



**Meeting Date:** January 24, 2024

**Prepared By:** Sean Miller, Financial Analyst, Tiffany Farrell, Director of Corporate Services

**Submitted by:** Tiffany Farrell, Director of Corporate Services

**Report No:** CPS-05-2024

**Subject:** Tangible Capital Asset Policy

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**Recommendation:**

THAT Report CPS-05-2024, re: Tangible Capital Asset Policy be received;

AND THAT Council endorse the updated Tangible Capital Asset Policy attached as Appendix A1.

**Purpose:**

The purpose of this report is to seek Council's endorsement of the updated Tangible Capital Asset Policy. The previous policy was written in April 2009. This policy and the associated procedure provide a comprehensive framework for the administration of the tangible capital assets of the Municipality of Middlesex Centre ("the Municipality").

This policy will prescribe the accounting treatment for tangible capital assets to ensure their proper recognition, the determination of their carrying amounts, amortization charges, the disposal of assets, and the recognition of any related impairment losses.

The policy supports the following objectives:

- Fiscal responsibility
- Accountability
- Compliance with PSAB
- Manage corporate infrastructure
- Enhanced measurement of cost of service
- Improved information to support long-term planning
- Comprehensive communication with citizens

**Background:**

The Municipality of Middlesex Centre is legislated to comply with The Canadian Institute of Chartered Accountants which has approved Public Sector Accounting Board (PSAB) Handbook Section 3150 relating to the accounting treatment of a Municipality's tangible capital assets. Beginning on January 1, 2009, all municipalities in Canada must record and report their tangible capital assets on their financial statements. These assets must be valued at historical cost and amortized over their expected useful life. Middlesex Centre's original policy was written in April 2009. This updated policy has been developed to provide a framework for the implementation and subsequent maintenance of the municipality's tangible capital assets.

**Analysis:**

This policy will apply to all departments, agencies, and boards of the Municipality of Middlesex Centre.

All tangible property acquired by the municipality, whether through donation, construction, or purchase, and which qualifies as a tangible capital asset will fall within the scope of this policy.

**Financial Implications:**

None.

**Strategic Plan:**

This matter aligns with following strategic priorities:

- Sustainable Infrastructure and Services - Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure
  - By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets, and expanding our current practice of making annual reserve fund contributions toward the cost of projected asset management expenditures
  - By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.

**Attachments:**

A1 – Tangible Capital Asset Policy