TOWN POLICY

POLICY NUMBER: 1802

REFERENCE:

Council 253.07.08

ADOPTED BY:
Town Council
2 July 2008

PREPARED BY: Administration

DATE: 6 April 1988

TITLE: Accounting for Capital Assets

Purpose

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, plant and equipment and the changes in such investment. The principal issues in accounting for Tangible Capital Assets are the recognition of the assets, the determination of their carrying amounts and amortization charges and the recognition of any related impairment losses.

In addition, the policy covers policy and procedures to:

- Protect and control the use of all Tangible Capital Assets.
- Provide accountability over Tangible Capital Assets.
- Gather and maintain information needed to prepare financial statements.

Scope

This policy applies to all Town departments, committees and boards, agencies and other organizations falling within the reporting entity of the Town of Strathmore.

1. Definitions

1.1 Betterments means subsequent expenditures on Tangible Capital Assets that meet any one of the following conditions:

1.1.1 Increase previously assessed physical output or service capacity;

1.1.2 Lower associated operating costs;

1.1.3 Extend the useful life of the asset; or

1.1.4 Improve the quality of the output.

1.2 Capital Lease means a lease with contractual terms that transfer substantially all the benefits and risks inherent in ownership of property to the Town. For substantially all of the benefits and risks of ownership to be transferred to the lessee, one or more of the following conditions must be met:

1.2.1 There is reasonable assurance that the Town will obtain ownership of the leased property by the end of the lease term.

1.2.2 The lease term is of such duration that the Town will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span.

1.2.3 The lessor would be assured of recovering the investment in the leased property and of earning a return on the investment as a result of the lease agreement.

1.3 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.

1.4 Group Assets means assets that have a unit value below the capitalization threshold but have a material value as a group. This is normally recorded as a single asset with one combined value. Although recorded in the financial system as a single asset, each unit may be recorded in the asset sub-ledger for monitoring and control of its use and maintenance. Examples could include personal computers, furniture and fixtures, small moveable equipment, etc.

1.5 Tangible Capital Assets means assets having physical substance that must meet all of the following conditions:

1.5.1 are used on a continuing basis in the Town's operations;

1.5.2 have a useful life extending beyond one year; and

1.5.3 are not held for re-sale in the ordinary course of operations.

2. Responsibilities

2.1 *Council:*

2.1.1 Approve amendments to this policy.

2.2. *Chief Administrative Officer (CAO):*

2.2.1 In the event of any disagreement regarding policy application or interpretation, the CAO shall have the final decision.

2.2.2 To recommended amendments to this policy to Council.

2.3 *Director of Corporate Services:*

2.3.1 Shall be responsible for implementation of the necessary procedures to establish and maintain a capital asset inventory, including amortization schedules.

2.3.2 Ensure that the Capital Assets Policy is followed.

3. Classification Of Assets

3.1 Major, minor and subclasses of Tangible Capital Assets will be defined as:

3.1.1 Major - a group of Tangible Capital Assets that is significantly different in design and use.

3.1.2 Minor - a classification within a major class that has unique characteristics.

3.1.3 Subclass – a further classification that may be required due to unique tangible capital asset criteria, applications, methodologies and asset lives. There is the option to classify further into subclass one, subclass two, subclass three, etc.

3.2 Tangible Capital Assets recorded in the Major classification are:

3.2.1 Engineered Structures;
3.2.2 Buildings;
3.2.3 Machinery and Equipment;
3.2.4 Land;
3.2.5 Land Improvements;
3.2.6 Vehicles;
3.2.7 Cultural and Historical Assets.

3.3 Definitions of major asset classifications:

3.3.1 Engineered structures are permanent structural works such as roads, bridges, canals, dams, water and sewer, and utility distribution and transmission systems, including lift and booster stations.

3.3.2 Buildings are permanent, temporary or portable building structures, such as offices, garages, storage buildings, and recreation facilities intended to shelter persons and/or goods, machinery, equipment and working space.

3.3.3 Machinery and Equipment is equipment that is heavy equipment for constructing infrastructure, smaller equipment in building and offices, furnishings, computer hardware and software. This class does not include stationary equipment used in the engineered structure class.

3.3.4 Land includes land purchased or acquired for value for parks, and recreation, building sites, infrastructure (streets, canals, bridges, right-of-ways, etc.) and other program use, but not land held for resale.

3.3.5 Land Improvements includes all improvements of a permanent nature to land such as parking lots, landscaping, lighting (not including street lights – see Engineered Structures), pathways, fences and playground structures.

3.3.6 Vehicles means rolling stock that is used primarily for transportation purposes.

3.3.7 Cultural and Historical Assets includes works of art and historical treasures that have cultural, aesthetic or historical value that are worth preserving perpetually. These assets are not recognized as Tangible Capital Assets in the financial statements, but the existence of such property should be disclosed. Buildings declared as heritage sites may be included in this asset classification.

3.4 Engineered Structures Minor Asset Classifications

3.4.1 Minor classifications in the Engineered Structures major classifications will be:

3.4.1.1 Roadway System
3.4.1.2 Storm System
3.4.1.3 Water System
3.4.1.4. Wastewater System

3.5 Definitions of Engineered Structures Minor Classes

3.5.1 Roadway System means assets intended for the direct purpose of vehicle or pedestrian travel or to aid in vehicle or pedestrian travel. Includes roads, bridges, streets, ramps, lanes, streetlights, sidewalks and signage.

3.5.2 Storm System means assets used for the collection, storage and transfer of water as a result of rain, flood, or other external source to a natural water system. Includes mains, services, catch basins, pump and lift stations, outfalls and retention ponds.

3.5.3 Water System means the systems for the provision of water through pipes or other constructed convey. It is normally comprised of assets for the intake, distribution, storage and treatment of safe potable water. In may also be comprised of assets required to distribute non-potable water. Includes mains, services, pump and lift stations, plants and equipment, reservoirs and fire hydrants.

3.5.4 Wastewater System is defined as water that has been used for household, business and other purposes, which flows from private plumbing systems to public sanitary sewers and on to a treatment plant. This system is comprised of assets used for the collection and treatment of non-potable water intended for return to a natural water system or other originating water source of used for other environmentally approved purposes. Includes mains, services, pump and lift stations, plants and equipment and lagoons.

4. Recording Assets

4.1 Maintaining a good recording system is crucial to managing the municipality's assets. Careful consideration must be made as to what assets should be recorded and what information should be recorded for each type of asset. Factors to consider when making these decisions are materiality, record keeping, asset management and rate setting. The asset record system needs to be manageable, but provide sufficient information for good fiscal decisions.

4.2 Depending upon the information available and the category of the asset, asset records should include all or part of the following:

4.2.1 Asset Class
4.2.2 Location of Functional Area
4.2.3 Description
4.2.4 Acquisition Date
4.2.5 Cost
4.2.6 Estimated Useful Life
4.2.7 Residual Value
4.2.8 Amortization Method
4.2.9 Amortization Rate
4.2.10 Serial Number
4.2.11 Accumulated Amortization
4.2.12 Net Book Value

4.3 *Assets to be recorded*:

4.3.1 Capitalization Threshold is defined as the minimum value of an expenditure that meets the criteria of a tangible capital asset and that will be recorded as a tangible capital asset.

4.3.2 Factors used to determine the capitalization threshold for expenditures that meet the definition of a tangible capital asset, but will be expensed are:

4.3.2.1 Materiality - Will the multiple expenditures for Tangible Capital Assets valued below the capitalization threshold and, therefore, expenses rather than capitalized, result in a material misstatement of the financial statements?

4.3.2.2 Record Keeping - Is the capitalization threshold so low that the cost to record and track each asset would be too expense or impractical?

4.3.2.3 Asset Management - Is the capitalization threshold at an appropriate value so that most Tangible Capital Assets which require long-term planning for maintenance and replacement will be recorded?

4.3.2.4 Rate Setting - Is the capitalization threshold at an appropriate value so that cost recovery rates reasonably reflect the cost of operations?

4.3.3 Materiality should not be the main factor in determining the level of the capitalization threshold, but the capitalization threshold needs to meet the minimum requirements for materiality. Asset management is the key factor so that good information is available to the municipality for future planning.

4.3.4 There is not a capitalization threshold for land. All land, excluding land held for resale, is to be capitalized because of the permanent nature of land.

4.3.5 Value per item rather than the value of a group of similar items will be the value used to determine if the tangible capital asset should be capitalized except in the case of group assets.

4.3.6 All assets within a major asset class should have the same capitalization threshold.

4.3.7 Assets that are still in active use but that are fully amortized should be recorded at the original cost with full amortization until such time as the asset is no longer in use.

4.3.8 Expenditures that meet both the criteria of tangible capital asset and exceed the following capitalization thresholds are to be recorded as a tangible capital asset:

4.3.8.1	Engineered Structures	$25,000
4.3.8.2	Buildings	$25,000
4.3.8.3	Machinery & Equipment	$ 5,000
4.3.8.4	Land Improvements	$ 5,000
4.3.8.5	Vehicles	$ 5,000

4.3.9 *Betterment and Maintenance*

4.3.9.1 Any betterment expense would be added to the value of the existing asset.

4.3.9.2 Any expenditure not meeting the definition of “betterment” will be considered a repair or maintenance and will be expensed.

4.4 *When Assets are recorded:*

4.4.1 Tangible Capital Assets to be acquired by purchase, either through contract or purchase order, shall be flagged as such on the payment requisition or recorded as such through the acquisition process. Capitalization shall be deemed to occur at the time of transfer of ownership from the vendor to the Town.

4.4.2 Tangible Capital Assets that are to be developed or constructed shall be capitalized on the earlier of the day the asset goes into service or that ownership/responsibility/control is transferred over to the municipality.

4.5 *How Assets are recorded:*

4.5.1 Tangible Capital Assets may be accounted for using either the single asset or component approach. Whether the component approach is to be used will be determined by the usefulness of the information versus the cost of collecting and maintaining information at the component level.

4.5.2 Componentization - Civil infrastructure systems, engineered structures such as road systems, should use the component approach. Major components should be grouped when the assets have similar characteristics and estimated useful lives or consumption rates.

4.5.2.1 Factors to consider when determining whether to use a component approach include:

4.5.2.1.1 Major components have significantly different useful lives and consumption patterns than the related tangible capital asset.

4.5.2.1.1 Value of components in relation to the related tangible capital asset.

4.5.3 Segmentation - linear assets (complex network systems such as roads, water and storm systems) are defined in terms of length, unit of measure and geographic reference. For linear assets, these assets will be broken down in terms of segments, normally by blocks within subdivisions.

4.6 *Assets Under Development or Construction*

4.6.1 The date of capitalization is to be when as asset is ready for productive use. At that point, it moves from “construction-in-progress” to capital asset.

4.7 *Assets Outside This Policy*

4.7.1 Any assets that are expensed, but by their nature should be capitalized, should be inventoried, but not capitalized.

4.7.2 Studies and other initiatives that do not relate directly to the acquisition of a tangible capital asset shall not be capitalized, but expense in the year(s) in which they occur. Examples would be a Municipal Development Plan or a Water Conservation Plan.

5. Valuing Assets

5.1 *Valuation Method*

5.1.1 The actual historical cost, if known, should be used. In the event that the actual historical cost is not available, reporting based on estimates of original cost at the date of construction or purchase may be used.

5.2 *Valuation and Cost of an Asset*

5.2.1 Tangible Capital Assets should be recorded at cost plus all ancillary charges necessary to place the asset in its intended location and condition for use.

5.2.2 *Purchased Assets*

5.2.2.1 Cost is the gross amount of consideration paid to acquire the asset. It includes all non-refundable taxes and duties, freight and delivery charges, installation and site preparation costs, etc. It is net of any trade discounts or rebates.

5.2.2.2 Cost of land includes purchase price plus legal fees, registration fees, title transfer, etc. Costs would include any costs to make the land suitable for intended use, such as pollution mitigation, demolition and site improvements that become part of the land.

5.2.2.3 When two or more assets are acquired for a single purchase price, it is necessary to allocate the purchase price to the various assets acquired. Allocation should be based on the fair value of each asset at the time of acquisition or some other reasonable basis if fair value is not readily determinable.

5.2.3 *Acquired, Constructed or Developed Assets*

5.2.3.1 Cost includes all costs directly attributable (e.g., construction, architectural and other professional fees) to the

acquisition, construction or development of the asset. Carrying costs such as internal design, inspection, administrative and other similar costs may be capitalized. Capitalization of general administrative overheads is not allowed.

5.3.2.2 Capitalization of carrying costs ceases when no construction or development is taking place or when the tangible asset is ready for use.

5.2.4 *Capitalization of Interest Costs*

5.2.4.1 Borrowing costs incurred by the acquisition, construction and production of an asset that take a substantial period of time to get ready for its intended use should be capitalized as part of the cost of that asset.

5.2.4.2 Capitalization of interest costs should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization should be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete.

5.2.5 Donated or Contributed Assets

5.2.5.1 The cost of donated or contributed assets that meet the criteria for recognition is equal to the fair value at the date of construction or contribution. Fair value may be determined using market or appraisal values. Cost may be determined by an estimate of replacement cost. Ancillary costs should be capitalized.

6. Amortization Methods And Rates

6.1 The cost, less any significant residual value, of a tangible capital asset with a limited life should be amortized over its useful life in a rational and systematic manner appropriate to its nature and use. The amortization method and estimate of useful life of the remaining unamortized portion should be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.

6.2 Useful life is normally the shortest of the asset's physical, technological, commercial or legal life.

6.3 *Amortization Method*

6.3.1 Generally, the Town will use a straight-line method for calculating the annual amortization. Land is not amortized.

6.3.2 Some assets may require an alternate amortization method (i.e. declining balance, unit of output) to provide better information related to asset management. If this is the case, these asset types must be identified by the Director of Corporate Services.

6.4 *Useful Life*

6.4.1 A comprehensive list of estimated useful lives of assets is attached as "Schedule A".

6.5 *Residual Value*

6.5.1 Residual value should be determined and deducted from the gross cost of the asset before the amortization amount is determined.

6.6 *Amortization Calculation*

6.6.1 In the year of acquiring an asset, putting an asset into service or disposing of the asset, the municipality shall record 50 percent of the annual amortization amount.

7. Reviews And Write-Downs

7.1 Decisions on the useful life and appropriate amortization method may change during the life of the asset. The amortization method and useful life should be reviewed on a regular basis with revisions made when necessary.

7.2 *Periodic Review*

7.2.1. The Director of Corporate Services shall ensure that periodic reviews are completed. This review is event driven. Before any changes are made to the amortization method or the estimate of the asset's remaining useful life, it must be clearly demonstrated that those changes are justified. Significant events that may indicate a need to revise the amortization method or the estimated of the remaining useful life of a tangible capital asset:

7.2.1.1 a change in the extent to which the tangible capital asset is used;

7.2.1.2 a change in the manner in which the tangible capital asset is used;

7.2.1.3 removal of the tangible capital asset from service for an extended period of time;

7.2.1.4 physical damage;

7.2.1.5 significant technological developments;

7.2.1.6 a change in the demand for the services provided through use of the tangible capital asset;

7.1.2.7 a change in the law or environment affecting the period of time over which the tangible capital asset can be used.

7.3 *Process*

7.3.1 A change in an asset's amortization rate as a result of a revision of its estimated life is treated as a change in the accounting estimates rather than a change in accounting policy. A change in an estimate is not given retroactive effect since it arises from new information or developments. The effect of a change in the estimated useful life of a tangible capital asset and its associated effect on amortization expense are allocated to the period of revision and applicable future periods.

7.4 *Waiting Period*

The persistence of such conditions over several successive years increases the probability that a write-down is required. Note that a write-down is never reversed.

8. Maintaining Records

8.1 A good asset recording system is important, but the records must also be properly maintained.

8.2 *Asset Records*

8.2.1 Asset statements are signed by senior Town of Strathmore employees and also by the Director of Corporate Services. The Manager of the respective operations unit shall certify annually in writing that the information provided is complete and accurate to the best of their knowledge. A copy of this certification shall be included in the Tangible Capital Assets working papers for the year.

8.3 *Process*

8.3.1 General accounting procedures for Tangible Capital Assets are:

8.3.1.1 Recording assets in a fixed asset register with an identifiable audit trail (unique reference number).

8.3.1.2 Regular reconciliation of the asset register to general ledger balances.

8.3.1.3 Annual management for existence, continuing use, remaining life and obsolescence.

8.3.1.4 Annual reviews for impairment.

8.3.1.5 Regular reviews of useful lives.

8.3.1.6 Proper purchasing procedures to ensure that all additions are identified and recorded.

8.3.1.7 Proper sales or write-down procedures to ensure that all disposals are managed and recorded.

8.4 *Validation of Asset Registers*

8.4.1 Validation of asset registers involves verification to show that the information in the registers is complete and accurate as at a certain date. Validation of figures to be used for opening balances is required. Lists of additions, enhancements and disposals should be generally and centrally reviewed for reasonableness. Validation is also required on an ongoing basis.

8.4.2 Methods of validating figures for opening balances include:

8.4.2.1 For land and buildings – documenting the source of information and procedures followed to establish the completeness of the records.

8.4.2.2 For other Tangible Capital Assets – circulating information in the asset register to the senior employees responsible for physical custody of assets and requiring them to confirm the accuracy and completeness of the records.

8.4.3 Validation procedures include:

8.4.3.1 Assign responsibility for validation of information on each class of assets to one person or position.

8.4.3.2 Physical existence checks are conducted by staff independent of those responsible for custody of the assets.

8.4.3.3 Written confirmation of any amendments.

8.4.3.4 Written statements confirming the accuracy of asset register information (taking into account any amendments).

8.4.3.5 Retain records of any adjustments made to the asset register following receipt of proposed amendments.

8.4.3.6 Keep records of which parts of the register have been validated and the dates on which the data were validated.

8.4.4 If it is not possible to conduct all verifications at the reporting date, the acceptability of a phased program of verification must be received by the external auditor.

8.5 *Supporting Documentation*

8.5.1 Any invoices, contracts, written estimates, appraisals, or other documentation that can be obtained to support and confirm each asset and each asset component shall be stored by asset identifier.

8.5.2 These shall be stored in numerical sequence.

9. Asset Disposal

9.1 Disposals of assets may occur by sale, trade-in, destruction, loss or abandonment. The financial records will need to be amended to recognize these events.

9.2 *Responsibility*

9.2.1 Disposal of Tangible Capital Assets that are moveable property is the responsibility of the department head in charge of the asset, unless delegated to a specific employee. Department heads should notify the Director of Corporate Services when assets become surplus.

9.2.2 Disposal of real property will be the responsibility of the Chief Administrative Officer.

9.3 *Process*

9.3.1 When other constructed Tangible Capital Assets are taken out of service, destroyed or replaced due to obsolescence, scrapping or dismantling, the department head or designate must notify the Director of Corporate Services of the asset description and effective date. The Director of Corporate Services is responsible for adjusting the asset registers and accounting records recording a loss/gain on disposal.

10. Financial System, Asset Recording System And Asset Management System

10.1 Records for Tangible Capital Assets must be integrated as much as possible with other systems to improve efficiency and accuracy.

10.2 *Integration of Asset Registers with the General Ledger*

10.2.1 Asset registers should be integrated with the general ledger and any other systems, providing automatic opening and closing balance information and creating automatic journal entries for amortization.

10.2.2 Where possible, integration with other systems, such as accounts payable, capital planning, preventative maintenance should be made to achieve the following benefits:

10.2.2.1 Minimize manual intervention.

10.2.2.2. Reduce the possibility of corruption of data or errors.

10.2.2.3 Reduce the number of reconciliations required.

10.2.2.4 Prevent duplicate data entry and processing.

10.2.2.5 Allow journals for amortization and asset revaluations to be automatically generated.

10.2.3 The Director of Corporate Services is responsible to approve any tangible capital asset related system changes.

10.2.4 The Director of Corporate Services shall establish the process so that Tangible Capital Assets that are purchased will be interfaced to any other asset related systems.

10.2.5 The Director of Corporate Services determines the structure of the General Ledger chart of accounts.

10.3 *Unique Identifier*

10.3.1 Assets should be tagged for asset account purposes.

10.3.2 Each asset and asset component will be given a unique identifier, or ID number.

10.3.3 An identifier to tag each portable asset physically, as well as an index or record tag in the asset register, both electronic and physical shall be used.

10.3.4 It is equally important for data management purposes that asset identifiers have no built-in intelligence, such as location, type of asset or ownership or responsibility of the asset. These types of information will be captured elsewhere on the data record. The identifier should be a sequential number. This will identify the asset, regardless of where it is physically located or who is responsible for it, as these sometimes these. It is the one constant for the asset, as it is tracked over time in any asset account or asset management system.

10.3.5 Note that, for asset accounting purposes, a departmental asset identifier can be used as a subsidiary identifier or qualifier, but not as the primary identifier. Such a subsidiary identifier should be included in the asset data record for asset accounting purposes, such as a license registration plate on a motor vehicle, or a serial number. In this way, the physical asset inventory can be independently verified against the accounting records.

10.4 *Reporting*

10.4.1 Annually, the department head responsible for the respective assets needs to check for existence, continuing use, remaining life, obsolescence and any impairment. Any changes must be reported to the Director of Corporate Services.

11. Financial Reporting And Budgets

11.1 *Annual Financial Statements*

11.1.1 On the Consolidated Statement of Financial Position shows the net book value of all Tangible Capital Assets as an asset. The offsetting entry is "municipal equity" on the liability side. This will represent the accumulated equity interest the municipality has developed or acquired over the years from its capital investments. The Consolidated Statement of Financial Position will also have the line item "Construction-in-Progress" as an Asset, which will capture the expenditures made for assets being acquired, constructed or developed, but which cannot yet be capitalized.

11.1.2 On the statement of Operations and Financing will be the line "Amortization Expense", along with other categories of operational expenses. A note may be used to indicate how this expense is broken out by functional area.

11.1.3 A Schedule of Tangible Capital Assets will show the January 1 gross book value, acquisitions during the year, disposals, sales, write-downs during the year, and deletions to come up with the December 31 gross book value. Also included on this schedule will be the amortization expense charged during the year including disposals, sales, write-downs and deletions and the resulting December 31 accumulated amortization figures, by class of asset.

11.1.4 Also, a Schedule of Construction in Progress, which will show the January 1 balance, plus expenditures during the year, less assets capitalized during the year, less disposals (if any), to arrive at the December 31 balance, but class of asset.

11.1.5 Appropriate note disclosure in the financial statements to conform to Public Sector Accounting Board standards

11.2 *Presentation of Budget Amounts*

11.2.1 An essential feature of the government reporting model is the requirement to report both budget and actual numbers on the statements of operations and change in net debt/net financial assets. Consistency between financial plans and reporting of actual results is considered an essential part of accountability reporting.

11.2.2 Presentation of budgeted amounts in the financial statements provides important accountability information users can access to assess how the actual results of activities of the period compare with those originally planned and judge whether public economic resources were managed in accordance with the plan. Providing budget information makes it possible to identify variances, compute trends and analyze operations.

11.3 *Budget Scope and Accounting Basis*

11.3.1 Budgeted amounts should be presented for the same scope of activities and on a basis consistent with that used in each statement for actual amounts.

11.3.2 For the statement of operations, this means budgeted amounts are presented on a full accrual basis (budgeted amounts are presented on the same basis of consolidation as actual results). The statement would include budgeted amounts for all organizations in the municipality's reporting entity.

11.4 *Accrual Budgeting and Tax Rates*

11.4.1 The setting of rates should be viewed as a price setting exercise.

11.4.2 Managing the municipal financial position is a critical component of municipality's responsibility. The annual operating surplus or deficit is only one component of the accountability equation. For this reason, the Town of Strathmore will determine rates according to an accrual-based budget.

12. **End of Policy**

Schedule A:

Recommended Maximum Useful Life

Asset Classes Major Minor Sub-class One Sub-class Two Sub-class Three	Maximum Useful Life
Land	
Right-of-way	
Undeveloped right-of-way	
Parks	
General	
Cultural & Historical Assets	
Public art	
Historical	
Heritage site	
Land Improvements	
Parking lot	
Gravel	15
Asphalt	25
Playground structures	15
Landscaping	25
Fences	20
Sprinkler systems	25
Golf courses	45
Tennis courts	20
Fountains	20
Lakes/ponds	25
Retaining walls	20
Running tracks	15
Outdoor lighting	20
Soccer pitch - outdoor	20
Bike/jogging Paths	
Gravel	15
Asphalt	20
Buildings	

Permanent Structures			
	Frame		50
	Metal		50
	Concrete		50
Portable Structures			
	Metal		25
	Frame		25
Leasehold improvements			Variable

Engineered Structures

Roadway system			
	Bridges		Variable
	Overpass/interchange		60
	Curb & gutter		30
	Roads & streets		
		Lanes/alleys	
			ACP - hot mix 20
			Gravel 15
			Nonconforming 20
		Local/Collector/Arterial/Major Arterial	
		Surface	Concrete 30
			ACP - hot mix 20
			ACP - cold mix 10
			Chip seal 10
			Oil 5
			Gravel 25
		Subsurface	40
	Road signs		
		Traffic control	30
		Information	30
	Lights		
		Decorative	30
		Street	30
		Traffic	30
	Guard rails		30
	Ramps		30
	Sidewalks & para-ramps		30

Water system	
Distribution system	
Mains	75
Services	75
Pump, lift and transfer stations	45
Hydrants/fire protection	75
Reservoirs	45
Wastewater system	
Collection system	
Mains	75
Services	75
Pump, lift and transfer stations	45
Pumping equipment	45
Storm system	
Collection system	
Mains	75
Services	75
Pump, lift and transfer stations	45
Catch basins	75
Outfalls	75
Wetlands	75
Retention ponds	75
Treatment facility	45
Machinery and Equipment	
Heavy construction equipment	Variable
Stores	25
Food services	10
Fire equipment	12
Police special equipment	10
Boats	25
Fitness and wellness	10
Control systems	5
Communication links	20
SCADA system	10
Fuelling stations	15
Laboratory	10

Communications			
	Radios		10
	Telephone systems		10
Tools, shop and garage equipment			15
Scales			15
Bins			15
Meters			
	Electrical		20
		Cumulative	20
		Interval	20
	Gas		20
	Water		40
	Parking meters and splitters		20
Turf equipment			10
Ice re-surfacer			10
Office Furniture & Equipment			
	Furniture		20
	Office equipment		10
		Audiovisual	10
		Photocopiers	5
Computer Systems			
	Hardware		5
	Software		10

Vehicles

Light duty	10
Medium duty	10
Heavy duty	10
Transit buses	20
Fire trucks	25