



FINANCE COMMITTEE

REGULAR MEETING AGENDA

August 16, 2023

6:00 PM

9900 Park Avenue
Firestone, CO 80504

1. **Call to Order & Roll Call**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Discussion**
 - a. **Capitalization and Depreciation Policy Review**
 - b. **2024 Budget Preview**
5. **Future Agenda Items**
6. **Adjournment - 6:30 pm**

**AGENDA INFORMATION
MEMORANDUM**

**FIRESTONE
TOWN BOARD OF TRUSTEES**



AIM#: 4.a

Discussion

Meeting Date: August 16, 2023

Initiated By: Jessica Clanton

Dept: Finance

AGENDA TITLE

Capitalization and Depreciation Policy Review

RECOMMENDATION

SUMMARY

FINANCIAL CONSIDERATIONS

HISTORY AND PREVIOUS BOARD ACTION

ATTACHMENTS

1. Capitalization and Depreciation Policy

TOWN OF FIRESTONE
CAPITALIZATION AND DEPRECIATION POLICY
ADOPTED ~~SEPTEMBER 2021~~ AUGUST 2023

The Town of Firestone (Town) understands the importance of being in compliance with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB) by reporting capital asset information in the Town’s year-end government-wide financial statements. Reporting capital asset activity accurately and consistently, provides the readers of the Town’s audited financial statements an economic measurement focus of the Town’s position. The Town has established the following fiscal policy related to capitalization thresholds and capital asset depreciation method.

CAPITALIZATION THRESHOLD

The monetary threshold for capitalization purposes will be established for capital assets with an initial, individual cost of \$5,000 or more and having a useful life in excess of one year.

- The cost of commissions, delivery, setup, and or accessories should be included in the final cost of the capital asset.
- All capital assets shall be recorded and tracked via a perpetual inventory system. The Town will perform a physical inventory of its capital assets, either simultaneously or on a rotating basis, so that all of the assets are physically accounted for at least once every three years.
- The Town ~~will has~~ developed ~~capital asset replacement and maintenance schedules~~ a Fleet Purchase/Surplus Policy in accordance with accepted professional standards and best practices. ~~The This schedules will policy is be~~ utilized to commit adequate funding of re-investment in the Town’s machinery, ~~facilities vehicles and equipment, and infrastructure~~ so as to prevent the deferment of required ongoing maintenance and replacement.

DEPRECIATION OF CAPITAL ASSETS

For year-end financial statement purposes, the Town will calculate depreciation expense on its capital assets utilizing the straight line method over the following estimated useful lives:

Infrastructure and Improvements	5-50 years
Buildings and Improvements	10-50 years
Machinery and Equipment	3-30 years

The Town will not calculate depreciation expense in the year that the capital asset is purchased.

POLICY REVIEW

The Finance Committee and Finance Director will be responsible for reviewing the Capitalization and Depreciation Policy every two years and will make recommendations for revisions to the policy as deemed appropriate. Adoption and modifications to this policy will require the approval of a simple majority vote by the entire Town Board.

Drew Peterson, Mayor

Attest: Kristi K Bashor, CMC, Town Clerk

**AGENDA INFORMATION
MEMORANDUM**

**FIRESTONE
TOWN BOARD OF TRUSTEES**



AIM#: 4.b

Discussion

Meeting Date: August 16, 2023

Initiated By: Jessica Clanton

Dept: Finance

AGENDA TITLE

2024 Budget Preview

RECOMMENDATION

SUMMARY

FINANCIAL CONSIDERATIONS

HISTORY AND PREVIOUS BOARD ACTION

ATTACHMENTS

None