

RESOLUTION NO. 115

**A RESOLUTION DEFINING CAPITAL ASSET AND SETTING  
GUIDELINES FOR ITEMS TO BE CHARGED TO A CAPITAL  
ACCOUNT IN THE CITY OF TONTITOWN, ARKANSAS**

**WHEREAS** the Tontitown City Council finds it in the best interest of the City of Tontitown to define capital asset and to set guidelines for items to be charged to a capital account;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF TONTITOWN, ARKANSAS;**

**SECTION 1:** Capital asset, also referred to as a fixed asset, is hereby defined as an asset of a durable nature, which is expected to be used for a period greater than one year, and includes such assets as real property, including improvements and infrastructure, buildings, motor vehicles, equipment, furniture, tools, etc., but excluding computer software;

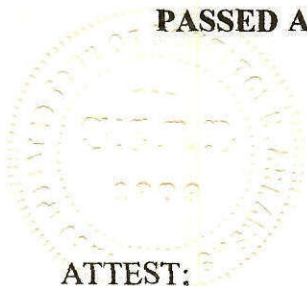
**SECTION 2:** Historical cost is hereby defined as the usual basis for valuing fixed assets, and is measured by the cash price of obtaining the asset and getting it ready for its intended use;

**SECTION 3:** The Purchase price, freight, sales tax, and installation costs are considered part of the cost of fixed assets;

**SECTION 4:** Assets acquired by gift are valued at their fair market value or appraised value on the date of acquisition ;

**SECTION 5:** Assets having a purchase price or fair market value of \$500.00 or more will be charged to a capital account.

**PASSED AND APPROVED** this 5<sup>th</sup>. day of October 2004.



ATTEST;

  
Daniel R. Watson, Mayor

  
Frances Franco, Recorder/Treasurer