

DEPRECIATION POLICY
VILLAGE OF NASHVILLE
NO. 3-27-03-B

We the Village of Nashville will depreciate our general and infrastructure fixed assets using the straight-line depreciation method. Any general or infrastructure fixed asset placed into service during any month will be considered in place for the entire month.

The Village is recognizing depreciation on general and infrastructure fixed assets in order to be in compliance with GASB 34 that requires, among other things, that depreciation be recognized for these assets on the financial statements of the Village. The Village has always depreciated Enterprise Fund fixed assets (i.e. Water and Sewer funds). This policy does not address those particular fixed assets.

The Village establishes a salvage value for each general and infrastructure fixed asset in order to recognize that the life of the asset continues past the useful life contained in this document. For ease of calculation, the Village elects not to continue to depreciate these assets beyond their calculated useful life; alternatively, the value of the asset will remain on the financial statements at the salvage value until the asset is taken out of service.

The salvage value and useful life shall be determined by the following schedule:

<u>Asset Type</u>	<u>Salvage Value (% of original purchase price)</u>	<u>Useful Life</u>
<i>General Assets</i>		
Buildings	15%	40 years
Furniture	10%	10 years
Equipment	10%	7 years
Data Processing Equipment	5%	5 years
<i>Infrastructure Assets</i>		
Roads	10%	Varies
Bridges	10%	Varies
Drains, Curbs, Gutters	10%	Varies

The Clerk or Treasurer have discretion, within reasonable and customary boundaries, to alter the salvage value percentage or useful lives on any individual general or infrastructure fixed asset based on a particular set of circumstances.

Adopted at the regular board meeting held March 27, 2003.