

RESOLUTION 2011- 193

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA AMENDING THE CAPITAL ASSET POLICY CONTAINED IN THE ST. JOHNS COUNTY ADMINISTRATIVE CODE.

WHEREAS, the Board of County Commissioners of St. Johns County, Florida adopted a written Capital Asset Policy by Resolution No. 2003-51, March 11, 2003, which established a procedure for capitalizing assets and establishing useful lives of those assets and allowed for amendments to the Policy by Resolution of the Board of County Commissioners; and

WHEREAS, County staff has agreed that a consistent method for establishing the value of the County's interest in various intangible assets, such as easements, internally generated computer software and certain operating permits required by federal and state agencies for the safe operation of various county departments; and

WHEREAS, the Capital Asset Policy currently establishes policies and procedures regarding county easements and internally generated software; and

WHEREAS, the Capital Asset Policy is promulgated pursuant to Chapter 274, Florida Statutes, to promote the capitalization and safeguarding of intangible property including those proscribed in accounting guidance for reporting local government-owned assets and related depreciation as required by Statement No. 51 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Intangible Assets.

NOW THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of St. Johns County, Florida, as follows:

Section 1. The above recitals are incorporated by reference into the body of the Resolution and such recitals are adopted as findings of fact.

Section 2. The Capital Asset Policy (established by St. Johns County Resolution 2003-51) of the St. Johns County Administrative Code is hereby amended by adding the following section 210.5.11 – Intangible Assets thereto:

210.5.11 Intangible Assets. (1) An intangible asset is an asset that possesses all of the following characteristics, except as described in paragraph (2):

a. Lack of physical substance. An asset may be contained in or on an item with physical substance, for example, a compact disc in the case of computer software. An asset also may be closely associated with another item that has physical substance, for example, the underlying land in the case of a right-of-way easement. These modes of containment and associated items should not be considered when determining whether or not an asset lacks physical substance.

b. Nonfinancial nature. In the context of this Resolution, an asset with a nonfinancial nature is one that is not in a monetary form similar to cash and investment securities, and it represents neither a claim or right to assets in a monetary form similar to receivables, nor a prepayment for goods or services.

c. Initial useful life extending beyond a single reporting period.

(2) An intangible asset does not include the following:

a. Assets that meet the above descriptions in the preceding paragraph (1) if the assets are acquired or created primarily for the purpose of directly obtaining income or profit.

b. Assets resulting from capital lease transactions reported by lessees, which are addressed in National Copuncil on Governmental Accounting (NCGA) Statement 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments*, as amended.

c. Goodwill created through the combination of a government and another entity.

(3) All intangible assets subject to the above provisions should be classified as capital assets and will be depreciated over the useful life of the asset.

Section 3. The Clerk of Circuit Court is instructed to file this amendment to the Capital Asset Policy in the Official Records of St. Johns County, Florida.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida, this 19th day of July, 2011.

**BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA**

By: _____

Joseph "Ken" Bryan
Joseph "Ken" Bryan, Chair

ATTEST: Cheryl Strickland
Clerk of the Circuit Court

By: *Pam Halterman*
Deputy Clerk

RENDITION DATE 7/21/11

