

**LMHSC Capitalization Policy**  
**May 2005**

Land

Cost of land including easements, rights-of-way, recording and filing fees, abstracts, survey fee and property taxes associated with the acquisition should be capitalized, regardless of value.

Land Improvements

Cost of improvements to lands exceeding \$5,000, which increases the usefulness and value, shall be capitalized.

Buildings and Attached Fixtures

Costs over \$5,000 associated with purchases or construction of LMHSC Inc. owned buildings, building additions and betterments shall be capitalized.

Computer Software

Costs for development of database - application - network or server software and/or firmware, including site and concurrent licenses, which cost \$5,000, or more per package shall be capitalized.

Equipment and Furniture

Cost of all types of equipment and furniture (both fixed and moveable) that have a unit cost of \$5,000 or more and a useful life of more than one year should be capitalized and depreciated over the life of the asset.

Adopted by LMHSC Finance Committee on May 13, 2005