	lified Example of					nase i	Price Pro	cess		
	Not for citation as ar	approved r	net	nodolo	gy					
	Total Purchase price =	\$274,750								
	Allocate total costs into		ase	d on m	ark <i>e</i>	et or othe	r data			
	These would include lar							timber		
						•	J			
Land	Land Descrip.	No. of Acres	Co	st/Ac.	\$//	Total Allocated	Date Acq'd.	Date of Sale		
	Note: Land is non-depreciable. Cost is recovered upon sale of the property									
	Tbr. Land	100	\$	300	\$	30 000	1/2/2000			
				300	+ ·	30,000	1/2/2000			
	Brush Meadow	15 10		100	\$	750 1,000				
	Total	125		100 254	\$	31,750				
	ı Otal	123	Ψ	204	φ	51,750				
Ex. 1	Sale of land and adjuste	d land basis								
	Sale of brush land 15 a)							
	Adj. Basis for Land after	r sale								
	Tbr. Land	100	\$	300	\$	30,000				
	Meadow	10		100	\$	1,000				
	Adj. Total Land Basis	110	\$	282	\$	31,000				
Roads	Road costs should be further divided into capital and depreciable sub accounts.									
	Note: Rd. construction is									
	although it is not included as a subacct. in this example.									
	Road construction inclu	Road construction includes clearing, grubbing, rough and finished grading								
	with culverts and road ro	ock included in	nac	leprecia	able	subacco	ount.			
	Road	Miles	\$/m	ile	\$//	Total Allocated				
			*,		Ψ,					
	Capital Portion		Α.			10.000	4 /0 /0000			
	Existing Rd.	1.5	\$ 1	2,000	\$	18,000	1/2/2000			
	Depreciable Portion									
	Road Rock	0.5	\$ 1	30,000	\$	15,000				
	Table of Culvert Dia.	():1	Ψ	. 5,550	¥	. 5,500				
		0.5								
	& Length	0.5			\$	20,000				
	& Length Subtotal Depr. Rd. Asse				\$					
Ex. 2	Subtotal Depr. Rd. Asse	ets	tion		\$	35,000				
Ex. 2	Subtotal Depr. Rd. Asse Total Rd. Basis (Costs) Depreciation and new R	oad Construc		45	\$	35,000	410/0010			
Ex. 2	Subtotal Depr. Rd. Asset Total Rd. Basis (Costs) Depreciation and new R Depreciation for 10 yrs	oad Construc		= 15 yrs	\$	35,000 53,000	1/2/2010			
Ex. 2	Subtotal Depr. Rd. Asse Total Rd. Basis (Costs) Depreciation and new R	oad Construc using St. Line		= 15 yrs	\$ \$ \$ \$ \$ \$ \$	35,000	1/2/2010			
Ex. 2	Subtotal Depr. Rd. Assertion Total Rd. Basis (Costs) Depreciation and new R Depreciation for 10 yrs of Depreciation for 10 yrs of Depreciation for Depreciat	oad Construc using St. Line Rock ble Rd assets	life :	-	\$ \$ \$. \$	35,000 53,000 (23,330) 11,670	1/2/2010			
Ex. 2	Total Rd. Basis (Costs) Depreciation and new R Depreciation for 10 yrs of Depreciation and Rd.	oad Construc using St. Line	life :	-	\$ \$ \$. \$	35,000 53,000 (23,330) 11,670	1/2/2010			
Ex. 2	Subtotal Depr. Rd. Assertion Total Rd. Basis (Costs) Depreciation and new R Depreciation for 10 yrs of Depreciation for 10 yrs of Depreciation for Depreciat	coad Constructusing St. Line Rock ble Rd assets	life :	-	\$ \$ \$. \$	35,000 53,000 (23,330) 11,670	1/2/2010			

Timber										
	Timber should be divided into several subaccounts: reproduction,									
	premerchantable tbr., a									
	Reproduction	includes site				s,				
	tool costs, vexar etc., a									
	Premerchanatable tim		defined bu	t is usually tr	ees bewteer	า 1"				
	dbh and merchantable	size of say 12"	:							
	Merchantable timber is									
				Total						
	Reproduction	No. of Acres	Cost/Ac.	\$/Allocated	Date Acgid					
	Reproduction	10	\$300	\$ 3,000	1/2/2000					
		10	ψουσ	ψ 3,000	1/2/2000					
	Premerch, Tbr.	Assume 25%	of 80 acre	s value will v	arv dependi	na upon size	and dens	itv		
		20		\$ 12,000	1/2/2000	3 - 1				
			7	, ,,,,,,,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					
	Merch. Tbr.	Assume 75%	of 80 ac. a	nd 100% of	remainder. V	alue will var	y dependir	ng on		
		this examp	le assume al	II species a	are of					
		equal value a	nd quality.	Volume can	be Mbf/Ac o	r total.				
			Total Vol.		Total					
		Vol. Mbf/Ac.	Mbf	Cost/Mbf		Date Acq'd.				
	All species	10	700	\$250	\$ 175,000	1/2/2000				
	Depletion rate at time o	f		₾ 4.7E000/7/	00 Mbf = \$ 2 5	FO/NAL-£				
	Depiction rate at time o	purchase		\$ 175000/70)U IVIDI = \$ 2 ;					
Ev 3			and Merch							
Ex. 3	Adj. to Reproduction, P		and Merch.							
Ex. 3	Adj. to Reproduction, P	remerch Tbr., a	and Merch.							
Ex. 3	Adj. to Reproduction, P	remerch Tbr., a		Tbr for grow	th and other	factors				
Ex. 3	Adj. to Reproduction, P	remerch Tbr., a bunt costs to the p	remerch. Ti	Tbr for grow	th and other	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subaccommunication or all	remerch Tbr., a bunt costs to the p	remerch. Ti	Tbr for grow	th and other	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacco Transfer a portion or all and circumstances. Add Replace drought killed to	remerch Tbr., a count costs to the pid additional ref	remerch. The orestation of	Tbr for grow	th and other	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacco Transfer a portion or all and circumstances. Add	remerch Tbr., a count costs to the pid additional ref	remerch. The orestation of	Tbr for grow	th and other	factors				
Ex. 3	Adj. to Reproduction, Parameter a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reprod	remerch Tbr., a costs to the poly d additional ref crees d costs to prem	remerch. The orestation of the	Tbr for grow	nding upon f	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacco Transfer a portion or all and circumstances. Add Replace drought killed to	remerch Tbr., a costs to the product additional refuserees documents. No. of Acres	remerch. The orestation of the control of the contr	Total	th and other nding upon fropriate.	factors				
Ex. 3	Adj. to Reproduction, Parameter a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reprod	remerch Tbr., a costs to the product additional refuserees document to costs to premerch No. of Acres	remerch. The orestation of the	Total \$/Allocated \$ 1,500	th and other nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed t Transfer all 2000 reproduction	remerch Tbr., a costs to the product additional referees a costs to premerch No. of Acres 5 -10	remerch. The orestation of the control of the contr	Total \$/Allocated \$ 1,500 \$ (3,000)	th and other nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Adj. to Reproduction, Parameter a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reproduction, Parameter all 2000 reprod	remerch Tbr., a costs to the product additional refuserees document to costs to premerch No. of Acres	remerch. The orestation of the	Total \$/Allocated \$ 1,500	th and other nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed t Transfer all 2000 reprod Reproduction Adj. Reprod. Basis	remerch Tbr., a costs to the product additional referees d costs to prem No. of Acres 5 -10 5	remerch. The orestation of the	Total \$/Allocated \$ 1,500 \$ (3,000)	th and other nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed t Transfer all 2000 reprod Reproduction Adj. Reprod. Basis Premerch timber sub	remerch Tbr., a costs to the product additional ref crees d costs to prem No. of Acres 5 -10 5 account	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000)	th and other nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed t Transfer all 2000 reprod Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer fr	remerch Tbr., a costs to the production of Acres No. of Acres -10 5 account om reproduction	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000)	nding upon fropriate. Date Acq'd. 1/2/2009	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer from Move portion of premer	remerch Tbr., a costs to the production of Acres No. of Acres -10 5 account om reproduction of Acres chantable timb	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct.	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed t Transfer all 2000 reprod Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer fr	remerch Tbr., a costs to the production of Acres No. of Acres -10 5 account om reproduction of Acres chantable timb	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct.	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer from Move portion of premer	remerch Tbr., a costs to the production of Acres No. of Acres -10 5 account om reproduction of Acres chantable timb	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct.	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer from Move portion of premer	remerch Tbr., a costs to the production of Acres No. of Acres -10 5 account om reproduction of Acres chantable timb	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500 sis to merchast line alloca	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct.	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subadd basis for transfer from Move portion of premer	remerch Tbr., a remerch Tbr.,	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500 sis to merchast line alloca	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct. tion	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacco Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subacco Add basis for transfer fr Move portion of premer based on facts and circumstances. Add Beginning Basis Trans. Reprod basis	remerch Tbr., a remerch Tbr.,	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500 Sis to merchast line alloca Total \$/Allocated	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct. tion Date Acq'd.	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subacce Add basis for transfer fraction for the portion of premer based on facts and circumstances. Reproduction Beginning Basis Trans. Reprod basis Trans. Premerch to	remerch Tbr., a remerch Tbr.,	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500 Sis to merchast line alloca Total \$/Allocated \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct. tion Date Acq'd. 1/2/2000	factors				
Ex. 3	Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subacce Add basis for transfer fraction for the production Beginning Basis Trans. Reprod basis Trans. Premerch to Merch acct.	remerch Tbr., a remerch Tbr.,	remerch. Theorestation of the control of the contro	Total \$/Allocated \$ 1,500 \$ (3,000) \$ 1,500 Sis to merchast line alloca Total \$/Allocated \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct. tion Date Acq'd. 1/2/2000	factors				
Ex. 3	Adj. to Reproduction, P Reproduction subacce Transfer a portion or all and circumstances. Add Replace drought killed to Transfer all 2000 reproduction Reproduction Adj. Reprod. Basis Premerch timber subacce Add basis for transfer fraction for the portion of premer based on facts and circumstances. Reproduction Beginning Basis Trans. Reprod basis Trans. Premerch to	remerch Tbr., a remerch Tbr.,	remerch. Theorestation of the cost/Ac. Sano \$300 Don acct. er acct. bas. Uses 20 s Cost/Ac. \$600 \$300	Total \$/Allocated \$ 1,500 \$ 1,500 \$ 1,500 \$ 1,500 \$ 1,500 \$ 3,000 \$ 1,500	nding upon fropriate. Date Acq'd. 1/2/2009 1/2/2010 antable acct. tion Date Acq'd. 1/2/2000 1/2/2010	factors				

	Merch Timber subacco	ount						
	Add annual vol. growth	olus new purc	hases and	subtract				
	volume corrections, loss	rvest						
	Add transfers from perm							
	Determine new depletion							
	Note: Depletion Rate	continues t	o change	through til	me as grow	th etc. occ	urs	
-	•							
			Total Vol.		Total			
		Vol. Mbf/Ac.	Mbf	Cost/Mbf	\$/Allocated	Date Acq'd.		
	All species	10	700	\$250	\$ 175,000	1/2/2000		
	Annual Vol growth/yr.							
	assume 10 yrs/3% yr.		240.74	0				
	Trans. Premerch basis	est. 1Mbf/Ac	10		\$ 6,000			
	No addl. purchases	0	0	0	\$ -			
	No corrections	0	0	0	\$ -			
	No losses or harvesting	0	0	0	\$ -			
	Adj. Basis Merch Tbr.		950.74		\$ 181,000			
	Depletion rate at 1/2/20	10		¢ 101 000/0	50.74 Mbf =	\$ 190		