

Capitalization Thresholds for Buildings/Facilities and Other Improvements/Infrastructure

Effective with the fiscal year ended June 30, 2002, the capitalization threshold for buildings, improvements to land, and infrastructure is \$50,000.00.

A building is a structure, with a historical cost equal to or greater than \$50,000.00, which 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.

Building improvements are capital events that materially extend the useful life of a building or increase the value of the building or both. A building improvement is to be capitalized as a betterment and recorded as an addition of value to the existing building if the cost for the improvement is equal to, or greater than \$50,000.00.

Facilities and other improvements (Land improvements) consist of betterments, site preparations and site improvements (other than buildings) that ready land for its intended use. The costs associated with improvements to land are capitalized in the category improvements to land. Such improvements will be capitalized if the cost for the improvement is equal to, or greater than \$50,000.00

Infrastructure items are assets that are long-lived capital assets, with a cost equal to or greater than \$50,000.00, which normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

Infrastructure improvements are capital events that materially extend the useful life or increase the value of the infrastructure, or both. Infrastructure improvements are to be capitalized as a betterment and recorded as an addition of value to the infrastructure if the improvement or addition of value equal to, or greater than \$50,000.00.

Examples of Facilities and Other Improvements, and Infrastructure

Facilities and Other Improvements:

Fencing and Gates

Landscaping

Parking Lots/Driveways/Parking Barriers

Outside Sprinkler Systems

Recreation Areas & Fields

Golf Course

Paths and Trails

Septic Systems

Swimming Pools, Tennis Courts

Retaining Walls

Infrastructure:

Highway System

Road/Street (curbs, gutters)

Bridges

Sewer

Railroad

Canal

Waterway

Drainage Facility

Wharf or dock

Radio or Television Tower

Dam

Electric (lines & distribution)

Gas (main & lines)

Water lines

Fiber Optic

Telephone Distribution Systems

Tunnels (utility)

Tunnels (other)

Lighting Systems (traffic, outdoor, street, etc.)

Signage

Fire Hydrants

Agricultural Irrigation Systems

Sidewalks

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