

GREATER LOCKPORT DEVELOPMENT CORPORATION

Property and Equipment Capitalization Policy

Property and Equipment includes items such as:

1. Office furniture and fixtures
2. Office machinery and equipment
3. Building
4. Land improvements

It is the organization's policy to capitalize all items which have a unit cost greater than two thousand five hundred dollars (\$2,500) and with a useful life exceeding one year. Items purchased with a value or cost less than two thousand five hundred (\$2,500) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

- Furniture & fixtures 5-10 years
- Machinery and equipment 5-10 years
- Building 39 years
- Land Improvements 15 years
- Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.