

Capex vs. Opex Categorization Report

September 30, 2026 · Lansdowne Square — 4400 Commerce Drive, Austin, TX 78701 · Capitalization threshold: \$2,500.00 · Min. useful life: 12 mo

Categorization Detail					
DESCRIPTION	ASSET / CATEGORY	AMOUNT	USEFUL LIFE	DETERMINATION	REASONING
New rooftop HVAC unit	HVAC	\$42,000.00	180 mo	Capex	Extends the asset's useful life beyond its original estimate; Increases the asset's capacity; Increases the asset's efficiency or productivity.
Elevator modernization	Elevators / Escalators	\$85,000.00	240 mo	Capex	Adapts the asset to a new or different use; Increases the asset's efficiency or productivity.
Security system upgrade to IP-based cameras	Fire Protection & Security Systems	\$12,000.00	96 mo	Capex	Otherwise materially upgrades the asset beyond its original condition; Increases the asset's efficiency or productivity.
Foundation crack repair (pre-existing defect)	Building Structure	\$9,500.00	300 mo	Capex	Fixes a defect or design flaw present when the asset was acquired (a betterment).
Repaint building exterior	Building Structure	\$18,500.00	60 mo	Opex	Merely restores or maintains the asset's current condition — an ordinary repair or maintenance cost, not an improvement.
Patch and seal parking lot cracks	Parking Lot / Land Improvements	\$3,200.00	24 mo	Opex	Merely restores or maintains the asset's current condition — an ordinary repair or maintenance cost, not an improvement.
Replace 3 broken windows	Building Structure	\$1,200.00	15 mo	Opex	Amount (\$1,200.00) is under the company's \$2,500.00 capitalization threshold — expensed under the materiality policy election.
Office printer	Equipment / FF&E	\$450.00	6 mo	Opex	Useful life of 6 months is under the company's 12-month minimum — does not qualify as an asset regardless of amount.

Summary	
Total Opex (expensed)	\$23,350.00
Total Capex (capitalized)	\$148,500.00
Total	\$171,850.00

This report applies general GAAP capitalization principles based on the inputs and judgments provided above. It does not constitute accounting, tax, or legal advice — review with your accountant or auditor before relying on it, particularly if amounts also need separate evaluation for tax return purposes.