

## TANGIBLE CAPITAL ASSET (TCA)

### Reporting Guidelines for Land Development Projects

#### 1. PURPOSE OF REPORTING

The purpose of Tangible Capital Asset (TCA) reporting is to comply with PSAB 3150 reporting obligations which require the disclosure of the value of all TCAs in the City's annual financial statements.

#### 2. REPORTING BASED ON FUNDING SOURCE

TCAs are to be reported by their funding source:

- a) *Capital Assets* are assets funded by the City, irrespective of who constructed them; and
- b) *Contributed Assets* are assets funded by others, irrespective of who constructed them.

For example:

- i) Developer Coordinated Works (DCW) – These are assets funded by the City and constructed as part of a land development project.

As the City funded the asset, the quantity and value of the asset are to be reported as a Capital Asset.

- ii) An upsizing project - where the cost of installing the minimum / base size of a main (e.g. 200mm) is funded by the land development project and the upsizing cost (e.g. increasing from the minimum size of 200mm to 300 mm) is funded by the City.

As there are two funding sources for this asset, two costs are to be reported against a single quantity of the asset. Costs paid by the development project are reported under Developer's cost column and the cost paid by the City under Upsizing/DCW column.

#### 3. WHAT ARE TO BE REPORTED?

3.1 Report all new TCAs classified by the asset categories (listed in the TCA reporting form).

3.2 On existing assets,

- i) Report any pipes/mains sections replaced as new assets.
- ii) Report pavement cut and/or pavement structure repair as new assets when they are **3 metres or wider** (within a travel lane), **and** have a length of **at least 50 metres**.
  - Pavement cuts smaller than the dimensions mentioned above are considered maintenance and costs are considered expensed and thus not reported. For example:
    - A pavement cut repair 2 metres wide and 60 metres long is not a new asset; and
    - A pavement cut repair 3.3 metres wide and 20 metres long is not a new asset.
  - Utility trench repairs, unless finished to dimensions mentioned in ii) above, are considered maintenance repairs and not reported.
  - Widening of road edges, unless they create one or more travel lane(s), are not considered new asset(s), and not reported. However, if an existing lane or a new road lane is paved

over beyond the lane width, when reporting new pavement quantity, the total cost reported should also include the cost incurred for widening beyond the lane width.

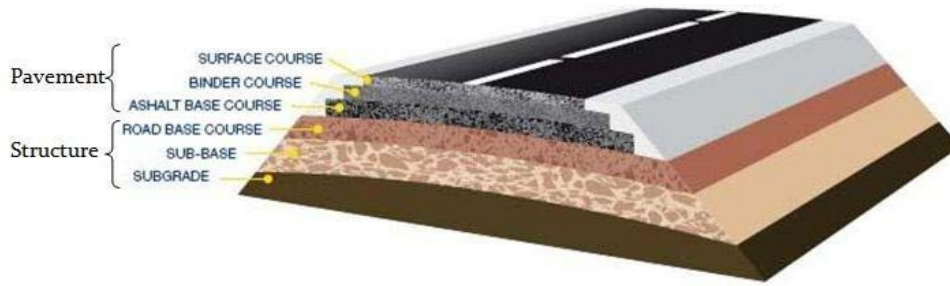
3.3 For any work/ services that do not meet the TCA reporting guideline, please check off “No TCA required” and indicate the nature of services/ work performed (i.e. Manholes, minor repairs or parts, etc).

#### 4. REPORTING TRANSPORTATION TCAs

##### 4.1 Definitions:

- a) Pavement: is asphalt part of a road and includes surface layer and the base asphalt layer.
- b) Structure: contains the road components below the pavement: road base, sub-base, and sub-grade (refer to Figure 1).
- c) Travel lane:  
A travel lane is a single road lane that is in use for driving. Report both pavement and structure of travel lane in lane-metre.
  - Turning lanes and bus lanes including bus bays are travel lanes.
  - Bike lanes and Parking lanes are not travel lanes; but their costs are to be added to Travel lane cost when reporting (like including the cost of furniture of any asset).
  - A fully developed road with no lane markings (typical local roads), but allows traffic in both directions, has two travel lanes.
  - A half road (with remainder half yet to be installed by another development), despite vehicles travelling in both directions, has a single travel lane.
- d) Lane-metre:  
For TCA reporting purposes, Local, Collector, and Arterial roads are measured in lane-metre unit. A lane-metre refers to one metre long single travel lane, irrespective of its width.  
  
E.g.: 100 metre long road with 2 travel lanes has  $2 \times 100\text{m} = 200$  lane-metres.
- e) Frontage road (typically in front of properties): provides access to arterial roads. Report Frontage roads as Local roads having two travel lanes. If a frontage road is designated as one way, then report as having single travel lane.
- f) Access Lane (Rear Lane, typically behind properties): is a separate category of asset and not a local road. Report Access Lanes in linear metre (and not lane-metre).
- g) Multi-Use-Pathways (MUP): are asphalt or other paved/packed pathways, 2 metres or wider, separated from motor vehicle traffic but used for multiple uses such as pedestrian and bicycle traffic. Report MUP in linear metre.
- h) Sidewalks: a pedestrian path generally along the side of a road and typically 1.5 – 1.8 metres wide, including hard-surfaced boulevards. Sidewalks are normally separated from the road pavement by a curb and a narrow boulevard, and may be constructed with concrete, asphalt concrete, or other suitable material. Report Sidewalks in linear metre.
- i) Median: is the central strip of the road that separates opposing lanes of traffic, made of any material and to any width but raised above the finished asphalt grade. Median is measured in linear metre. A roundabout may be approximated to one diameter (of the roundabout) long median.

Note, curb is considered a furniture item and not reported as a separate asset.

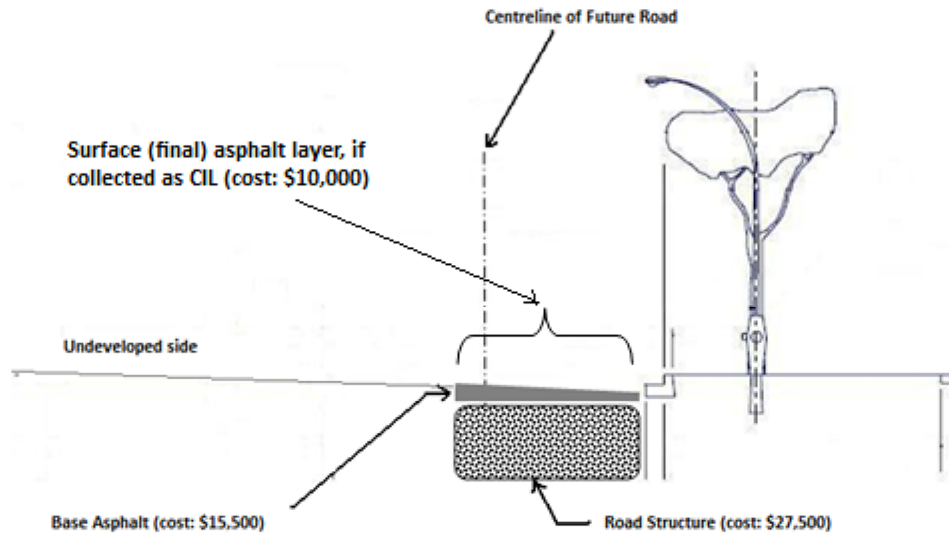


**Figure 1: Pavement and Structure of Road**

**4.2 Reporting Part Construction of a Local Road**

When a half-road is constructed, it is be reported as a single lane (regardless of vehicles may travel in both directions in the interim until the remainder half is constructed).

For example, if Project 1 constructs 100 metre long half-road, it must be reported as:



**Figure 2: Half-road construction by Project 1.**

TCA	Quantity	Developer's Cost (Contributed Asset Value)
Pavement	0	0
Structure	1 lane x 100m = 100 lane-metres	\$27,000+\$15,000 = \$42,000

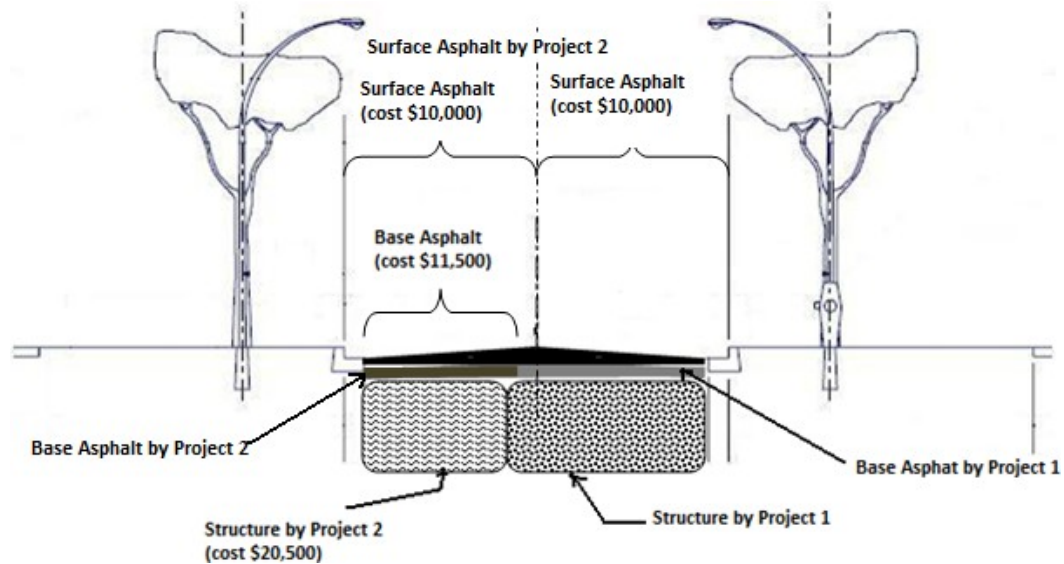
Note,

- Works beyond centreline are not considered in lane quantity but the cost is included.
- Cost of base asphalt \$15,500 is reported with cost of structure.
- In this example the final surface asphalt is not completed by Project 1, instead it is paid as Cash-In-Lieu. This cost is not reported as asset.

*Alternatively, if the final asphalt layer is installed by Project 1, then the 100 lane-metres of pavement shall be reported at actual cost of construction.*

**When Project 2 completes the balance half of the road,**

Project 2 completes the remaining half of the road to the required road width: complete with the structure, base asphalt, and the surface (final) asphalt layer for the entire road. The Cash-In-Lieu collected for the final asphalt layer from Project 1 is released (to Project 2) by the City to complete the final asphalt layer.



**Figure 3: Completion of remaining half-road by Project 2**

Project 2 TCA report shall be as follows:

TCA	Quantity	Developer's Cost (Contributed Asset Value)	DCW Cost (Capital Asset Value)
Pavement	2 lane x 100m = 200 lane-metres	\$11,500 + \$10,000 = \$21,500	\$10,000
Structure	1 lane x 100m = 100 lane-metres	\$20,500	

Note, works paid through Cash-In-Lieu funds reported as City's Capital Assets (under DCW Cost column in the TCA reporting form).

**Reporting under Project 1 & Project 2, in total**, provides the correct total value for the full road as given below.

TCA	Quantity	Developer's Cost (Contributed Asset Value)	DCW Cost (Capital Asset Value)
Pavement	200 lane-metres	\$21,500	\$10,000
Structure	200 lane-metres	\$62,500	0

### 4.3 Reporting Assets in Provincial Highways

- The Structure and Pavement of Provincial highways are not City assets, and therefore need not be reported. Please check with Engineering Department staff to clarify the ownership of any asset.
- If urban features such as sidewalks, multi-use pathways, and street lights are installed with City funds, they are to be reported as Capital Assets.
- Water, sanitary sewer, and drainage infrastructure constructed under Provincial highways, unless belonging to Metro Vancouver, are City assets, and are to be reported. Please check with Engineering Department staff to clarify the ownership of any asset.

## 5. DISPOSAL

The disposal of assets is to be reported as outlined below:

- When an asset is abandoned from its service permanently, its disposal must be reported.
- Excavated material for utility installation, unless excavation dimensions comply with guidelines referenced in 3.2 ii) above, are not considered disposal.
- When an existing asset is replaced and old asset is no longer in use, the old (or decommissioned) asset is to be reported as disposal. For example, if final asphalt layer overlay is installed over the existing road, then following is to be reported,
  - i) the number of lane-metres paved-over as disposed, and
  - ii) the number of lane-meters installed as new.

## 6. REPORTING WATER, SEWER, AND DRAINAGE TCA

- TCAs only under the categories listed in the TCA report form (see 1<sup>st</sup> column in Figure 4) shall be reported. Components attached to the asset are called ‘furniture’ of the reported asset (see list of furniture in column 7). **Asset value will include the value of furniture items attached to the asset.**
  - E.g.: Hydrants, valves, meters, etc., are considered furniture of water main.
  - Do not report the “furniture” items alone. For example, if only the service connection is installed without a main installation, the value or quantity of these items need not be reported.
- Each report shall include the quantity of asset (Column 2) and the developer’s cost (Column 4). E.g.: Report mains in linear metres and items such as pump stations and PRVs in numbers.
- If any work is done by the developer on behalf of the City and paid for by the City, the value of this work is to be reported as ‘Upsizing /DCW’ (Column 5, and not under ‘Developer’s cost’)
- Each report shall include the quantity of assets disposed and other requested information under “FOR DISPOSAL ONLY” (last 3 columns to the right). No value needs to be assigned to disposed assets.

Water						FOR DISPOSAL ONLY			
Item	Quantity	Unit	Developer's Cost	Upsizing / DCW (if applicable)**	Total Value	Furniture Included in Sub-Type Item	Disposed Quantity	Diameter of pipe (if applicable)	Installati year
Distribution (AC, CU, GI, GS and CAS )		linear metre			-	Main, valves, meters, fittings, service laterals, corporation stops, hydrants, and other related furniture.			
Distribution (CC, and CO)		linear metre			-	Main, valves, meters, fittings, service laterals, corporation stops, hydrants, and other related furniture.			
Distribution (PE, PVC, SC, and SP)		linear metre			-	Main, valves, meters, fittings, service laterals, corporation stops, hydrants, and other related furniture.			
Distribution (DC, and DIP)		linear metre			-	Main, valves, meters, fittings, service laterals, corporation stops, hydrants, and other related furniture.			
Wells		each			-	Well, liner, pump, pump house, screens, and other related furniture.			
Pump Stations - Structural & Piping		each			-	Building, and internal piping, and other related furniture.			
Pump Stations - Electrical & Mechanical		each			-	Electrical systems (MCC, PLC, SCADA), mechanical systems, and other related furniture.			
Pressure Reducing Valves		each			-	Valve, chamber, electrical and mechanical components, and other related furniture.			
			\$ -	\$ -	\$ -				

Figure 4: Sample TCA Reporting Form (Water Assets)

## 7. PERMANENT AND TEMPORARY ASSETS

For TCA reporting purposes, all assets are considered to be permanent unless proven that they are temporary.

### How to determine if an asset is temporary

For an asset to be considered temporary, both the following conditions must be met.

- (i) The intent is to retain the asset on a temporary basis, **and**
- (ii) With certainty, it can be stated that the expected life of the asset will be less than the established life of a similar permanent asset.

- Established lives of assets are available with the City.
- Temporary assets such as detention/siltation ponds are not to be reported.