

SECTION PS 4230

capital assets held by not-for-profit organizations

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .05 The definitions that follow have been adopted for purposes of this Section.
- (h) **Service potential** is used to describe the service capacity or output of a capital asset and is normally determined by reference to attributes such as useful life, associated operating costs, physical output capacity and quality of output.
- .15 The cost incurred to enhance the service potential of a capital asset is a betterment. Service potential may be enhanced when there is an increase in the previously assessed service capacity, associated operating costs are lowered, the useful life is extended, or the quality of output is improved. The cost incurred in the maintenance of the service potential of a capital asset is a repair, not a betterment. If a cost has the attributes of both a repair and a betterment, the portion considered to be a betterment is included in the cost of the capital asset.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended substantially as a consequence of approving PUBLIC PRIVATE PARTNERSHIPS, Section PS 3160.

- .02 This Section applies to capital assets recognized under PUBLIC SECTOR GUIDELINES PSG-2, Leased Tangible Capital Assets, and PSG-5, Sale-Leaseback Transactions.

SUPPLEMENT

This supplement sets out the previous wording of the paragraph that has been amended substantially as a consequence of approving ASSET RETIREMENT OBLIGATIONS, Section PS 3280.

- .05 The definitions that follow have been adopted for purposes of this Section.

...

- (d) **Cost** is the amount of consideration given up to acquire, construct, develop, or better a capital asset and includes all costs directly attributable to the acquisition, construction, development or betterment of the capital asset including installing it at the location and in the condition necessary for its intended use. For a contributed capital asset, cost is considered to be fair value at the date of contribution. Cost includes any asset retirement cost.

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