

Village of Summer Village of Parkland Beach

Name: Tangible Capital Assets-
Classification/Capitalization Threshold/Amortization

Policy: #2008-001 - Amended

Department: All

Responsibility: CAO

Approved by Council: September 19th, 2008 - Resolution #2008-09-06

Amended: November 20th, 2009 - Resolution #2009-11-07

Amended: April 16th, 2010 - Resolution #2010-04-05

Amended: May 29th, 2010 - Resolution #2010-05-06

Purpose:

The purpose of the policy is to provide direction for recognizing and recording Tangible Capital Assets (TCA) on a consistent basis and in accordance with Public Sector Accounting Board (PSAB) 3150.

A number of recommendations for TCA have been established by Alberta Municipal Affairs & Housing (AMAH). These recommendations will be adopted by the village.

Tangible Capital Asset:

Tangible Capital Assets are non-financial assets having physical substance that:

- are used on a continuous basis by the Village
- have useful economic lives extending beyond one year
- are not for resale in the ordinary course of operations

Subsequent expenditures on a recorded TCA that:

- increase output or service capacity
- increase the service life
- lower associated operating costs
- improve the quality of the output

should be classified as betterments and capitalized accordingly. Any other expenditure should be considered a repair or maintenance and should be expensed in the period.

Amortization:

The cost, less any residual value of a TCA with a limited life should be amortized over its useful life in a rational and systematic manner.

The amortization method and estimate of useful life of the remaining unamortized portion should be reviewed on a regular basis (as outlined in the table below or more frequently if needed) and revised when the appropriateness of a change can be clearly demonstrated.

Scope:

This policy addresses the following:

- Asset classifications (major & minor)
- Capitalization threshold for each asset classification
- Amortization method to be used
- Review schedule

The following table shows the classes, capitalization thresholds and amortization method to be used:

Major Asset Class	Minor Asset Class	Capitalization Threshold	Amortization Method	Review Schedule
Land		All land will be recorded	N/A	N/A
Land Improvements		\$ 2,000.	Straight Line	Every 5 years
Buildings		\$ 2,000.	Straight Line	Every 5 years
Engineered Structures	Roadway System	\$5,000.	Straight Line	Every 5 years
	Storm Retention Pond	\$5,000.	Straight Line	Every 5 years
	Storm System	\$5,000.	Straight Line	Every 5 years
Machinery & Equipment	Public Works	\$ 2,000.	Straight Line	Every 3 years
	Administration	\$ 2,000.	Straight Line	Every 3 years
Vehicles		\$ 2,000.	Straight Line	Every 3 years
Cultural	Playgrounds	\$ 2,000.	Straight Line	Every 5 years

Land Improvements: Beach area & Marina

Buildings: By structure type

Engineered Structures: Roads by name and/or in half km segments (Parkland Drive 3 sections; Parkland Avenue 2 sections)

Pathways as one network

Retention Pond: Aspen Rise Development (not accountable until 2012-1013)

Machinery & Equipment: Public Works: Tractor
 Mower
 Trailer
 Administration: Office Equipment/Furniture

Vehicles: No vehicles at this time

Cultural: Playgrounds: Each cluster

Historical value of land will be estimated