

COUNTY OF McLEAN, STATE OF ILLINOIS

RESOLUTION NO. 22-03-03-10

A RESOLUTION FOR ACCOUNTING PURPOSES A CAPITALIZATION  
POLICY FOR THE CITY OF LE ROY, McLEAN COUNTY, ILLINOIS

ADOPTED BY THE CITY COUNCIL OF THE CITY OF LE ROY THIS  
21<sup>st</sup> Day of March 2022

PRESENTED: March 21, 2022

PASSED: March 21, 2022

APPROVED: March 21, 2022

RECORDED: March 21, 2022

PUBLISHED: March 21, 2022

In Pamphlet Form

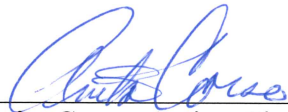
Voting "Aye" 7

Voting "Nay" 0

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The undersigned being the duly qualified and Acting City Clerk of the City of LeRoy does hereby certify that this document constitutes the publication in pamphlet form, in connection with and pursuant to Section 1-2-4 of the Illinois Municipal Code, of the above-captioned **resolution** and that such **resolution** was presented, passed, approved, recorded and published as above stated.

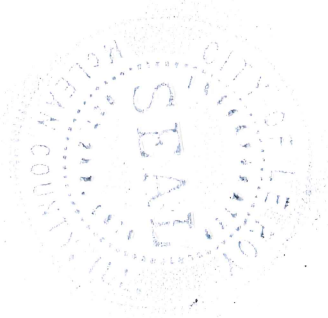
(SEAL)



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Anita Corso, Acting City Clerk of the  
City of Le Roy, McLean County, Illinois

Dated: March 21, 2022



**CITY OF LE ROY  
McLEAN COUNTY, ILLINOIS**

**RESOLUTION NO. 22-03-03-10**

**A RESOLUTION FOR ACCOUNTING PURPOSES A CAPITALIZATION POLICY  
FOR THE CITY OF LE ROY, McLEAN COUNTY, ILLINOIS**

**WHEREAS**, the City of Le Roy is an Illinois Municipal Corporation and has authority, pursuant to the Illinois Municipal Code, to periodically examine and update a capitalization policy for accounting purposes and compliance with the Governmental Accounting Standards board statement 34 (GASB34); and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN FOR THE CITY OF LE ROY, McLEAN COUNTY, ILLINOIS**, as follows:

**SECTION 1. RECORDING OF ASSETS:** Capital assets are to be recorded at historical cost which includes any ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include, for example, freight and transportation charges, site preparation cost, etc.

For construction projects extending beyond one year, all cost, regardless of magnitude, shall be accumulated into suspense or "Construction in Progress" account to be reported as a separate asset on the capital asset records. When the project is completed and the asset is put into service, the cost accumulated in the "Construction in Progress" account shall be transferred to the capital asset ledger as an identifiable asset and depreciated forward over its useful life.

Donated capital assets are recorded at their estimated fair value at the time of acquisition.

All land, including right-of-ways, is to be capitalized at the time of acquisition regardless of its historical cost (or fair value if donated).

Assets purchased with federal grants having a cost at or above a threshold of \$5,000 on a unit basis are to be reported for federal compliance purposes. Reporting is to include designation as "federally funded" and an indication of the percentage of federal funding for the specific asset.

The minimum capitalization amount for individual equipment is \$5,000, for buildings and improvements is \$10,000, and for infrastructure assets (roads, bridges, culverts, curbs, sidewalks, lighting systems, gutters, drainage systems and similar) is \$50,000.

**SECTION 2 – ASSET ADDITIONS AND RETIREMENTS:** Assets will be placed in service when complete.

When an asset is disposed of, scrapped, sold, demolished, etc. it is to be removed from the property record and the appropriate reduction will be made to the asset's historical cost, accumulated depreciation, and net book value amounts on the property record.

**SECTION 3 – DEPRECIATION METHOD:** The cost for infrastructure will be capitalized and depreciated on a prospective basis beginning the year placed in service. Depreciation will be calculated using the straight-line method and full-year convention. No salvage value or residual value will be considered.

**SECTION 4 – CAPITALIZATION vs EXPENSE:** The cost for maintenance will be expensed. With regard to improvements to buildings and general infrastructure, a capital outlay must be significant and increase capacity, increase efficiency, or extend the asset's estimated useful life beyond the original expectation.

A change in capacity increases the level of service provided by the asset. For example, widening a road with additional lanes increases capacity and, hence, the capital expense is capitalized. The resurfacing of existing roads or the re-claiming of chip and seal roads does not generally result in an increased capacity or efficiency; hence, these expenditures are to be expensed as maintenance in the current year. These expenses often merely restore the asset to the original service potential but do not necessarily improve its efficiency or capacity.

**SECTION 5 – USEFUL LIVES OF ASSETS:** The following depreciable lives are established:

Computers, servers, peripherals – 3 years  
Appliances – 5 years  
Tools – 5 years  
Equipment – 7 years  
Vehicles under 13,000 gross vehicle weight – 5 years  
Vehicles 13,000 or more gross weight – 7 years  
Other Improvements – 10 years  
Buildings – 40 years  
Road Improvements – 10 years  
New Infrastructure – 40 years

## **SECTION 6: MINOR BUT SENSITIVE ASSETS**

Equipment having a cost below the capitalization threshold but considered “Minor but Sensitive” may include, for example, radios, personal computers, laptop computers, printers, fax machines, and small power tools. If lost or stolen, these minor but sensitive items could have a significant liability attached to them. For these reasons these items shall be inventoried and controlled on the department level.

Each department having minor but sensitive assets will maintain a complete and confidential updated list of these assets. Data elements are to include, at a minimum, an asset description, location, make model, serial number, and other information that assist control or deemed relevant.

**SECTION 3. Repeal and Savings Clause.** All resolutions or parts of resolutions in conflict hereof, are hereby repealed, provided, however, that nothing herein contained shall affect any rights, action, or causes of action, which have accrued to the City of Le Roy, prior to the effective date of this Resolution.

**SECTION 4. Publication.** The City Clerk is hereby authorized and directed to publish this Resolution in pamphlet form, as provided by law.

**SECTION 5. Effective Date.** This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

**PASSED** by the City Council of the City of Le Roy, Illinois, upon the motion Made by Kyle Merkle, and seconded by Patricia Welander by roll call vote on the 21<sup>st</sup> day of March, 2022, as follows

Aldermen elected 8

Aldermen Present 7

Voting Aye: Dawn Hanafin, Kyle Merkle, Patricia Welander, Kelly Lay, Ron Legner, Matt Steffen, Sarah Welte

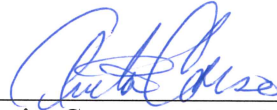
Voting Nay: None

Absent: Justin Morfey

Abstain: None

Other: None

and deposited and filed in the office of the City Clerk in said municipality on the 21<sup>st</sup> day of March 2022



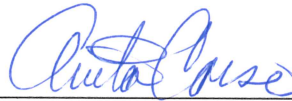
\_\_\_\_\_  
Anita Corso, Acting City Clerk of the City of Le Roy, Mc Lean County, Illinois

APPROVED BY the Mayor of the City of Le Roy, Illinois, this 21<sup>st</sup> day of March 2022.

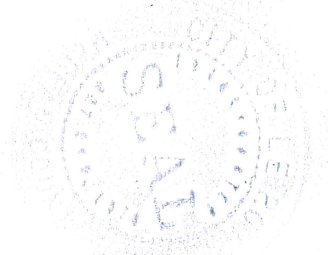


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Steven M. Dean, Mayor of the City of Le Roy, Mc Lean County, Illinois

ATTEST: (SEAL)



\_\_\_\_\_  
Anita Corso, Acting City Clerk of the City of Le Roy, Mc Lean County, Illinois



CERTIFICATE

I, Anita Corso, certify that I am the duly appointed and acting municipal clerk of the City of Le Roy, of McLean County, Illinois.

I further certify that on **March 21, 2022** the Corporate Authorities of such municipality passed and approved **Resolution No. 22-03-03-10 entitled:**

**A RESOLUTION FOR ACCOUNTING PURPOSES A CAPITALIZATION POLICY FOR THE CITY OF LE ROY, MCLEAN COUNTY, ILLINOIS**

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Resolution No. 22-03-03-10, including the Resolution and a cover sheet thereof, was prepared, and a copy of such Resolution was posted at the municipal building, commencing on **March 21, 2022** and continuing for at least ten days thereafter. Copies of such Resolution were also available for public inspection upon request in the office of the municipal clerk.

Dated at Le Roy, Illinois this 21<sup>st</sup> day of March 2022.

(SEAL)



A handwritten signature in blue ink, which appears to read "Anita Corso", is written over a horizontal line.

Anita Corso, Acting City Clerk of the City of Le Roy, McLean County, Illinois

STATE OF ILLINOIS     )  
  ) SS:

COUNTY OF MCLEAN )

I, Anita Corso, do hereby certify that I am the duly qualified and acting City Clerk of the City of Le Roy, McLean County, Illinois, and as such City Clerk that I am the keeper of the records and files of the Mayor and the City Council of said City.

I do further certify that the foregoing is a true, correct and complete copy of an ordinance entitled:

**A RESOLUTION FOR ACCOUNTING PURPOSES A CAPITALIZATION POLICY FOR THE CITY OF LE ROY, MCLEAN COUNTY, ILLINOIS**

I do further certify said *resolution* was adopted by the City Council of the City of Le Roy at a regular meeting on the 21<sup>st</sup> day of March 2022, and prior to the making of this certificate the said *resolution* was on file with the permanent records of said City where it now appears and remains as a permanent record of said ordinance in the record books.

**Dated this 21<sup>st</sup> Day of March 2022**

(SEAL)



\_\_\_\_\_  
Anita Corso, Acting City Clerk of the  
City of Le Roy, McLean County, Illinois

