DATE: NOVEMBER 3, 2008 CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS LEGISLATIVE DEPARTMENT

ORDINANCE NO. 134 - 2008

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE adopting the Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby finds that it is necessary to adopt the Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office at the conclusion of the recent audit.

Section 2:

The Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office at the conclusion of the recent audit to help track capital assets of the City of Massillon.

(SEE ATTACHED EXHIBIT HERETO)

Section 3:

This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety, and welfare of the community, and for the reason that it is necessary for the City of Massillon to better track the capital assets of the city. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS 3rd DAY OF November 2008

APPROVED: Mary Beth Bailey
MARY BETH BAILEY, CLERK OF COUNCIL

Glenn Gamber
GLENN E. GAMBER, PRESIDENT

APPROVED: November 4, 2008

Francis Cicchinelli Jr.
FRANCIS H. CICCHINELLI, JR., MAYOR

I hereby certify that the foregoing ordinance is a true copy of the original, as passed by the Council of the City of Massillon, Ohio, and approved as noted thereon:

Mary Beth Bailey
Clerk of Council

Date 11/3/08

CAPITAL ASSET POLICY MANUAL
FOR THE CITY OF MASSILLON, OHIO

I. INTRODUCTION

The purpose of this manual is to address the creation and maintenance of the Capital Assets Tracking System for the City of Massillon.

A capital asset accounting system is a system of policies, procedures and methods for recording and reporting monetary amounts associated with capital asset transactions.

A capital asset management system is a system of methods, policies and procedures, which address the acquisition, use, control, protection, maintenance and disposal of assets.

II. RESPONSIBILITY

The City of Massillon Auditor's Office is responsible for the development and maintenance of Capital Assets. The Auditor's office shall develop procedures to insure compliance with all capital asset policies. The Auditor's office shall work in cooperation with the fiscal officers under the control of each City elected official, department, or board in order to insure control over the City's capital assets.

III. PURPOSE

Financial Statement Information

The Governmental Accounting Standards Board (GASB) requires capital asset reporting in order for a governmental entity to be in conformity with generally accepted accounting principles (GAAP). A Capital Assets Tracking System will enable the City to prepare financial statements according to GAAP and prepare additional schedules for inclusion in the Comprehensive Annual Financial Report (CAFR).

Control and Accountability

Capital Asset Tracking System can be used to maintain information regarding the location, responsible party and condition of public property. The system permits loss, theft, or damage to property to be identified by a comparison of the assets on hand and their present condition to the information found in the capital asset records.

Accounting for Depreciation

The amount of accumulated depreciation plus the amount of depreciation expense for the current period must be maintained for reporting purposes.

IV. CAPITAL ASSET DEFINITION

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasurers, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.[1] The City will not capitalize software.

Categorization

The City will maintain the following categories of capital assets:

1. Land (land & easements)
2. Land Improvements
3. Buildings & Improvements
4. Equipment (vehicles, machinery, equipment, furniture, works of art and historical treasures.)
5. Infrastructure (Governmental Activities Infrastructure not reported until FYE 2006)
6. Construction in Progress (CIP)

Capitalization Threshold

The City will only consider items with an initial value of at least the following dollar amounts to be a capital asset for reporting purposes:

1. Land (land & easements)	$0
2. Land Improvements	$0
3. Buildings & Improvements	$5,000
4. Equipment	$5,000
5. Infrastructure	$100,000
6. Construction in Progress (CIP)	$5,000 total project cost for City Buildings & Improvements $100,000 total project cost for Infrastructure.

This will be applied to each item rather to groups of items.

[1] Governmental Accounting Standards Board (GASB) Statement 34 ¶19.

Useful life

Items must be determined to have a useful life of at least five years to be considered a capital asset.

V. ACQUISITIONS

Subsequent Acquisitions

The following are the types of acquisitions of capital assets

1. Purchases
2. Donations
3. Capital Leases
4. Transfers-In

Purchases

The City Auditor's Office will monitor all of the City's capital outlay accounts throughout the year to determine if capital assets are being purchased. Any expenditure over the capitalization threshold will be reviewed (on both a cash and accrual basis). For each item that is determined by the City Auditor's Office to be a capital asset the Auditor's office will enter all of the information maintained by the Capital Assets Tracking System.

Donations

Each City elected official, department, or board will be responsible for completing the necessary form for any donated item and submitting it to the City Auditor's Office so that the donated item may be added to the capital asset listing.

Capital Leases

Each department or board will be responsible for completing the necessary form for each new lease and submitting it to the City Auditor's Office. A review of each lease is necessary to determine whether the lease should be classified as an operating lease or a capital lease. If it is determined that the lease is capital in nature the item will be added to the capital asset listing.

Transfers-In

Each department or board will be responsible for completing the necessary form for each asset transferred-in from another city department, or board and submitting it to the Auditor's Office so that the transfer item may be added to the capital asset listing.

VI. INITIAL VALUING OF ASSETS

Capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition – such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.[2]

Sources of Cost Data

Sources of acquisition cost include: vendor invoices, vouchers, canceled checks, check copies, check registers, expenditure journals, construction contracts, purchase contracts, contract payment records, real estate closing documents, purchase requisitions, purchase orders, general ledger accounts, inventory cards, legislative minutes, maintenance records, annual and capital budgets, appropriation documents, insurance values, price lists, certificates of title, and, for land and buildings, the city auditor.

Expenditure vouchers, real estate closing documents, construction contracts and canceled checks are the most reliable cost sources.

Legislative minutes, appropriation and budget documents are good sources of data, particularly for land, buildings, and other costly assets. Adjustments must be made for amounts budgeted but not spent. This data should be supported by other documents, such as vouchers.

Salvage Value

Assets acquired prior to 2005 were assigned a salvage value ranging from ten to twenty percent (10-20%). The city will maintain the salvage values on these particular assets. However, assets acquired subsequent to 2004 will not be assigned a salvage value upon initial purchase and instead the salvage value will be determined upon the related assets' disposal or termination of service.

Cost of Land and Land Improvements

Items included as part of the acquisition cost for land are items such as: purchase price, legal and title fees, appraisal fees, site preparation, including demolition of existing buildings.

Sometimes the purchaser of land assumes certain obligations related to the land, such as liens on the property. In such situations, the cost of the land is the cash paid for it, plus the liens or other liabilities. In addition, if an improvement is permanent in nature, such as landscaping, then the item is properly chargeable to the land account. Improvements with limited lives, such as driveways, walks, fences, and parking lots, are best recorded separately as land improvements so they can be depreciated (expensed) over their estimated lives, if appropriate.

[2] GASB 34 ¶18.

Cost of Buildings

The cost of buildings should include all expenditures related directly to their acquisition or construction. These costs include (1) purchase price, (2) direct materials, direct labor and overhead (indirect) costs incurred during construction, and (3) fees, such as attorneys, architects/engineers and building permits. Generally, governments contract to have their buildings constructed. All costs incurred, from excavation to completion of the buildings, are generally considered part of the building cost.

Construction in Progress (CIP)

Construction in progress is a construction project that has not been substantially completed (as determined by the City Engineer or Chief Building Official). The total cost of the construction should be tracked by project and contractor for inclusion in the City's capital asset tracking system.

When the project has been determined to be substantially complete, the costs should be moved out of construction in progress and into a regular fixed asset classification.

The definition of ***total cost*** for this purpose shall mean ***all*** cost associated with getting the asset ready for use (whether or not the project's fund pays for the cost or not). The cost should be tracked by responsible board, department or elected official throughout the life of the project (until completed). At the end of each year, during construction, the cost should be accumulated for that year's total amount of CIP to be "added" to the project for that year. If the project is completed in the current year, the total costs for the project through all years of construction should be accumulated for their "disposal" from CIP and their "addition" to fixed assets. Information included in the CIP tracking should be project ID (esp. if own fund), cost, what fund paid, project start date, and source of construction funds.

Cost of Equipment

The cost of equipment includes the purchase price, freight and handling charges, insurance on the equipment while in transit, cost of special foundations if required, assembling and installation costs, and costs of conduction trial runs. Costs thus include all expenditures incurred in acquiring the equipment and preparing it for use, plus the market value of any trade-ins or exchanges. (See section entitled Special Cost Considerations).

Special Cost Considerations

Special cost considerations arise when dealing with group purchases, trade-ins, gifts, cash discounts and purchases on deferred payment plans:

Group Purchases

If several dissimilar assets are purchased for a lump sum, the total amount paid should be allocated to each individual asset on the basis of its fair market value (FMV). This is accomplished by use of the equation:

ASSET Y = (TOTAL COST OF ASSETS) * (TOTAL FMV/FMV OF Y)

Multiple Like Purchases

If several similar assets are purchased for a lump-sum, the total amount paid should be allocated to each individual asset on the basis of its fair market value (FMV). These assets are to be **individually** recorded within the fixed asset management system to properly track each individual item and should be assigned an asset tracking number by the respective department. (i.e. mdt terminal for police cruiser, printers, etc..)

Trade-Ins

The cost of the asset acquired when payment includes both cash and a trade-in is the sum of the cash paid plus the book value (cost minus accumulated depreciation) of the asset traded-in.

Gifts

Assets acquired by gift should be recorded on the basis of their estimated fair market value at the time of acquisition.

Cash Discounts

Assets should be recorded net of any quantity or trade discounts received. The asset is recorded at a cost equal to the amount of cash paid, not the gross amount of the invoice.

Purchase on Deferred Payment Plan

Assets purchased on long-term credit contracts should be recorded at the present value of the payments to be made - the cash equivalent price of the asset. An asset, therefore, that requires five annual payments of $1,000 should not be recorded originally at $5,000. The cash equivalent price (present value) would be an amount less than $5,000 because of the time value of the money involved. This value of money over time is represented by the interest rate.

Multi-Department Assets

If an asset is purchased and/or used/maintained by multiple departments the Auditor's Office will determine under which department the asset will be reported.

Foreclosure

Property received by the City through foreclosure will be recorded at fair market value.

VII. COSTS SUBSEQUENT TO ACQUISITION

After capital assets are acquired and made ready for use, additional costs are incurred that range from ordinary repair costs to significant additions. Accountants for the most part have adopted the position that costs incurred to achieve greater future benefits should be capitalized, whereas expenditures that simply maintain a given level of services should be expensed. In addition, most expenditures below the capitalization threshold are not capitalized.

The distinction between a capital expenditure and an expense is not always quickly determinable. Generally, the major types of expenditures incurred relative to existing assets are:

1. Additions - Increase or extension of existing assets.
2. Improvements and Replacements - Substitution of an improved asset for an existing one.
3. Repairs - Expenditures that maintain assets in condition for operation.

Additions

Any additions to assets are capitalized because a new asset has been created that increases the ability to provide service.

Accounting for changes related to the existing structure must also be considered. The cost that is incurred to tear down a wall of the old structure to make room for the addition would normally be expensed and the cost of the wall subtracted from the cost of the original structure. Although theoretically correct, this may not be possible or necessary due to the inability to establish a cost for the wall being torn down or because the cost would be immaterial to the total cost of the old structure. However, when significant changes to the existing structure are made as the result of an addition, a determination should be made whether to capitalize the cost of the changes. If a significant portion of the old structure is torn down, the cost of the demolished portion should be removed from the capital asset records.

Improvements and Replacements

An improvement is the substitution of a better asset for the one currently used, while a replacement is the substitution of a similar asset for the one being used.

Sometimes it is difficult to differentiate improvements and replacements from normal repairs. If the expenditure increased the future service potential of the asset, it should be capitalized. If the expenditure maintains the existing level of service, it should be expensed/expended as a normal repair.

To capitalize expenditure as an improvement or replacement, record the new asset being acquired and remove the old asset from the capital asset records.

Repairs

Ordinary repairs are expenditures made to maintain assets in operating condition; they are charged in the period in which they are incurred on the basis that it is the only period benefited. Replacement of minor parts, lubricating and adjusting of equipment, repainting, and cleaning are examples of the type of maintenance charges that occur regularly and are treated as ordinary operating expenses. It is often difficult to distinguish a repair from an improvement or replacement. The major consideration is whether the expenditure increases the future service potential. If a major repair, such as an overhaul, occurs, several periods will benefit and the cost should be handles as an addition, improvement, or replacement, depending on the type of repair made.

VIII. DISPOSITION OF CAPITAL ASSETS

All disposals are to go through the process of the City auction through the Mayor's Office. The department disposing of the asset should send notification to the Auditor's Office for any asset disposed which is maintained on the Capital Asset Tracking System.

IX. DEPRECIATION

The usefulness of most assets, other than land, declines over time and some type of write-down or write-off of cost is needed to indicate that the usefulness of an asset has declined. Depreciation is the term most often used to indicate that tangible assets have declined in service potential.

Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible capital assets such as land should not be depreciated. Inactive (or idle) assets will be depreciated in order to maintain a reasonable book value however their depreciation expense will not be reported in the years in which they are inactive status.

Assets acquired prior to 2008 were assigned a salvage value ranging from ten to twenty percent (10-20%). The city will maintain the salvage values on these particular assets. However, assets acquired subsequent to 2007 will not be assigned a salvage value upon initial purchase and instead the salvage value will be determined upon the related assets' disposal or termination of service.

The method used for calculating depreciation will be the "straight-line basis" method with a full year expense in the year of acquisition. This method incorporates the total cost of the asset less any salvageable value over the useful life of the asset.

Useful lives for different capital asset classes are as follows:

1. Land N/A
2. Easements N/A
3. Land Improvements 20 years
4. Buildings 40 years

5. Building Improvements	10-30 years
6. Computer Equipment	5 years
7. Vehicles	5-20 years
8. Machinery	15 years
9. Equipment	10 years
10. Works of Art	N/A
11. Infrastructure (New)	50 years
12. Infrastructure (Improved)	25 years
13. Other	5 years
14. Roads (New)	50 years
15. Roads (Improved)	25 years
16. Overlay	5 years
17. Resurfacing	10 years
18. Bridges (New)	50 years
19. Bridges (Improved)	25 years
20. Tunnels	50 years
21. Underground Piping	60 years
22. Water Systems	50 years
23. Sewer Systems	50 years
24. Dams (New)	100 years
25. Dams (Improved)	25 years
26. Lighting Systems	50 years

BUILDING IMPROVEMENTS

Building improvements include, but are not limited to, roof replacements, repairs to heating or cooling (HVAC) systems, remodeling/renovations. Building improvements will be depreciated out using straight-line depreciation with a ten, twenty or thirty–year life (10, 20, or 30 year life).

VEHICLES

Vehicles will be depreciated out using straight-line depreciation with a five to twenty–year life (5-20 year life). (i.e. Police cruisers - 5-years, Street Department Snow/Dump truck – 10-years, Fire Department Trucks – 20-years and all Other Vehicles – 5-years.)

NEW ROADS

New Roads include, but are not limited to, road surface, sub-surface, water/sewer, drainage, signs and lighting for all City roads. Road costs include, but are not limited to, construction labor, construction equipment time, materials signs, lighting, sewers, landscaping, bike paths, overhead, etc....

RETROACTIVELY: We will account for infrastructure capital assets acquired or significantly reconstructed, or received significant improvement in the fiscal years from 1980 forward. New Roads will be depreciated out using straight-line depreciation with a fifty–year life (50 year life), with no residual value. If the road is being annexed, being widened, improved or repaired (**not resurfacing projects**) the road will be depreciated out using straight-line depreciation with a twenty-five year life (25 year life), with no residual value.

PROSPECTIVELY: We will capitalize the verified costs of all major construction contracts, exclusive of purchased right-of-way. New roads will be depreciated out using straight-line depreciation with a fifty-year life (50 year life) with no residual value.

IMPROVED ROADS

RETROACTIVELY: We will account for infrastructure capital assets acquired or significantly reconstructed, or received significant improvement in the fiscal years from 1980 forward. If the road is being annexed, widened, improved or repaired (**not resurfacing projects**) the road will be depreciated out using straight-line depreciation with a twenty-five year life (25 year life), with no residual value.

PROSPECTIVELY: We will capitalize the verified costs of all major construction contracts, exclusive of purchased right-of-way. Annexed, improved, widened or repaired roads will be depreciated out using straight-line depreciation with a twenty-five year life (25 year life), with no residual value.

RESURFACING:

In the event that a road is **resurfaced or reconstructed** before it is fully depreciated, the remaining value will be written off in the year the contract is finalized. If the existing surface course asphalt is milled off, expense out any value left on that project.

OVERLAY

Overlays will be capitalized only if they represent a major increase in efficiency or extend the useful life. An overlay which gets the road to the end of its useful life, will be expensed. Overlay projects will be depreciated for five-years (5 years) using straight-line depreciation.

BRIDGES

A bridge is a structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a passageway for carrying traffic and having an opening measured along the center of the roadway of more than 20 feet between undercopings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes. It may also include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening. Within this manual all bridges on City roads as defined shall be included in the Capital Assets. Bridge costs include, but are not limited to construction costs as evidenced by the contract for bridgework, approach work, guardrails, sidewalks, traffic signals and design work. In the event that the Street Department installs the bridge (culverts), we will capitalize the labor, equipment, materials and overhead associated with the job.

RETROACTIVELY: We will account for infrastructure capital assets acquired or significantly reconstructed, or that received significant improvement in the fiscal years from 1980 and beyond.

PROSPECTIVELY: We will capitalize the cost of construction as verified by the contract costs. In addition, design work will be capitalized. Deck overlay and deck rehabilitation projects will be capitalized only if they represent a major increase in efficiency or extend the useful life. An overlay or rehabilitation project that gets the bridge to the end of its useful life will be expensed. In the event that a bridge is reconstructed or rehabilitated before it is fully depreciated, the remaining value will be written off in the year the contract is finalized.

LIFE: Bridges will be depreciated out using straight-line depreciation with a fifty-year life (50 year life) with no residual value.

RIGHT OF WAY

Right of Way shall include permanent easements and deeded property acquired for highway purposes. Right of Way costs will include, but are not limited to, the purchase price from the landowner, the cost of attorney fees in court cases, relocation fees, filing fees, deed tax and reimbursement of pre-paid real estate taxes to the former landowner. All other expenditures including appraisal fees and title opinions will be expensed.

RETROACTIVELY: We will account for all right of way purchased from the year 1980 through present.

PROSPECTIVELY: We will capitalize the purchase of right of way using the cost definition above.

LIFE: Right of Way will not be depreciated.

NEW DAMS

Dams include, but are not limited to, the structure itself and any capital improvements. Costs include, but are not limited to, the purchase price, construction labor, equipment and materials as well as overhead.

RETROACTIVELY: We will account for infrastructure capital assets acquired or significantly reconstructed, or that received significant improvement in the fiscal years from 1980 through present.

PROSPECTIVELY: Dams will be depreciated using straight-line depreciation with a one hundred year life (100 year life) with no residual value.

<u>IMPROVED DAMS</u>
RETROACTIVELY: We will account for infrastructure capital assets acquired or significantly reconstructed, or that received significant improvement in the fiscal years from 1980 through present.

PROSPECTIVELY: We will capitalize the cost of all major construction contracts and design work. Dam repairs or improvements will be capitalized only if they represent a major increase in efficiency or extend the useful life. If the dam is reconstructed or rehabilitated before it is fully depreciated, the remaining value will be written off in the year the contract is finalized.

LIFE: Improved Dams will be depreciated using straight-line depreciation with a twenty-five year life (25 year life) with no residual value.

WORK IN PROGRESS
Construction projects that have been awarded and are taking one or more years to complete, will be tracked in a "Work in Progress" category until such time as construction work is completed and the project has been finalized. Once the project has been finalized, the total cost of the project will be moved from work in progress and will begin to be depreciated. The first year of depreciation will be for the full year that the project was finalized in.

X. INVENTORYING CAPITAL ASSETS

Initial Listing

The City Auditor's Office created a comprehensive initial listing of all Cities' capital assets through agreed upon procedures between the City Auditor's Office and the State Auditor's Office.

Rotating Physical Inventories

The Government Finance Officers Association (GFOA) recommends that every state and local government perform a physical inventory of its tangible capital assets, either simultaneously or on a rotating basis, so that all of a government's tangible capital assets are physically accounted for, at least once every five years. While well-designed and properly maintained perpetual inventory systems can eliminate the need for an annual inventory of a government's tangible capital assets, no inventory system is so reliable as to eliminate completely the need for a periodic physical inventory of a government's tangible capital assets.

The Auditor's Office will schedule physical inventories on a rotating basis with each city official, department, or board.

Tagging

An asset tag is a way of positively identifying and asset. Each City elected official, department, or board will tag their own assets using a numbering system suitable to their needs. Vehicles and other items with unique permanent identification need not be tagged.

XI. YEAR END PROCEDURES

At year end the City Auditor's Office will send a listing to each City elected official, department, or board that will list all of their department's capital assets. The elected official, department, or board will review the listing, filling out the proper forms for any acquisitions or disposals not accounted for, and return the forms to the City Auditor's Office.

For departments selected for a physical inventory a member of the Auditor's office will visit the department with the listing to review all items on the listing and make any changes necessary.

All changes and report creations will be done within the City Auditor's Office.

XII. NON-CAPITAL ASSETS

Although a capitalization threshold has been set for reporting purposes listings of assets which do not meet the capitalization threshold should be maintained for various reasons. Capitalization is, of its nature, primarily a financial reporting issue. That is to say, a government's principal concern in establishing specific capitalization thresholds ought to be the anticipated information needs of the users of the government's external financial reports.

Ohio Revised Code Section 305.18 states "Each department head shall make an inventory, on the second Monday in January of each year, of all the materials, machinery, tools, and other city supplies under the jurisdiction of such city officer or department head. Such inventory shall be a public record, made in duplicate, and one copy shall be filed with the city auditor."

Also, adequate records must be maintained for assets acquired or constructed from grant funds and be made available for audit.

XIII. AMENDMENTS

This policy may be amended with additions and changes as needed.

XIV. GLOSSARY

ACQUISITION - Obtaining an asset by purchase lease, loan, donation, construction, or sharing.

ACQUISITION DATE – The date that an asset is acquired (actual or estimated) and becomes available for use.

AVERAGE LIFE - Normally expected duration of an asset.

CAPITAL ASSET - Any object having a life longer than five years, not considered a repair part or supply item, and either having a value greater than the capitalization threshold.

CAPITAL ASSET ACCOUNTING - A system of methods, policies, and procedures for recording and reporting monetary amounts associated with capital asset transactions.

CAPITAL ASSET CONTROL - A system of methods, policies, and procedures to determine if deviations have occurred between actual capital asset data and recorded capital asset data and how to bring those deviations into line with management's objectives.

CAPITAL ASSET MANAGEMENT - A system of methods, policies and procedures to acquire, use, dispose, maintain, and safeguard assets.

CAPITALIZATION THRESHOLD - A dollar amount which shall be established by the City for the purpose of analyzing assets. Assets with an original cost in excess of the threshold are capitalized while those assets with an original cost below the threshold are not reported as capital assets

DISPOSAL - A retirement of an asset that has become obsolete, or has exhausted its useful life.

INFRASTRUCTURE - Also known as "public domain" capital assets. Assets that are normally immovable and are of value only to the governmental unit.

ORIGINAL COST - Cost of property at date constructed or installed.

TAGGING - Placing identifying information physically on an asset.

XV. CAPITAL ASSETS SOFTWARE

The Auditor's office will create software for the purpose of maintaining the capital assets listing, calculating depreciation, and generating reports.