

Subject: Tangible Capital Asset Policy Updated

Recommendation:

**BE IT RESOLVED THAT Council receive Report # 2022-0207-
Corporate Services Tangible Capital Asset Policy Update, for
information;**

**AND THAT Council approve revised Policy # S400-10 Tangible Capital
Asset immediately.**

Background:

The Tangible Capital Asset Policy (TCA) was originally established in 2009. The capitalization threshold was \$5,000. The revised 2022 TCA Policy has increased the capitalization threshold to \$10,000.

Analysis:

The total budgets 10 years ago (in 2012) including capital, operating, water and wastewater were \$21.6 M. The total budgets in 2022 including capital, operating, water and wastewater were \$41.4 M. Therefore, increasing the capitalization threshold by \$5,000 is reasonable. This is comparable to most similar size municipalities in the Niagara Region.

Financial Considerations:

The increase in capitalization threshold has no financial consideration since the budgets are prepared on a modified cash-basis.

The audited financial statements will have capital items from \$5,001 to \$10,000 now being expensed versus being capitalized and then amortized. The impact is immaterial.

Alternatives Reviewed:

N/A

Strategic Plan Relationship: Financial Sustainability

This approach recognizes the impact of inflation and the overall growth of the Town and its financial operations.

Consultation:

External Auditors: Deloitte

Senior Leadership Team

Other Pertinent Reports/Attachments:

Revised 2022 Tangible Capital Asset Policy

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