



REQUEST FOR DECISION

Meeting: April 28, 2025

Asset Retirement Obligation Policy

DESCRIPTION/BACKGROUND:

In discussion with the Town's auditors, Gregory Harriman & Associates following their review and audit of the 2024 Financial Year End, a recommendation was made that the Town adopt an Asset Retirement Obligation Policy.

The public sector accounting board established PSAB 3280, Asset Retirement Obligations (ARO) effective for fiscal years beginning on or after April 1, 2022. PSAB 3280 establishes the accounting standards for recognizing, measuring, and reporting AROs for public sector entities, and is a legal obligation to retire tangible capital assets in a safe and environmentally responsible manner when they are no longer in use. The standard is meant to promote transparency and accountability by ensuring that the financial implications of future asset retirement activities are recognized within the annual financial statements.

The Town has been following this standard and has reported its obligations within the financial statements. However, there is currently no policy in place for administration that establishes a governance framework for the financial accounting and reporting of assets, liabilities, and expenses associated with Asset Retirement.

DISCUSSION/OPTIONS:

As per the recommendation and policy advice of the Town's auditors, Administration has drafted an ARO Policy for Council review and approval consideration.

PROPOSED RESOLUTIONS:

Moved by Councillor _____ to adopt Policy #3.2.20 – Asset Retirement Obligation.

ATTACHMENTS:

- 1.) Policy #3.2.20 - Asset Retirement Obligation

APPLICABLE LEGISLATION:

- 1.)

PREPARED BY: Jennifer Place, Director of Corporate Services

APPROVED BY: Abe Tinney, CAO

DATE: April 22, 2025
