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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