

**County of Brunswick County, North Carolina
Fixed Asset Policy**

A Fixed Asset (Capital Outlay Item) is any tangible asset of significant value having a useful life that extends beyond one year. It shall be the policy of the County of Brunswick for Fixed Assets, which includes land, land improvements, buildings, building improvements, water tanks, water distribution lines, wastewater collection lines, water and wastewater operating plants, equipment and vehicles that a significant value is set at \$5,000 or more net costs, not including trade-ins or any taxes, licenses, etc. and are to be capitalized at a threshold of \$5,000.

Fixed assets of the County will be recorded at original costs at the time of acquisition. Certain items acquired prior to July 1, 1970 will be recorded at an estimated original cost. Certain items acquired prior to July 1, 2006 will be depreciated at the estimated useful life established at the time of acquisition. Donated assets will be recorded at their estimated fair value at the date of donation.

The policy elected by Brunswick County is not to capitalize interest costs incurred during the construction period of capital assets used in governmental funds. Any interest incurred during the construction phase of business type (enterprise fund water and wastewater) assets is to be included in the capitalized value of the asset constructed.

It shall be the policy of Brunswick County to depreciate fixed assets using the straight-line method over the assets' estimated useful lives. These capital assets will be reported in the County's basic financial statements net of accumulated depreciation.

The estimated useful lives for the County's fixed assets are as follows:

Land Improvements	20 years
Building Improvements	20 years
Buildings	40 years
Water Tanks	60 years
Water Distribution Systems	50 years
Wastewater Collection Systems	50 years
Water and Wastewater Operating Plants	40 years
Office Equipment	5 years
Office Furniture	10 years
Computer Software less than \$100,000	5 years
Computer Software \$100,000 or greater	15 years
Equipment less than \$10,000	5 years
Heavy Equipment \$10,001 to less than \$25,000	10 years
Heavy Equipment \$25,000 or greater	15 years
Vehicles	5 years

Adopted this second day of April, 2006



David Sandifer, Chairman
Brunswick County Board of Commissioners



Debby Gore, Clerk
Board of County Commissioners