|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Long-term Asset | Useful Life | Depreciation Method | | Asset Type |
| HP Pavilion | 5 | Straight Line Rate | | Equipment |
| Office Chairs | 5 | Straight Line Rate | | Equipment |
| Refrigerator | 5 | Straight Line Rate | | Equipment |
| Scimitar Flatscreen TV | 5 | Straight Line Rate | | Equipment |
| MacBook Pro | 5 | Straight Line Rate | | Equipment |
| Conference Table | 5 | Straight Line Rate | | Equipment |
| Building (Headquarters) | 30 | Straight Line Rate | | Building/ Land |
| Parking Lot | 10 | Straight Line Method | | Building/ Land |
| Staircases | 30 | Straight Line Method | | Building |
| Mops | 5 | Straight Line Method | | Equipment |
|  |  |  |  |  |
|  |  |  |  |  |
| Depreciation Schedule | Total Cost | Sal-Value | S-Line Rate | Book Value |
| **Equipment** | $ | $ | $ | $ |
| Hp Pavilion | 13,500 | 3000 | 2,100 | 10500 |
| Office Chairs | 30,000 | 3000 | 5400 | 27000 |
| Refrigerators | 2400 | 1200 | 240 | 1200 |
| Scimitar TV | 3640 | 1000 | 528 | 2640 |
| MacBook Pro | 32970 | 12300 | 4134 | 20670 |
| Conference Table | 3000 | 600 | 480 | 2400 |
| Mops | 400 | 100 | 60 | 300 |
|  |  |  |  |  |
| **Building/Land** |  |  |  |  |
| Headquarters | 1,549,200 | 450,000 | 36,640 | 1,099,200 |
| Parking Lot | 300,162 | 120,265 | 17989.7 | 179897 |
| Staircases | 30,000 | 5,600 | 813 | 24,400 |

As one can see, I chose for JB3 Electronics and Hardware to be entirely engage with straight line depreciation. While it seems to make sense for things such as the HP Pavilion, Scimitar television, and MacBook Pro, it may be odd for a building to have straight-line depreciation. Straight line depreciation is easier to calculate from an accountant’s perspective, and as such it can allow for smoother calculations to be made in the books. There is a multitude of assets that benefit from the straight-line depreciation method, mainly the technology, which is roughly placed under the “equipment” category. As time goes on, I would not expect the technology and furniture to decline at a rapid rate that would require the double declining balance method, as tech tends to be sturdier and have more potential to be repaired with steadfastness as well, despite the constant rush of evolution present in the technology field.

As for the headquarters, I plan for it to be straight line depreciation as with proper maintenance the salvage value can continue to stay at a steady plateau, at least for the 30 years of useful life that I estimate the building to have. Despite this reasoning, I would not be surprised to potentially change the depreciation method from straight line to double decline, as I must acknowledge that a building may have a more accurate representation of declining when the double declining balance method is done. The same could potentially be said about the other two aspects of land/building qualities, the parking lot and staircases. For now though, one can expect the depreciation method of these to stay the same, as since they are currently “fresh,” the depreciation value can be calculated with relative ease.