

**CITY OF LAKE OSWEGO, OREGON**

Notes to the Basic Financial Statements

June 30, 2021

**1. The reporting entity and summary of significant accounting policies, continued**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or fund balance, continued**

**6. Capital assets, continued**

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Exhaustible assets of the City, as well as the Lake Oswego Redevelopment Agency, are depreciated using the method over the estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Infrastructure	30
Vehicles	5-15
Machinery and equipment	5-10
Water systems	50
Sewer systems	40
Lake Interceptor	75
Intangibles	1-50

Capital assets include contribution of capital assets from outside developers. Revenue from these capital contributions is reflected in capital grants and contributions on the statement of activities and on the proprietary fund statements.