

**FIXED ASSETS POLICY**

Department: Finance

FIN-1

Supersedes: 4/2/12

Date of Board Approval: 3/10/16

**A RESOLUTION OF CENTRAL FLORIDA  
EXPRESSWAY AUTHORITY AMENDING THE  
FIXED ASSETS POLICY**

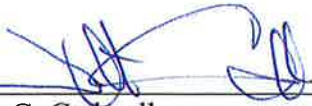
**WHEREAS**, Central Florida Expressway Authority (“CFX”) previously adopted a “Fixed Assets Policy” on April 2, 2012 establishing the goals of managing CFX’s fixed assets; and

**WHEREAS**, CFX’s governing Board concurs in the revised Fixed Assets Policy which changes the value and valuation method of obsolete, damaged or surplus property that must be approved by the board before disposal.

**NOW, THEREFORE, BE IT RESOLVED BY CENTRAL FLORIDA EXPRESSWAY AUTHORITY** as follows:

- Section 1. ADOPTION. The current “Fixed Assets Policy” shall be amended in accordance with the attached “Fixed Assets Policy” attached hereto as Exhibit “A”
- Section 2. CODIFICATION. This Resolution and Policy should be codified in section FIN-1 of the CFX Policies and Procedures.
- Section 3. EFFECTIVE DATE. This policy shall take effect upon adoption by the CFX governing board.

**ADOPTED** this 10<sup>th</sup> day of March, 2016.


  
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Welton G. Cadwell

Chairman

ATTEST:

  
\_\_\_\_\_  
Darleen Mazzillo  
Executive Assistant

Approved as to form and legality

  
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Joseph L. Passiatore  
General Counsel

**Central Florida Expressway Authority**  
**Fixed Assets Policy**

**Rationale**

It is the function of the Finance Department to administer accounting activities for fixed assets in accordance with established policies, procedures, guidelines, and legal requirements.

**I. Capitalization and Depreciation**

CFX shall capitalize property at a cost of \$5,000 or more and projected useful life of 1 year or more. CFX's Chief Financial Officer is responsible for setting the depreciation method and lives for each category of assets.

**II. Preservation**

CFX has adopted the Modified Approach to Infrastructure Asset Accounting in accordance with Governmental Accounting Standards Board (GASB) Pronouncement 34. The basis for this method is that infrastructure assets are indefinite lived if properly maintained. Therefore, rather than depreciating infrastructure assets and improvements thereto, expenses incurred for the Renewal and Replacement of roadway will be expensed as "Preservation Expense." As such, CFX has established a Renewal and Replacement Program designed to maintain CFX's infrastructure assets in accordance with the standards set forth below. An annual budget for funding this program will be incorporated into the five-year work plan and a minimum of \$2 million shall be maintained on reserve in the Renewal and Replacement fund. The condition of the infrastructure will be independently verified on an annual basis and compared to the standards below:

a. **Routine Maintenance**

CFX's Routine Maintenance program shall be planned and designed to achieve and overall MRP rating of at least 90, which is the target set by the Florida Transportation Commission (FTC). However, for purposes of compliance with Governmental Accounting Standards (GASB), the minimum rating shall be set at 80. By consistently achieving an overall MRP rating of 80, the system can be maintained at an acceptable level, and a stable planned cycle of repairs and resurfacing can be programmed.

b. **Resurfacing**

CFX's Renewal and Replacement program shall be designed to ensure a minimum of 85% of its lane miles in good condition (rated 7 or above in pavement condition on a scale of 0 – 10 with 10 being the highest), which is the target set by the FTC. The minimum percentage for compliance with GASB standards shall be 80%.

c. **Bridge Repair and Replacement**

CFX's Bridge Repair Program shall be designed to ensure 95% or more of all bridges are in good condition, which is the target set by the FTC. All Bridges shall be maintained in such a way that ensures that the bridges deemed to be under this rating are still safe for use by the public. The minimum percentage for compliance with GASB standards shall be 90%.

**III. Inventory of Tangible Personal Property**

CFX follows the Florida Statutes, Chapter 274, Tangible Personal Property Owned by Local Governments, which states “The Chief Financial Officer (of the State of Florida) shall establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes.” The Chief Financial Officer of the State of Florida has established that property with a value of \$1,000 or more and a projected useful life of 1 year or more shall be inventoried.

**IV. Disposal**

Tangible personal property at a depreciated cost of \$5,000 or more that becomes obsolete, damaged, is surplus property, or is of no use to CFX may be disposed of with the approval of the Board. Tangible personal property at a cost of less than \$5,000 may be disposed of with the approval of CFX’s Chief Financial Officer. Tangible personal property may be disposed of by sale, donation to a governmental unit or nonprofit agency, or scrapped.