
Capital Asset Categories

Land and land improvement includes land purchased for parks and recreation, building sites and other program use. This land class also includes land improvements that do not deteriorate with use or passage of time such as excavation costs required to bring the land into condition to commence erection of structures. It does not include land acquired by right of NBCC or land held for resale.

Buildings include basic buildings, provincially owned schools, community colleges and complex structures such as fish hatcheries and greenhouses. Costs incurred for installation of water and sewer utilities in areas where municipalities don't provide these services would be included in the cost of the building. Items to furnish the buildings (first time equipping) such as chairs, desks, filing cabinets, photocopiers, etc. are not considered part of the building costs.

Portable Classrooms are modular buildings or trailers that are placed on a school site to provide additional classroom space.

Leasehold Improvements are additions, improvements or alterations made by the lessee to leased property that cannot be removed upon termination of the lease because they are attached to or form part of the leased premises.

Motor Vehicles and Mobile Heavy Equipment includes vehicles used primarily for transportation purposes and heavy equipment. Motor vehicles include passenger vehicles, such as automobiles, trucks, vans, and buses. It also includes snowmobiles, boats, motorcycles, off-road vehicles, utility trailers, ambulances, fire trucks, etc. Mobile heavy equipment would include backhoes, front-end loaders, graders, large trucks, tractors, bulldozers, excavators, forklifts, trailers, floats, etc.

Major Equipment includes welding machines, auto repair equipment, telecommunication equipment, fish hatchery equipment, fire-fighting equipment, hospital equipment, diesel/electric generators, etc.

Assets under Construction - include assets that go through a period of construction before they are ready to be used. Costs related to assets under construction are accumulated in the asset under construction class and transferred to a regular asset class when the asset is ready for use. Assets under construction are not amortized. Separate asset under construction classes will be established as needed to correspond to the related asset class.

Leased Capital Assets are valued as the net present value of the stream of future lease payments. Separate classes for capital leases will be established, as needed, e.g. capital lease-buildings, capital lease-equipment.

Intangible properties are capital assets that lack physical substance. Examples of intangible properties include copyrights, patents, and software.

The following assets are not considered capital assets:

- a) inventories held for resale (including land)
- b) land and other assets acquired by right, such as Crown lands, forests, water & mineral resources
- c) works of art and historical treasures
- d) feasibility studies, business cases, management reviews, post implementation reviews, training, training materials
- e) assets below the capitalization thresholds

Assets acquired by right are not recognized as capital assets because the costs, benefits and economic value of such items cannot be reasonably and verifiably quantified using existing methods.

Works of art and historical treasures are not recognized as capital assets because a reasonable estimate of future benefits cannot be made.

If in doubt whether an asset should be capitalized, departmental staff should contact the Vice President Finance and Administration.