

RESOLUTION 2020 - 24

RESOLUTION OF THE CITY OF DEFUNIAK SPRINGS, FLORIDA, ADOPTING A CAPITALIZATION THRESHOLD POLICY FOR FINANCIAL REPORTING; AND PROVIDING FOR AN EFFECTIVE DATE

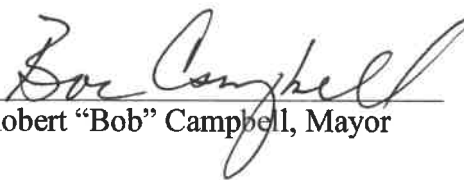
**WHEREAS**, it has been recommended that the City of DeFuniak Springs establish a benchmark that is in accordance with Generally Accepted Accounting Principles (GAAP) to identify what the minimum cost of an asset should be (i.e., its significant value) to justify the time and expense of maintaining the information required for reporting it in the City's financial statements. For practical reasons, governments capitalize only their higher cost assets; and

**WHEREAS**, the Government Finance Officers' Association (GFOA) recommends that capitalization thresholds never be less than \$5,000. In determining the minimum cost of an asset that should be recorded and depreciated on the City's financial statements one must determine if the asset's value is significant enough to justify the time and expense of maintaining the information required for reporting; and

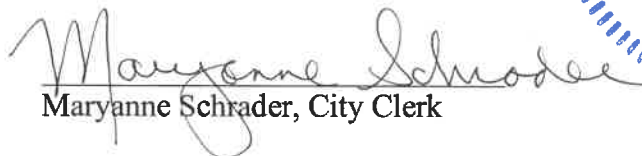
NOW THEREFORE BE IT RESOLVED that the City of DeFuniak Springs, Florida:

Section 1. The above recitals are true and correct incorporated herein and shall take effect immediately.

ADOPTED this 12th day of October 2020.

  
Robert "Bob" Campbell, Mayor

ATTEST:

  
Maryanne Schrader, City Clerk

