



# City of Leduc Policy

**Policy Title: Tangible Capital Assets  
Financial Reporting Policy**

**Policy No:** 12.02:11

**Revision No:** #1

**Supersedes:** Original  
Policy

<b>Authority: City Manager</b>	<b>Approval Date: December 4, 2019</b>
<b>Responsible Division: Finance</b>	<b>Effective Date: January 1, 2020</b>
<b>Relevant Legislation: Public Sector Accounting Standards Board – PS 3150</b>	
<b>Relevant Bylaw and Date(s): N/A</b>	
<b>Relevant Council Resolution: N/A</b>	
<b>Authority’s Signature: “Signed by A/City Manager Irene Sasyniuk”</b>	

## **Policy Objective:**

The purpose of this policy is to establish accounting and reporting procedures for tangible capital assets (TCA’s) owned by the City of Leduc (the “City”) in accordance with the *Public Sector Accounting Handbook* (Section PS 3150).

The objectives of capitalizing tangible assets are:

- To maintain appropriate accountability for the City’s tangible capital assets;
- To promote sound corporate management of capital assets;
- To ensure compliance with Public Sector Accounting Standards PSAS;
- To measure and report the full cost of the City’s operations;
- To achieve better and more effective asset management; and
- To ensure that capital asset acquisitions are planned for, budgeted for, purchased and financed in an appropriate manner.

This Tangible Capital Assets Financial Reporting Policy is to be used in conjunction with the “*Public Sector Accounting Standards PS 3150 Tangible Capital Assets.*”

## **Definitions:**

See *Appendix A - Definitions*

## **Policy:**

This policy applies to all departments and organizations that the City is responsible to include in its reports.

All tangible capital assets owned by the City, either through purchase, construction, or contribution which qualify as capital assets are addressed in this policy.

The principles for this policy include:

1. The policy is for the benefit of the City as a whole; the managers of the City's tangible capital assets; and for the users of the City's financial statements.
2. The cost associated with the collection and recording of the data is balanced with the benefits achieved by users of the data and reports.
3. Accounting for TCA's is a joint responsibility between departments procuring TCA's and the Finance Department and shall be done in accordance with this policy and PS 3150.
4. Compliance is with all legislation applicable to municipalities.
5. Materiality is considered.
6. Initial inventory historical costs for the City's tangible capital assets for the years 2008 and prior were calculated using a deflation factor applied to a the best estimate of a 2009 fair value; or recorded at actual costs less depreciation (**NBV – net book value**) whenever actual costs were available.
7. The policy will assist in providing guidance to departments when planning and budgeting for capital asset purchases and replacements.

### **Process:**

A general framework is established for the management and control of the City's tangible capital assets. Included in this framework is proper recognition; measurement; thresholds; classification; amortization; disposals and write-downs.

#### **1) Recognition**

All tangible capital assets purchased, constructed, or received as contribution by the City which qualify as capital assets and meet the capitalization threshold will be capitalized.

In accordance with PS 3150, **tangible capital assets (TCA's)** are **non-financial assets** having physical substance that:

- (i) are held for use in the production or supply of goods or services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- (ii) have useful economic lives extending beyond an accounting period (one year);
- (iii) are to be used on a continuing basis; and
- (iv) are not intended for sale in the ordinary course of operations.

Land is recognized as a capital asset but it has an indefinite useful life and is therefore not amortized. **Works of art and historical treasures**, intangible assets such as patents, copyrights and trademarks and **bio assets** are not capitalized or amortized.

The City should account for a **capital lease** as an acquisition of a tangible capital asset and an incurrence of a liability in accordance with *Public Sector Accounting Guideline PSG-2 – Leased Tangible Capital Assets*.

For **joint ventures** the capitalized cost and amortization of the asset is based on the City's proportionate share of the asset as specified in the joint venture contract.

Assets removed from productive use and assets held for sale by the City which would otherwise have been reported as a tangible capital asset should be reported as **financial assets** and amortization should not be applied.

## 2) Measurement – Cost

The **Cost** of a tangible capital asset as defined by PS 3150 is the gross amount of consideration given up to acquire, construct, develop or better an asset and includes all costs directly attributable to its acquisition, construction, development or betterment, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed capital asset is considered to be equal to its fair value at the date of contribution. Capital grants are not netted against the cost of the related capital asset as full cost of the asset is considered.

Assets owned by the City but not paid for by the City including those received by way of contributions, dedications, donations and gifts, are to be recorded at **fair value**. In the case that an estimate of fair value cannot be made, the capital asset should be recognized at a nominal value of one dollar.

Many tangible capital assets, particularly office furniture and equipment and computer hardware devices, may not meet the capitalization threshold as individual assets but as an **asset pool** they do. These assets can be recorded on an annual basis based on the total cost of the pooled assets assuming all assets in the pool are similar in function, have the same useful life and meet the capitalization threshold for that asset class.

The City uses the **whole asset approach** in most cases to record the cost of each asset. However, the **component approach** is used when the cost of each component can be reasonably estimated.

## 3) Capitalization Thresholds

**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. City projects that are budgeted as capital but do not meet the threshold or the definition of a TCA are expensed in the year in which they are acquired. Costs for these assets are referred to as **capital-type expenses**.

Thresholds should be applied on an individual asset basis, unless multiple expenditures for tangible capital assets valued below the capitalization threshold that would normally be expensed, result in a material misstatement of the financial statements. In this case, assets should be recognized as an **asset pool** and recorded as a tangible capital asset.

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

**Table 1 – Major Asset Classes & Capitalization Thresholds**

Major Asset Class	Capitalization Threshold
Land	Capitalize All
Land Improvements	10,000
Buildings	100,000
Building Improvements	100,000
Engineered Structures	100,000
Machinery & Equipment	10,000
Vehicles	10,000

#### 4) Asset Classifications

In order to facilitate reporting, capital assets must be assigned to the “major” classifications outlined in **Table 1 – Major Asset Classes & Capitalization Thresholds** above. Capital assets can be further classified into minor classes. **Appendix B – Major and Minor Asset Classes and Recommended Useful Life** provides a breakdown of major and minor classes and recommended useful life for each asset class. The “major” classifications that describe what an asset objectively is include:

##### i. Land

Land includes land purchased or acquired for value for parks and recreation, building sites, infrastructure (roads, bridges, utilities etc.), and other program use but not land intended for resale.

Land owned by the City includes but is not limited to land used for parks, land under roads, sidewalks and multi-ways, land used for City owned facilities, municipal reserves, and public utilities. Annexed land and land received through contribution is also included in the City’s land inventory. Land assets are not subject to amortization.

##### ii. Land Improvements

Land Improvements consist of any capital expenditures incurred to beautify the land or to make it ready for its intended use. It includes improvements of a permanent nature such as parking lots, landscaping, fences and pathways.

The City’s land improvement assets include but are not limited to parks, playgrounds, fences, signage, ball fields, outdoor rinks and pools, the spray park, parking lots, and multi-ways.

##### iii. Buildings

Buildings are permanent or portable building structures, such as office buildings, garages,

warehouses, and recreation facilities intended to shelter persons and/or goods, machinery and equipment.

The City's buildings include but are not limited to the Civic Centre, the Operations Building, the Protective Services Building, the Leduc Recreation Centre, the Alexandra Arena, the bus barn, the library, storage sheds, and various facilities used by community groups and sporting organizations.

This classification is for newly constructed buildings in the year that construction is completed. Buildings are recorded at full cost and are not typically separated into components.

#### iv. **Building Improvements (Betterments)**

Building improvements (betterments) are any modifications, renovations or additions to existing buildings. **Betterments** typically prolong an assets useful life or improve its **service potential** or functionality. It includes major improvements such as a roof replacement or a complete overhaul of the mechanical system. It must meet the capitalization threshold.

**Repairs and maintenance** which are necessary to obtain the expected service potential of a capital asset for its estimated useful life are not betterments and should be expensed.

#### v. **Engineered Structures**

Engineered structures are permanent structural works such as roads, bridges, canals, dams, water and sewer, and utility and transmissions systems, including plants and substations.

The City's engineered structures include but are not limited to roads, water, waste water and storm systems. These are further broken down into minor classes such as pavement surface, pavement substructure, sidewalks, bridges, pipes, valves, hydrants, manholes, reservoirs and lift stations.

#### vi. **Machinery and Equipment**

Machinery and equipment includes heavy equipment used for constructing or maintaining infrastructure, smaller equipment for use in buildings and offices, furnishings, theatre audio/video and stage lighting equipment, pianos, lifts, and computer hardware and software. This class does not include stationary equipment that is attached to buildings and vehicles. In these cases, the cost is included in the cost of the building or vehicle.

When individual purchases of machinery or equipment do not meet the capitalization threshold they can be pooled and capitalized in the year of purchase as a pooled asset. Pooled assets must have similar use and function and have the same useful life.

Machinery and equipment assets owned by the City include but are not limited to tractors, mowers, sweepers, snow plows, portable radios, thermal imaging cameras, fitness equipment, office furniture and workstations, theatre audio/video and stage lighting equipment, pianos, lifts, computer workstations, servers, laptops, printers, and software. Software is only capitalized if the source code is owned by the City. Licensed software is not capitalized.

vii. **Vehicles**

City owned vehicles include trucks, vans and cars used by public services, planning, facilities and protective services. This category also includes fire trucks, ambulances and transit buses.

viii. **Work in Progress (WIP)**

**Work in progress** assets refer to new tangible capital assets such as roads and buildings that are under construction but not yet complete. Work in progress assets are not capitalized or amortized until construction is substantially complete and the asset is ready to be put into service or for productive use.

Construction costs are tracked in a work in progress (WIP) GL account and are transferred to a tangible capital asset (TCA) GL when construction is complete. Amortization begins when an asset is put into service or productive use.

## 5) **Amortization**

**Amortization (Depreciation)** is a rational and systematic manner of allocating the cost of an asset, net of its **residual value**, over its estimated useful life.

The City of Leduc typically uses the **straight-line method** with half-year rule to calculate amortization. With the straight-line method, annual amortization is calculated by dividing the original cost of the asset by its estimated useful life. The resulting amortization is accumulated annually over the useful life of the asset with the exception of the year of acquisition and final year of amortization when only 50% of the amount is applied.

The **estimated useful life** is the period over which an asset is expected to provide services. An asset's useful life can be estimated based on its expected future use, effects of technological obsolescence, expected wear and tear from use or the passage of time, and the level of maintenance and experience with similar assets.

**Appendix B – Major and Minor Asset Classes and Recommended Useful Life** is a general guide for the estimated useful life for the different asset classifications. The estimated useful lives are intended to apply to assets in new condition. The estimated useful lives of acquired used assets should be reduced based on the age and condition of the asset.

Land has an unlimited useful life and should not be amortized.

Amortization should not be recorded on work in progress, capital assets which have been removed from service but not yet disposed of, or assets held for sale.

## 6) Disposals

**Disposal** of a capital asset results in its removal from service as a result of sale, destruction, loss or abandonment.

When a capital asset is disposed of, the cost and the accumulated amortization should be removed from the accounting records and any gain or loss recorded.

Any cost of disposal paid by a department should be expensed and not netted against the gain or loss on disposal.

A **gain or loss on disposal** is the difference between the net proceeds received and the net book value of the asset and should be accounted for as a revenue (gain) or expense (loss), respectively, in the period the disposal occurs.

Proceeds from the sale of a capital asset less the net book value should be recorded in the appropriate department's realized gain/loss account. The total proceeds (*not just gains on disposal*) are transferred to the appropriate reserve account at year end.

A department may remove a capital asset from service and make plans to sell it. Amortization should not be recorded in the year the capital asset is removed from service.

For certain capital asset categories, determining the cost and corresponding accumulated amortization to dispose of can be difficult because not all assets are recorded individually. This is especially true in the case for pooled assets and linear assets such as roads and underground utilities. Asset replacement occurs on a regular basis but administrative costs to separately track and account for each acquisition and disposal transaction would be prohibitive. In these situations, if individual asset costs are available or can be reasonably estimated then a disposal is done. Otherwise, the asset pool remains on the books until it is fully depreciated. If, at that time, it is determined all of the assets in the pool are no longer in use then the entire asset pool can be disposed of.

## 7) Write-Downs

An **asset impairment** occurs when conditions indicate that a tangible capital asset no longer contributes to the City's ability to provide goods and services, or that the value of future economic benefits associated with the asset is less than the net book value. When an asset impairment is identified and conditions are expected to be permanent then the cost of the tangible capital asset should be reduced to reflect the decline in the assets value. The amount of the reduced cost of the asset is a **write down**.

Write-downs of tangible capital assets should be recorded as a current period expense in the period that the decrease can be measured and expected to be permanent.

Write-downs are permanent and cannot be reversed even if circumstances change.

### **Accounting and Reporting Requirements**

Each department is responsible for budgeting for their own capital asset purchases.

Each department is responsible for coding invoices for their capital asset purchases. Departments must provide the capital project ID and the corresponding general ledger account. Finance is responsible for providing departments with a list of the general ledger accounts that correspond to the project IDs. Departments are also responsible for determining the **fair value** for assets received by way of donation or contribution and for providing this information to finance.

Finance is responsible for keeping accurate and timely information in the general ledger (GL) and subsidiary ledger (fixed asset module). The GL should be reconciled to the fixed asset module on an annual basis after all capital asset transactions have been recorded for the year. Supporting documentation for all capital assets received by way of purchase, construction, contribution, and donation must be available as well as supporting documentation for disposals.

Finance calculates amortization annually after all other capital asset transactions have been recorded. Amortization expense and accumulated amortization recorded to the GL must reconcile to the fixed asset module.

The City is expected to maintain the following minimum information on each individual asset:

- Description – a unique identification to describe the asset such as a serial number
- Classification – as outlined in **Appendix B**
- Asset type – completed or work in progress
- Cost – total cost for the asset
- Date placed in service – date of purchase, donation or completion (The City uses December 31<sup>st</sup> of the year the asset is placed in service.)
- Amortization method – The City uses the straight line method with the 50% rule but depending on the nature of the asset a more appropriate amortization method can be used.
- Estimated useful life – as outlined in **Appendix B**
- Disposal or transfer information

The City should also maintain information about the nature of any **works of art and historical treasures** held. These are not amortized due to the difficulty in determining future value to the City of Leduc, but are simply disclosed in the notes to the financial statements.

### **Presentation and Disclosure**

As per Public Sector Accounting Standard PS 3150.40 the financial statements should disclose, for each major category of tangible capital assets and in total:

- (a) cost at the beginning and end of the period;*
- (b) additions in the period;*
- (c) disposals in the period;*

- (d) the amount of any **write-downs** in the period;*
- (e) the amount of amortization recorded for all tangible capital assets for the period;*
- (f) accumulated amortization at the beginning and end of the period; and*
- (g) the net carrying amount (net book value) at the beginning and end of the period.*

PS 3150.42 specifies that financial statements should also disclose the following information about tangible capital assets:

- (a) The amortization method used, including the amortization period or rate for each major category of tangible capital asset;*
- (b) The net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service;*
- (c) The nature and amount of contributed tangible capital assets received in the period and recognized in the financial statements;*
- (d) The nature and use of tangible capital assets recognized at nominal value;*
- (e) The nature of the works of art and historical treasures held by the City; and*
- (f) The amount of interest capitalized in the period.*

### **Additional Information**

Questions regarding capital asset requirements may be directed to the Manager, Accounting Services, who may consult with the Director of Finance.

### **Appendices**

*Appendix A – Definitions*

*Appendix B – Major and Minor Asset Classes and Recommended Useful Life*

## Tangible Capital Assets Financial Reporting Policy Appendix A – Definitions

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**“Tangible Capital Assets (TCA’s)”** are non-financial assets having physical substance that:

- are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- have useful economic lives extending beyond an accounting period (one year); and
- are utilized to achieve City plans, objectives and services with the intention of being used on a continuous basis and are not intended for sale in the ordinary course of operations.

Tangible capital assets do not include such things as:

- inventories held for resale (including land);
- capital grants;
- intangible assets, except for software which is tangible for the purpose of capitalization;
- biological assets;
- feasibility studies, business cases, management reviews; and
- assets with costs falling below the thresholds outlined in this policy.

**“Amortization (Depreciation)”** is a rational and systematic manner of allocating the cost of an asset, net of its residual value, over its estimated useful life.

**“Asset Impairment”** occurs when conditions indicate that a capital asset no longer contributes to the City’s ability to provide goods and services, or that the value of future economic benefits associated with the asset is less than the net book value.

**“Asset Pool”** are similar assets that have a unit value below the capitalization threshold but have a material value that exceeds the threshold as a group. Such assets shall be pooled as a single asset with one combined value in the year of acquisition.

**“Betterments”** are enhancements to the **service potential** of a capital asset such as:

- An increase in the previously assessed physical output or service capacity;
- A reduction in associated operating costs;
- An extension of the estimated useful life; or
- An improvement in the quality of output.

**“Bio Asset or Biological Asset”** is a living animal or plant. Bio Assets are not capitalized or amortized.

**“Capital Lease”** is a lease held on a non-financial asset that has physical substance and a useful life extending beyond an accounting period and that is used in the delivery of goods and services. Substantially all of the benefits and risks of ownership are transferred to the City without requiring

the transfer of legal ownership. For substantially all of the risks and benefits of ownership to be transferred, one or more of the following conditions must be met:

- There is reasonable assurance the City of Leduc will obtain ownership of the leased property by the end of the leased term.
- The lease term is of such duration that the City will receive substantially all of the economic benefit expected to be derived from the use of the leased property over its lifespan. The threshold for this test is 75%.
- The minimum lease payments, excluding any portion relating to executor costs are equal to 90% or more of the fair market value of the lease property at the inception of the lease.

**“Capital-type Expenses”** are costs for assets that were budgeted as capital but either do not meet the definition of a tangible capital asset or do not meet the capitalization threshold. In either case, these costs are expensed in the year they were realized.

**“Capitalization Threshold”** is the minimum cost an individual asset or asset pool must have before it is recorded as a capital asset on the statement of financial position.

**“Component Approach”** is an approach whereby major components of a capital asset are individually capitalized and amortized. For example the major components of a building (exterior shell, windows, roof, HVAC etc.) may be capitalized.

**“Cost”** is the gross amount of consideration given up to acquire, construct, develop or better a capital asset and includes all costs directly attributable to its acquisition, construction, development or betterment, including installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed capital asset is considered to be equal to its fair value at the date of contribution.

**“Disposal”** refers to the removal of a capital asset from service as a result of sale, destruction, loss or abandonment.

**“Estimated Useful Life”** is the estimate of the period over which a capital asset is expected to be used or the number of units of production that can be obtained from the asset. It is the period over which an asset will be amortized and is normally the shortest of the physical, technological, commercial or legal life.

**“Fair Value”** is the amount of the consideration that would be agreed upon in an arm’s length transaction between knowledgeable, willing parties, who are under no compulsion to act.

**“Financial Assets”** are assets that are available to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Examples of financial assets are cash on hand, accounts receivable and inventories for resale.

**“Gain on Disposal”** is the amount by which the net proceeds realized upon an asset’s disposal exceed the asset’s net book value.

**“Joint Venture”** is an arrangement in which the parties agree to pool their resources for the purpose of completing a specific project that is to their mutual benefit. Each party contributes assets and shares costs and risks. The proportionate share of the assets owned by each party is specified in the joint venture contract.

**“Loss on Disposal”** is the amount by which the net book value of a capital asset exceeds the net proceeds realized upon the asset’s disposal.

**“Net Book Value”** is the capital asset cost less accumulated amortization and any write-downs. It represents the asset’s unconsumed cost.

**“Non-financial Assets”** are assets that do not normally provide resources to discharge liabilities. They are employed to deliver government services, may be consumed or used up in the delivery of those services, and are not generally for sale. Examples of non-financial assets are capital assets and inventories held for consumption or use.

**“Repairs and Maintenance”** are ongoing activities to maintain a capital asset in operating condition. They are required to obtain the expected service potential of a capital asset over the estimated useful life. Costs for repairs and maintenance are expensed.

**“Residual Value”** is the estimated net realized value of a capital asset at the end of its estimated useful life.

**“Service Potential”** is the output or service capacity of a capital asset.

**“Straight-line Method”** is an amortization method which allocates the cost of a capital asset equally over each year of its estimated life.

**“Whole Asset Approach”** is an approach which considers an asset to be an assembly of connected parts. Costs of all parts would be capitalized and amortized as a single asset.

**“Work in Progress”** is the accumulation of capital costs for partially constructed or developed projects.

**“Works of Art and Historical Treasures”** are property that has cultural, aesthetic, or historical value that is worth preserving perpetually. These assets are not capitalized as their service potential and expected future benefits are difficult to quantify. They are, however, noted in financial statements.

**“Write-down”** is a reduction in the cost of a capital asset as a result of a decrease in the quality or quantity of its service potential. A write down should be recorded and expensed in the period the decrease can be measured and is expected to be permanent.

**Tangible Capital Assets Financial Reporting Policy**  
**Appendix B – Major and Minor Asset Classes and Recommended Useful Life**

Asset Major Class	Asset Minor Class	<sup>1</sup> Recommended Useful Life in Years
LAND		Not Capitalized
<b>LAND IMPROVEMENTS</b>	Multi-ways	25
	Parking Lots – Asphalt	20
	Parking Lots – Gravel	15
	Parks	20
	Bus Stops/Shelters	20
	Outdoor Pools	50
	Boardwalks	25
	Skateboard Parks	15
	Skating Rinks	20
	Playgrounds & Equipment	20
	Fountains	20
	Lighting	20
	Signage (Large Entryway Signs)	20
	Ball Fields	20
	Fencing	20
<b>BUILDINGS</b>	Permanent Structures	50
	Portable Structures	25
<b>BUILDING IMPROVEMENTS (BETTERMENTS)</b>	Major Overhaul	50
	Minor Restorations (not maintenance)	25
	Mechanical Systems	25
	Leasehold Improvements	Variable
<b>ENGINEERED STRUCTURES – ROADS</b>	Pavement Surface – New	20
	Pavement Surface – Overlays	10
	Pavement Substructure	40
	Curb & Gutter	40
	Rural Gravel Roads	25
	Sidewalks	30
	Bridge	50
	Bridge Culvert	50
	Traffic & Crosswalk Signals	30

ENGINEERED STRUCTURES – WATER/WASTEWATER/STORM	Pipes – All Materials	75
	Pipes – Liners	50
	Water Piping Valves	75
	Service Connections	75
	Fire Hydrants	75
	Water Reservoirs	75
	Manholes	75
	Sanitary Lift Stations	75
	Pumps	25
	Catch Basins	75
	Outfalls and Intakes	75
	Storm Ponds	75
	<b>MACHINERY &amp; EQUIPMENT</b>	
Pumper Truck Equipment	12	
Voice Recorders	10	
Ambulance Equipment	12	
Fire & Ambulance Rescue Equipment	5 - 12	
Thermal Imaging Cameras	5	
Radios & Pagers	5	
Fitness Equipment	5	
Aquatics Equipment - Mechanical	10 10	
Aquatics Equipment – Non- mechanical		
SCADA System	10	
Computers and Laptops	4	
Network Hardware	5	
Computer Software	4	
Electronic Signs (Billboard Style)	8	
Fiber Optics	30	
Large Tools & Shop Equipment	15	
Waste Collection Carts	15	
Tractors	15	
Sweepers & Brooms	10	
Pressure Washers	10	
Zambonis & Ice Equipment	10	
Snow Blowers	15	
Mowers (Ride on)	10	
Trailers	10	

	Plows, Loaders & Graders	15
	Mules	10
	Snowmobiles & ATVs	10
	Portable Signs	20
	Turf Equipment	10
	Water Meters	20
	Office Equipment	10
	Office Furniture/Workstations	20
	Restaurant – Furniture	10
	Restaurant – Equipment	20
	Photocopiers	5
	Brush Chippers	10
	Audio & Video Equipment	10
	Stage Lighting Equipment	10
	Lifts	10
	Pianos	20
VEHICLES	Light Duty	10
	Medium Duty	10
	Heavy Duty	10
	Transit Buses – 40 ft.	18
	Transit Buses – Community	10
	Transit Buses – LATS	6
	Fire Trucks	17
	Ambulances	10

<sup>1</sup>The estimated useful life is a guideline only and can vary depending on the nature and use of individual assets.

**Note: Any changes in useful life resulting from collaboration with sub-departments will be applied prospectively.**