

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. NET PROPERTY

Net property is reported at cost, net of accumulated depreciation, which includes impairments. We capitalize new assets when we expect to use the asset for more than one year. Routine maintenance and repair costs are expensed when incurred.

Property and equipment are depreciated primarily using the straight-line method over the estimated useful life of the asset. Useful lives range from 3 years to 40 years. The estimated useful lives generally are 14.5 years for machinery and equipment, 8 years for software, 30 years for land improvements, and 40 years for buildings. Tooling generally is amortized over the expected life of a product program using a straight-line method.

Net property at December 31 was as follows (in millions):

	2021	2022
Land	\$ 450	\$ 371
Buildings and land improvements	12,438	11,946
Machinery, equipment, and other	39,636	38,964
Software	4,598	5,042
Construction in progress	2,152	3,203
Total land, plant and equipment, and other	59,274	59,526
Accumulated depreciation	(32,342)	(31,781)
Net land, plant and equipment, and other	26,932	27,745
Tooling, net of amortization	10,207	9,520
Total	\$ 37,139	\$ 37,265

Property-related expenses, excluding net investment in operating leases, for the years ended December 31 were as follows (in millions):

	2020	2021	2022
Depreciation and other amortization	\$ 2,792	\$ 2,986	\$ 2,878
Tooling amortization	2,747	2,706	2,556
Total (a)	\$ 5,539	\$ 5,692	\$ 5,434
Maintenance and rearrangement	\$ 1,670	\$ 1,940	\$ 2,083

(a) Includes impairment of held-for-sale long-lived assets. See Note 22 for additional information.