



REQUEST FOR ACTION CITY COUNCIL

Agenda Date: 7/15/2025
Agenda Section: Consent Agenda

Department Origination: Finance

Agenda Item: Adopt the Revised Capital Assets Policy and the Lease and SBITA Accounting Policy in Accordance with GASB

Approval Required: Simple Majority Vote

BACKGROUND

Attached is a redlined copy of the city's adopted capital asset policy and procedures from 2005 in response to implementation of the Government Accounting Standards Board's (GASB) Statement 34 for capital assets. GASB amended guidance on asset capitalization with GASB Implementation Guide 2021-1. The attached redlined copy is recommended to address the changes, including materiality of the impact on the financial statements, and to further document procedures already employed.

The second policy recommended for adoption is the attached "Lease and SBITA Accounting Policy and Procedures". This policy is a result of GASB 87 accounting treatment of leases and GASB 96 for subscription-based technology arrangements (SBITAs).

FINANCIAL IMPLICATIONS

No additional financial implications exist with this request for council action. GASB guidance is being followed.

STAFF RECOMMENDATIONS

Finance Director Vacinek recommends adoption of the revised Capital Assets Policy and the Lease and SBITA Accounting Policy.

COUNCIL ACTION REQUESTED

Adopt the attached revised Capital Assets Policy and the Lease and SBITA Accounting Policy