

# RESOLUTION 2023-24

## CITY OF MILLS

### FIXED ASSETS

This document sets forth fixed asset accounting procedures for the City of Mills. These policies define "Fixed Assets", system maintenance, capitalization and depreciation guidelines, and inventory guidelines. This document sets forth fixed asset accounting procedures for the City of Mills. These policies define "Fixed Assets", system maintenance, capitalization and depreciation guidelines, and inventory guidelines.



7/13/2023 9:43:38 AM

NATRONA COUNTY CLERK

Pages: 2

Tracy Good  
Recorded: CC  
Fee: \$15.00  
CITY OF MILLS

**1142115**

#### Definition of a Fixed Asset

The City of Mills defines a fixed assets tangible property, obtained and controlled as a result of past transactions, events, or circumstances, which is to be used in a productive capacity by the City of Mills and which will benefit the City for a period of more than three years.

#### System Maintenance and Inventory Guidelines

To qualify for inclusion as a capitalized asset in the City of Mills fixed asset system, the following five (5) criteria must be met.

1. The asset must have a cost or dollar value of \$5,000 or more.
2. The asset must have a useful life exceeding three (3) years or more (based on reasonable estimates).
3. The asset must be land, building, building improvements, or be tangible in nature.
4. The asset doesn't lose its identity as part of a larger unit.
5. The asset is not a repair part or supply item.

The City of Mills has determined that assets having a value under \$5,000, regardless of their useful life, will not be capitalized. As such, these assets will not be used for financial reporting purposes. However, assets having a value of at least \$2,500 may be entered into the computer system for control purposes only. Asset cost entered into the system will include any applicable ancillary costs. All computer assets will be inventoried by the Informational Technology Department. Remaining assets will be inventoried by the Shipping and Receiving Department.

#### Depreciation

All assets over \$5,000 will be depreciated annually using the straight-line method, with exception being given for building improvements, ground improvements, and infrastructure. These fixed asset exceptions will be depreciated only if the value is over \$50,000. Any building and ground improvements and infrastructure under \$50,000 will be expensed in the year incurred. The CITY of Mills has determined useful lives of assets based on the following general categories.

Buildings – 40 years  
Building Improvements – 20 years  
Land/Site Improvements – 20 years  
Infrastructure – 25 to 50 years  
Library Books – 5 years

Equipment – 3 to 14 years  
Heavy Equipment – 3 to 14 years  
Vehicles – 5 years  
Buses – 8 to 10 years  
Computers – 3 to 5 years

**PASSED, APPROVED AND ADOPTED THIS** 17<sup>th</sup> **DAY OF** July  
**2023.**

  
Leah Juarez, Mayor

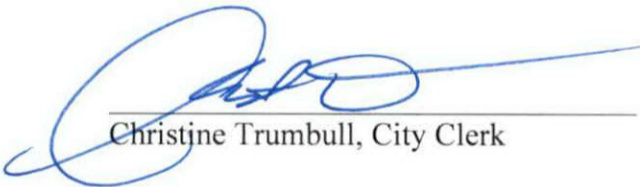
  
Sara McCarthy, Council

  
Cherie Butcher, Council

  
Bradley Neumiller, Council

  
Tim Sutherland, Council

ATTESTED:

  
Christine Trumbull, City Clerk

