

# CITY OF WEST LAFAYETTE CAPITAL ASSET POLICY

## **Section 1. General Provisions and Purpose**

The Fixed Asset Policy is being issued effective January 1, 2003. The new policy will be referred to as the **Capital Asset Policy**. This Policy is being issued to document the minimum value of capital assets to be reported on our financial reports and to include infrastructure assets. This issuance of a policy document is related to the implementation of a new reporting model, Governmental Accounting Standards Board Statement 34. Statement 34 will require the City to depreciate capital assets. The capital asset threshold will be ~~\$1,000~~ **\$5,000** for all assets except land which shall always be capitalized. An asset with a value under ~~\$1,000~~ **\$5,000** will be expensed in the year of purchase. The infrastructure portion of this policy is also effective January 1, 2003.

The City of West Lafayette has established a Capital Asset Policy in order to safeguard its considerable investment in capital assets, and to be able to demonstrate accountability to its various constituencies: citizens, rate-payers, oversight bodies, creditors and regulators. All public information pertaining to capital assets will be made available in the Comprehensive Annual Financial Report (CAFR).

## **Section 2. Definition of Capital Assets**

### 2.1 Classifications

Capital assets include: land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, works of art and historical treasures, infrastructure, and Wastewater Treatment Utility assets.

### 2.1 Criteria

All items with a useful life of more than one year, and having a unit cost of ~~\$1,000~~ **\$5,000** or more, and all land and all controlled property shall be capitalized.

2.2 Depreciation A capital asset meeting the criteria will be reported and depreciated in the government-wide financial statements with the exception of land which will be not depreciated and construction in progress which will not be depreciated until it is transferred upon completion to the appropriate capital asset category.

### 2.3 Expensed Assets

Assets that are not capitalized (items less than ~~\$1,000~~ **\$5,000**) are expensed in the year of acquisition.

### 2.4 Grant Requirements

Purchases made using grant funds must comply with grant requirements or the above procedures, whichever are the most restrictive.

### 2.2 Method of Acquisition

The method of acquisition is not a determining factor in classifying an item as a capital asset. Items acquired by any means, including regular purchase, lease/purchase, donation, eminent domain, condemnation, annexation, trade or barter, transfer from another department,

annexation, construction by City workforce, construction by outside contractor, or addition to an existing asset shall be subject to the capital asset policy.

### **Section 3. Responsibilities and Authority**

#### 3.1 Record Keeping

The Clerk-Treasurer's office shall be responsible for maintaining and controlling the capital asset accounting system according to the requirements of the State Board of Accounts. The Financial Manager of the Wastewater Treatment Utility shall be responsible for maintaining the Wastewater Treatment Utility capital asset records and shall provide those to the Clerk-Treasurer for inclusion in the capital asset accounting system. The Clerk-Treasurer's office is responsible for ensuring that the capital asset report is updated annually to reflect additions, retirements, and transfers and to reflect the new, annual capital asset balance for financial reporting purposes and the annual and accumulated depreciation calculation.

#### 3.2 Stewardship

It is the responsibility of department heads to act as or to designate a steward for each capital asset. The steward shall be responsible for providing information about the availability, condition, and usage of the asset.

#### 3.3 Periodic Inventories

A physical inventory of all capital assets will be conducted in each department on or about December 31 of every year. Department heads will be accountable for the capital asset inventory charged to their departments by verifying a list of their capital assets at year-end. **All assets valued at \$5,000 or more and all computer equipment (CPUs and laser printers) shall be identified with capital asset tags issued by the Clerk-Treasurer.** The Board of Works may require inventory systems for any specific or any category of non-capital assets (items less than \$5,000) in order to assure physical accountability and accounting control.

#### 3.4 Asset Acquisition and Reporting

Regardless of the method of acquisition, each department shall report acquisition of any capital item including construction in progress to the Clerk-Treasurer's office in the manner prescribed by the Clerk-Treasurer.

#### 3.5 Asset Transfer and Dispositions

Property shall not be transferred, sold, or disposed of without prior approval of the Board of Works and notification to the Clerk-Treasurer's office. Stolen and lost property shall be reported in the same manner.

### **Section 4. Valuation of Capital Assets**

#### 4.1 Actual Cost

Capital assets must be recorded at actual cost. Normally the cost recorded is the purchase price or construction costs of the asset. Donated or contributed assets should be recorded at their fair market value on the date donated.

Any other reasonable and necessary costs incurred to place the asset in its intended location and intended uses are also included.

Capital assets constructed by the City work forces are recorded in the same manner as those acquired by purchase or construction contract. The costs include direct labor, materials, equipment usage and overhead. Overhead is limited to those items, such as worker's compensation and employee group insurance premiums, retirement, sick leave and vacation allowance, which can be distributed on the basis of direct labor.

#### 4.1 Estimated Cost

If determination of the actual historical cost of a capital asset is not possible, an estimated cost may be calculated from the replacement cost and year of acquisition. The replacement cost of the asset is estimated. Through inquiry, the year or approximate year of acquisition is determined. Using the Table of Cost Indexes provided by the State Board of Accounts, the factor for the year of acquisition is selected. The estimated replacement cost multiplied by the factor will be the estimated cost of the asset.

### **Section 5. Assets Acquired Under Lease/Purchase Agreements**

#### 5.1 Capital Leases

The City may acquire assets under an agreement where payments are made for a designated number of years. A lease that subsequently transfers substantially all of the benefits and risks of ownership of property leased should be accounted for as if an asset was acquired and a liability incurred. The asset should be capitalized at the inception of the lease if the lease agreement meets any one of the following criteria:

1. The lease transfers ownership of the property to the lessee by the end of the term of the lease.
2. This contains a bargain purchase option. A bargain purchase option is a lease provision allowing the lessee at the lessee's option to purchase the property for a price that is lower than the expected fair market value of the property at the date that the lessee can exercise the option.
3. The lease term is equal to 75% or more of the estimated economic life of the leased property. The estimated economic life of the leased property is normally expected to be economically useable with normal maintenance for the purpose for which the property was leased.

#### Section 5.1 Capital Leases (continued)

4. The present value of them minimum lease payments, at the beginning of the lease term, excluding executory costs, equals or exceed 90% of the fair market value of the leased property at the inception of the lease. The present value of the lease payments, if greater than 90% of the fair market value, meets or exceeds the dollar threshold capitalization policy of the City.

#### 5.2 Operating Leases

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.

## **Section 6. Treatment of Cost Subsequent to Acquisition**

Expenditures on capital assets which are incurred after their original acquisition are defined and recorded as follows:

### 6.1 Maintenance

Maintenance is defined as expenditures, which do not normally add to the value of property or appreciably prolong its life, but merely keep it in ordinary efficient operating condition. Maintenance costs are not capitalized.

### 6.2 Betterments

Betterments consist of the replacement of a unit of an existing asset by an improved or superior unit, usually resulting in a more productive, efficient or longer-lived property. Significant betterments are considered capital assets and are added to the value of the property improved.

The decision as to whether betterment has been effected shall be made by an evaluation of engineering, physical, or other relevant factors apart from cost. Replacement of a part of an existing asset by another of like quality is not betterment, even though the useful life of the asset is maintained or extended.

If a betterment exists the amount of the betterment is measured by the difference between the cost of the new asset and that of the asset replaced. In cases where the original cost of a replaced asset is not readily available, the best estimate of such cost may be used.

### 6.3 Additions

Additions are new and separate units, or extensions of existing units, and are considered capital assets. As with betterments the test of significance should be applied.

For example, modular equipment added subsequent to original equipment construction of a larger building or equipment unit which may be put together to form larger units costing more than the prescribed limits will be charged to capital assets even though the cost of individual items is less than such units.

### 6.4 Alterations

Alterations are changes in the physical structure or arrangement of capital assets, the cost of which does not qualify as an increase in capital assets under the foregoing definitions of betterments and additions. Alterations are not capitalized.

## **Section 7. Asset Classifications**

It is important to the maintenance of accurate records that each asset category is precisely defined and that all persons responsible for records maintenance be fully aware of the categorization system. This section further clarifies the asset definitions by major category.

### 7.1 Land

Land is defined as specified land, lots, parcels or acreage including land

under roads and rights of way, owned by the City of West Lafayette, its various departments, boards or authorities, regardless of the method or date of acquisition. Easements will not be included as the City does not own them, but has an interest in land owned by another (i.e. property owner) that entitles its holder to a specified limited use. All land as defined above, shall be capitalized regardless of cost.

The cost of land includes all expenditures in connection with its acquisition, such as:

- Purchase price
- Professional fees (title searches, architect, legal, engineering, appraisal, surveying, environmental assessments)
- Clearing land for use including removal, relocation or reconstruction of property of others (railroad, telephone, power lines)
- Demolishing or removing prior structures (less salvage)
- Accrued and unpaid taxes at the date of purchase
- Land excavation, fill, grading, drainage

## 7.2 Land Improvements

Improvements other than buildings are included in this category. Examples of assets in this category are trails, paths, fencing, gates, landscaping, planters, outside sprinkler systems, athletic fields, recreational fields and courts, stadiums, bleachers, fountains, plazas, gazebos, pavilions, parking barriers, parking lots, driveways, retaining walls, septic systems and other similar items.

The cost of land improvements includes all costs associated with constructing the improvements including:

- Purchase price, contractor costs, and materials costs
- Professional fees (design, architect, engineering, construction supervision, surveying, environmental assessments)
- Clearing land for use including removal, relocation or reconstruction of property of others (railroad, telephone, power lines)
- Demolishing or removing prior structures (less salvage)
- Site preparation
- Payroll labor for constructing or installing the asset

## 7.3 Buildings and Building Improvements

### 7.3.1 Building and Building Improvements Guidelines

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. All structures designed and erected to house equipment services, or functions are included. Building improvements are capital assets that materially extend the useful life of a building or increase the value of a building, or both. Building improvements are permanently attached fixtures or machinery that cannot be removed without impairing the use of the building.

Building improvements include systems, services, and fixtures within the buildings, and structural attachments such as porches, patios, canopies, garages, stairs, fire escapes, lighting fixtures, flagpoles, and all other such units such as storage tanks that serve the building. Permanent fixtures that function as an integral part of the structure are included

such as plumbing systems, lighting systems, heating, cooling, ventilating and air handling systems, alarm systems, sound systems, telephone systems, surveillance systems, passenger and freight elevators, escalators, emergency power generators, built-in cabinets, trim, baseboards, walk-in coolers and freezers, fixed shelving, and other fixed equipment are included, if owned. Communication antennas and/or towers are not included as buildings. These are parts of the equipment units that they serve.

### 7.3.2 Examples of Building and Building Improvement Capital Expenditures

The cost of buildings and building improvements includes all expenditures in connection with their acquisition including:

- Purchase price or construction cost
- Costs of site preparation prior to construction
- Additions to buildings (expansions, extensions or enlargements)
- Fixtures attached to the structure
- Expenses for remodeling, reconditioning, or altering a purchased building to make it ready to use for the purpose for which it was acquired
- Original installation or upgrade of wall or ceiling covering such as carpeting, tiles, paneling (excluding interior decorating)
- Installation or upgrade of windows and doors
- Structural changes such as reinforcement of floors or walls, replacement of beams, rafters, joists or interior framing)
- 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)
- Exterior renovation such as installation or placement of siding, roofing, masonry, etc.
- Interior renovation such as built-in cabinets, closets, trim, baseboard, light fixtures
- Professional fees (legal, architect or design fees, specification and blueprint preparation, inspections, title searches, etc.)

### 7.3.2 Examples of Building and Building Improvement Capital Expenditures (continued)

- Environmental compliance (e.g. asbestos and lead paint abatement)
- Costs of permits and licenses
- Cancellation or buyout of existing leases
- Payment of damages
- Insurance during construction
- Preservation costs that extend the useful life of a building or a building improvement
- Costs of additions and improvements that increase the capacity or the asset to provide an increased level of service
- Costs of additions and improvements that increase the efficiency of an asset so that the same service level is maintained, but at a reduced cost
- Items costing less than ~~\$1,000~~ **\$5,000** which are permanently installed as a part of the cost of original construction or installation of a larger building or equipment unit will be included in the cost of the larger unit.

### 7.3.3. Adjustments to Building and Building Improvements Acquisition Costs

#### 7.3.3.1 Discounts and Insurance Recovery

The acquisition cost shall be reduced for:

- Discount allowances and rebated secured
- Amounts recovered through surrender of liability and casualty insurance

#### 7.3.3.2 Interest

Interest paid on money borrowed for the period of construction shall be not be capitalized with the exception of the Wastewater Treatment Utility, an enterprise fund.

### 7.3.4 Examples of Expensed Building and Building Improvements

Building maintenance expenses are not capitalized. Building improvement expenses of minimal or not added life expectancy and/or value to the building are not capitalized. Examples of items that will not be expensed and will not be capitalized are:

- 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
- 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, decorative banners
- Maintenance-type interior renovation such as repainting, touch-up plastering, replacement of carpet or panel sections; sink and fixture refinishing
- Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections
- Payment of unpaid or accrued taxes on the building to the date of purchase
- Cost of temporary building used during construction

### 7.3.4 Examples of Expensed Building and Building Improvements (continued)

- Replacement of a part or component of a building with a new part of the same type and performance capabilities
- Any other maintenance-related expenditure that does not increase the value of the building or extend the original estimated useful life but only restores the original utility or service level

## 7.4 Equipment and Machinery

### 7.4.1 Equipment and Machinery Guidelines

Equipment and Machinery includes fixed or movable personal property to be used for operations, which has a life of greater than one year.

Equipment includes office mechanical equipment, data processing equipment, office furniture, appliances, furnishings, machinery items, tools, maintenance equipment, communication equipment, police, fire, sanitation and park department equipment, laboratory equipment, vehicles, road equipment, aircraft, emergency equipment, earth moving equipment, civil defense equipment, and vehicles and boats. Trailers, self-propelled roadway equipment (graders, loaders), mounted equipment with truck chassis (aerial platforms), mobile heavy equipment

are included. Software is categorized as equipment. All supplies are excluded.

#### 7.4.2 Examples of Equipment and Machinery Capital Expenditures

The acquisition cost of Equipment and Machinery includes:

- Purchase price, licensing fee (for software) or construction cost, before trade-in allowances, less discounts
- Parts and labor charges associated with construction of equipment
- Freight, handling or other delivery charges
- Sales, use or transportation taxes
- Installation costs including travel and training costs paid to vendors as well as travel costs incurred by employees related to training
- Costs for testing and preparation for use paid to vendors including costs to recondition used items
- Payroll costs of employees directly associated with acquisition, installation and testing of equipment including software prior to it being put into use
- Items costing less than \$1,000 which are permanently installed as a part of the cost of original construction installation of a larger equipment unit will be included in the cost of the larger unit.

#### 7.5 Construction In Progress

Assets under construction that are recognized as a capital asset are considered construction in progress. At the close of the fiscal year, the recorded expenditures for capital assets not completed are charged to construction in progress. Upon completion, the total asset cost is transferred to Land Improvement, Building and Building Improvements, Machinery and Equipment, Wastewater Treatment Utility assets as applicable. Cost to be included for construction in progress follow the same guidelines as specified and previously discussed for applicable classes of assets.

#### Section 7.6. Works of Art and Historical Treasures

Works of Art and Historical treasures that are not held for financial gain but for publication, exhibition, education or research in furtherance of public service should be capitalized at their historical cost at acquisition or fair value at the date of donation (if donated). Items include works of art, artifacts, memorabilia, unique or significant structures, and rare documents, books or photographic, audio or video recordings.

The cost of capitalized Works of Art and Historical Treasures should be depreciated over the estimated useful lives if the items have useful lives that are diminished by display or educational or research applications. Items which whose economic benefit or service potential is used up so slowly that its estimated useful life is extraordinarily long are considered inexhaustible capital assets and are not depreciated.

#### 7.8 Infrastructure

##### 7.8.1 Infrastructure Guidelines

Infrastructure assets are long-lived capital assets that normally can be preserved for a significant greater number of years than most capital and that are normally stationary in nature. Examples include roads, road signage, traffic lights, street lights, alleys, sidewalks, bridges, tunnels, boat ramps, marinas, trails, man made lakes, drainage systems, culverts,

sewer systems, reservoirs and berms. Infrastructure assets do not include buildings, drives, parking lots or any other examples given above that are incidental to property or access to the property above. Infrastructure assets will be capitalized and depreciated.

#### 7.8.2 Examples of Infrastructure Capital Expenditures

The acquisition cost of Infrastructure includes:

- Purchase price or construction cost
- Professional fees (legal, architect or design fees, engineering supervision, specification and blueprint preparation, inspections, title searches, appraisals, etc.)
- Environmental compliance
- Costs of permits and licenses
- Surveying fees
- Site preparation cost
- Damage payments
- Costs related to demolition of unwanted structures
- Cost of temporary building used during construction

#### 7.8.3 Infrastructure Improvements

Additional and improvements made to an infrastructure asset that extends the useful life more than a year beyond original estimates, or increases the value of the asset, or both, should also be capitalized. Improvements made to increase the efficiency of an asset, for example, while maintaining the same service level but at a reduced cost, shall be capitalized.

#### 7.8.4 Infrastructure Maintenance

Maintenance/repairs will be considered necessary to maintain the existing asset, and therefore will not be capitalized. For example, patching, resurfacing, snow removal, etc. are considered maintenance activities and will be expensed. Also, any normal preliminary engineering and design will be expensed and not capitalized as an element of the infrastructure asset.

#### 7.8.5 Infrastructure Reporting Requirements

The retroactive reporting requirements for infrastructure of GASB 34 requires the City to report items put into service from 1980 forward, and gives the City the option to report items put into service prior to 1980. The City will report only on items put into service after 1980; Retroactive reporting is not mandated until fiscal years beginning after January 1, 2006 which the City will comply with.

#### 7.9 Controlled Property

Items that may be less than ~~\$1,000~~ **\$5,000**, but need to be controlled are considered controlled property in the capital asset system. The following items are controlled property:

- Weapons
- Computer hardware systems
- Laser printers

The value of controlled property is added to the value of Capital Assets.

## 7.10 Wastewater Utility Assets

Wastewater Utility assets shall be assigned to the same capital asset classifications as all other City capital assets. The only exception is that interest during Construction In Progress shall be capitalized for Wastewater utility projects financed by revenue bonds.

## **Section 8. Networks and Subsystems**

### 8.1 Networks

A network of assets is composed of all assets that provide a particular type of service for government.

8.1.1 Retroactive Infrastructure Reporting For retroactive infrastructure reporting at the network level, the asset will be classified as major if the cost of the network item is at least 10% of the cost of all capital assets in the first fiscal year ending after ~~June 15, 1999~~ **December 31, 2002**.

8.1.2 Prospective Infrastructure Reporting For prospective infrastructure reporting at the network level, all costs of networks will be included.

### 8.1 Subsystems

A subsystem of a network of assets is composed of all assets that make a similar portion or segment of a network of assets.

8.2.1 Retroactive Infrastructure Reporting For retroactive infrastructure reporting at the subsystem level, the asset will be classified as major if the cost of the subsystem item is at least 10% of the cost of all capital assets in the first fiscal year ending after ~~June 15, 1999~~ **December 31, 2002**.

8.2.2 Prospective Infrastructure Reporting For prospective infrastructure reporting at the subsystem level, all costs of system items will be included.

## 8.3 Listing of City's Networks and Subsystems

### 8.3.1 Transportation Network

Subsystems: Roadway Type by Pavement including curbs and gutters

Alleys  
Trails  
Sidewalks  
Parking Lots  
Bridges  
Tunnels

### 8.3.2 Traffic Components Network

Subsystems: Traffic Signals  
Street Lights  
Road Signage

### 8.3.3 Wastewater Network

Subsystems: Sanitary System  
Storm System  
Drainage

## Section 9. Depreciation Methods

The City will be depreciating capital assets by using either the straight-line or composite/group method. Salvage value will be determined for each asset. Depreciation will be calculated at year-end using the full-month convention. Land and Construction in Progress is not depreciated according to generally accepted accounting principles.

### 9.1 Composite Method

#### 9.1.1 Calculation of the composite/group method:

Composite depreciation refers to calculating depreciation for a collection of similar assets. A single composite rate is applied annually to the acquisition cost of the collection as a whole. At year-end an adjustment will be made to the total cost to account for any additions/disposals throughout the year. The accumulated depreciation associated with it will also be adjusted. A gain or loss will never be reported on the asset when using the composite method. A full year's depreciation will be taken when the asset is placed in service and no depreciation recorded in the year it is sold or disposed of. We will group our dissimilar assets by useful lives and our similar assets by networks. To determine the appropriate depreciation rate for the composite group, divide 1 by the number of years the assets are depreciated. For instance a group of assets with a 25-year life will be depreciated at 4% each year (1/25).

#### 9.1.2 Composite/Groups and Average Lives

However, a shorter or longer estimated life may be used depending on factual circumstances including climate, usage, replacement policies, industry practices, and Internal Revenue Service Depreciation Recovery Period and ADS Lives.

COMPOSITE/GROUPS AVERAGE LIVES TABLE

COMPOSITE/GROUPS	AVERAGE LIVES
ROADS	
Dirt	10 years
Gravel	15 years
Concrete	30 years
Asphaltic Concrete	20 years
Brick or Stone	50 years
SIDEWALKS	
Concrete	30 years
Asphalt	25 years
Brick or Stone	50 years
PARKING LOTS	
Concrete	35 years
Asphalt	15 years
Gravel	10 years
Brick or Stone	45 years
BRIDGES	
Precast Concrete	40 years
Prestressed Concrete	45 years
Steel with Truss	50 years

COMPOSITE/GROUPS AVERAGE LIVES TABLE (continued)	
Bridges (continued)	
Timber/Wood	30 years
Pedestrian Steel	30 years
Pedestrian Concrete	30 years
Pedestrian Wood	25 years
CULVERTS	
Major (side area greater than 35 square feet)	
Concrete	45 years
Concrete Pre stress	40 years
Timber Log treated	30 years
Steel	30 years
Small (side area less than 35 square feet)	
Plastic	25 years
Cast Iron	30 years
Metal Corrugated	30 years
Concrete	40 years
ROAD SIGNAGE	
	10 years
SEWER LINES	
Concrete	50 years
Brick	90 years
Metal	40 years
TRAFFIC LIGHTS	
Mast Arms	20 years
Hung Wire	15 years
STREET LIGHTING	
Concrete	30 years
Metal	20 years
Wood	15 years
STORM DRAINS	
Plastic	25 years
Cast Iron	30 years
Metal Corrugated	30 years
Concrete	40 years
Ditch/Trench	100 years
BERMS	
	20 years
TUNNELS	
	45 years
ALLEYS	
Concrete	20 years
Asphaltic Concrete	20 years
Dirt	10 years
Gravel	15 years
Brick or Stone	50 years
MAN MADE LAKES	
	100 years
WATER WAYS/CANALS	
	100 years
BOAT RAMPS	
Wood	10 years
Concrete	20 years
Metal	15 years

COMPOSITE/GROUPS AVERAGE LIVES TABLE (continued)	
MARINAS	
Piers	50 years
Seawalls	50 years
Bulkheads/Flood Walls	50 years
TRAILS	
Dirt	10 years
Gravel	15 years
Concrete	30 years
Asphalt	20 years
Composite Rubber	7 years
Brick or Stone	50 years

## 9.2 Straight-Line Method

### 9.2.1 Calculation of Straight-Line Method

Under the straight-line depreciation method, the basis for an asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. The amount of annual depreciation is generally determined by dividing an asset's depreciable cost by its estimated life.

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

### 9.2. 1. Average Useful Lives

The following is a listing of average useful lives for Land Improvements, Buildings and Building improvements, Machinery and Equipment including Vehicles. However, a shorter or longer estimated life may be used depending on factual circumstances including climate, usage, replacement policies, industry practices, and Internal Revenue Service Depreciation Recovery Period and ADS Lives.

CAPITAL ASSET AVERAGE USEFUL LIVES TABLE

ASSET CLASSIFICATIONS	AVERAGE LIFE
LAND IMPROVEMENTS	
Fencing and Gates	20 years
Landscaping	10 years
Outside Sprinkler systems	25 years
Athletic Fields	25 years
Golf Courses	20 years
Septic Systems	15 years
Stadiums	45 years
Swimming pools	20 years
Tennis Courts	20 years
Fountains	20 years
Retaining Walls	20 years
Bleachers	20 years
Soccer Fields	15 years
Running Track	15 years
Outdoor Lighting	20 years

CAPITAL ASSET USEFUL LIVES TABLE (continued)	
<b>BUILDINGS AND BUILDING IMPROVEMENTS</b>	
Buildings	
Buildings - Permanent	50 years
Buildings - Portable Structures	25 years
Building Improvements	
Excavation	50 years
Foundation	50 years
Frame	50 years
Floor Structure	50 years
Floor covering	15 years
Carpeting	5 years
Exterior Walls	50 years
Roof Cover	10 years
Interior Construction	15 years
Interior Renovation	10 years
Ceiling Finish	10 years
Plumbing	20 years
HVAC	20 years
Electrical	20 years
Fire system	25 years
Elevators	20 years
Security System	10 years
Network Cabling/Telephone	10 years
<b>MACHINERY AND EQUIPMENT</b>	
Athletic Equipment	10 years
Appliances/Food Service Equipment	10 years
Audio Visual Equipment	7 years
Books, Multi Media Materials	5 years
Business Machines and Office Equipment	5 years
Communications Equipment	10 years
Contractors/Construction Equipment	42-15 years
Computer Equipment	5 years
Software	5 years
Fire Department Equipment	12 years
Furniture	20 years
Grounds, Agricultural Equipment	15 years
Lab, Science Equipment	10 years
Law Enforcement Equipment	10 years
Machinery and Tools	15 years
Musical Instruments	10 years
Outdoors Recreational Equipment	15 years
Stage and auditorium Equipment	20 years
Custodial Equipment	15 years
Photocopiers	5 years
Weapons	12 years
<b>VEHICLES AND TRAILERS</b>	<b>5 8 years</b>
<b>WASTEWATER UTILITY</b>	
Wastewater Treatment Plant & Buildings	24 50 years
Lift Stations	50 30 years
Treatment Plant Equipment	10 years
Miscellaneous Operating Equipment	5 years
Lab Equipment	40 5 years
Vehicles	5 8 years