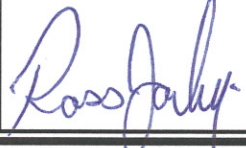


## The Rural Municipality of Elton

<b>REFERENCE:</b>	Finance	<b>AUTHORITY:</b>	Council
<b>SUBJECT:</b>	Tangible Capital Asset (TCA) Thresholds and Amortization Rates	<b>EFFECTIVE DATE:</b>	September 13, 2016
<b>ADOPTED BY RESOLUTION NO. &amp; DATE:</b>	2013-217 July 9, 2013	<b>NUMBER OF PAGES:</b>	3
<b>AMENDED BY RESOLUTION NO. &amp; DATE:</b>	2016-347 September 13, 2016	<b>REEVE'S SIGNATURE FOR APPROVAL</b>	

### POLICY DESCRIPTION:

Be it resolved that Council of the RM of Elton adopt the following policy for Thresholds to record expenditures as a Tangible Capital Asset:

Asset Class	Description	Capitalization Threshold	Amortization Rate (Straight-Line)
<b>General, Transportation and Utility (Water &amp; Wastewater)</b>			
Land: <ul style="list-style-type: none"> <li>• General</li> <li>• Transportation</li> <li>• Utility (Water &amp; Wastewater)</li> </ul>	<ul style="list-style-type: none"> <li>• Real Property in form of a plot, lot or area</li> <li>• Includes purchase price and all closing costs</li> <li>• Cost of permanent improvements such as re-grading or filling</li> <li>• Includes land purchased or acquired for value for use under roads or road allowance</li> <li>• Includes land purchased or acquired for value used for water and waste water sites</li> <li>• Excludes land held for resale</li> </ul>	n/a	n/a
Assets Under Construction (AUC) <ul style="list-style-type: none"> <li>• General</li> <li>• Transportation</li> <li>• Utility (Water &amp; Wastewater)</li> </ul>	<ul style="list-style-type: none"> <li>• Also Construction in Progress</li> <li>• Costs to construct an asset, normally a building or capital infrastructure</li> <li>• Costs are transferred to asset class when the asset is put into use, normally upon completion of construction</li> </ul>	n/a	n/a

Asset Class	Description	Capitalization Threshold	Amortization Rate (Straight-Line)
<b>General</b>			
Land Improvements	<ul style="list-style-type: none"> <li>Includes all costs excluding land</li> <li>Buildings incurred in the development of land to facilitate various recreation and economic pursuits</li> <li>Examples include but are not limited to landfill site development driveways, parking lots, bike paths, sidewalks, fences, ball diamonds, etc.</li> </ul>	\$5,000.00	30 years (3.33%)
Buildings: <ul style="list-style-type: none"> <li>Brick, Mortar, Steel</li> <li>Wood Frame</li> </ul>	<ul style="list-style-type: none"> <li>Buildings independent of an infrastructure network and made of solid construction</li> <li>Includes: Office, recreation, workshop, storage, libraries</li> </ul>	\$10,000.00	Brick: 40 years (2.5%) Wood: 25 years (4%)
Computer Systems & Office Equipment	<ul style="list-style-type: none"> <li>Personal Computers, upgrades, licenses (Does not include purchase, design &amp; development of major applications)</li> </ul>	\$1,000.00	4 years (25%)
Asset Class	Description	Capitalization Threshold	Amortization Rate (Straight-Line)
<b>Transportation</b>			
Road Surface	<ul style="list-style-type: none"> <li>Asphalt &amp; concrete road surfaces</li> <li>Does not include initial application of gravel on gravel roads</li> </ul>	\$10,000.00	Asphalt 20 yrs (5%) Concrete 30 yrs (3.33%)
Road Grade	<ul style="list-style-type: none"> <li>Includes all road formation works, drainage and culverts under two meters in diameter during construction (unless &lt;24" culvert is deemed repair and maintenance item)</li> <li>Includes the initial application of gravel on gravel roads</li> </ul>	\$10,000.00	40 years (2.5%)
Bridges and Dams	<ul style="list-style-type: none"> <li>Structure of 2 or more meter diameter</li> <li>Structure of 2 or more culverts</li> <li>Timber (30 years), Precast Concrete (40 years), Concrete Pre-Stressed (45 years), Steel w/o trusts (45 years), Steel with trusts (50 years), Culverts (Plastic – 25 years, Steel/Corrugated Steel – 30 years)</li> </ul>	\$10,000.00	40 years (2.5%)
Vehicles	<ul style="list-style-type: none"> <li>Automobiles, vans, light trucks (1 ton &amp; under), trailers, motorcycles, snowmobiles</li> </ul>	\$1,000.00	5 years (20%)
Machinery & Equipment	<ul style="list-style-type: none"> <li>All machinery or equipment NOT used in road construction &amp; maintenance</li> <li>Includes trucks over 1 ton</li> </ul>	\$1,000.00	10 years (10%)
Road Construction & Maintenance Equipment	<ul style="list-style-type: none"> <li>All machinery or equipment used in road construction &amp; maintenance of roads</li> <li>Includes Fire trucks</li> </ul>	\$1,000.00	15 years (6.66%)

**Utilities (Water and Wastewater)**

Land Improvements	<ul style="list-style-type: none"> <li>• Land improvements as defined in the General Capital asset class that are associated with water and waste water sites</li> <li>• Includes lagoons and reservoirs</li> </ul>	\$5,000.00	50 years (2%)
Buildings: <ul style="list-style-type: none"> <li>• Brick, Mortar, Steel</li> <li>• Wood Frame</li> </ul>	<ul style="list-style-type: none"> <li>• Buildings as defined in the General Capital asset class that are associated with water and waste water sites</li> </ul>	\$10,000.00	Brick: 40 years (2.5%) Wood: 25 years (4%)
Water and Waste Water Networks	<ul style="list-style-type: none"> <li>• Underground networks such as water distribution pipe systems, waste water collection systems, storm drainage collection systems</li> <li>• Useful life of the underground system could vary depending on the durability of the material used.</li> <li>• Sanitary Sewer Lines and Storm Sewers</li> </ul>	\$10,000.00	50 years (2%)