

Capital Expenditures

Niagara Regional Housing encourages long-term planning for capital expenditures. To assist the corporation with this planning, this appendix has been developed to provide some guidance to housing providers when determining which expenditures should be charged to the Capital Reserve Fund and which are operating costs. This appendix is not intended as a definitive or comprehensive listing but as an illustration of the treatment of various types of expenditures.

Building Components

The replacement or upgrade of major building components are capital expenditures. Examples of such items are:

- Replacement of windows
- A complete bathroom upgrade such as the replacement of all fixtures and installation of new tile
- Roof replacement due to long-term deterioration
- Major elevator upgrade
- Replacement of furnaces
- Replacement of flooring and carpets

Note: Regular maintenance items which are required at fairly short-term intervals due to normal wear and tear are considered operating costs. These include:

- Painting
- Replacement of drapes and blinds
- Replacement of faucets
- Caulking
- Rectifying deficiencies from annual inspections
- Rectifying deficiencies from move-outs
- Roof repairs / reshingling
- Elevator repairs

Grounds

Construction of walkways and fencing and significant site upgrades such as regrading or construction of retaining walls are capital expenditures.

Note: Resodding parts of the grounds, planting or removing trees, shrubs or flowerbeds, repairing fences, pruning trees and other general grounds maintenance items are considered operating costs.

Paving/Asphalt

Paving of driveways and parking lot areas or other jobs that involve upgrading, laying stone and reconstruction work are capital expenditures.

Note: Repairs to asphalt to restore it to an efficient operating condition are considered operating costs.

Appliances

Purchase of major appliances, such as refrigerators and stoves, are capital expenditures.

Office Equipment

Purchases of large office equipment, such as computers and photocopiers, are capital expenditures.

Vehicles and other Equipment

Purchases of vehicles, riding lawn mowers or other large equipment are capital expenditures.

Furniture

Purchases of furniture are capital expenditures.