



**City of Lloydminster
Request for Decision (RFD)**

Subject Matter: Tangible Capital Asset Policy No. 134-13

Department: Chief Financial Officer

Presented By: Adèle Wakaruk

Council Meeting Date: October 2, 2023

Recommendation:

That Council approve the Tangible Capital Asset Policy No. 134-13 as presented.

Issue: Administration reviewed the Amortization and Useful Life Policy No. 007-2015 for improvements to provide comprehensive guidance to administration for the accounting of Tangible Capital Assets.

Background: The Amortization and Useful Life Policy No. 007-2015 was approved by Council on August 24, 2015. As part of Administration's ongoing improvements in accounting for Tangible Capital Assets, this policy was reviewed to ensure all relevant subject areas are included in accordance with the public accounting standard (PS 3150 – Tangible Capital Assets), and the Government of Alberta Tangible Capital Asset Policy guidelines. Further, best practices were determined through a review of comparable municipalities policies.

The current Amortization and Useful Life Policy introduced two areas: amortization and useful life. To build on this policy, Administration has drafted a Tangible Capital Asset Policy No. 134-13 that encompasses all aspects of Amortization and Useful Life, as well as the following new components:

- Capitalization
- Work in Progress
- Measurement – Cost
- Asset Register
- Division of Assets & Pooled Asset
- Write-downs
- Disposals
- Presentation & Disclosure

Options:

1. That Council approve the Tangible Capital Asset Policy No. 134-13 as presented.
2. That Council not approve the Tangible Capital Asset Policy No. 134-13 as presented.
3. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

Alignment with Strategic Plan: This item is in alignment with the following strategic area: Delivering Good Governance. The Tangible Capital Assets policy is vital to ensure the consistent and appropriate accounting treatment for Tangible Capital Assets.



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Legal Review: N/A

Governance Implications: The prior Amortization and Useful Life Policy No. 007-2015 will be repealed, the new Tangible Capital Asset Policy No. 134-13 will be introduced.

Budget/Financial Implications: Due to the changes in classification methodology (outlined in Appendix B in the policy), the prior year comparative information on the 2023 financial statements (Schedule 2 – Consolidated Schedule of Tangible Capital Assets) will be updated to align with the new policy by a reclassification only, with no impact on the overall value of TCA.

Environmental Implications: N/A

Report Approval Details

Document Title:	Tangible Capital Asset Policy No. 134-13.docx
Attachments:	- Tangible Capital Asset Policy No. 134-13.docx
Final Approval Date:	Sep 25, 2023

This report and all of its attachments were approved and signed as outlined below:

Denise MacDonald

Doug Rodwell

Dion Pollard