RESOLUTION NO. 1831

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND APPROVING A REVISED CAPITAL ASSET GUIDE TO INCLUDE ZOO ANIMALS

WHEREAS, the City of Salisbury desires to make changes to its current Capital Asset Guide to include Zoo animals; and

WHEREAS, the City would like to include Zoo Animals as capital assets in the Capital Asset Guide provided that they have a value in excess of $10,000; and

WHEREAS, the City would like to include in the Capital Asset Guide a definition of animals, and the depreciation methodology for Zoo animals; and

NOW, THEREFORE, BE IT RESOLVED that the Salisbury City Council adopts the attached revised Capital Asset Guide.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on September 28, 2009 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
Brenda J. Colegrove
CITY CLERK

Louise Smith
Louise Smith
PRESIDENT, CITY COUNCIL

Approved by me this

30th day of September, 2009

James Ireton, Jr.
James Ireton, Jr.
MAYOR, City of Salisbury

City of Salisbury

Memo

To: John R. Pick, City Administrator

From: Pamela B. Oland, Director Internal Services

Date: September 9, 2009

Re: Revised Capital Asset Guide

In the fiscal year 2008 audit management letter from Barbacane, Thornton & Company, it was noted that zoo animals were recorded in FY08 as inventory. Per the Governmental Accounting Standards Board, zoo animals need to be considered capital assets and depreciated over the animal's useful life. In order to classify Zoo animals, the City of Salisbury's Capital Asset Guide needed to be updated for classification of Zoo animals.

Management is recommending that we have the following policy for zoo animals: Any animal with a cost $10,000 or greater and a useful life of more than a year would be capitalized and depreciated. All other animals would be expensed in the year purchased.

The attached Capital Asset Guide has been revised to include Zoo animals and reflect this recommendation. The grey highlighted areas reflect the changes to the current Guide.

If you have any further questions, please let me know.

CAPITAL ASSET GUIDE

March 2003

Revised August 2009

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I. Capital Asset Definitions and Guidelines

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life of greater than one year. The City has invested in a broad range of capital assets that are used in the City's operations, which include:

- Land and land improvements
- Buildings and building improvements
- Improvements other than buildings
- Infrastructure
- Construction in progress
- Leasehold improvements
- Personal property
  - Furniture and equipment
  - Vehicles and boats
  - Software obtained for internal use
  - Other assets
    1) Works of art and historical treasures
    2) Intangible assets
- Animals

Capitalization Thresholds

Standard capitalization thresholds for capitalizing assets have been established for each major class of assets.

Capital Asset Type	Tracking and Inventory	Capitalize	Depreciate for Financial Reporting
Land/Land Improvements	$1	All	No
Building/Building Improvements	$1,000	$50,000	Yes
Computer Software	$1,000	$10,000	Yes
Construction in Progress	$1	All	No
Improvements other than Buildings	$1,000	$50,000	Yes
Leasehold Improvements	$1,000	$50,000	Yes
Machinery, Equipment	$1,000	$10,000	Yes
Vehicles	$1,000	$10,000	Yes
Works of Art/Historical Treasures	$1	All	No
Infrastructure	$50,000	$250,000	Yes
Animals	$1	$10,000	Yes

Capital Asset Acquisition Cost

Capital assets should be recorded and reported at their historical costs, which include the vendor's invoice (plus the value of any trade-in), plus sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees. The costs of capital assets for ***governmental activities*** do not include capitalized interest. However, interest is capitalized on:

- Assets that are constructed or otherwise produced for an enterprise's own use (including assets constructed or produced for the enterprise by others for which deposits or progress payments have been made)

- Assets intended for sale or lease that are constructed or otherwise produced as discrete projects (for example, ships or real estate developments)

Assets that ***do not*** qualify for capitalization of interest include:

- Assets acquired for governmental activities (interest will be reported in the statement of activities as a separate line item)
- Assets that are in use or ready for their intended use in the earning activities of the enterprise

- Assets that are not being used in the earning activities of the enterprise and that are not undergoing the activities necessary to get them ready

- Assets acquired with gifts and grants that are restricted by the donor or grantor to acquisition of those assets to the extent that funds are available from such gifts and grants

Capital Asset Donations

GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, defines a donation as a voluntary nonexchange transaction entered into willingly by two or more parties. Both parties may be governments or one party may be a nongovernmental entity, including an individual. **A voluntary contribution of resources between governmental agencies is not a donation**.

	Governmental Activities	Business Type Activities
Donations	- If the asset has been received but the eligibility requirements **have not** been met, then capital assets are debited and deferred revenue is credited in the *government-wide financial statements*. - If the asset has not been received but the eligibility requirements **have** been met, then a receivable is debited and revenue is credited in the *government-wide financial statements* - If the asset has not been received but the eligibility requirements **have** been met, then a receivable is debited and revenue is credited in the *government-wide financial statements*	- If the asset has been received but the eligibility requirements **have not** been met, then capital assets are debited and deferred revenue is credited in the *fund financial statements*. - If the asset has not been received but the eligibility requirements **have** been met, then a receivable is debited and revenue is credited in the *fund financial statements* - If the asset has not been received but the eligibility requirements **have** been met, then a receivable (net of estimated uncollectible amounts) is debited and revenue is credited in the *fund financial statements*
Promises of capital asset donations	- Promises should be recognized as receivables and revenues (net of estimated uncollectible amounts) on the *government-wide financial statements* when all applicable eligibility requirements are met, provided that the promise is verifiable and the resources are measurable[1] and probable[2] of collection.	- Promises should be recognized as receivables and revenues (net of estimated uncollectible amounts) on the *fund financial statements* when all applicable eligibility requirements are met, provided that the promise is verifiable and the resources are measurable[1] and probable[2] of collection.

Sale of a Capital Asset Donation

Governmental fund statements per GASB 34 are to be used to report spendable assets and not capital assets. However, there may be instances when a government receives a gift of a capital asset that it intends to sell.

In such cases, the donation will be reported as revenue on the governmental fund statements if the asset is either:

- Sold prior to the end of the fiscal period, and the proceeds of the sale are considered available[3], or
- The asset is sold (or the government has entered into a contract to sell the asset) prior to the issuance of the financial statements,

and the proceeds of the sale are considered available.

If the proceeds of the sale are not considered available, then the related receivable should be offset by a liability for deferred revenue on the fund financial statements.

[1] ~~Measurable – Reasonable~~ estimable.
[2] Probable – The future event or events are likely to occur.
[3] Available – Collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Leased Equipment

Equipment should be capitalized if the lease agreement meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.

Leases that do not meet any of the above requirements should be recorded as an operating lease and reported in the notes of the financial statements.

Depreciating Capital Assets

Capital assets should be depreciated over their estimated useful lives.

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used. Depreciation data will be calculated and stored by the finance department for each eligible asset. Accumulated depreciation will be summarized and posted to the accounting general ledger.

Residual Value

In order to calculate depreciation for an asset, the estimated residual value must be declared before depreciation can be calculated. The use of historical sales information becomes invaluable for determining the estimated residual value. Proceeds from sale of assets must be netted against residual value in computing net gain or loss from sale.

Sale of Capital Assets
When an asset is sold, a gain or loss must be recognized in the annual report when:

- cash is exchanged and the amount paid does not equal the net book value of the asset
- cash is not exchanged and the asset is not fully depreciated or has a residual value

A gain or loss **is not** reported when:

- cash exchanged equals the net book value and the asset does not have a residual value
- cash is not exchanged and the asset is fully depreciated and has no residual value

Computation of Gain and Loss from Sale of Assets
To compute a gain or loss, proceeds received must be subtracted from the asset's net book value.

Example:	Asset's Historical Cost	$10,000
	Less Accumulated Depreciation	7,000
	Net book value	$ 3,000
	Subtract Proceeds Received	2,000
	Loss from Sale of Asset	$ 1,000

If the asset has been fully depreciated and has a residual value, then the proceeds must be subtracted from the residual value to compute the gain or loss.

Example:	Asset's Historical Cost (residual value = $1,000)	$10,000
	Less Accumulated Depreciation	9,000
	Residual value	$ 1,000
	Subtract Proceeds Received	2,000
	Gain from Sale of Asset	$ 1,000

Assets Acquired by the Exchange of Other Assets
Similar assets – When recording an exchange of similar assets, agencies must use a book value basis for the assets surrendered or acquired.

- When assets are exchanged and no monetary consideration is paid or received, the cost of the asset acquired is recorded at the book value of the asset surrendered.
- Where monetary consideration is given, the new asset must be recorded at the sum of the cash paid plus the book value of the asset surrendered.

Dissimilar assets – When recording an exchange of dissimilar assets, agencies must:

- Record the value of the asset being traded and the resulting transaction for acquiring the new asset, using the fair value of the asset being traded.
- If cash is used to purchase the asset, agencies must record the transaction for the new asset as cash paid plus the fair value of the asset surrendered.

Assets Held in Trust

Capital assets held by the City on behalf of another entity (such as art collections owned by families, estates and others) and that are under the temporary control of the City should be accounted for in City tracking system. Currently, the accounting treatment is being researched. Assets held in trust must be reported to the City using the appropriate acquisition and disposal method for such assets.

II. Capital Asset Categories

Land and Land Improvements

Land Definition

Land is the surface or crust of the earth, which can be used to support structures, and may be used to grow crops, grass, shrubs, and trees. Land is characterized as having an unlimited life (indefinite).

Land Improvement Definition

Land improvements consist of betterments, site preparation and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements to land are added to the cost of the land.

Depreciation Methodology

Land and land improvements are inexhaustible assets and do not depreciate over time.

Capitalization Threshold

All acquisitions of land and land improvements will be capitalized.

<u>Examples of Expenditures to be Capitalized</u>
<u>as Land and Land Improvements</u>

- Purchase price or fair market value at time of gift
- Commissions
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments, etc.)
- Land excavation, fill, grading, drainage
- Demolition of existing buildings and improvements (less salvage)
- Removal, relocation, or reconstruction of property of others (railroad, telephone and power lines)
- Interest on mortgages accrued at date of purchase
- Accrued and unpaid taxes at date of purchase
- Other costs incurred in acquiring the land
- Water wells (includes initial cost for drilling, the pump and its casing)
- Right-of-way

Buildings and Building Improvements

Building Definition

A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. Buildings that are an ancillary part of the state's highway network, such as rest area facilities and toll buildings will be reported as infrastructure rather than as buildings.

Building Improvement Definition

Building improvements are capital events that materially extend the useful life of a building or increase the value of a building, or both. A building improvement should be capitalized as a betterment and recorded as an addition of value to the existing building if the expenditure for the improvement is at the capitalization threshold, or the expenditure increases the life or value of the building by 25 percent of the original life period or cost.

Depreciation Methodology

The straight-line depreciation method (historical cost - residual value)/useful life) will be used for buildings, building improvements and their components. Subsequent improvements that change the use or function of the building shall be depreciated.

Buildings listed on the National Register of Historic Places will not be depreciated unless used in the operations of the City. However, any improvements or betterments not deemed "historical" will be depreciated the same as any other improvements or betterments made to a building.

Capitalization Threshold

The capitalization threshold for buildings and building improvements is $50,000.

Examples of Expenditures to be Capitalized as Buildings

PURCHASED BUILDINGS

- Original purchase price
- Expenses for remodeling, reconditioning or altering a purchased building to make it ready to use for the purpose for which it was acquired

- Environmental compliance (i.e., asbestos abatement)
- Professional fees (legal, architect, inspections, title searches, etc.)
- Payment of unpaid or accrued taxes on the building to date of purchase
- Cancellation or buyout of existing leases
- Other costs required to place or render the asset into operation

CONSTRUCTED BUILDINGS

- Completed project costs
- Interest accrued during construction • Cost of excavation or grading or filling of land ***for a specific building***
- Expenses incurred for the preparation of plans, specifications, blueprints, etc.
- Cost of building permits
- Professional fees (architect, engineer, management fees for design and supervision, legal)
- Costs of temporary buildings used during construction
- Unanticipated costs such as rock blasting, piling, or relocation of the channel of an underground stream
- Permanently attached fixtures or machinery that cannot be removed without impairing the use of the building
- Additions to buildings (expansions, extensions, or enlargements)

Examples of Expenditures to be Capitalized as Improvements to Buildings

Note: For a replacement to be capitalized, it must be a part of a major repair or rehabilitation project, which increases the value, and/or useful life of the building, such as renovation of a student center. A replacement may also be capitalized if the new item/part is of significantly improved quality and higher value compared to the old item/part such as replacement of an old shingle roof with a new fireproof tile roof. Replacement or restoration to original utility level would not. Determinations must be made on a case by case basis.

- Conversion of attics, basements, etc., to usable office, clinic, research or classroom space
- Structures ***attached*** to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc.
- Installation or upgrade of heating and cooling systems, including ceiling fans and attic vents
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, paneling, or parquet
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing
- Installation or upgrade of window or door frame, upgrading of

windows or doors, built-in closet and cabinets
- Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, etc.
- Exterior renovation such as installation or replacement of siding, roofing, masonry, etc.
- Installation or upgrade of plumbing and electrical wiring
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building)
- Other costs associated with the above improvements

Building Maintenance Expense

The following are examples of expenditures ***not*** to be capitalized as improvements to buildings. Instead, these items should be recorded as maintenance expense.

- Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building
- Improvement projects of minimal or no added life expectancy and/or value to the building
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpaper
- Exterior decoration, such as detachable awnings, uncovered porches, decorative fences, etc.
- Maintenance-type interior renovation, such as repainting, touch-up plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Replacement of a part or component of a building with a new part of the same type and performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities
- Any other maintenance-related expenditure which does not increase the value of the building

Improvements Other Than Buildings

Improvements Other Than Buildings Definition

Assets (other than general use buildings) built, installed or established to enhance the quality or facilitate the use of land for a particular purpose.

Other Improvements Definition

Depreciable improvements made to a facility or to land that should be capitalized as a betterment if the improvement is at the capitalization threshold or the expenditure increases the life or value of the asset by 25 percent of the original cost or life period.

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for Improvements Other Than Buildings.

Capitalization Threshold

The capitalization threshold for improvements other than buildings is $50,000.

Examples of Expenditures to be Capitalized as
Facilities and Other Improvements

- Fencing and gates
- Landscaping
- Parking lots/driveways/parking barriers
- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Golf courses
- Paths and trails
- Septic systems
- Stadiums
- Swimming pools, tennis courts, basketball courts
- Fountains
- Plazas and pavilions
- Retaining walls

Infrastructure

Infrastructure Definition

Assets that are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are often linear and continuous in nature.

Note: Prospective reporting of general infrastructure assets is required beginning in fiscal 2003. Also required is the retroactive reporting of infrastructure assets purchased, constructed, or donated in fiscal years ending after June 30, 1980 or that received major renovations, restorations, or improvements during that period.

Infrastructure Improvements

Infrastructure improvements are capital events that materially extend the useful life or increase the value of the infrastructure, or both. Infrastructure improvements should be capitalized as a betterment and recorded as an addition of value to the infrastructure if the improvement or addition of value is at the capitalization threshold or increases the life or value of the asset by 25 percent of the original cost or life period.

Jointly Funded Infrastructure

Infrastructure paid for jointly by the City and other governmental entities should be capitalized by the entity responsible for future maintenance.

Maintenance Costs

Maintenance costs allow an asset to continue to be used during its originally established useful life. Maintenance costs are expensed in the period incurred.

Preservation Costs

Preservation costs are generally considered to be those outlays that extend the useful life of an asset beyond its original estimated useful life, but do not increase the capacity or efficiency of the asset. Preservation costs should be capitalized under the depreciation approach.

Additions and Improvements

Additions and improvements are those capital outlays that increase the capacity or efficiency of the asset. A change in capacity increases the level of service provided by an asset. For example, additional lanes can be added to a highway or the weight capacity of a bridge could be increased. A change in efficiency maintains the same service level, but at a reduced cost. For example, a heating and cooling plant could be reengineered so that it produces the same temperature changes at reduced cost. The cost of additions and improvements should be capitalized under the depreciation approach to reporting infrastructure.

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for infrastructure assets.

Capitalization Threshold

The capitalization threshold for infrastructure is $250,000. Infrastructure already capitalized will remain capitalized.

Examples of Expenditures to be Capitalized as Infrastructure

- Highway and rest areas
- Roads, streets, curbs, gutters, sidewalks, fire hydrants
- Bridges, railroads
- Canals, waterways, wharf, docks, sea walls, bulkheads, boardwalks
- Dam, drainage facility
- Radio or television transmitting tower
- Electric, water and gas (main lines and distribution lines, tunnels)
- Fiber optic and telephone distribution systems (between buildings)
- Light system (traffic, outdoor, street, etc.)
- Signage

Personal Property

Personal Property Definition

Fixed or movable tangible assets to be used for operations and the benefits of which extend beyond one year from date of acquisition and rendered into service. Improvements or additions to existing personal property that constitute a capital outlay or increase the value or life of the asset by 25 percent of the original cost or life should be capitalized as a betterment and recorded as an addition of value to the existing asset.

> Note: Costs of extended warranties and/or maintenance agreements, which can be separately identified from the cost of the equipment, should not be capitalized.

Jointly Funded Personal Property

Personal property paid for jointly by the City and other governmental entities should be capitalized by the entity responsible for future maintenance.

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for personal property.

Capitalization Threshold

The capitalization threshold for personal property is $10,000. Personal property with a cost of at least $1,000 and under $10,000 will be accounted for as inventory but will not be capitalized.

Examples of Expenditures to be Capitalized as
Personal Property

- Original contract or invoice price
- Freight charges
- Import duties
- Handling and storage charges
- In-transit insurance charges
- Sales, use, and other taxes imposed on the acquisition
- Installation charges
- Charges for testing and preparation for use
- Costs of reconditioning used items when purchased
- Parts and labor associated with the construction of equipment

Works of Art and Historical Treasures

Works of Art and Historical Treasures Definition

Collections or individual items of significance that are owned by the City which are not held for financial gain, but rather for public exhibition, education or research in furtherance of public service. Collections or individual items that are protected and cared for or preserved and subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Depreciation Methodology

These items will not be depreciated.

Capitalization Threshold

All works of art and historical treasures acquired or donated will be capitalized as of July 1, 2002 unless held for financial gain. Collections already capitalized as will remain capitalized and all additions to those collections will be capitalized, even if they meet the conditions for exemption from capitalization. If a collection is held for financial gain and not capitalized, disclosures must be made in the notes that provide a description of the collection and the reasons these assets are not capitalized. When donated collection items are added to noncapitalized collections, program expense equal to the amount of revenues should be recognized.

Examples of Expenditures to be Capitalized as
Works of Art and Historical Treasures

- Collection of rare books, manuscripts
- Maps, documents and recordings
- Works of art such as paintings, sculptures, and designs
- Artifacts, memorabilia, exhibits
- Unique or significant structures

Computer Software

For capitalizing computer software, the City will follow AICPA Statement of Position 98-1, *Software Developed or Obtained for Internal Use* (SOP 98-1).

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for software developed or obtained for internal use.

Capitalization Threshold

The City will record the payment for the purchase of computer software whose unit value cost is $10,000 or greater and has an estimated useful life of more than one year. Capitalization of computer software includes software license fees if the total dollar amount of the fee divided by the number of units served (terminals) meets the criteria to capitalize the purchase.

Leasehold Improvements

Leasehold Improvements Definition

Construction of new buildings or improvements made to existing structures by the lessee, who has the right to use these leasehold improvements over the term of the lease. These improvements ***will revert to the lessor*** at the expiration of the lease. Moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement. Leasehold improvements do not have a residual value.

Depreciation Methodology

Leasehold improvements are capitalized by the lessee and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent should be expensed in the period incurred. If the lease contains an option to renew and the likelihood of renewal is uncertain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement, whichever is shorter.

Capitalization Threshold

The capitalization threshold for leasehold improvements is $50,000.

Construction in Progress

Construction in Progress Definition

Construction in Progress reflects the economic construction activity status of buildings and other structures, infrastructure (highways, energy distribution systems, pipelines, etc.), additions, alterations, reconstruction, installation, and maintenance and repairs which are substantially incomplete.

Depreciation Methodology

Depreciation is not applicable while assets are accounted for as Construction in Progress. See appropriate capital asset category when asset is capitalized.

Capitalization Threshold

Construction in progress assets should be capitalized to their appropriate capital asset categories upon the earlier occurrence of execution of substantial completion contract documents, occupancy, or when the asset is placed into service.

ANIMALS

Animals Definition

Animals are any of a kingdom (Animalia) of eukaryotes generally characterized by a multicellular body, the ability to move quickly and obtain food, specialized sense organs, and sexual reproduction. Typically these will be items purchased and/or donated for the Zoo collection.

Depreciation Methodology

The straight-line depreciation method (historical cost less residual value, divided by useful life) will be used for animals.

Capitalization Threshold

The City will record the payment for the purchase of the animals or the estimated purchase price for a donation, whose unit value cost is $10,000 or greater and has an estimated useful life of more than one year.

Controlled Assets

Controlled assets are assets of the City identified below, that due to the nature of the items, ***must*** be secured and tracked by the department responsible for the items. In addition to the controlled assets identified below the department must secure and track all similar type items that are assigned to individuals. Controlled assets must be tracked and secured no matter what the cost is.

Controlled Assets
Hand Guns
Rifles
Cameras
Camcorders
Portable Printers
Laptops
Radios

Batteries/Chargers
Cell Phones
Pagers
All other similar items assigned to individuals

Appendix A

PERSONAL PROPERTY		
Asset Type	**Examples**	**Life in Years**
Office Furniture	Desk, tables, chairs, bookcases, cabinets, workstations	7
Office Equipment	Copiers, fax machines, paper shredders, audio/visual system, TV, VCR, camcorder, scanners, printers	5
Computer Hardware	Personal computers, mainframes, docking stations, modems, disk/tape drivers, servers	5
Computer Software		5
Telephone Equipment		7

Vehicles Cars, light trucks Buses Fire Trucks Watercrafts		5 8 12 10
Heavy Construction Equipment	Backhoes, trucks, dozers, front-end loaders, large tractors	10
Fire Fighting Equipment	Ladder, hoses	10
Engineering, Scientific Equip.	Lab Equipment	10
Medical Equipment		5
Law Enforcement Equipment		10
Machinery	Pallet trucks, lifts, jacks, hydraulic	15
Tools	Anvils, band saws, circular saws, jointers, power drills, pneumatic hand tools, welding apparatus	7
Outdoor Recreational Equip.		15
Grounds/Agricultural Equipment **Animals**	Lawn Mowers, pruners, sprayers, etc	7 Varies

Appendix B

REAL PROPERTY		
Asset Type	**Examples**	**Life in Years**
Land and Land Improvements		0
Improvements other than Buildings	Fencing, gates, sprinkler systems, athletis fields, swimming pools, tennis courts, fountains, retaining walls, bleachers, outdoor lighting, parking lot	20
	Landscaping	10
Buildings Permanent Temporary	Office, research,education buildings	40
	Portable buildings/structures	25

Building Improvements	Plumbing, heating/cooling system/air circulation, electrical, elevators, sprinkler system	20
	Fire System, security system,carpeting, cabling/fiber optic, roof cover, ceiling finish, interior renovation	10
Infrastructure Roadways	Urban Rural	20 40
Traffic Control Equipment	Stoplights, Traffic signs	10
Street Lighting		10
Bridge		30
Water & Sewer Sytems		30
Storm Drains		30
Curbs, gutters, sidewalks		20
Marina	Sea walls, docks, piers, bulkhead	35