

RESOLUTION NO. 4572  
(Amend City of Henderson Capitalization Threshold)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HENDERSON,  
NEVADA, TO AMEND THE CITY'S CAPITALIZATION THRESHOLD FOR  
CAPITAL ASSETS AND OTHER PERSONAL PROPERTY.

WHEREAS, generally accepted accounting principles (GAAP) call for the governments to define a threshold for capitalizing and depreciating their assets; and

WHEREAS, pursuant to Nevada Administrative Code 354.750, the City of Henderson (City) is authorized to establish guidelines concerning the threshold for asset capitalization by resolution; and

WHEREAS, a capitalization threshold helps ensure that a material portion of fixed assets purchased by the City are capitalized and depreciated while also preventing the use of resources to track assets or other items which have no material impact on the financial statements; and

WHEREAS, in 2007 the City Council adopted Resolution No. 3682 setting the City's capitalization threshold for assets, equipment, and other property having a useful service life of one year or more and a value over \$10,000; and

WHEREAS, due to inflation and the growth of the City has experienced since 2007, an increase in the capitalization threshold is necessary to maintain a similar level of resource dedication to capital asset accounting; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Henderson, Nevada that:

SECTION 1: The City hereby amends its capitalization threshold as outlined below:

- A) All land shall be capitalized;
- B) Capital assets purchased for \$20,000 or more and that have a useful life of twelve (12) months or more shall be capitalized; and
- C) Capital assets with useful lives of twelve (12) months or more, that do not meet the \$20,000 threshold individually, shall be capitalized when purchased in bulk with like items where the bulk purchase price is \$50,000 or more.

SECTION 2: This resolution is effective retroactively for the reporting period beginning July 1, 2023.

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PASSED, ADOPTED, AND APPROVED THIS 16<sup>th</sup> DAY OF APRIL, 2024, BY THE  
FOLLOWING ROLL-CALL VOTE OF COUNCIL.

Those voting aye:  
Michelle Romero, Mayor  
Councilmembers:  
Carrie Cox  
Jim Seebock  
Dan H. Stewart  
Dan K. Shaw

Those voting nay:       None  
Those abstaining:       None  
Those absent:           None

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Michelle Romero, Mayor

ATTEST:

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Jose Luis Valdez, CMC, City Clerk