



CITY OF  
**MUKILTEO**

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*Finance Department*

11930 Cyrus Way, Mukilteo WA 98275

**Capital Assets  
Policy & Procedures**

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**2019**

# CITY OF MUKILTEO

## CAPITAL ASSETS POLICIES AND PROCEDURES

### Purpose

This policy is established to provide guidelines to ensure adequate stewardship over City resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital assets information required for preparation of financial statements in accordance with generally accepted accounting principles.

### Reference

Specific requirements of the Washington State Auditor's Office are contained in *Budgeting and Reporting System* (BARS) Part 3, Chapter 3 which will be applied by the City as relevant. In addition, the federal government has issued property management requirements which apply to all governments that receive federal assistance. Each federal agency has published a Federal Agency Implementation of the Common Rule which will be adhered to as applicable. The policies and procedures contained in this policy are not intended to and may not supersede federal, state or local laws.

### Definitions

"Accountability" - The obligation to demonstrate good management of or control over those matters for which a person or agency is responsible to include capital assets, small and attractive assets, and required annual inventory and assessments.

"Assets" - All land, including right of way, buildings, improvements, infrastructure, works of art and historic collections and equipment purchased, donated, constructed, or acquired by the City.

"Capital Assets" - Land of any value; artwork and historic collections of any value; improvements and infrastructure; buildings, their furnishings, fixtures, and furniture; equipment, machinery, vehicles, and tools, with a value of \$5,000 or more for non--infrastructure or \$10,000 or more per item for infrastructure, and having a useful life exceeding one year from the date of acquisition.

"Custody" - Being in charge of, and having the authority to manage the asset. Having the custodial responsibility of the asset that includes, but is not limited to the caring, keeping, safekeeping and protecting the asset.

"Infrastructure" - Roads, bridges, sidewalks, water lines, sewers, drainage systems, and the like. "Inventory" - The process of physically confirming the existence and location of capital assets.

"Small and Attractive Assets" - are items that cost less than \$5,000, and are particularly at risk or vulnerable to loss, theft or misuse. These assets last longer than a year, are mobile and might be easily replaced through a procurement system without raising suspicion. Departments have discretion in defining small and attractive assets in many instances; however, departments must include, at a minimum, the following assets with unit costs of \$500 or more as *small and attractive*:

- Handheld radios and other electronics
- Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Range finders
- Cameras and Photographic Projection Equipment
- Computers, Laptops and Notebooks (included in the Information Technology Department's asset listing)

- Other data processing Accessory Equipment and Components (Scanners, Data Displays, Video Cameras, tape recorders, DVD players, television sets, phones, etc.)
- Office Equipment
- Shop tools, Public Works power equipment

Firearms, tasers, and related accessories

### Applicability

This policy applies to all departments of the City of Mukilteo. The term "Department" is defined to include every city office, officer, and every department, division, board and commission.

### Department responsibilities

Departments are responsible for protecting and controlling the use of City assets assigned to their department. The department head must designate one or more Department Inventory Officers to be responsible for maintaining and safeguarding the department's capital assets and small and attractive assets.

Any time a capital asset is purchased, surplus, sold, or transferred to another department, the Department Inventory Officer will complete a Capital Asset Record form which will be submitted to the Finance Department with the related documentation. The Finance department will maintain a complete list of all capital assets.

Each department has discretion in determining what is operationally appropriate for designation as a small and attractive asset. They will identify small and attractive assets based on a risk assessment. The small and attractive assets deemed vulnerable to loss will be recorded on the Small & Attractive Assets Record form (Attachment B) and tracked by the individual departments (not centralized in Finance department). Each department is responsible to maintain their small and attractive assets list, and to conduct annual inventory or spot checks of their small and attractive assets. The Police Department will conduct a semi-annual inventory of all duty weapons.

### Capitalization Threshold

All non-infrastructure assets with a cost of \$5,000 or more, and infrastructure additions where individual items cost \$10,000 or more, will be capitalized. Although *Small and Attractive Assets* (assets costing less than \$5,000) do not meet the city's capitalization threshold, due to ease of conversion to private use, they are considered assets for purposes of marking and identification, records keeping, and tracking.

### Improvement/Repair/Maintenance Expenses

Routine repair and maintenance costs should be expensed as they are incurred. Major repairs should be capitalized if they result in betterments/improvements. A difficulty arises in the case of capital outlays that are partly replacements and partly betterments/improvements. To the extent that the project replaces the old part of a capital asset, outlays should not be capitalized (unless cost of the old part was removed from the cost of the asset); and to the extent that the project is betterment/improvement, outlays should be capitalized. When the distinction between the replacement and betterment/improvement is not easily determinable, the city should expense the entire cost of the project.

When the cost of improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods will be revised based on the new book value and the new estimated remaining useful life. No adjustment will be made to prior periods.

### Insurance

A capital asset program should provide adequate insurance and records to prove any losses. Location, inventory, and maintenance records will confirm that a lost or damaged asset has been in use recently, which will support the validity and timeliness of a theft or damage report. In

addition, when a city has elected to self-insure to some degree, the officials should obtain an independent evaluation of the extent of the risk that has been assumed, which cannot be done without knowing what assets are at risk.

### Additions

The city may acquire property via purchase, construction, donation, or lease. Capital assets shall be capitalized and purchased from a capital (60's) BARS line of either:

- 61 - Land and Land Improvements;
- 62 - Buildings and Structures;
- 63 - Other Improvements;
- 64 - Machinery & Equipment;
- 65 - Construction of Capital Assets.

When a capital asset is purchased, the department will send a copy of the invoice to the Finance Department for payment. The Finance Department will identify those assets that meet the capitalization requirements. Finance will assign a unique inventory control number to the asset, assign an inventory ID tag number, if applicable, and will prepare a Capital Asset Record (Attachment A) which will be sent to the department to complete. When the Asset Control Sheet and ID tag are received by the department, the department designee will immediately affix the ID tag to the asset, complete and sign the Capital Asset Record, and return the completed form to Finance. Finance will then update the capital asset system with the information from the asset control sheet.

Whenever feasible, each piece of property will be affixed with an inventory ID tag identifying the capital asset as the property of the City of Mukilteo, and including city identification number.

Departments may determine where to place the tag on the capital asset. However, the identification and control number should be located on the principal body of the asset, rather than a removable part. Such tag will be removed or obliterated only when the item is sold, scrapped, or otherwise disposed of. Should the inventory ID tag be removed or defaced, the item shall be assigned a new inventory ID tag, and the new number recorded in the capital assets database.

Occasionally, it will be impractical or impossible to mark some inventorial capital assets according to these standards. For example, do not tag if the capital asset:

- Is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements);
- Has a unique permanent serial number that can be used for identification, security and inventory control (such as vehicles);
- Would lose significant historical or resale value by being tagged; or
- Would have its warranty negatively impacted by being permanently marked;

In these cases, the identification tag is not required, and the department is to apply alternative procedures to inventory and identify such assets.

### Deletions

Capital Asset deletion may be required due to the sale of the asset, scrapping, lost or stolen items, or involuntary conversion (fire, flood, etc.). Due to the monetary value, capital assets deleted from the capital asset system for any reason require authorization from the City Council.

### Disposal

Disposal of capital assets may occur only after being declared surplus by the City Council. Disposal will be made in whichever manner is determined to be most cost effective for the City. This may include sale, disposal, conversion, or any other means as approved by the City Council in the surplus declaration.

When original or replacement equipment acquired under a grant or sub grant is no longer needed for the original project or program, disposition of the equipment will be made as follows:

- 1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
- 2) Items of equipment with a current per-unit fair market value of \$5,000 or more may be retained, sold or otherwise disposed of only as authorized by the awarding agency.

In the event the City is provided federally owned equipment:

- 1) Title will remain vested in the federal government.
- 2) The City will manage the equipment in accordance with federal agency rules and procedures, and submit an annual inventory listing.
- 3) When the equipment is no longer needed, the City will request disposition instructions from the federal agency.

### Lost or stolen property

When suspected or known losses of capital assets or small and attractive items occur, departments should conduct a search for the missing property. The search should include transfers to other divisions or departments, storage, scrapping, conversion to another asset, etc.

If the missing property is not found:

- Notify the inventory control officer and department head.
- Lost or stolen capital assets must be reported to the Police department as soon as it is discovered. A police report must be filed.
- Have the individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
- The custodial department will notify the Finance department, submit a copy of the police report, and complete and sign a Capital Asset Disposition form when it is determined that the asset has been lost or stolen and unsuccessfully recovered.
- Finance will report known or suspected losses of assets to the State Auditor's office in accordance with RCW 43.09.185, and a copy of the report will be provided to the Mayor, Management Services Director, and City Council.
- Finance will remove the lost or stolen property from the department's inventory and accounting asset database.

### Transfers

Occasional transfers of property between departments, individuals within a department or funds may occur. The original controlling department is accountable for all assets in its inventory and for initiating a notice of transfer. Interdepartmental transfers involving a proprietary fund (i.e. Surface Water) require a transfer of money. The sale price will be fair market value, which may result in a gain or a loss on sale of capital assets.

### Modifications

Larger assets such as major pieces of equipment, water or sewer lines, and many buildings are often modified to increase their lifetime or usefulness. Modifications may include partial additions or deletions, major repairs (new engine for fire truck), or component replacement (new roof, heating system, etc.). Several vouchers may be prepared for the modification as the work is in progress. Therefore, it is very important to notify the Finance Department that modifications are coded as capital outlay and when it is given to accounts payable for payment. The inventory number should be included on the voucher of the equipment; building or other structure reflecting what is being modified.

### Inventory

A physical inventory will be conducted at least once every year. By January 31<sup>st</sup> of each year, the Finance Department will supply each department with an inventory worksheet of all capital assets under their control as of December 31<sup>st</sup> of the prior year. Each department will conduct a physical inventory of the items, verifying the existence and condition of each item on the worksheet, and making note of any additions, deletions, interdepartmental transfers, modifications, or leases of property that are not reflected on the list. The final list will be reviewed and signed by the department head, and returned to the Finance Department by February 28<sup>th</sup> of every year. The date the inventory is conducted should be noted. Departments are encouraged to exchange and use personnel from other departments to perform their inventory if possible.

### Physical inventory instructions

Written physical inventory instructions will be documented and distributed to each person participating in the inventory process. The instructions will describe:

- How and where to record each item,
- What information to record,
- What to do when they have a question,
- What procedures to follow when they finish their assignments,
- What procedures to follow when equipment is located but not listed,
- The procedure by which the person counting the assets attests to the accuracy of the count, such as by signing his or her name at the bottom of each inventory page, or signing a cover page for a group of pages sorted by another method (batches, location, equipment type, etc.), and
- How to record assets not being used or in an obviously unserviceable condition. Such information is to be used to schedule repair or disposition of such assets.

### Physical inventory reconciliation

After the physical inventory count is completed, the department inventory officer is to conduct the reconciliation process. Only when all differences have been identified and explained, is the inventory considered reconciled. Departments should conduct the following steps during the reconciliation process:

- Search the inventory lists to determine whether inventory noted during the count as unrecorded is, in fact, listed on another portion of the inventory.
- Enter unrecorded assets into the inventory system as soon as possible after discovery.
- If a significant number of unrecorded assets are located, a major problem with the asset recording procedures may exist. The department inventory officer should contact the Finance Department for assistance in determining why the problem is occurring and how to correct it.

- Conduct a search in an effort to locate missing assets.
- For assets not located, follow the lost or stolen property procedures in this policy.

After the inventory is reconciled, the department inventory officer is to certify the reconciliation with a statement and signature that it is correct and report this to the supervisor. If the certification cannot be made, the inventory officer is to disclose that fact and the supervisor is to determine the appropriate course of action.

#### Retaining physical inventory records

The certification, together with the reconciliation and the inventory listing, serves as the support for the inventory balance and for accounting adjustments, if any, and must be retained by the Finance Department. The documentation will be retained in accordance with the approved records retention schedules. At a minimum the asset records must be retained until after the next annual audit.

#### Small and Attractive Assets Procedures

Small and attractive assets shall be expensed and purchased from either a small items of equipment (35) BARS line or a (33) non-inventory operating supplies.

All small and attractive assets shall be tracked and recorded in a list by each department in control of those assets.

Small and attractive assets may not be transferred, traded, sold, auctioned, surplus, or discarded without authorization from the Finance Department.

#### Valuation of Capital Assets

Capital assets shall be valued at cost - including any ancillary charges necessary to place the asset in its intended location and condition for use. However expenses which do not add to the utility of an asset shall not be capitalized. For example, an expenditure to repair a piece of equipment that was damaged during shipment should be expensed.

Values will be determined in the following manner:

#### Purchased Assets

Historical costs including taxes (e.g., sales taxes), and all appropriate ancillary costs less any discounts or rebates. If the historical cost is not practicably determinable, estimated cost will be used.

#### Land

The capitalized value of land includes the purchase price plus costs such as legal fees, fill, and any excavation costs incurred to put the land in condition for its intended use. If land is acquired by gift, the capitalized value will reflect its appraised or fair market value at the time of acquisition. Included in this category are right-of-ways and easements that provide access to City-owned land. Excluded are "temporary easements" acquired to facilitate maintenance of public infrastructures or used for road right-of-way.

#### Equipment

Furniture, fixtures, or other equipment should be classified as equipment. Since they are not an integral part of a building they are not considered capital improvements. The cost for this asset type should reflect the actual or estimated cost of the asset, including the cost of an extended maintenance/warranty contract if the contract is purchased at the same time (or soon thereafter) as the capital asset.

### Infrastructure

In accordance with the Governmental Accounting Standards Board Statement Number 34, acquisitions of capital assets defined as *infrastructure* which meet the City's capitalization policy are to be capitalized.

### Self-Constructed Assets

All direct costs associated with construction and management costs associated with a construction project will be capitalized.

### Construction in Progress

Construction in Progress will be closed out and the costs capitalized when a project is substantially complete, accepted, and placed into service. Depreciation will not be applied to construction in progress.

### Donated Assets

Donated assets will be recorded at the fair market value at the time of acquisition plus all appropriate ancillary costs. If the fair market value is not determinable due to lack of sufficient records, estimated cost will be used. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as revenue; however, if a capital asset is donated it should be recognized as a capital contribution.

### Improvement, Repair and/or Maintenance Expenditures

Routine repair and maintenance costs should be expensed as they are incurred. Major repairs should be capitalized if they result in betterments/improvements. A difficulty arises in the case of capital outlays that are partly replacements and partly betterments/improvements. To the extent that the project replaces the old part of a capital asset, outlays should not be capitalized; and to the extent that the project is betterment/improvement, outlays should be capitalized.

When the distinction between replacement and betterment/improvement is not easily determinable, the city should expense the entire cost of the project.

When the cost of the improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods should be revised based on new book value and the new estimated useful life of the asset. No adjustment should be made to prior periods.

### Replacements

For building, improvements other than buildings and equipment the cost of outlays that replace a part of another capital asset will be capitalized when the cost of the replacement is \$5,000 or more **and** at least 10 percent of the total replacement value of the asset, or \$100,000, whichever is less.

Example:

A \$9,000 replacement of a heating boiler in a building having a replacement value of \$120,000 would not be capitalized. In this case \$9,000 is not at least 10 percent of the building's replacement value. Had the building's replacement value been less than \$90,000, the \$9,000 boiler replacement would have been capitalized.

1. Improvement cost exceeds \$5,000
2. Building cost is greater than \$100,000
3. Improvement is < 10% of replacement

EXCEPTIONS to this policy are:

- Replacement roof coverings are not capitalized unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use, where the remodeling does not extend the useful life of the structure itself, are not capitalized.

After replacing a part of another asset, the capitalized value and the associated accumulated depreciation of the replaced item will be removed from the accounting records, and the costs of the replacement will be capitalized.

In the case of capital outlays that are partly replacements and partly betterments/improvements, to the extent that the project replaces the "old" part of a capital asset, outlays will not be capitalized; and to the extent that the project is betterment/improvement, outlays will be capitalized. When the distinction between replacement and betterment/improvement is not easily determinable, the City will expense the entire cost of the project. When the cost of improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods will be revised based on the new book value and the new estimated remaining useful life.

#### Ancillary Costs

Normally, ancillary costs will be included in the cost of a capital asset. However, minor ancillary costs not measurable at the time a capital asset is recorded are not required to be capitalized.

Ancillary costs for *Land* include:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

Ancillary costs for *Infrastructure* include:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Survey fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

Ancillary costs for *Buildings* and *Building Improvements* include:

- Professional fees of architects, engineers, attorneys, appraisers, etc.;
- Damage payments;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums, interest, and related costs incurred during construction; and
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For *furnishings*, equipment, or other capital assets:

- Transportation charges,
- Sales tax,
- Installation costs; and
- Extended maintenance/warranty contracts or any other normal or necessary costs required to place the asset in its intended location and condition for use.

#### Depreciation of Capital Assets

The following shall be considered when recording depreciation:

- 1) Except for land, right of way, construction in progress, and artwork, all capital assets will be depreciated. For quarries, timberlands, and mineral rights, depletion expenses must be recorded.
- 2) Scrap value will be ignored in establishing the amount to depreciate.
- 3) Depreciation will be based on a reasonable estimate of expected useful life; that is, the number of years, miles, service hours, etc., that the City expects to use that asset in operations. An asset that is surplus or that is held for possible future use is an investment and will not be depreciated.
- 4) Depreciation will be calculated using the straight-line method. In straight-line depreciation, the cost of the asset is pro-rated over the estimated useful life of the asset.
- 5) Depreciation will be based on the entire cost of the asset, including any amounts contributed or donated.
- 6) Depreciation charges will be made for each full calendar month that an asset is in service.
- 7) If it is determined that there is a need to revise the expected useful life of an asset, any such change will be applied prospectively; that is, the rate will be recalculated based on the remaining useful life at the time of the revision, and the new rate will be applied in the present and future accounting periods.
- 8) No changes will be made to financial records of previous years for revised estimates.
- 9) Depreciation will generally begin when an asset is purchased or completed. However, if it is not placed into service immediately, depreciation should begin when the asset is placed into service or otherwise begins to lose value.
- 10) Pursuant to generally accepted accounting principles (GAAP), depreciation is recognized as an expense for financial reporting purposes in individual proprietary funds. The City's proprietary funds consist of the Surface Water Management Fund (an enterprise fund) and the Equipment Replacement Fund, Facilities Maintenance Fund, and Facilities Renewal Fund (three internal service funds). Depreciation expense is not recognized as an expense for financial reporting purposes in the City's other funds.
- 11) Furthermore, pursuant to GAAP, the City's government-wide financial statements consisting of the Statement of Net Position and the Statement of Activities do record depreciation expense and accumulated depreciation for the City as a whole subject to the Modified Approach discussed next.
- 12) Modified Approach to Infrastructure Reporting GAAP permit a government to forego reporting depreciation in connection with certain infrastructure that the government has made a commitment to maintain in a certain condition. An asset management system that is adequate for this purpose is a requirement as are disclosures in the government's financial statements. Streets are a typical example of applicable infrastructure. The City utilizes a Pavement Management Program to monitor pavement condition and has elected not to depreciate streets.

#### Useful Life Schedule for Capital Assets

Assets will be depreciated over their estimated useful life as specified in the Useful Life Schedule provided in Attachment C.



CAPITAL ASSET RECORD

CAPITAL ASSET NUMBER:

[Empty box for Capital Asset Number]

DESCRIPTION: \_\_\_\_\_

\_\_\_\_\_

MAKE: \_\_\_\_\_ MODEL: \_\_\_\_\_

SERIAL NUMBER: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_ WORKSTATION: \_\_\_\_\_

PURCHASED, CONSTRUCTED, DONATED OR LEASED (Circle One)

PURCHASE DATE: \_\_\_\_\_ CHECK NO. \_\_\_\_\_ AMOUNT: \_\_\_\_\_

USEFULL LIFE: \_\_\_\_\_ CONDITION: \_\_\_\_\_ SALVAGE VALUE: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

VENDOR: \_\_\_\_\_

\_\_\_\_\_

WARRANTY & MAINTENANCE INFORMATION: \_\_\_\_\_

\_\_\_\_\_

ADD-ONS: \_\_\_\_\_

\_\_\_\_\_

CONTRIBUTED BY: \_\_\_\_\_

PROVIDED THROUGH GRANT: \_\_\_\_\_

I have attached the Asset ID Tag # \_\_\_\_\_ to the item listed above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**SMALL & ATTRACTIVE  
ASSET RECORD  
(UNDER \$5,000 VALUE)**

**TAG NUMBER:**

DESCRIPTION: \_\_\_\_\_

\_\_\_\_\_

MAKE: \_\_\_\_\_ MODEL: \_\_\_\_\_

SERIAL NUMBER: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_ WORKSTATION: \_\_\_\_\_

PURCHASED, CONSTRUCTED, DONATED OR LEASED (Circle One)

PURCHASE DATE: \_\_\_\_\_ CHECK NO. \_\_\_\_\_ AMOUNT: \_\_\_\_\_

USEFULL LIFE: \_\_\_\_\_ CONDITION: \_\_\_\_\_ SALVAGE VALUE: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

ACCOUNT CODE: \_\_\_\_\_ AMOUNT: \_\_\_\_\_

VENDOR: \_\_\_\_\_

\_\_\_\_\_

WARRANTY & MAINTENANCE INFORMATION: \_\_\_\_\_

\_\_\_\_\_

ADD-ONS: \_\_\_\_\_

\_\_\_\_\_

CONTRIBUTED BY: \_\_\_\_\_

PROVIDED THROUGH GRANT: \_\_\_\_\_

I have attached the Asset ID Tag # \_\_\_\_\_ to the item listed above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This schedule is intended as a guideline for use under normal circumstances. If there are circumstances that justify assigning a useful life other than those listed here, the department shall contact the Finance Department for assistance.

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Land (Including shorelands, tidelands, harbor areas)</b>		<b>Not Calculated</b>
<b>Construction In Progress</b>		<b>Not Calculated</b>
<b>Art Collections, Museum and Historical Collections</b>		<b>Not Calculated</b>
<b>Infrastructure</b>		
	Streets	<b>30 Years</b>
	Overlays	<b>30 Years</b>
	Chip Seals	<b>7 Years</b>
	Sidewalks	<b>30 Years</b>
	Bridges	<b>50 Years</b>
	Street Lights	<b>40 Years</b>
	Storm Drainage	<b>30 Years</b>
	Detention Ponds	<b>50 Years</b>
	Crossing Signals	<b>10 Years</b>
<b>Buildings/Components</b>		<b>50 Years</b>
<b>Weapons, Firearms, Signal Guns, and Accessories</b>		<b>5 Years</b>
<b>Ammunition and Explosives Equipment</b>		<b>5 Years</b>
	Ammunition Reloading and Gunsmithing Equipment	
	Bomb Handling and Cryogenic Equipment	
	Detonating Equipment	
<b>Marine Vessels, Barges, and Docks</b>		
	Small Craft, Powered and Unpowered	<b>6 Years</b>
	Pontoons and Floating Docks	<b>10 Years</b>
<b>Marine and Ship Equipment</b>		<b>5 Years</b>
	Ship and Boat Propulsion Equipment	
	Deck Winches, Hoists, etc.	
	Buoys	

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Motor Vehicles, Trailers, and Cycles</b>		
	Passenger Automobiles	<b>10 Years</b>
	Trucks	<b>10 Years</b>
	Trailers, Cargo and Utility	<b>15 Years</b>
	Police Cruiser	<b>3 Years</b>
	Police Motorcycle	<b>3 Years</b>
	Pumper	<b>20 years</b>
	Ladder Truck	<b>20 years</b>
	Ambulance	<b>15 Years</b>
	Dump Truck	<b>15 Years</b>
	Mower	<b>15 Years</b>
	Sweeper	<b>15 Years</b>
	Tractors	<b>10 Years</b>
<b>Vehicular Equipment and Components</b>		
	Cab, Body, and Frame Components	<b>10 Years</b>
	Brake, Steering, Axle, and Wheel Assemblies	
	Accessories (Canopies, Tool Boxes, Light Bars, etc.)	
	Modifications (Cranes, Lifts, etc.)	
<b>Engines, Turbines, and Components</b>		
		<b>5 Years</b>
<b>Mechanically Powered Transmission Equipment</b>		
	Torque Converters	<b>5 Years</b>
	Gears, Pulleys, and Sprockets	
	Power Transmission Equipment	
	Hydraulic System Components	
<b>Woodworking Machinery and Equipment</b>		
	Sawmill and Planing Mill Equipment	<b>5 Years</b>
	Woodworking Machines	
	Tools and Attachments for Woodworking Machinery	
<b>Metalworking Machinery and Welding Equipment</b>		
		<b>10 Years</b>
<b>Services and Trade Equipment</b>		
	Laundry and Dry Cleaning Equipment	<b>5 Years</b>
	Shoe Repair Equipment	
	Industrial Sewing Machine	
	Wrapping and Packaging Machinery	
	Vending Machines	
	Parking Meters, Turnstiles, and Fare Recording Devices	
	Beauty and Barber Shop Equipment	
	Plastic Laminating Presses	
	Specialized Plastic Working Machines	

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Special Industrial Machinery</b>	Food Cannery Machinery and Equipment Printing Equipment Duplicating Equipment/Copy Equipment Binding Equipment Textile Industries Machinery Gas Generating Aero Dispensing Systems Foundry Machinery and Related Equipment Clean Work Station, Controlled Environment Equipment Specialized Logging Equipment	<b>6 Years</b>
<b>Agricultural Machinery and Equipment</b>	Soil Preparation Equipment Pest, Disease, and Frost Control Equipment Garden Implements (Mowers, Hedgers, etc.) Gardening Tools Irrigation Equipment – Sprinklers, Pipe, and Accessories Forestry Planting Tools	<b>12 Years</b>
<b>Construction, Mining, and Highway Maintenance Equipment</b>	Earth Moving and Excavating Equipment Cranes and Crane Shovels, Equipment Mining, Quarrying, and Rock Drilling Equipment Rock Crushing Equipment Road Clearing and Cleaning Equipment Traffic Safety Devices Pavement Marking Equipment and Accessories Weed Burners and Brush Control Equipment	<b>6 Years</b>
<b>Materials Handling Equipment</b>	Conveyors Blocks, Tackle, Rigging, and Slings Winches, Hoists, Cranes, and Derricks Elevators and Escalators	<b>5 Years</b>
<b>Refrigeration and Air Conditioning Equipment, Components and Accessories</b>	Refrigeration Units and Accessories Air Conditioning, Heating, and Ventilation Systems Fans, Blower Equipment, and Air Circulators	<b>13 Years</b>
<b>Fire Fighting Tools and Equipment</b>	Fire Fighting Tools and Equipment Fire Extinguishers and Accessories Marine Life Saving Equipment Marine Diving and Salvage Apparatus and Equipment Safety and Rescue Equipment Miscellaneous Safety and Rescue Equipment – Breathing Apparatus Safety and Rescue Equipment, Eye and Face Protectors	<b>5 Years</b>

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Pumps and Compressors</b>	Compressors, Mounted and Unmounted Power and Hand Pumps Centrifugals, Separators, and Pressure and Vacuum Filters	<b>5 Years</b>
<b>Furnaces, Steam Plants, Driers, and Air Purification Equipment</b>	Industrial Boilers Heat Exchangers and Steam Condensers Industrial Furnaces, Kilns, Lehrs, and Ovens Driers, Dehydrators, and Anhydrators Air Purification Equipment	<b>13 Years</b>
<b>Plumbing, Heating, and Sanitation Equipment</b>	Plumbing Fixtures and Accessories Dispensers, All Types Space Heaters Water Heaters Fuel Burning Units and Accessories	<b>5 Years</b>
<b>Water Purification and Sewage Treatment Equipment</b>	Water Purification Equipment Water Distillation Equipment Sewage Treatment Equipment	<b>5 Years</b>
<b>Specialized Maintenance and Repair Shop Equipment</b>	Motor Vehicle Maintenance and Repair Shop Equipment Aircraft Maintenance and Repair Shop Equipment Marine Maintenance and Repair Shop Specialized Equip. Lubrication Equipment and Accessories Fuel Dispensing Equipment and Accessories Miscellaneous Maintenance and Repair Shop Equipment	<b>5 Years</b>
<b>Hand Tools, Powered and Nonpowered</b>	Hand Tools, Attachments Taps, Dies, and Collets Tool and Hardware Boxes	<b>5 Years</b>
<b>Measuring Tools and Gauges</b>	Measuring Tools, Craftsmen's Inspection Gauges and Precision Layout Tools	<b>5 Years</b>
<b>Hardware, Abrasives, Locks and Packing</b>	Screening Key-Duplicating Machines	<b>5 years</b>

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Prefabricated, Portable Structures, Buildings and Scaffolding</b>		<b>50 Years</b>
	Prefabricated, Portable Structures, and Buildings	
	Bridges, Fixed and Floating	
	Storage Tanks	
	Scaffolding Equipment and Ladders	
	Prefabricated Tower Structures	
	Miscellaneous Prefabricated Structures	
<b>Communication, Recording, Reproducing, and Detection Equipment</b>		<b>7 Years</b>
	Telephone and Telegraph Equipment, and Cell Phones	
	Communications Security Equipment and Components	
	Teletype and Facsimile Equipment	
	Communications Equipment, Industrial and Commercial	
	Radio and Television Communications Equipment	
	Communications Equipment, Public Safety: Audio and Video	
	Radio Navigation Equipment	
	Intercommunications and Public Address Systems	
	Sound Recording and Reproduction Equipment	
	Radar Equipment	
	Audio Tape	
	Video Tape	
	Night Vision Equipment	
	Stimulated Coherent Radiation Devices (Laser and Taser)	
	Headsets, Handsets, Microphones, Speakers, etc.	
<b>Electrical and Electronic Components</b>		<b>5 Years</b>
	Lugs, Terminals, and Terminal Strips, Electrical	
	Boards, Terminal, Multi-application, Electronic	
<b>Fiber Optics Materials, Components, Assemblies, and Accessories</b>		<b>5 Years</b>
<b>Electric Wire, Power, and Distribution Equipment, Batteries, and Generators</b>		<b>5 Years</b>
	Motors, Electrical	
	Electrical Control Equipment Switchgear, Servomechanisms, etc.	
	Generators and Generator Sets, Electrical	
	Solar, Thermal, and Nuclear Power Equipment	
	Transformers, Distribution and Power Station	
	Converters, Electrical, Rotating	
	Converters, Electrical, Nonrotating	
	Batteries	
<b>Lighting Fixtures and Lamps</b>		<b>5 Years</b>
	Lighting Fixtures	
	Portable Electric Lighting Equipment	
	Flying Insect Control	

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Alarm and Signal Systems</b>	Traffic and Transit Signal Systems Alarm and Signal Systems	<b>10 Years</b>
<b>Medical, Dental, and Veterinary Equipment</b>	Medical and Surgical Instruments and Equipment Orthopedic Equipment Ophthalmological, Refraction, and Audiometry Equipment Veterinary Equipment Dental Instruments and Equipment X-ray Equipment, Medical, Dental, and Veterinary Hospital Equipment Patient Mobilization Aids Stretchers and Litters Sterilizing Equipment and Accessories Opticians Instruments and Equipment Medical Sets, Kits, and Outfits	<b>12 Years</b>
<b>Instruments and Laboratory Equipment</b>	Navigational Instruments Flight Instruments Automatic Pilot Mechanisms and Airborne Gyro Components Engine Instruments Electrical Measuring and Testing Instruments Laboratory Supplies Laboratory Furniture Agriculture Laboratory and Field Testing Equipment Time Measuring Instruments (Clocks, Watches, and Movements) Optical Instruments, Laboratory Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders Geophysical and Astronomical Instruments Meteorological Instruments and Apparatus Hazard Detecting Instruments and Apparatus Scales and Balances Drafting, Surveying, and Mapping Instruments Liquid and Gas Flow, Liquid Level, and Mechanical Motion Measuring Instruments Speedometers and Tachometers Regulators and Gauges Pressure, Temperature, and Humidity Measuring and Controlling Instruments	<b>5 Years</b>

Category	Detail	Useful Life
<b>Photographic, Projecting, and Microfilm Equipment</b>	Cameras Photographic Projection Equipment Photographic Developing and Finishing Equipment Photographic Equipment and Accessories Films Processed for Commercial and Industrial Use Film Processing Micrographic Equipment Micrographic Supplies Micrographic Unitizing Equipment and Accessories	<b>6 Years</b>
<b>Training Aids and Devices</b>	Multimedia Systems Training Aids Audiotape Slides Overhead Transparencies Videotapes Targets Vehicle Training Aids and Devices Robots for Training Communications Training Devices, For The Handicapped	<b>5 Years</b>
<b>Information Technology (IT) Equipment and Software</b>	Main Frame Computer Systems Minicomputer Systems and Servers Microcomputer Systems, Laptop and Notebook Computers Front End Communications Processors Data Processing Terminals Data Communications Equipment (Multiplexors, Modems, Routers, Hubs, and Switches) Input/Output and Storage Devices Software Plotters Scanners Data Displays Monitors Printers Punched Card Equipment Test and Monitor Equipment	<b>4 Years</b>

<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Furniture, Fixtures, and Accessories</b>	Office Furniture, Desk, Chairs, etc. Mail Room Furniture and Equipment Furniture, Critical Environment (Prisons, etc.) Furniture Fabrication and Repair Supplies Cabinets, Lockers, Bins, and Shelving Auditorium and Theater Furniture	<b>10 Years</b>
<b>Household and Commercial Furnishings and Appliances</b>	Awnings Containers, Utility Miscellaneous Household and Commercial Furnishings and Appliances (Fireplace Sets, Hair Dryers, Washers Dryers, Compactors, Sewing Machines, Irons, etc.)	<b>7 Years</b>
<b>Food Preparation and Serving Equipment</b>	Food Cooking, Baking, and Warming Equipment Kitchen Equipment and Appliances Kitchen Utensils Vacuum Containers and Chests	<b>5 Years</b>
<b>Office, Visible Record, and Word Processing Equipment</b>	Accounting and Calculating Machines Typewriters and Office Type Composing Machines Office Type Sound Recording and Reproducing Machines Visible Records Equipment Miscellaneous Office Machines (Coin Counters, Collators, Cash Registers, etc.)	<b>5 Years</b>
<b>Musical Instruments, Phonographs, Radios, Televisions, and Recordings</b>	Musical Instruments Musical Instrument Parts and Accessories Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras Recordings, Video Tapes	<b>5 Years</b>
<b>Recreational and Athletic Equipment and Toys</b>	Athletic and Sporting Equipment Games, Toys, and Wheeled Goods Gymnastic Equipment Playground Equipment	<b>5 Years</b>

**Attachment C**

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<b>Category</b>	<b>Detail</b>	<b>Useful Life</b>
<b>Cleaning Equipment</b>		<b>5 Years</b>
	Floor Polishers, Scrubbers, and Accessories	
	Vacuum Cleaners, Carpet Sweepers, and Accessories	
<b>Textile, Leather, Tents, Tarpaulins, Cavases, and Flags</b>		<b>10 Years</b>
<b>Signs</b>		<b>5 Years</b>
	Advertising Signs and Identification Plates	
	Highway Signs	
	Sign Making Machines and Accessories	