

**Title: Tangible Capital Assets**

**Policy No: 1507**

**Effective Date: February 22, 2022**

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**Purpose:** To ensure Greenview follows the accounting regulations for tangible capital assets as determined by the Public Sector Accounting Board and Alberta Municipal Affairs. The policy applies to all Greenview departments, boards and commissions, agencies and other organizations falling within the reporting entity of Greenview.

## 1. DEFINITIONS

- 1.1. **Amortization** means a rational and systematic manner of allocating the cost of an asset over its estimated useful life.
- 1.2. **Assets** are economic resources controlled by Greenview as a result of past transactions or events and from which future economic benefits are expected to be obtained. Assets have three essential characteristics:
  - A) They embody a future benefit that involves a capacity, singly or in combination with other Assets, to provide future net cash flows, or to provide goods and services;
  - B) Greenview can control access to the benefit;
  - C) The transaction or event giving rise to Greenview's control of the benefit has already occurred.
- 1.3. **Asset Disposal** means the removal of a capital asset from service as a result of sale, destruction, loss, or abandonment.
- 1.4. **Asset Pooling** means a grouping of identical, similar, or related tangible capital assets. It involves identifying, treating, accounting for, and reporting on an entire set of individual assets as a collective group, as though they were a single asset. This is, of course, only for the purposes of accounting for tangible capital assets, and not for the purposes of asset management.
- 1.5. **Betterments** means subsequent expenditures on tangible capital assets that enhance the service potential of the asset. Service potential is enhanced by:
  - A) Increasing the previously assessed physical output or service capacity;
  - B) Lowering associated operating costs;
  - C) Improving quality of the output; and
  - D) Extend the Useful Life of an asset beyond 10 years.

Any other expenditure would be considered a repair or maintenance and expensed in the period incurred.

- 1.6. **Capital Lease** means non-financial assets leased by Greenview, for use in the delivery of goods and services. Substantially all the benefits and risks of ownership are transferred to Greenview without requiring the transfer of legal ownership.
- 1.7. **Capital Investment** means investments you make to increase the value of the asset.
- 1.8. **Component** means a part of an asset with a cost that is significant in relation to the total cost of the asset.
- 1.9. **Cost** means the amount of consideration given up acquiring, construct, develop or better a capital asset and includes all costs directly attributable to its acquisition, construction, development, or betterment, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed capital asset is equal to its fair value at the date of contribution.
- 1.10. **Control** means a situation where the Greenview does not have legal title of an asset; however, is the beneficiary of future economic benefits. Greenview would also be responsible for the asset's performance, availability, and maintenance.
- 1.11. **Estimated Useful Life** means the estimate of the period over which a capital asset is expected to be used or the number of units of production that can be obtained from the asset. It is the period over which an asset will be amortized and is normally the shortest of the physical, technological, commercial, or legal life.
- 1.12. **Fair Value** means the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.
- 1.13. **Financial Assets** means assets that are available to discharge existing liabilities or finance further operations and are not for consumption in the normal course of operations. Examples of financial assets are cash on hand, accounts receivable and inventories for resale.
- 1.14. **Gains on Disposal** means the amount by which the net proceeds realized upon as asset's disposal exceed the assets' net book value.
- 1.15. **Greenview** means the Municipal District of Greenview No.16.
- 1.16. **Group Assets** means assets that have a unit value below the capitalization threshold but have a material value as a group. Group assets are recorded as a single asset with one combined value. Although recorded in the financial systems as a single asset, each unit may be recorded in the asset management system for monitoring and control of its use and maintenance.
- 1.17. **Hours of Production Method** means an amortization method which allocated the cost of an asset based on its estimated hours of use or production.
- 1.18. **Loss on Disposal** means the amount by which the net book value of a capital asset exceeds the net proceeds realized upon the asset's disposal.
- 1.19. **Net Book Value** of a tangible capital asset is its cost, less both accumulated amortization and the amount of any write downs. It represents the asset's unconsumed cost.

- 1.20. **Nominal Value** means the value assigned to an asset when no asset valuation method is relevant, or where the accuracy of any estimate could not be supported in an audit. Nominal Value in this context is defined by Greenview to be one Canadian dollar.
- 1.21. **Non-financial Asset** means assets that do not normally provide resources to discharge liabilities. They are employed to deliver municipal services, may be consumed, or used up on the delivery of those services, and are not generally for sale. Examples of non-financial assets are capital assets and inventories held for consumption or use.
- 1.22. **Repair and Maintenance** means ongoing activities to maintain an asset in operating condition. They are classified as such if they are performed to restore the asset's physical condition and/or operation to a specified standard, prevent further deterioration, replace, or substitute a component at the end of its "useful life," serve as an immediate but temporary repair, or assess ongoing maintenance requirements. Costs for repairs and maintenance are expensed.
- 1.23. **Residual Value** means the estimated net realizable value of a capital asset at the end of its estimated useful life. A related term, salvage value, refers to the realizable value at the end of an asset's life. If Greenview expects to use a capital asset for its full life, residual value and salvage value are the same.
- 1.24. **Salvage Value** See Residual Value.
- 1.25. **Service Potential** means the output or service capacity of a tangible capital asset and is normally determined by attributes such as physical output capacity, quality of output, associated operating costs, and useful life.
- 1.26. **Straight-Line Method** means an amortization method which allocated the cost of a capital asset equally over each year of its estimated useful life.
- 1.27. **Tangible Capital Assets** are non-financial assets having physical substance that:
- A) Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance, or repair of other Greenview tangible capital assets;
  - B) Have useful economic lives extending beyond an accounting period;
  - C) Are to be used on a continuing basis in Greenview's operations; and
  - D) Are not for sale in the ordinary course of operations.
- 1.28. **Threshold** means the minimum cost an individual asset must have before it is recorded as a capital asset on the statement of financial position.
- 1.29. **Work in Progress (WIP)** means the accumulation of capital costs for partially constructed or developed projects.
- 1.30. **Works of Art and Historical Treasures** means property that has cultural, aesthetic, or historical value that is worth preserving perpetually. These assets are not capitalized as their service potential and expected future benefits are difficult to quantify.
- 1.31. **Write-down** means a reduction in the cost of a capital asset as a result of a decrease in the quality or quantity of its service potential. As write-down should be recorded and expensed in the period the decrease can be measured and it is expected to be permanent.

## 2. POLICY STATEMENT

2.1. The objective of this policy is to prescribe the accounting treatment for tangible capital assets so that users of the financial report can discern information about the investment in property, equipment, and the changes in such investment. The principal issues in accounting for tangible capital assets are the recognition of assets, the determination of their carrying amounts, amortization charges and the recognition of any impairment losses. This policy is not meant to be used retroactively.

2.2. This policy states that Greenview shall:

- A) Establish internal departments and assign title or ownership of capital assets for stewardship;
- B) Create policy for capital asset categories based on nature, characteristics, and useful life;
- C) Outline the types of assets that should not be categorized or amortized;
- D) Determine the categorization of assets held for sale;
- E) Outline the costs regarding Tangible Capital Assets (TCA);
- F) Determine the policy for capital asset thresholds;
- G) Establish the policy for individual asset category estimated useful life;
- H) Outline the amortization process for tangible capital assets;
- I) Outline the disposal policies for tangible capital assets;
- J) Establish recording procedures for write-downs;
- K) Establish recording procedures for betterments;
- L) Policy for the contribution of capital contributions and donations;
- M) Create criteria and procedures for capital leasing; and
- N) Outline policy and procedures for amortization of work in progress assets.

## 3. IMPLEMENTATION - PROCEDURE

3.1. **Capital Asset Categories:**

- A) Refer to **Capital Asset Category in Schedule B** for the determined categories for Greenview Tangible Capital Assets.
- B) Where individual categories for tangible capital assets (TCA) do not exist, or individuals entering in the data are uncertain, they should contact the Asset Management Officer for direction or the creation of a new asset category.

3.2. **Department Responsibilities:**

- A) Assets shall be assigned to individual departments where it provides for its operation and maintenance and controls the ability to change the asset's future service potential.
- B) The department is responsible for maintaining accounting records and prepare reports for capital assets.
  - i. This shall include collection of information, record-keeping, and report delivery.
- C) Manage assets to provide effective, efficient, and economical program delivery.
- D) Establish and maintain adequate internal control systems to ensure the accuracy and reliability of information and reports.

3.3. **Excluded Assets:**

- A) The following assets should not be capitalized and/or amortized:

- i. Land (or other assets) acquired by right, such as Crown, forests, water, and mineral resources;
- ii. Works of art and historical treasures; and,
- iii. Intangible assets such as patents, copyrights, and trademarks.

**3.4. Assets Held for Sale:**

- A) Assets held for sale which otherwise would have been reported as capital assets may be required to be reported as financial assets.
- B) Assets held will not report amortization for the for the year in which they are being held.

**3.5. Costs**

- A) The cost of a capital asset includes:
  - i. Purchase price of the asset and other acquisition costs;
  - ii. Installation costs;
  - iii. Design and engineering fees;
  - iv. Legal fees; Survey costs;
  - v. Site preparation costs;
  - vi. Freight charges;
  - vii. Transportation insurance costs and duties.
- B) The cost of a constructed asset includes direct construction or development costs such as:
  - i. Materials, including inventories held for consumption or use; and
  - ii. Labour and overhead costs directly attributable to the construction or development activity;
- C) Capitalization of administration costs should be limited to:
  - i. Salaries;
  - ii. Benefits; and
  - iii. Travel for staff directly involved with project delivery (i.e., project management or construction).
- D) Where several capital assets are purchased together, the cost of each asset is determined by allocating the total price paid in proportion to each asset's relative fair value at the time of acquisition.
- E) Interest expense related to financing costs incurred during the time a capital asset is under construction or development can be included in the cost of the capital asset until the asset is put into service.
- F) If the construction or development of a capital asset is not completed to a useable state, the costs that would otherwise be capitalized should be expensed.

**3.6. Thresholds:**

- A) The threshold for each category represents the minimum cost and individual asset must be determined before it is recorded as a capital asset on statement of financial position.
- B) Capital assets not meeting the threshold are expensed in the year in which they are purchased. Costs for these assets are referred to as capital-type expenses.
- C) Thresholds should be applied on an individual asset or per item basis.
- D) Refer to Schedule A for the determined thresholds for each capital.

**3.7. Estimated Useful Life:**

- A) The estimated useful life is the period over which a capital asset is expected to provide services. Also, can be refers to its lifespan – the length of time that a system or piece of equipment is expected to serve its original purpose.
- B) An asset’s useful life can be estimated based on:
  - i. Its expected future use;
  - ii. Effects of technological obsolescence;
  - iii. Expected wear and tear from use or the passage of time; and
  - iv. The level of maintenance and experience with similar assets.
- C) All capital asset categories have predetermined estimated useful lives as outlined in **Capital Asset Categories Schedule B**. Note: the estimated useful lives shown are intended to apply to assets in new condition.
- D) When used assets are acquired the estimated useful lives should be reduced based on the age and condition of the asset. Appraisal of the used item will be sought based on.

### 3.8. Amortization:

- A) Amortization is calculated using the straight-line method based on the estimated useful life of each asset. This method which allocated the cost of a capital asset equally over each year of its estimated useful life.
- B) Lands and Historical, Culture and Works of Art, have an unlimited estimated useful life and should not be amortized.
- C) Amortization should be calculated based on the full cost of the capital asset. Where an asset expected residual value is expected to be significant in comparison to the asset’s costs (20% or more), the amount would be deducted from the cost which calculating amortization.
- D) Amortization should be recorded monthly commencing on the first day of the month following the month the asset became ready for productive use. Note: For pooled assets, where purchases and disposals affect the pool balance throughout the year, the amortization calculation may be based on the estimated pool balance rather than actual.(PSAS 315.22-30)
- E) In estimating the useful life of assets, consideration should be given to the department’s asset management plan, history with the asset class, potential technology advances and anticipated repairs and maintenance, among other factors. The original cost of land is not amortized. Other assets should be amortized, list as follows:
  - i. Land Improvements;
  - ii. Road and streets: Graveling, Pavement;
  - iii. Culverts, Bridges, Drainage;
  - iv. Water Treatment Plant, Pumping Stations;
  - v. Lagoon, Lift Stations;
  - vi. Raw Water, Treated Water Wastewater and Storm (above or below ground) Pipelines;
  - vii. All Valves and Shut offs for pipelines;
  - viii. Hydrants, Streetlights, Street Signage;
  - ix. Solid Waste, Transfer Stations Sites;
  - x. Airports;
  - xi. Buildings, (Recreational, Emergency services, Greenview Public Service, Hangers);
  - xii. Building Improvements;
  - xiii. Vehicles, Equipment & Machinery; and
  - xiv. Hardware, software

- F) No amortization should be recorded in the year an asset is disposed of. This does not apply to deemed disposals.
- G) No amortization should be recorded on which in progress or capital asset which have been removed from service but not yet disposed of.

### 3.9. Disposals:

- A) The disposal of a capital asset results in its removal from service as a result of sale, destruction, loss, or abandonment.
- B) When a capital asset is disposed of, the cost and the accumulated amortization should be removed from the accounting records and any gain or loss recorded.
- C) Costs of disposal paid by the Greenview should be expensed.
- D) A gain or loss on disposal is the difference between the net proceeds received and the net book value of the asset and should be accounted for as a revenue or expense, respectively, in the period the disposal occurs.

### 3.10. Write-downs:

- A) A capital asset should be write-down when a reduction in the value of the asset's service potential can be measured, and the reduction is expected to be permanent.
- B) Conditions that may indicate a write-down is required include:
  - i. Expectation of providing services at a lower level than originally planned;
  - ii. A change in use for the asset;
  - iii. Technological advances which render the asset obsolete; and
  - iv. Other factors such as physical damage which reduce the asset's service potential.
- C) All documentation regarding write-downs should be retained.
- D) Write-downs of capital assets should be accounted for as an expense in the current period.
- E) Annual amortization of an asset that has been written down should be calculated use the net book value after the write-down and the remaining estimated useful life.
- F) Regardless of any change in circumstances, a write-down should not be reversed.
- G) Write down are to be applied the year after occurrence.

### 3.11. Betterments:

- A) Betterments are enhancements to the service potential of a capital asset, such as:
  - i. An increase in the previously assessed physical output or service capacity;
  - ii. A reduction in associated operating costs;
  - iii. An extension of the estimated useful life; or,
  - iv. An improvement in the quality of output.
- B) Betterments which meet the threshold of the applicable capital asset category are capitalized. Otherwise, they are expenses.
  - i. Repairs and maintenance which are necessary to obtain the expected service potential of a capital asset for its estimated useful life are not betterments. These costs should be expensed when incurred. They include:
  - ii. Repairs to restore assets damaged by fire, flood, accidents, or similar events, to the condition just prior to the event; and,
  - iii. Routine maintenance and expenditures, such as repainting, cleaning and replacing minor parts.
- C) Where betterment enhances the service potential of a capital asset without increasing its estimated useful life, the amortization period should remain the same.

- D) Where betterment increases the estimated useful life of a capital asset, its useful life should be changed.
- E) Where betterment involves the replacement of an identifiable components of a capital asset, the original cost of that component and the related accumulated amortization should be removed from the accounting records.

**3.12. Capital Contributions:**

- A) When Greenview receives funds from a third party, such as the provincial or federal government, to assist with the construction or purchase of a capital asset, the full cost of the asset should be recorded.
- B) The funds received should be recognized as revenue.

**3.13. Donations:**

- A) If a capital asset is donated to Greenview, the cost is its fair value at the date of contribution.
- B) Fair value of a donated capital asset may be estimated using market or appraised value.

**3.14. Capital Leases:**

- A) Capital leases are a means of financing the acquisition of a capital asset where the lessee carries substantially all of the risks and benefits of ownership. Capital leases are recorded as if the lease had acquired the asset and assumed a liability.
- B) If one or more of the following criteria exists, the lease should be accounted for as a capital lease:
  - i. There is reasonable assurance that Greenview will obtain ownership at the end of the lease. (Transfer of ownership occurs at the end of the lease or the lease has a bargain purchase option).
  - ii. Greenview will receive substantially all of the economic benefits of the assets. (This lease term is 75% or more of the economic life of the asset).
  - iii. The lessor is assured of recovering the investment in the asset and earning a return. (The present value of the minimum lease payment is 90% or more of the fair value of the asset.).
- C) Where at least one of the conditions in clause (B) is not present, other factors may indicate that a capital lease exists.
- D) Examples of capital leases:
  - i. Greenview owns or retains control of the land on which a leased asset is located, and the asset cannot be easily moved;
  - ii. Greenview contributes significant assistance to finance the cost of acquiring or constructing the asset that it will lease; or,
  - iii. Greenview bears other potential risks, such as obsolescence, environmental liability, uninsured damage, or condemnation of the asset and any of these are significant.
- E) Operating leases are leases in which the leaser does not transfer substantially all the benefits and risks of ownership. If the arrangement is an operating lease, lease payment should be expenses and no liability recorded.
- F) If the arrangement is a capital lease, Greenview should apply the thresholds of the appropriate capital asset category.
- G) If the thresholds are not met, an expense and a liability should each be recorded for the present value of the minimum lease payments.



- H) If the thresholds are met, a capital asset and a liability should each be recorded for the present value of the minimum lease payments. The leased asset should be amortized over the lesser of the lease term or estimated useful life for similar capital assets as outlined in **Capital Asset Threshold Schedule A**.
- I) Executory and maintenance costs should be excluded when calculating minimum lease payments. The discount rate should be the lesser of Greenview's incremental borrowing rate or the interest rate implicit in the lease, if determinable.

**3.15. Work in Progress:**

- A) Where the construction or development of a capital asset occurs over several years, capital costs should be accumulated until the asset is ready for use.
- B) Identify these costs as work in progress for any interim and year-end reporting.
- C) Greenview should not record amortization on work in progress.
- D) A work in progress account should be established to allow work in progress capital costs to be tracked separately from assets subject to amortization.
- E) Examples of work in progress are as follows:
  - i. Construction of a new road;
  - ii. Construction of a new building;
  - iii. Development of an asset which occurs over several years.
  - iv. Down payments and deposits which are to be applied to the cost of a capital asset.

#### 4. RESPONSIBILTIES

- 4.1 The Administration is responsible for ensuring compliance to this policy.
- 4.2 Council shall review all policies for compliance and effectiveness of the policies. Otherwise, a 3-year cycle for review.

SCHEDULE A  
CAPITAL ASSET THRESHOLDS

<u>Capital Asset Class and Category</u>	<u>Threshold</u>	<u>Estimated Useful Life</u>	<u>Amortization</u>
<b>Land and land improvements</b>			
Land	All	Indefinite	N/A
Land Improvements	\$5,000	15 years	Straight-Line
Culture, Historical & Works of Art	All	Indefinite	N/A
<b>Buildings and building Improvements</b>			
Buildings	\$10,000	40 years	Straight-Line
Building Improvements	\$10,000	40 years	Straight-Line
Engineered Structures	\$10,000	40 years	Straight-Line
Lease Holdings Improvements	\$5,000	20 years	Straight-Line
<b>Machinery and Equipment</b>			
Heavy Mobile Equipment	\$5,000	20 years	Straight-Line
Aircraft	\$5,000	20 years	Straight-Line
Watercraft	\$5,000	20 years	Straight-Line
Operating Equipment	\$5,000	10 years	Straight-Line
Medical Equipment	\$5,000	10 years	Straight-Line
Small Tools	\$2,500	10 years	Straight-Line
<b>Transportation Equipment</b>			
Vehicles over 1 Ton	\$5,000	10 years	Straight-Line
Vehicles	\$5,000	5 years	Straight-Line
Emergency Vehicles	\$5,000	5 years	Straight-Line
Emergency Vehicle over 1 Ton	\$5,000	15 years	Straight-Line
Scales	\$5,000	10 years	Straight-Line
<b>Office &amp; Information Technology</b>			
System Development	\$2,500	5 Years	Straight-Line
Computer Hardware	\$3,000	3 years	Straight-Line
Computer Software	\$2,500	3 years	Straight-Line
Communication Equipment	\$5,000	5 years	Straight-Line
Office Furniture & Equipment	\$2,500	5 years	Straight-Line
<b>Infrastructure</b>			
Roads & Street Subsurface	ALL	35 years	Remaining life factor
Road & Street Asphalt Surfaces	ALL	20 years	Remaining life factor
Road & Street Concrete Surfaces	ALL	25 years	Remaining life factor
Road & Street Gravel Surfaces	ALL	15 years	Remaining life factor
Road & Street Asphalt Surfaces	ALL	15 years	Remaining life factor
Road & Street Chip Seal Surfaces	ALL	10 years	Remaining life factor
Sidewalks, Ramping, Parking Lot & Approaches	ALL	25 years	Straight-Line
Road & Street Infrastructure	ALL	20 years	Straight-Line
Airport	ALL	30 years	Straight-Line
Water infrastructure (Raw, Treated)	ALL	50 years	Straight-Line
Wastewater Infrastructure	ALL	50 years	Straight-Line
Storm Sewer/Ditching Infrastructure	ALL	40 years	Straight-Line
Water Treatment Plant	ALL	40 years	Straight-Line
Wastewater Treatment Plant	ALL	40 years	Straight-Line
Infrastructure – Hydrants, Systems, Meters	ALL	20 years	Straight-Line
Culverts	ALL	35 years	Straight-Line
Other Infrastructure	ALL	20 years	Straight-Line

SCHEDULE B  
CAPITAL ASSET CATEGORIES

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<b>Land</b>	<ul style="list-style-type: none"> <li>• Parks and recreation</li> <li>• Conservation purposes</li> <li>• Building sites and other programs</li> <li>• Facilitate construction of road surfaces, drainage areas, and allowances or future expansions.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase price</li> <li>• Professional fees for title searches, architect, legal, engineering, appraisals, surveying, planner’s environmental reports</li> <li>• Improvement and development costs: land excavation, filling, grading, drainage, demolition of existing buildings (less salvage).</li> </ul>
<b>Land Improvements</b>	<ul style="list-style-type: none"> <li>• Fencing and gates, parking lots, power pedestal’s, paths and trails, landscaping, playgrounds and types of land drainage.</li> </ul>	<ul style="list-style-type: none"> <li>• Original purchase price or completed project costs including costs of material and labour or costs of a contractor</li> <li>• Professional fees for title searches, architect, legal, engineering, appraisals, surveying, planner’s environmental reports</li> </ul>
<b>Culture, Historical &amp; Works of Art</b>	<ul style="list-style-type: none"> <li>• Statues, Monuments, Various Art Assets, Religious Placings, Culture or Historical Grounds</li> </ul>	<ul style="list-style-type: none"> <li>• Original purchase price or completed project costs including costs of material and labour or costs of a contractor</li> <li>• All Maintenance to ensure Level of service is kept</li> <li>• Improvement and development costs: land excavation, filling, grading, and drainage.</li> </ul>
<b>Buildings – high quality construction</b>  <b>Buildings – medium quality construction</b>  <b>Buildings – average quality construction</b>  <b>Buildings – short term</b>	<ul style="list-style-type: none"> <li>• Buildings with fireproofed structural steel frames with reinforced concrete or masonry floors and roofs.</li> <li>• Buildings with reinforced concrete frames and concrete or masonry floors and roofs.</li> <li>• Buildings with masonry or concrete exterior walls, and wood or steel roof and floor structures, except for concrete slabs on grade.</li> </ul>	<ul style="list-style-type: none"> <li>• Original purchase price or completed project costs including basic costs of material and labour or costs of a contractor.</li> <li>• Costs to remodel, recondition or alter a purchased building to make it ready to use for the acquired purpose.</li> <li>• Preparation of plans blueprints, and specifications.</li> <li>• Costs of building permits, studies, tests (pre-acquisition costs).</li> </ul>

	<ul style="list-style-type: none"> <li>Operational storage facilities, sheds, small buildings, inventory storage buildings and pump houses.</li> </ul>	<ul style="list-style-type: none"> <li>Professional fees for title searches, architect, legal, engineering, appraisals, surveyors, planners, and environmental surveys.</li> <li>Operating costs such as temporary buildings used during construction.</li> </ul>
<b>Building Improvements</b>	<ul style="list-style-type: none"> <li>Major repairs that increase the value or useful life of the building such as structural changes, installation or upgrade of heating and cooling systems, plumbing, electrical, telephone systems.</li> </ul>	<ul style="list-style-type: none"> <li>Complete project costs including basic costs of material and labour or costs of a contractor.</li> <li>Preparation of plans, blueprints, and specifications.</li> <li>Cost of building permits, studies, tests.</li> <li>Professional fees for building official, architect, legal, planning, engineering, appraisals, surveying, and environmental surveys.</li> <li>Operating costs such as temporary buildings used during construction</li> </ul>
<b>Capital Asset Category</b>	<b>Examples of Capital Assets</b>	<b>Examples of Capital Asset Costs</b>
<b>Engineered Structures</b>	<ul style="list-style-type: none"> <li>This includes buildings, but the term structure can also be used to refer to anybody of connected parts that is designed to bear loads, even if it is not intended to be occupied by people.</li> <li>This includes but not limited to: Aqueducts, bridges, canals, cooling towers/ chimney's, Dams railways retaining walls and tunnels</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price or completed project costs including basic costs of material and labour or costs of a contractor.</li> <li>Costs to remodel, recondition or alter a purchased building to make it ready to use for the acquired purpose.</li> <li>Preparation of plans blueprints, and specifications.</li> <li>Costs of building and/ or structure permits, studies, tests (pre-acquisition costs).</li> <li>Professional fees for title searches, architect, legal, engineering, appraisals, surveyors, planners, and environmental surveys.</li> <li>Environmental planning, risk assessment, levels of compliance.</li> <li>Operating costs such as temporary buildings or structures used during construction.</li> </ul>
<b>Lease Holdings Improvements</b>	<ul style="list-style-type: none"> <li>Major repairs that increase the value or useful life of the building such as structural changes, installation or upgrade of heating and cooling systems, plumbing, electrical, telephone systems.</li> <li>However, is a lease and does not have value to principal asset only to the improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Complete project costs including basic costs of material and labour or costs of a contractor.</li> <li>Preparation of plans, blueprints, and specifications.</li> <li>Cost of structure permits, studies, tests.</li> </ul>

		<ul style="list-style-type: none"> <li>Professional fees for building official, architect, legal, planning, engineering, appraisals, surveying, and environmental surveys.</li> <li>Operating costs such as temporary buildings used during construction</li> </ul>
<b>Heavy Mobile Equipment</b>	<ul style="list-style-type: none"> <li>Power and construction equipment such as graders, tractors, 3-point hitch mowers or bigger, mobile hot water/ steam washers, gravel reclaimer, backhoe, ripper, mulcher, loaders, trencher, dozer, crawlers, AG Equipment and all heavy equipment attachments.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items which purchased.</li> <li>Parts and labour associated with the construction of equipment.</li> </ul>
<b>Capital Asset Category</b>	<b>Examples of Capital Assets</b>	<b>Examples of Capital Asset Costs</b>
<b>Aircraft</b>	<ul style="list-style-type: none"> <li>Used primarily for transportation purposes such as small airplanes, large planes, drones, fire and rescue planes and other aircraft transporting devices.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Costs of reconditioning used items when purchased.</li> </ul>
<b>Watercraft</b>	<ul style="list-style-type: none"> <li>Used primarily for transportation purposes such as small boats, large boats, personal watercraft, remote control watercraft and other water transporting devices.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Costs of reconditioning used items when purchased.</li> </ul>
<b>Operating Equipment</b>	<ul style="list-style-type: none"> <li>Equipment specific to maintenance, shop, recreation, and appliances.: such as forklifts, welding machines, utility trailers, security systems, snowplows, refrigerators, stoves, freezers, mowers, lawn maintenance equipment, recreational equipment, generator, emergency operations equipment, safety equipment and Zambonis</li> <li>These can be use in the grouped in this category and would be based in the operating equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the construction of equipment.</li> </ul>

<b>Medical Equipment</b>	<ul style="list-style-type: none"> <li>Equipment Specific to veterinary or medical fields.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for pre/ post testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the construction of equipment.</li> </ul>
<b>Small tools</b>	<ul style="list-style-type: none"> <li>Process of the maintenance of equipment, building/ facilities, and specific need of the maintenance of such.</li> <li>These can be use in the grouped category and would be based in the work maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Costs of reconditioning used items when purchased</li> </ul>
<b>Capital Asset Category</b>	<b>Examples of Capital Assets</b>	<b>Examples of Capital Asset Costs</b>
<b>Vehicle Over 1 Ton</b>	<ul style="list-style-type: none"> <li>Equipment specific to maintenance and construct in which can be on municipal or provincial roads. These are but not limited to: gravel truck, various heavy equipment trailers, end dumps, pups, 3-ton trucks, 5- ton trucks, water trucks, garbage trucks, 1-ton trucks and maintenance trucks.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the equipment.</li> </ul>
<b>Vehicles</b>	<ul style="list-style-type: none"> <li>Used primarily for transportation purposes such as automobiles, pick-up trucks under one ton, ATV, snowmobiles, UTV, and SUV</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the equipment.</li> </ul>
<b>Emergency Vehicles</b>	<ul style="list-style-type: none"> <li>Used primarily for transportation, rescue, fire response, emergency use, purposes such as automobiles, pick-up trucks under one ton, ATV, snowmobiles, UTV, and SUV.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the Emergency equipment.</li> </ul>
<b>Emergency Vehicles Over 1 Ton</b>	<ul style="list-style-type: none"> <li>Equipment specific to firefighting, search &amp; rescue, EMS and peace officer work. These assets are but not limited to firefighting trucks, ambulances, pumper trucks, water trucks, heavy peace vehicles, and any emergency service trailers.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the emergency equipment.</li> </ul>

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<p align="center"><b>Scales</b></p>	<ul style="list-style-type: none"> <li>Commercial industrial scale for the purpose of compliance with hauling standards with the MD of greenview.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight charges.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Charges for testing and preparation.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the construction of equipment.</li> </ul>
<p align="center"><b>System Development</b></p>	<ul style="list-style-type: none"> <li>Consultation fees, web site development.</li> </ul>	<ul style="list-style-type: none"> <li>External direct costs of materials and services such as consultation fees.</li> <li>Web site developments costs.</li> <li>Costs to acquire software and any custom development.</li> <li>Salary and related benefits of employees directly associated with the application development stage.</li> <li>Costs of upgrades that improve the functionality of the system.</li> </ul>
<p align="center"><b>Computer Hardware</b></p>	<ul style="list-style-type: none"> <li>Equipment like servers, scanners, printers, hard drives, equipment that serves the hardware and modems</li> </ul>	<ul style="list-style-type: none"> <li>Purchase price.</li> <li>Installation charges.</li> <li>Freight and transit charges.</li> <li>Sales taxes on acquisition.</li> <li>Costs of reconditioning used items when purchased.</li> </ul>
<p align="center"><b>Computer Software</b></p>	<ul style="list-style-type: none"> <li>Off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges.</li> </ul>	<ul style="list-style-type: none"> <li>Purchase price of off the shelf software and related upgrades.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> </ul>
<p align="center"><b>Communication Equipment</b></p>	<ul style="list-style-type: none"> <li>Off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges. Specific Communication equipment for the purpose of safety, promotion and like wise.</li> </ul>	<ul style="list-style-type: none"> <li>Purchase price of off the shelf software and related upgrades.</li> <li>Sales taxes on acquisition.</li> <li>Installation charges.</li> <li>Costs of reconditioning used items when purchased.</li> </ul>
<p align="center"><b>Office Furniture &amp; Equipment</b></p>	<ul style="list-style-type: none"> <li>Used in the offices of Greenview. List as follows but not limited to Desks, tables, chairs, filing cabinets, fax machines, photocopiers, smartboards, cabinets, cameras, and projectors.</li> </ul>	<ul style="list-style-type: none"> <li>Original contract price or invoice price.</li> <li>Freight and installation charges.</li> <li>Sales taxes on acquisition.</li> <li>Costs of reconditioning used items when purchased.</li> <li>Parts and labour associated with the construction of furniture.</li> </ul>

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<p><b>Roads &amp; Street Subsurface</b></p>	<ul style="list-style-type: none"> <li>Is a subbase that has been either engineered or non- engineered. All have been prepared for the road or street designed for with variance of designed to the particular build. This would encompass all subsurface.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of Sub-base is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>
<p><b>Road &amp; Street Asphalt Surfaces</b></p>	<ul style="list-style-type: none"> <li>Is an Asphalt surface that has been dully designed to carry heavier (primary) traffic base. The structure is usually thicker than 200 mm.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of asphalt road is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>
<p><b>Road &amp; Street Concrete Surfaces</b></p>	<ul style="list-style-type: none"> <li>Is a concrete surface that has been dully designed to carry heavier (primary) traffic base. The structure is usually engineered.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of concrete road is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>
<p><b>Road &amp; Street Gravel Surfaces</b></p>	<ul style="list-style-type: none"> <li>Is a gravel surfaced road with a buildup of gravel and maintained to good standard base. The width is great enough to be sued on a residential street.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of gravel road is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>



Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<p><b>Road &amp; Street Cold Rolled Asphalt Surfaces</b></p>	<ul style="list-style-type: none"> <li>Is a non-engineered Asphalt surface that is thin and is placed on the subgrade with very little preparation. These may be referred to as oil treatments cold roll. These surfaces are usually less than 60 mm in thickness.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of cold mix road is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>
<p><b>Road &amp; Street Chip Seal Surfaces</b></p>	<ul style="list-style-type: none"> <li>Is a non-engineered or Asphalt repaired surface that is thin and is placed on the asphalt surface directly with very little preparation.</li> </ul>	<ul style="list-style-type: none"> <li>The value of each type of asphalt road maintenance is determined per square meter based on the cost of the materials and labour required to construct each structure.</li> <li>Quantities used in each structure, are also available, but using quantities expands the calculations significantly.</li> <li>The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.</li> </ul>
<p><b>Sidewalks, Ramping, Parking lots &amp; Approaches</b></p>	<ul style="list-style-type: none"> <li>Is all sidewalks, ramps, parking lot and approaches, in which the building material is variable as installed at or near any road &amp; street.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Installation charges</li> <li>Direct costs of construction including labour and materials</li> <li>Charges for testing and preparation</li> <li>Parts and labour associated with construction and installation.</li> </ul>
<p><b>Road &amp; Street Other</b></p>	<ul style="list-style-type: none"> <li>Light systems (traffic, outdoor, street), all signage, rumble strips, speed bumps and aggregate pit acquisition costs</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Installation charges</li> <li>Direct costs of construction including labour and materials</li> <li>Charges for testing and preparation</li> <li>Parts and labour associated with construction and installation.</li> </ul>
<p><b>Airport</b></p>	<ul style="list-style-type: none"> <li>All part of making the regulated airport. This does not include building nor surrounding lands.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Installation charges</li> <li>Direct costs of construction including labour and materials</li> <li>Charges for testing and preparation</li> </ul>

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<p><b>Water infrastructure (Raw, Treated)</b></p>	<ul style="list-style-type: none"> <li>Docks, lagoons, reservoirs, pumping facilities, tanks and associated infrastructure, swimming pools, fire hydrants.</li> </ul>	<ul style="list-style-type: none"> <li>Parts and labour associated with construction and installation.</li> <li>Original purchase price</li> <li>Direct costs of construction including labour and materials</li> <li>Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.</li> <li>Parts and labour associated with the construction of equipment</li> </ul>
<p><b>Wastewater Infrastructure</b></p>	<ul style="list-style-type: none"> <li>Wastewater systems, sewage lagoons, reservoirs, pumping facilities, tanks and associated infrastructure, manholes, wastewater systems.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Direct costs of construction including labour and materials</li> <li>Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.</li> <li>Parts and labour associated with the construction of equipment</li> </ul>
<p><b>Storm Sewer/Ditching Infrastructure</b></p>	<ul style="list-style-type: none"> <li>Storm water lagoons, reservoirs, pumping facilities, tanks and associated infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Direct costs of construction including labour and materials</li> <li>Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.</li> <li>Parts and labour associated with the construction of equipment</li> </ul>
<p><b>Water Treatment Plant</b></p>	<ul style="list-style-type: none"> <li>All equipment inside the water treatment plant excluding the building and the land in which it sits.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Direct costs of construction including labour and materials</li> <li>Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.</li> <li>Parts and labour associated with the construction of equipment</li> </ul>
<p><b>Wastewater Treatment Plant</b></p>	<ul style="list-style-type: none"> <li>All equipment inside the wastewater treatment plant excluding the building and the land in which it sits.</li> </ul>	<ul style="list-style-type: none"> <li>Original purchase price</li> <li>Direct costs of construction including labour and materials</li> <li>Salary and travel costs for employees assigned to the project for direct management duties such as project</li> </ul>

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
<p><b>Infrastructure – Hydrants, Systems, Meters</b></p>	<p>All types of fire hydrants, water meters, gas meters, operating systems for the meters,</p>	<ul style="list-style-type: none"> <li>• Direct costs of construction including tender construction costs, labour materials, survey costs, and project specific design costs.</li> <li>• Salary and travel costs for employees assigned to the project for direct management, inspection, and quality control.</li> </ul> <p>Parts and labour associated with construction and installation</p>
<p><b>Culverts</b></p>	<p>Any and all Culverts regardless of size</p>	<ul style="list-style-type: none"> <li>• Direct costs of construction including tender construction costs, labour materials, survey costs, and project specific design costs.</li> <li>• Salary and travel costs for employees assigned to the project for direct management, inspection, and quality control.</li> </ul>
<p><b>Other Infrastructure</b></p>	<p>Landfills, dump stations, transfer station and any upgrades to this category</p>	<ul style="list-style-type: none"> <li>• Costs that support infrastructure but are not included in any other category.</li> <li>• Parts and labour associated with construction and installation</li> </ul>