
COLLIN COUNTY

Capitalization Policy

Court Order No. 2008-826-09-23

Capital Asset Guide

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Introduction

~~Beginning with FY 2002 (October 1, 2001) new Reporting requirements were established by the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Public Colleges and Universities.~~

~~The Office of County Auditor for Collin County has prepared this~~ The Capital Asset Policy Guide ~~to implement the new~~ is intended to establish policies so reporting requirements can be met for fixed capital assets, infrastructure assets, and depreciation of assets. Reporting requirements are established by the Governmental Accounting Standards Board (GASB). Included in this guide policy are asset category definitions, capitalization thresholds, depreciation methodologies, and examples of expenditures acquisitions for each class of assets asset class. Additionally, guidelines for ~~leasehold improvements and~~ construction in progress have been included.

The County Auditor in conjunction with the County Purchasing Agent may develop written procedures to clarify and implement this policy. The County Auditor has the authority to interpret this policy.

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 useful life of greater than one year.

The county has invested in a broad range of capital assets used in the county's operations, including:

- Land and land improvements
- Historical Treasures
- Buildings ~~and building improvements~~
- Improvements other than buildings
- Machinery and equipment
- ~~Facilities and other improvements~~
- Infrastructure
- Construction in progress
- ~~Leasehold improvements~~
- ~~Site Improvements~~
- ~~Personal property~~ Machinery and equipment
 - ~~Furniture and equipment~~ Computer equipment
 - Heavy machinery and equipment
 - Law enforcement equipment

- ~~Software developed or obtained for internal use~~
- ~~Vehicles and boats~~
- ~~Other assets:~~
 - 1) ~~Works of art and historical treasures~~
 - 2) ~~Library books and materials~~
 - 3) ~~Intangible assets~~
- ~~Construction in progress~~

Capital Asset Classification

Assets purchased, constructed, or donated that meet or exceed the established capitalization thresholds ~~or minimum reporting requirements~~ as set by this policy ~~Commissioners' Court~~ must be uniformly classified, utilizing the county defined ~~class account~~ code structure. Included in the ~~class account~~ code structure are codes that can be used to accurately define the components of buildings or other assets as required by GASB. ~~34.~~

~~Each class code contains a default value for both residual value (expressed as a percentage of historical cost) and~~ Each asset class contains an estimated useful life value (expressed in ~~months~~ years). The ~~default~~ values are based upon historical state or federal data for each ~~asset~~ class ~~of asset~~. Collin County will follow the appropriate accounting standards for establishing the historical cost for each asset.

Capitalization Thresholds

Standard capitalization thresholds for capitalizing assets have been established for each major ~~asset~~ class ~~of assets~~. ~~All departments are required to use these thresholds.~~ Any asset received by the county that exceeds the following thresholds must be treated as capital assets.

Asset Classes Class of Asset	Threshold
Land/ land improvements	Capitalize All
Buildings/ building improvements	\$ 50,000
Facilities and other improvements	\$ 50,000
Improvements other than buildings	\$ 50,000
Infrastructure	\$200,000
Machinery and equipment	\$ 5,000
Purchased software	\$ 25,000
Software developed for internal use	\$100,000
Works of art/historical treasures	\$ 5,000
Leasehold improvements	\$ 10,000
Site Improvements	\$ 5,000

~~* If a department has a grant with a contractual capitalization threshold then that requirement overrides the county's threshold. See Section II. Capital Asset Categories, Personal Property for more information.~~

If a grant agreement requires an asset to be accounted for as a capital asset and does not meet the thresholds above, then that asset must be accounted for as a capital asset.

Capital Asset Acquisition Cost

Capital assets should be recorded and reported in the ~~fixed-asset group (FAG) system-
software~~ capital asset ledger at historical cost. ~~which-~~ This includes the vendor's invoice (plus the value of any trade-in), ancillary charges such as freight and transportation charges, site preparation costs, professional fees, ~~plus~~ initial installation costs (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service.

~~For Collin County object expenditure codes, see Appendix A. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs and professional fees. The costs of purchasing capital assets for governmental activities do not include capitalized interest. However, Interest is capitalized on:~~

- ~~• Assets that are constructed or otherwise produced for use by Collin County, (including assets constructed or produced for the county by others for which deposits or progress payments have been made.)~~

- ~~• 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 County~~
 - ~~○ Assets that are not being used in the earning activities of the County 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 non-exchange transaction entered into willingly by two or more parties. Both parties may be governments or one party may be a non-governmental entity, including an individual.

~~For governmental funds, GASB 33 is effective after June 30, 2001. The timing of recognition of the asset and related revenue is outlined as follows:~~

	Governmental Activities (effective fiscal 2002)
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Donations	<ul style="list-style-type: none"> • 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 <i>government-wide financial statements</i>. • If the asset has been received and the eligibility requirements have been met, then capital assets are debited and revenue is credited in the <i>government-wide financial statements</i>. • 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 <i>government-wide financial statements</i>.
Promises of capital asset donations	<ul style="list-style-type: none"> • Promises should be recognized as receivables and revenues (net of estimated uncollectible amounts) on the <i>government-wide financial statements</i> when all applicable eligibility requirements are met, provided that the promise is verifiable and the resources are measurable¹ and probable² of collection.

All fixed assets donated to the county should be presented in a court agenda to Commissioners' Court. The Commissioners' Court must have the authority to approve the acceptance of all capital donations. Donated capital assets should be reported at their estimated fair value at the date of donation.

Sale of a Capital Asset Donation

Governmental fund statements per GASB 34 are to be used to report expendable 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 available³, 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.

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 lease execution 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

Most capital assets ~~should be~~ are depreciated over their estimated useful lives ~~unless they are inexhaustible. For a definition of an “inexhaustible asset,” see the Works of Art and Historical Treasures section of this guide.~~ Land and land improvements as well as historical treasures and works of art have an indefinite useful life and are not depreciable.

The straight-line depreciation method (historical cost ~~less residual value~~, divided by useful life) will be used. The ~~actual acquisition~~ date will govern when an asset ~~was is~~ placed ~~into~~ service, subject to the use of a full-month ~~of depreciation~~ for ~~that the~~ first month (regardless of the date placed ~~into~~ service). An asset is considered placed ~~into~~ service on the date it became available for use and is being used for the purpose intended when purchased or constructed.

Depreciation data will be calculated and ~~stored~~ maintained by the ~~Office of~~ County Auditor for each ~~eligible capital~~ asset. ~~Accumulated depreciation will be summarized and posted to the accounting general ledger and the fixed asset group.~~

~~Special circumstances apply when an entire project exceeds the capitalization threshold and requires tracking of multiple assets. If a project contains multiple pieces of equipment that are required to be tracked those assets should be depreciated. The useful life would be based on the total project’s life span.~~

Residual Value

³ ~~Available – The funds are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.~~

~~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, or~~
 - ~~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	<u>—7,000</u>
	Net book value	\$ 3,000
	Subtract Proceeds Received	<u>—2,000</u>
	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	\$10,000
	(residual value = \$1,000)	
	Less Accumulated Depreciation	<u>—9,000</u>
	Residual value	\$ 1,000
	Subtract Proceeds Received	<u>—2,000</u>
	Gain from Sale of Asset	\$ 1,000

Note: Net Book Value – asset's historical cost less the accumulated depreciation.

Assets Acquired by the Exchange of Other Assets

Similar assets—When recording an exchange of similar assets, we will 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, we will:~~

- ~~• 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 on behalf of a non-county division (such as art collections owned by families, estates and others) and that are under the temporary control of the county should be accounted for in the FAG (Fixed Asset Group). Currently, the accounting treatment is being researched. This includes assets owned by the federal, state or city government that have been loaned to the county. Assets held in trust must be reported to and approved by Commissioners Court.~~

High-Risk Equipment ~~Highly Attractive Assets~~

~~Highly attractive assets are assets of the county that have been identified as assets that *must* be secured and tracked on the FAG due to the nature of the items. These will be considered as controlled assets. Purchasing is responsible for identifying, securing, and tracking controlled assets under reporting rules established by Commissioners' Court. In addition to the controlled assets identified as highly attractive, a department may secure and track assets it considers to be high risk or for management purposes. Each elected official or department head is responsible for identifying and accounting for non-expendable capital and non-capital equipment that tends to have a high risk of loss or theft. Procedures to account for these items should be established in each department that possesses high-risk equipment.~~

~~A list of current highly attractive assets is provided in Appendix C.~~ Examples of high-risk equipment are provided in Appendix B.

Allocated Equipment

Each elected official or department head is responsible for accounting for non-expendable capital or non-capital equipment that is provided to other departments, employees, volunteers, other governmental entities, or organizations for use that is of benefit to the County. Procedures or accounting for these items should be established in each department that allocates equipment.

Annual Inventory

In accordance with Section 262.011(i) of the Local Government Code, the County Purchasing Agent will conduct an annual inventory of all capital assets to be submitted to the County Auditor by July 1st. The County Auditor will carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory.

~~To control the cost of the annual physical inventory, only personal property \$5,000 or over and highly attractive items will be individually verified by Purchasing. The Auditor's Office will confirm the annual inventory as part of the internal audit program.~~

II. Capital Asset ~~Categories~~ Classes

Land

Land Definition

Land is the ~~surface or crust of the earth~~ solid part of the earth's surface whether improved or unimproved, 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 ~~over \$5,000~~ will be capitalized.

Examples of ~~expenditures~~ acquisitions to be capitalized as land and land improvements

- Purchase price or fair market value at time of gift
- Commissions paid in purchasing land
- 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. ~~Total project costs are accumulated in detail as one asset in a construction in progress account, with depreciation calculated as of the date the building is placed into service.~~

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 at least 25 percent of the original life period or cost. An asset that meets this definition is not entered as separate costs for depreciation purposes; the total project cost is accumulated and entered as one total in the system, with depreciation calculated as one amount from that total.~~

Depreciation Methodology

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

Buildings designated “historical” by the Texas Historical Commission will not be depreciated unless used in the operations of the county. However, any improvements ~~or betterments~~ not deemed “historical” by the Texas Historical Commission will be depreciated the same as any other improvement ~~or betterments~~ made to a building.

Capitalization Threshold

The capitalization threshold for buildings is \$50,000.

Examples of ~~Expenditures~~ acquisitions 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, 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, supervision, and 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)

Building Improvement Definition

Building improvements are capital events that materially extend the useful life or increase the value of a building, ~~or both~~. A building improvement should be capitalized as 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 of the building, ~~by at least 25 percent of the original life period or cost. An asset that meets this definition is not entered as separate costs for depreciation purposes; the total project cost is accumulated and entered as one total in the system, with depreciation calculated as one amount from that total.~~ Determinations must be made on a case-by-case basis.

Examples of ~~Expenditures~~ acquisitionsto be capitalized as ~~Building Improvements~~ to Buildings

~~Note: For a replacement to be capitalized, it must be a part of a major repair or rehabilitation project that increases the value and/or useful life of the building, such as renovation. A replacement may 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 qualify as a capitalized asset. Determinations must be made on a case by case basis.~~

- ~~• Conversion of attics, basements, etc., to usable office, clinic, 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 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~~
- Other improvements may be reviewed on a case by case basis

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~~. Expensed at the time of acquisition.

- Conversion of attics, basements, etc., to usable office, clinic, or classroom space
- Adding, removing and/or moving of walls relating to renovation projects that are not considered major ~~rehabilitation~~ renovation 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~~
- Upgrade of wall, floor, 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 frames, built-in closet, or cabinets
- ~~Maintenance-type~~ Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, ~~such as~~ repainting, touch-up plastering, replacement of ~~carpet, tile, or panel sections~~; sink ~~and~~ or fixtures ~~refinishing~~, etc.
- ~~Maintenance-type~~ Exterior renovation such as installation or replacement of ~~repainting, replacement of deteriorated~~ siding, repainting, roofing, ~~or~~ masonry, ~~sections~~ etc.
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, or wiring required in the installation of equipment that will remain in the building
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, or wallpaper
- Exterior decoration, such as detachable awnings, uncovered porches, decorative fences, etc.
- 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
- Upgrade of heating and cooling systems, including ceiling fans and vents
- Upgrade of plumbing and electrical wiring
- Purchases of maintenance-type equipment or supplies during the construction phase that would not be otherwise capitalized if purchased after the project is placed in service (i.e., handcuffs, mops, brooms, cleaning supplies, etc.)
- Any other maintenance related expenditure which does not increase the value of the building

~~Facilities and Other Improvements~~ Improvements other than Buildings

~~Facilities 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~~ Improvements other than Buildings Definition

~~Depreciable improvements made to a facility or to land should be capitalized as betterment if the improvement is at the capitalization threshold or the expenditure increases the life or value of the asset by at least 25 percent of the original cost or life period.~~ Permanent Improvements other than buildings that add value to land, but do not have an indefinite useful life.

Depreciation Methodology

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

Capitalization Threshold

The capitalization threshold for ~~facilities and other~~ improvements other than buildings is \$50,000.

Examples of ~~Expenditures~~ acquisitions to be capitalized as ~~Facilities and Other~~ Improvements other than Buildings:

- Fencing and gates
- Retaining walls
- Landscaping
- Parking lots/driveways/parking barriers

- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Paths and trails
- Septic systems
- ~~Stadiums~~
- Fountains
- Plazas and pavilions
-

Infrastructure

Infrastructure Definition

Assets that are long-lived capital assets, are normally 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 2002. 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. County departments are encouraged to report their entire infrastructure, if possible.~~

Infrastructure Improvements

Infrastructure improvements are capital events that materially extend the useful life or increase the value of the infrastructure. Infrastructure improvements are 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 at least 25 percent of the original cost or life period.~~

Jointly Funded Infrastructure

Infrastructure paid for jointly by the county and other governmental entities should be capitalized by the entity responsible for future maintenance ~~if there is no clear title to the asset.~~

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.

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 re-engineered so that it produces the same temperature changes at a reduced cost. The cost of additions and improvements should be capitalized.

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 \$200,000. ~~Infrastructure already capitalized will remain capitalized.~~

Examples of ~~Expenditures~~ acquisitions to be capitalized as Infrastructure:

- ~~Farm to Market and Lateral Roads~~, Streets, curbs, gutters, and sidewalks
- Bridges
- Ditches, waterways, docks, bulkheads, and boardwalks
- Dams, and drainage facility
- ~~Radio or television~~ Transmitting tower
- ~~Fiber optic and telephone distribution systems (between buildings)~~
- ~~Light system (traffic, outdoor, street, etc.)~~
- Signage

Site Improvements

Site Improvements Definition

~~Site Improvements are defined as depreciable assets that deteriorate over time. The improvements include fences, parking lots, and access roads.~~

Depreciation Methodology

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

Capitalization Threshold

~~The capitalization threshold for site improvements is \$5,000.~~

Personal Property Machinery and Equipment

Personal Property Machinery and Equipment Definition

~~Personal property Machinery and Equipment is defined as tangible property other than land, buildings, or infrastructure used in operations of the county, fixed or movable tangible assets to be used for operations, the benefits of which extend beyond one year from date of acquisition, and is rendered into service. Improvements or additions to existing personal property machinery and equipment that constitute a capital outlay or increase the value or life of the asset by at least 25 percent of the original cost or life should be capitalized as 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 county 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~~ machinery and equipment.

Capitalization Threshold

The capitalization threshold for ~~personal property~~ machinery and equipment is \$5,000.

Examples of Expenditures acquisitions to be capitalized as ~~Personal Property Machinery and Equipment~~:

- 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 county 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.~~

~~Exhaustible collections or items— items whose useful lives are diminished by display or educational or research applications.~~

~~Inexhaustible collection or items— where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Because of their cultural, aesthetic, or historical value, the holder of the asset applies efforts to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic, or historical value.~~

Depreciation Methodology

~~The straight line depreciation method (historical cost less residual value, divided by useful life) will be used for exhaustible collections. Inexhaustible items should not be depreciated.~~

Capitalization Threshold

~~All works of art and historical treasures over \$5,000 acquired or donated will be~~

~~capitalized as of October 1, 2001 unless held for financial gain. Collections already capitalized as of September 30, 2001 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 non-capitalized 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

Computer Software Definition

Computer software is defined as the operating systems, programs, drivers, networking, or other internal instructions used to accumulate, report, or facilitate the financial, fiscal, operating, and maintenance requirements for information for the county.

Purchased software – Computer software developed by a vendor not affiliated with the county and for which the product is generally sold and maintained by that vendor or an independent third party.

Developed software – Computer software that is designed, programmed, installed, and implemented by a contractor or county personnel to be used exclusively by the county and maintained internally. ~~developed, researched, tested, implemented, and maintained by county personnel or for the exclusive use of the county by an outside vendor, who then turns maintenance over to the county.~~

~~Software development generally involves three phases. These phases and their characteristics are as follows:~~

- ~~• Preliminary project phase—when conceptual formulation of alternatives, the evaluation of alternatives, determination of existence of needed technologies and final selection of alternatives is made.~~
- ~~• Application development phase—Design of chosen path including software configuration and software interfaces, coding, installation of computer hardware, and testing, including parallel processing phase.~~
- ~~• Post implementation/operation phase—training and application maintenance activities.~~

~~Costs associated with the preliminary project and the post implementation/operating phases should be expensed as incurred. Internal and external costs associated with the application development phase should be capitalized. Costs to develop or obtain software that allows for access or conversion of old data by new information systems should also be capitalized. General, and administrative costs, and overhead expenditures associated with software development should not be capitalized as costs of internal use software.~~

Depreciation Methodology

The straight-line depreciation method (historical cost ~~less residual value~~, divided by useful life) will be used for purchased **and developed** software.

Capitalization Threshold

Purchased Software - The threshold for purchased software ~~County will record payment for the purchase of computer software whose unit value cost is \$25,000 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.~~

Developed Software - Capitalization of costs should begin when the preliminary project phase is complete and Commissioners' Court has implicitly or explicitly authorized or commits to funding the software project with the intent it will be completed and used to perform its planned functions. **The threshold for software developed for internal use is \$100,000.** ~~Capitalization should cease no later than the time at which substantial testing is complete and the software is ready for its intended purpose or rendered in service.~~

Examples of software expenditures during the Application Development Phase acquisitions to be capitalized:

- External direct costs of materials and services (third party fees for services)
- Costs to obtain software from third parties
- Travel costs incurred by employees in their duties directly associated with development
- ~~• Payroll and payroll related costs of employees directly associated with or devoting time in coding, installing, or testing~~
- ~~• Interest costs incurred during the application development~~

~~The capitalization threshold for internally developed software is \$100,000. Values are to be reported to Purchasing using a property number for each application developed.~~

Works of Art and Historical Treasures

Works of Art and Historical Treasures Definition

A building, structure, area, or property with recognized cultural, aesthetic, or historical value that is significant in the history, architecture, archeology, or culture of the county.

~~Collections or individual items of significance that are owned by the county 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.~~

~~Exhaustible collections or items—items whose useful lives are diminished by display or educational or research applications.~~

~~Inexhaustible collection or items—where the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Because of their cultural, aesthetic, or historical value, the holder of the asset applies efforts to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic, or historical value.~~

Depreciation Methodology

~~The straight line depreciation method (historical cost less residual value, divided by useful life) will be used for exhaustible collections. Inexhaustible items should not be depreciated. Historical treasures and works of art are normally inexhaustible assets and do not depreciate over time. The economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long. Because of their cultural, aesthetic, or historical value, the holder of the asset applies efforts to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic, or historical value.~~

Capitalization Threshold

~~The capitalization threshold for works of art and historical treasures is \$5,000. This is the market value at the time of acquisition. These assets will be subject to periodic appraisals and may increase in value, but will remain on the county books for the market value at acquisition. If an item did not meet the capitalization threshold at acquisition, but is later appraised at a value that meets the threshold, it will be capitalized at the market value at acquisition.~~

~~All works of art and historical treasures over \$5,000, acquired or donated will be capitalized as of October 1, 2001 unless held for financial gain. Collections already capitalized as of September 30, 2001 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 non-capitalized collections, program~~

~~expense equal to the amount of revenues should be recognized.~~

Examples of acquisitions to be capitalized as historical treasures and works of art:

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

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 useful life of the improvement. Improvements made in lieu of rent should be expensed in the period incurred. If the lease expires prior to the completion of the depreciation allowance for the improvement and the lease not renewed, the remaining net book value should be written off.~~

:

Capitalization Threshold

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

Construction in Progress

Construction in Progress Definition

Construction in Progress is capitalized costs related to a tangible capital asset that is not yet substantially ready to be placed in service. ~~reflects the economic construction-activity status of buildings and other structures, infrastructure (buildings, roads, bridges, etc.), additions, alterations, reconstruction, and 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~~ class 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.~~

Appendix A

Capital Asset Object Codes Effective October 1, 2008

ASSET CATEGORIES	Capitalize Expenses	Object Code Number and Title	
CAPITAL-EQUIPMENT	CAPITALIZE	90—01 90—02 90—04 90—05 90—06 90—07 90—08 90—09 90—11 90—12 90—12 90—13 90—14 90—15 90—16 90—17 90—19 90—20 90—21 90—22 90—25 90—30 90—31 90—33 90—35 90—45 90—50 90—51 90—60 90—61 90—62 90—70	OFFICE-EQUIPMENT- COMPUTER-EQUIPMENT COMPUTER-SOFTWARE- TOOLS GROUNDS-EQUIPMENT ROAD-EQUIPMENT- ANIMAL-EQUIPMENT- MEDICAL-EQUIPMENT EDUCATION & CONFERENCE IN-HOUSE TRAINING- INVESTIGATIVE-EQUIPMENT LAW ENFORCEMENT EQUIPMENT- PATROL EQUIPMENT TRAINING JANITORIAL-EQUIPMENT- INVESTIGATIVE-EQUIPMENT DETENTION-EQUIPMENT- RADIO-EQUIPMENT- TACTICAL-EQUIPMENT- SECURITY-SYSTEM COPIER-EQUIPMENT PHONE-EQUIPMENT SAFETY-EQUIPMENT CRIME-PREVENTION-EQUIPMNT INSURANCE-PREMIUMS VIDEO-EQUIPMENT- CONSULTANTS- TELEPHONE-SYSTEM- FAX-EQUIPMENT- LEGAL-EXPENSE- KITCHEN-EQUIPMENT AUTOMOTIVE-EQUIPMENT

ASSET-CATEGORIES	Capitalize-Expenses	Object Code Number and Title	
CAPITAL-FACILITIES	CAPITALIZE	91—01	BUILDING IMPROVEMENTS
		91—08	ARCHITECTURE
		91—10	BUILDING CONSTRUCTION
		91—11	LEASEHOLD IMPROVEMENTS
		91—12	LIABILITY INS RESERVE
		91—18	PROJECT MANAGER
		91—20	HV/AC EQUIPMENT/UPGRADES
		91—29	OTHER IMPROVEMENTS
		91—35	INSURANCE PREMIUM
		91—50	CONSULTANTS
		91—61	LEGAL EXPENSE
		91—83	APPRAISALS

ASSET-CATEGORIES	Capitalize-Expense	Object Code Number and Title	
ROAD & BRIDGE-INFRASTRUCTURE	CAPITALIZE	92—50	CONSULTANTS-
		92—61	LEGAL EXPENSE
		92—80	ROAD CONSTRUCTION
		92—81	UTILITY CONSTRUCTION
		92—83	APPRAISALS
		92—84	ROAD PARTICIPATION-
		92—85	BRIDGE CONSTRUCTION

ASSET-CATEGORIES	Capitalize-Expense	Object Code Number and Title	
OTHER-INFRASTRUCTURE	CAPITALIZE	93—01	DAM CONSTRUCTION
		93—17	WATER UTILITY CONSTRUCTIN

ASSET-CATEGORIES	Capitalize-Expense	Object Code Number and Title	
CAPITAL-IMP-OTHER BLDGS	CAPITALIZE	94—10	PARKING LOT CONSTRUCTION
		94—17	WATER UTILITY CONSTRUCTN
		94—32	LAND IMPROVEMENTS

ASSET-CATEGORIES	Capitalize-Expense	Object-Code Number and Title	
CAPITAL-OPEN SPACE/PARKS	CAPITALIZE	95—08 95—18 95—29 95—32 95—35 95—50 95—61	ARCHITECTURE- PROJECT MANAGER- OTHER IMPROVEMENTS- LAND IMPROVEMENTS- INSURANCE PREMIUM- CONSULTANTS LEGAL EXPENSE

ASSET-CATEGORIES	Capitalize-Expense	Object-Code Number and Title	
CAPITAL-LAND	CAPITALIZE	96—02 96—82	LAND RIGHT OF WAY ACQUISITION

ASSET-CATEGORIES	Capitalize-Expense	Object-Code Number and Title	
CAPITAL-CONTINGENCIES	CAPITALIZE	99—01	PROGRAM CONTINGENCY

APPENDIX B.

Depreciable Life in Months

LAND AND LAND IMPROVEMENTS

Land and Land Improvements	0
Land: Right of Way	0

SITE IMPROVEMENTS

Fencing and Gates	300
Landscaping	120
Parking Lot/Driveway/Parking Barrier	240
Outside Sprinkler System	180

FACILITIES AND OTHER IMPROVEMENTS

Recreational Area, Athletic Field (including bleachers)	144
Golf Course	240
Path and Trails	132
Septic System	180
Stadiums	540
Swimming Pool, Tennis Court	264
Fountain	240
Plaza, Pavilion	720
Retaining Wall	240

BUILDINGS AND BUILDING IMPROVEMENTS

Building Exterior: Residential	360
Building Exterior: Office	360
Building Exterior: Correctional Facilities	360
Building Exterior: Farm	360
Building Exterior: Storage and Warehouse	360
Building Exterior: Garage and Hangar	360
Building Exterior: Hospital	360
Building Exterior: Education	360
Building Exterior: Research	360
Building Exterior: Museum	360

Building Exterior: Chilling Station/ Boiler	360
Building Exterior: Clinics	360
Building Interior: Elevator	240
Building Interior: Carpet	180
Building Interior: Modular/Fixed Furniture ..	240
Building Interior: Sprinkler System	240
Building Interior: Electrical	240
Building Interior: Roof	120
Building Interior: Curtains and Drapes	60
Building Interior: Water System	240
Building Interior: Heating/Cooling System/Air Circulation	180
Building Interior: Security	120
Building Interior: Cabling/Fiber Optic	120
Building Interior: Fire Alarm System	120

INFRASTRUCTURE & INFRASTRUCTURE IMPROVEMENTS

Highway System & Rest Areas	0
Road/Street (curb, gutters)	240
Bridge—Concrete Girder (pan)	420
Bridge—Concrete Slab	240
Bridge—Culvert	420
Bridge—Prestressed Girder (box)	360
Bridge—Prestressed Girder	300
Bridge—Steel Girder	300
Bridge—Steel Truss Category One	540
Bridge—Steel Truss Category Two	540
Bridge—Timber Stringer	300
Sewer (sanitary, storm)	240
Railroad	120
Canal	240
Waterway	240
Drainage Facility	240
Wharf or Dock	240
Radio or Television Tower	240
Dam	600

Gas (main & lines).....	300
Water Lines	300
Fiber Optic (information technology).....	240
Telephone Distribution System.....	120
Tunnels (utility).....	540
Tunnels (other).....	540
Lighting System (traffic, outdoor, street, etc.)	180
Signage.....	120
Airport Runway/Strip/Taxi Area/ Apron	192
Trestles	540
Sea Walls/Bulkheads/Piers/ Boardwalks.....	420
Fire Hydrants	300
Agricultural Irrigation Systems	420
Sidewalks.....	192

CONSTRUCTION-IN-PROGRESS...0

LEASEHOLD IMPROVEMENTS...60

FURNITURE and EQUIPMENT, OTHER PERSONAL PROPERTY

Desks

Desks	120
Typewriter Desks.....	120

Tables

Card Tables.....	120
Collapsible Tables	120
Drawing Tables	120
End Tables.....	120
Folding Tables	120
Kitchen Tables.....	120
Tables	120

Chairs

Chairs.....	120
Dental Chairs	120
Executive Chairs.....	120
Folding Chairs	120
Seats	120
Settees	120
Stools.....	120

Personal Furniture

Bed.....	144
Dresser	144
Rocker	144

Cases, Cabinets and Credenzas

Apparatus Cabinets	120
Beverage Cooling, Ice or Electric Cabinets ... 120	
Blood Plasma Cabinets.....	120
Dental Cabinets	120
Display Cases.....	120
Drafting Print Cabinets	120
Exhibit Cases.....	120
File Cases	120
Filing Cabinets.....	120
Frozen Food Storage Cabinets	120
Galley Printers Cabinets.....	120
Ice Cream, Ice or Electric Cabinets.....	120
Laboratory Cabinets	120
Laboratory Cases.....	120
Lantern Slide Cabinets.....	120
Medicine Cases	120
Printing Cases	120
Sectional Bookcases.....	120
Supply Cases	120
Supply Cabinets	120
Type Cases	120
Type Printers Cabinets	120

Hand Guns**

Hand Guns.....	120
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Rifles**

Machine Guns	120
Rifles	120
Shotguns.....	120

Calculators

Calculating Machines.....	84
Calculators	84

Typewriters, Word Processors

Typewriters	84
Word Processors.....	84

Other Office Furniture.....

120

Vehicle Maintenance Equipment

Automobile Lifts.....	84
Battery Chargers.....	84
Brake Drum Lathes.....	84
Brake Lining Machines.....	84
Chamber Alignment Gauges, Etc.....	84
Clutch Rebuilding Apparatus.....	84
Engine Lathes.....	84
Engine Repair Stands.....	84
Garage Type Hydraulic Jacks.....	84
Hand or Power Brakes and Folders.....	84
Motor Analyzers.....	84
Motor Generator Sets.....	84
Spark Plug Cleaning Machines.....	84
Tire Spreaders.....	84
Tire Stacks.....	84
Vehicle Maintenance Equipment.....	84
Wheel Straightening Apparatus.....	84

Photocopying Equipment

Ditto Machines.....	84
Duplicating Equipment, All Types.....	84
Enlargers.....	84
Infrared Drying Units.....	84
Mimeograph Machines.....	84
Photocopiers/Apparatus.....	84
Photoengravers/Routers Planing Machines.....	84
Presses.....	84
Stereoscopes.....	84
Typecasting Machines.....	84
Varytypers Hectographs.....	84
Photographic Washers and Dryers.....	84

Fax Machines, Telecopier*

Fax Machines.....	84
Telecopiers.....	84

Stereo Systems*.....

Cameras*	
Cameras.....	84
Video Cameras.....	84

Video Recorders/Laserdisk Players*—(TV, VCR, camcorder)

Camcorders.....	84
Television and VCR Combinations.....	84
Television Sets.....	84
Video Cassette Recorders.....	84

Other Sound Systems/Equipment

Camera Equipment.....	84
-----------------------	----

Electronic Recording Devices.....	84
Microfilm/Microfiche Machines.....	84
Optical Disks.....	84
Phonographs/Record Players.....	84
Portable Public Address Systems.....	84
Projection/Portable Screens.....	84
Radio Receivers and Transmitters.....	84
Recording Electrical Instruments.....	84
Sound Recorders.....	84
Still/Motion/Micro Projectors.....	84

Musical Instruments.....

Recreational Equipment

Bicycle.....	120
Pool Table.....	120

Video Conferencing Equipment

Equipment.....	60
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GPS Equipment

Global Positioning Systems.....	60
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Other Assets

Other Assets

Other Assets

Warehouse Equipment Forklift-

Mailroom Equipment

Folder.....	108
Inserter.....	108
Labeler.....	108
Band Tyer.....	108

Instructional Equipment

Arts & Crafts Equipment.....	84
Chart Stands.....	84
Gym Equipment.....	84
Hurdles.....	84
Portable Blackboards.....	84
Sculpturing Equipment.....	84
Track and Field.....	84
World Globes.....	84

Conveyer Systems.....	180
Drills, Stationary.....	180
Gin Machinery.....	180
Grinders, Stationary.....	180
Lathes, Stationary.....	180
Metal Working Machine, Stationary.....	180
Milling Machines.....	180
Pallet Trucks, Lifts, Jacks, Hydraulic.....	180
Saws, Stationary.....	180

Scales.....	180
Shapers, Joiners, Planers, Stationary.....	180
Sharpeners, Stationary.....	180
Shears.....	180
Textile Machines.....	180
Woodworking Machines.....	180

Tools

Anvils.....	84
Auto Body, Pneumatic, Etc Hammers.....	84
Band Saws.....	84
Bench, Floor or Radial Drill Presses.....	84
Chisels in Sets.....	84
Circular Saws.....	84
Dies in Sets.....	84
Electric/Hand Hammers.....	84
Electric Sanding Machines.....	84
Forges.....	84
Hand Tools in Sets.....	84
Jointers.....	84
Machine Tools.....	84
Miter Boxes.....	84
Mortisers.....	84
Power Drills.....	84
Power Driven, Pneumatic/Electric Hand Tools.....	84
Power Hack Saws.....	84
Sanding Machines.....	84
Socket Wrench Sets.....	84
Welding Apparatus.....	84

Agricultural Equipment

Agricultural Binders.....	84
Combines.....	84
Cultivators.....	84
Field Plows.....	84
Harnesses.....	84
Harrows.....	84
Hedge/Power Trimmers.....	84
Lawn Blowing Machines.....	84
Lawn Rollers.....	84
Lawn String Trimmers.....	84
Lawnmowers.....	84
Manure Spreaders.....	84
Mowers.....	84
Power Operated Grass Shears.....	84
Power Operated Shears.....	84
Power Pruners.....	84
Power Sprayers and Dusters.....	84
Power Sprayers.....	84

Sheep/Horse Electric Clippers.....	84
Trailers (farm type) Wagons.....	84
Wheelbarrows.....	84

Office Machines

Accounting Machines.....	84
Adding Machines.....	84
Addressing Machines.....	84
Billing Machines.....	84
Bookkeeping Machines.....	84
Cash Registers.....	84
Check Handling Machines.....	84
Checkwriters.....	84
Coin, Currency, and Check Handling Machines.....	84
Coin Handling Machines.....	84
Dating Machines.....	84
Dictaphones.....	84
Dictating Machines.....	84
Electric Erasers.....	84
Envelope Sealers.....	84
Filing Machines.....	84
Paper Cutters.....	84
Postal Meters.....	84
Power Stamping Machines.....	84
Shorthand Writing Machines.....	84
Tabulating Machines.....	84

Miscellaneous Machines

Air Compressors.....	84
Air Hoists.....	84
Arc Welding Apparatus.....	84
Blueprint Machines.....	84
Canning Machinery.....	84
Cement Making Machinery.....	84
Centering Machines.....	84
Chain Hoists.....	84
Cloth Cutting Machines.....	84
Coin Operated Machines.....	84
Computing Machines.....	84
Connecting Rod Boring Machines.....	84
Conveyors.....	84
Cylinder Boring Machines.....	84
Drafting Machines.....	84
Electric Gasoline Dispensing Pumps.....	84
Electric or Pneumatic Hoists.....	84
Electric Welding Apparatus.....	84
Elrod Lead, Slug, and Rule Casting Machines.....	84
Engine Flushing Machines.....	84

Gas Compressors.....	84
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Gas Cylinders.....	84
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Gear-Cutting Machines.....	84
Lathes, Turret, or Automatic Screw Machines.....	84
Metalworking Machinery.....	84
Milling Machines.....	84
Mixing Machines.....	84
Nibbling Machines.....	84

Not Integral Parts of Larger Units

Generators.....	84
Permanent-Waving Machines.....	84
Polishing Machines.....	84
Power-Numbering Machines.....	84
Power-Operated Grinders.....	84
Precision Table or Vertical Types	
Boring Machines.....	84
Sanding Machines.....	84
Sewing Machines.....	84
Type Metal Remelting Furnaces.....	84
Vending Machines.....	84
Weaving Machines.....	84

Weather Equipment

Anemometers.....	84
Barographs.....	84
Barometers.....	84
Boyles Law Apparatus, Complete Unit.....	84
Pyrometers.....	84
Thermographs.....	84
Tunnels, Models, Wind.....	84

Cosmetology

Beauty-Class Furniture.....	84
Electric Hair Clippers.....	84
Electrical Barbershop Tools.....	84
Hair Dryers.....	84

Printing Machines & Bookbinding Equipment

Arbor Presses.....	84
Book-Bookbinders Presses.....	84
Bookbinding Machinery.....	84
Compression Molding Baling	
Presses.....	84
Cylinder, Flat Bed, Printing Presses.....	84
Embossers.....	84
Engraving Presses.....	84
Letter Presses.....	84
Linotypes.....	84
Lithographic or Offset Printing	
Presses.....	84

Power Presses.....	84
Punch, Foot Power Presses.....	84
Printing Frames.....	84

Kitchen Appliances & Equipment

Canners.....	84
Coffee Grinders.....	84
Coffee Urns.....	84
Cooking Ranges.....	84
Cooking Stoves.....	84
Counter Freezers.....	84
Deep Fat Fryers.....	84
Deep Freezers.....	84
Dishwashing Machines.....	84
Electric Broilers.....	84
Electric Coffee Percolators.....	84
Electric Dishwashers.....	84
Electric Eggbeaters.....	84
Electric Hot Plates.....	84
Electric Juice Extractors.....	84
Electric Mixers.....	84
Electric Toasters.....	84
Electrical Bread Toasters.....	84
Electrical Peelers.....	84
Freezers.....	84
Gas Plates.....	84
Gas Stoves.....	84
Ice Cream Freezers.....	84
Large Potato Peeling Machine.....	84
Mechanical Bread Slicers.....	84
Microwave Ovens.....	84
Ovens.....	84
Power Food Choppers.....	84
Pressure Cookers.....	84
Refrigerators, Electric or Ice,	
Not Built in.....	84
Stoves.....	84

Laundry Equipment

Clothes Dryers.....	84
Dry-cleaning Machines.....	84
Electric Flatirons.....	84
Electric Irons.....	84
Laundry Machines.....	84
Pressing Machines.....	84
Steam Vapor Cleaners.....	84
Washing Machines.....	84

Building Maintenance & Safety Equipment

Andirons.....	84
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Electric Floor Scrubbers84
 Electrical Buffers84
 Fire Extinguishers84
 Fireplace Fixtures84
 First Aid84
 Power Driven Brooms84
 Scrubbing Machines84
 Security Systems84
 Smoke Detectors84
 Vacuum Cleaners84
 Water Coolers84
 Waxing Machines84
 Portable Building108
 Other Furniture & Equipment120

COMPUTER EQUIPMENT

Superecomputer

Computer Hardware—Superecomputer60
 Mainframe Computer & Peripherals96
 Minicomputer*, Servers72
 Desktop CPU72
 Peripheral Devices Microcomputer
 Disk, Tape, Optical Drives60

Printers (not portable*)

Computer Hardware—Printers84
 Laser Printers84
 Printers84

Terminals, Monitors

Computer Hardware—Terminals, Monitors72
 Personal Computer Display Terminal72
 Controllers—Tape, Disk, Terminal72
 Other Computer Hardware60
 CPU Desktop72
 Docking Station36
 Data Projectors—'Proxima,' or Data viewers—
 w/o—Projector72

Security System

Card Reader, Camera, Monitor (not
 built in)72
 Image Scanner36
 Barcode Scanner72
 Power Supply Battery, Generator72
 Uninterruptible Power Supply36
 Modem, External60
 Digital & Channel Service Units60
 Multiplexor, HUB, MAU60

Communication Controllers60
 Protocol Converters60
 VSATS60
 Data Communications Diagnostic Systems60
 Other Communications Hardware60
 Lan/Wan Switching
 Hubs, Switches, and Routers60

Computer Equipment Racks

Shelving, Chassis120

Portable CPU/Printers

Laptops72
 Portable Printers*84

COMPUTER SOFTWARE

Purchased Software60
 Internally Developed Software60
 Customized Software (i.e., ISAS)60
 Enterprise Software72

**MEDICAL & SCIENTIFIC LAB
 EQUIPMENT**

Amplifiers, All Types132
 Analyzer, All Types108
 Autoclaves and Sterilizers120
 Balance*168
 Baths, Water and Shakers132
 Animal Cages & Accessories168
 Centrifuge*132
 Chromatograph144
 Cryostat132
 Counter Laboratory Assembly132
 Densitometer120
 Electronic Module156
 Electrophoresis Apparatus120
 Evaporators144
 Fraction Collector168
 Freeze Dryers & Accessories180
 Freezer, Lab108
 Homogenizer144
 Hood, All Types168
 Ice Machines, Lab120
 Incubators & Accessories*168
 Isolator72
 Micromanipulator144
 Meters, Gauges, Indicators144
 Microscopes & Accessories*180

Micro-Tomes, Diamond	
Knives, Sharpeners.....	168
Optical Equipment.....	120
Oscilloscope*.....	180
Ovens & Ranges, Lab.....	96
Pumps.....	120
Recording Systems.....	180
Refrigerators, Lab.....	144
Rotors & Heads.....	168
Scan Systems.....	108
Scintillation Systems.....	180
Ultrasound Equipment.....	144
Spectrofluorometer.....	120
Spectrometer.....	120
Spectrophotometer.....	168
Stereotaxic Instrument & Accessories.....	144
Stimulator.....	144
Tables, Dissecting,	
Operating, & Balancing.....	180
Tanks, Containers,	
Chambers, All Types.....	120
Water Purification.....	156
X-Ray Equipment.....	132
Miscellaneous Lab and Scientific Equipment	
.....	84
Patient Monitoring Systems.....	144
Breathing Apparatus, Respirator.....	180
Defibrillator.....	144
EKG/ECG/EEG Apparatus.....	180
Dialysis Equipment.....	180
Clinical Diagnostic Instruments.....	96
Table, Exam.....	120
Dental Equipment.....	132
Wheelchair.....	120
Miscellaneous Surgical Instrument.....	120
Patient Care, Miscellaneous.....	84
VOICE COMMUNICATION	
INVENTORY	
PBX, KSU, Voice Mail, Phone System.....	36
Automatic Call Distributors	
Telephones—Voice Communications—Automatic	
Call Distributors.....	36
Phone Equipment (other than systems)	
Cellular Phones.....	36
Mobile Phones.....	36

Misc. Phone Equipment and	
Accessories.....	36

VEHICLES

Passenger Cars

Automobiles, Sedans60
 Station Wagons.....60

Trucks (26,001 lbs and over GVWR)

Commercial, with large carrying-
 capacity (i.e. Tractor Truck-type,
 Dump Trucks).....120

Buses (up to 15 passengers)

Shuttle Type.....96
 Small School Buses96

Motorcycles60

Vehicle Inventory/Components/Life.....60

Bodies, Bus.....60
 Chassis, Truck60
 Engines, for Use in Classrooms60
 Motors, Not Integral Parts of Lgr. Units.....60
 Transmissions, Not Integral Parts of
 Lgr. Units.....60
 Trucks, Motor60

Buses (over 15 passengers)

Vehicle Inventory/Components/ Life.....120
 Bodies, Truck120
 Chassis, Bus.....120
 Diesel Engines for Use in
 Classrooms.....120
 Vehicle Components.....120

Sports Utility Vehicles (i.e., Jeep-
 Wrangler/Cherokee, Suburban, Tahoe,-
 Jimmy, Blazer, Durango, Explorer,-
 Expeditions, Chargers and similar vehicles)
84

Vans, Cargo & Passenger.....84

Light Trucks (under 8,600 lbs. GVWR)84

Mounted Equipment with Truck Chassis, (i.e.-
 Aerial Devices, Fuel Trucks)96

Self-Propelled Roadway Equipment (i.e. Motor
 Graders, Loader, Rollers)120

Trailers120

Towed Roadway Equipment120

Light/Medium Trucks
 (8,601-14,999 lbs. GVWR)60

Medium Trucks (15,000-
 26,000 lbs. GVWR).....60

Mini Vans (i.e. Aerostar, Town & Country,-
 Voyager, Villager, Silhouette, Caravan,-
 Windstar, and similar vehicles).....84

Buses (16-28 passengers).....96

Buses (29 passengers &
 Over).....120

Other Equipment: Forklift,
 Grader, Other120

Golf Carts120

Mobile Heavy Equipment.....120

3 or 4 Wheel All Terrain Vehicle.....120

BOATS

Boats—20 Feet or Longer120

Boats—Shorter than 20 feet.....120

Boats Accessories, Motors120

Ferries.....480

Marine Equipment60

Boats, Other.....120

Canoes120

Rowboats.....120

AIRCRAFT

Jet.....120

Single Engine—Propeller.....120

Multi-Engine—Propeller.....120

Helicopters120

Other Aircraft.....120

**LIBRARY BOOKS & REFERENCE
 MATERIALS**

Books & Reference Materials.....120

Library Books & Reference Material.....0

Book Stacks.....120

Book Trucks120

Dictionary Holder.....120

Library Trucks.....120

Other Library Furniture120

Software Library CD-ROM.....120

**WORKS OF ART, HISTORICAL
 TREASURES**

Works of Art, Historical
 Treasures—Depreciable.....120

Works of Art, Historical Treasures—Not
 Depreciable0

APPENDIX A.

Depreciable Life in Years

Asset Classes	Life in Years
Land/Land Improvements	0
Historical Treasures/Works of Art	0
Buildings	30
Improvements other than Buildings	10 - 20
Machinery and Equipment:	
Computer Equipment	5
Heavy Machinery and Equipment	8 - 13
Law Enforcement Equipment	5 - 7
Office Equipment	7 - 10
Patrol Vehicles	1 - 2
Vehicles	5 - 7
Infrastructure:	
Infrastructure - Asphalt	7
Infrastructure - Bridge	25 - 30
Infrastructure - Concrete	12
Infrastructure - Radio Tower	20

Appendix C-B

Class Codes – Property Controlled But Not Capitalized (High Risk Equipment) (Highly Attractive Assets)

Highly Attractive assets are property classes that Commissioners' Court has established to protect and closely track the security and use of those assets. The list below includes the items determined to be highly attractive. Each department and agency should perform an internal review to ensure controls are in place to track the location of these assets and where they are at all times.

If a single unit's acquisition cost is \$5,000 or greater, that item should be reported as a capitalized item. Only capitalized items are included in Capital Assets.

Highly Attractive Assets (over \$200)

Property Item
Hand Guns
Rifles
Shotguns
Satellite Phones
Video Recorder/Laserdisk Player (TV, VCR, Camcorders)
Portable Data Digital Projections
All Medical Equipment (not including supplies)

High risk equipment controls are required to be established by each elected official or department head that is responsible for this equipment. The list below includes **examples** of high risk equipment.

High Risk Equipment Examples:
audio/video equipment, such as televisions or projectors
mobile devices
grounds equipment, such as mowers or trimmers
medical equipment, such as AEDs
power tools
weapons

If a single unit's acquisition cost is \$5,000 or greater, the item is reported as a capitalized item. Only capitalized items are included in Capital Assets. The elected official or department head is still responsible for securing and tracking all equipment provided by the county, regardless of whether or not an asset is capitalized.