

TOWN OF LOOMIS
ADMINISTRATIVE POLICIES AND PROCEDURES

CAPITALIZATION POLICY

Effective Date: 11/12/1991 Amended: 1/12/2016	Resolution 16-01
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PURPOSE

The Town of Loomis recognizes the need to set a basis for capitalization of fixed assets for reporting purposes.

POLICY

The following is a list of items to be capitalized:

- Land, Buildings – Capitalized regardless of cost
- Equipment – Items exceeding \$5,000

Items not capitalized:

- Repairs that do not significantly extend the life of the asset, regardless of cost
- Operating supplies purchased and consumed throughout the year (i.e. diesel fuel)

The Town records depreciation expense in accordance with Governmental Accounting Standards Board Statement Number 34.