determining the date of acquisition or source and value of funding is not always possible.
    - b. The values agreed to above for right-of-way were calculated as of ownership on 12/31/2002. Those values were then deflated back to the year 1926, which is the year the county highway system was established.
    - c. While some of the reported right-of-ways in ownership on 12/31/2002 were newer than 1926, it was determined it would be difficult to determine the value of purchase, time, type, and other relevant information. It was established by using 1926 as the benchmark of all right-of-way in possession at the time, as being a more conservative estimate.
- E. Net worth: To arrive at 12/31/2002 historical capitalized cost value for roads, culverts as noted above, bridges and right-of-way; the County agrees to :
1. Establish the current value for 12/31/2002 based on the values listed above and the known infra-structure assets at the time.
  2. Index the current value replacement cost as of 12/31/2002 back to the year the asset was placed into service.
  3. The American Institute for Economic Research's cost-of-living adjustment calculator was utilized to index replacement costs to service year.
  4. The Highway Department shall retain an Excel spreadsheet file compiling each of the four categories: Roads, Bridges, Culverts, and Right-of-way.
- F. The net worth for recording of construction or new infra-structure capitalization after the initial establishment as outlined above; shall be as established in the following table:

| Type of Infra-structure | Capitalization Amount                             |
|-------------------------|---------------------------------------------------|
| Roads                   | \$100,000                                         |
| Culverts                | \$25,000                                          |
| Right-of-way            | All right-of-way acquisition shall be capitalized |
| Bridges                 | \$100,000                                         |