

RESOLUTION 780

A RESOLUTION OF THE CITY OF CANBY, OREGON, ESTABLISHING A CAPITALIZATION THRESHOLD OF FIVE-THOUSAND DOLLARS (\$5,000) TO DIFFERENTIATE CAPITAL ASSETS FROM EXPENSES.


WHEREAS, the City Council of the City of Canby, Oregon (the "City"), has determined the need to classify capital expenditures equal to or greater than Five-Thousand Dollars (\$5,000) in accordance with Governmental Accounting Standards Board (GASB) 34 reporting requirements.

BE IT RESOLVED, by the City Council of the City of Canby, Oregon that:

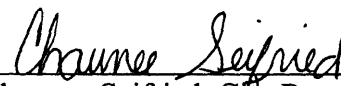
1. The City will capitalize all individual assets with a cost of Five-Thousand Dollars (\$5,000) or more and that has an estimated useful life of five years or more.
2. With respect to asset improvements, costs over Five-Thousand (\$5,000) should be capitalized if:
 - a. The estimated life of the asset is extended by more than 25%, or
 - b. The cost results in an increase in the capacity of the asset, or
 - c. The efficiency of the asset is increased by more than 10%, or
 - d. Significantly changes the character of the asset, or
 - e. In the case of streets and roads – if the work done impacts the "base" structure.Otherwise, the cost should be expensed as repair and maintenance.
3. Those assets within the capitalization threshold will be reported on the annual audited financial statements of the City in accordance with Governmental Accounting Standards Board requirements.
4. Assets already maintained in the City's Fixed Asset database will remain for historical purposes.
5. Those assets outside the capitalization threshold will be tracked by the City's Finance Department when in the best interest of the City.

This resolution will take effect February 20, 2002.

ADOPTED this 20th day of February 2002, by the Canby City Council.


Terry L Prince, Mayor

ATTEST:


Chaunee Seifried, City Recorder, Pro-Tem