

Tangible Capital Assets Project Newsletter

April 2008

Number 7

Future Key Dates

Newsletter No. 8
July 2008

Liaison Committee
May 22, 2008
June 26, 2008

Municipal Administration
Leadership Workshop
Kananaskis
May 7 – 10, 2008

Institute of Chartered
Accountants of Alberta
Breakfast Seminars
Calgary - May 28, 2008
Edmonton - May 29, 2008

Government Finance Officers
Association of Alberta
Annual Conference
Canmore
June 3 - 6, 2008

Local Government
Administration Association
TCA Workshop
Red Deer
June 23, 2008

Alberta Public Works
Association
TCA Valuation Workshop
Red Deer
June 24, 2008

Guidelines Released on Valuation of Tangible Capital Assets

Valuation Manual

Alberta Municipal Affairs has just released the replacement cost manual for infrastructure assets. The manual, entitled “*Guidelines on Valuations of Tangible Capital Assets for PSAB 3150*”, is available on the TCA Project web page at www.MENet.ab.ca under the Inventory and Valuation heading.

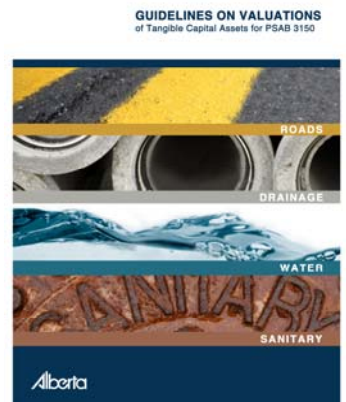
The manual was prepared to assist municipalities to establish a “one time” valuation in order to comply with the PS 3150 accounting standard.

PS 3150 provides that when a government does not have historical cost accounting records for its tangible capital assets, it will need to use other methods to estimate the cost and accumulated amortization of the assets.

The manual includes 2006 cost data for roads and related drainage facilities, water and wastewater systems. These costs can be applied to your inventory and then deflated back to the in-service year to arrive at an estimated historical cost.

Cost Index Worksheet

A new worksheet has been added to the Inventory and Valuation section of the web page. The worksheet allows you to choose one of three recommended cost indexes. A deflated cost base is automatically calculated. This worksheet can be used with the Valuation Manual cost data or with other cost estimates prepared by the municipality.



Bridge Valuation Pilot Project

A bridge pilot project has been underway recently with several rural municipal volunteers. The pilot results to date indicate that the Alberta Infrastructure inventory data is a fairly good match with the municipal bridge files.

Some final verification work is being completed to substantiate the cost data before the final release of the bridge inventory and valuation guideline.

**Things You Should
Be Doing Now**

**Hire a Student
Complete the Inventory
Establish Valuation Method**

TCA Toolkit Updates

The TCA Toolkit includes information and recommendations prepared to assist municipalities with the 2009 transition to the new tangible capital asset accounting standard.

Edition 2 of the TCA Toolkit is now posted online, and it includes all revisions and all new materials that have been published since the initial release of the Toolkit in June 2007. The Valuation Manual and the Cost Index Worksheet are posted under the Inventory and Valuation heading.

Check the TCA Project website at www.MEnet.ab.ca for ongoing updates.

Contact Municipal Affairs at (780) 427-2225 if you have any questions.

Dial 310-0000 to call toll-free within Alberta.

MIMS & Tangible Capital Assets (TCA)

The Municipal Infrastructure Management System (MIMS) is a computer application that was developed to assist small to medium-sized Alberta municipalities with maintaining inventory information for their water, wastewater, storm, and gas distribution systems, as well as their buildings and roadways.

MIMS already maintains some of the TCA required information for each asset, such as asset description, location, and install year. The MIMS Team is currently adding functionality to MIMS to further assist with TCA reporting requirements.

This will allow users to classify assets into major and minor asset classes (and subclasses), and to add additional TCA required information, such as expected useful life. It will also be easier to export the inventory data from MIMS to Excel, where further valuation and amortization analysis can be completed.

For further information, please contact the MIMS Team:

Phone: 1-866-646-7473

Email: support@albertamims.org

Website: www.albertamims.org



Project Status Update

Members of the Alberta Chapter of the Government Finance Officers Association are currently involved with research projects associated with the next phase of the new accounting standards. In addition to tangible capital assets, municipalities will be required to implement PS Handbook Sections 1000, 1100 and 1200.

Over the next several months, position papers and other *how-to* information about financial reporting changes will be rolled out to prepare for the 2009 transition.

Web Links

Government Finance Officers Association

Alberta Chapter

www.gfoa.ab.ca

Alberta Tangible Capital Assets Project Website

www.MEnet.ab.ca/TCA

Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO)

www.amcto.com

Ontario Municipal Benchmarking Initiative

www.ombi.ca

Public Sector Accounting Board (PSAB)

www.psab-ccsp.ca



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