



STAFF REPORT TO COUNCIL

Report No: TR2022-22

October 27, 2022

From: Kimberley Goyette – Director of Finance/Treasurer

RE: Revision of Tangible Capital Asset Policy

Recommended Motion:

THAT Council of the Township of North Glengarry approved the Tangible Capital Asset (TCA) Policy revised as of October 2022.

Background / Analysis:

During the 2021 municipal audit, it was noted that there were discrepancies between the useful life of some assets on the asset registry and the amounts noted in the TCA Policy. Furthermore, some assets were being depreciated that did not meet the capital thresholds noted in the policy.

Recommendations were made and a review was completed by the Directors of Finance and Public Works to ensure the dollar thresholds and useful life amounts were correct. No adjustments were made to the capital thresholds (in dollars); however, there were changes made to the useful life noted as:

- Bridges – originally only 40 years, change to 40-100 years based on the structure
- Roads – originally noted at 7-40 years was changed to 10-40 years based on the surface
- Street Lighting/Signal Lights – originally noted at 30 years was changed to 15 years
- Curbs were added to the Sidewalks asset type as these are currently recorded with a useful life of 50 years

When assets are added to the registry, the first year of amortization is based on 6 months as has been done in the past. This was not noted in the policy and thus was added.

The revision of this policy is basically a housekeeping issue and is required in order to provide consistency to year end processes for depreciation, amortization and current values of assets. Previous useful life amount for assets will not be changed but moving forward these revised amounts will apply. Changes to the TCA Policy have been highlighted in yellow.

This is being brought forward to Council at this time to meet auditor recommendations and to ensure year end processes are consistent.

Alternatives :

N/A

Financial Implications :

These changes provide more accurate and consistent reporting of our asset values.

Attachments & Relevant Legislation:

Tangible Capital Asset Policy

Others Consulted:

Welch, LLP

Timothy Wright, Director of Public Works

Reviewed and approved by:
Sarah Huskinson, CAO/Clerk