

Tangible Capital Assets Project Newsletter

July 2007

Number 4

Future Key Dates

Newsletter No. 5
October 2007

Liaison Committee
September 20, 2007

October 11, 2007

Western Canada Government
Finance Officers Association
Annual Conference
Calgary, AB

September 12-14, 2007

Association of Summer
Villages of Alberta
Annual Conference

Edmonton, AB

October 19, 2007

Electronic Toolkit is Now Online

The toolkit is now available at
www.MENet.ab.ca

The toolkit includes information to help your municipality with accounting for Tangible Capital Assets. Implementation planning, policies and guidelines, and inventory and valuation information are included in this first edition.

Additional recommended guidelines, web links and new research will be added to the site in the future. Check the work-in-progress page for new project developments.

A sample inventory and valuation worksheet is posted with the toolkit. It is generally targeted to smaller municipalities, but others may also find the format and definitions useful in considering the data fields needed to complete the capital asset inventory.

Remember to check out the MEnet discussion board – post your questions or add some answers to assist other users with your experiences.



Contact

Municipal Affairs and Housing
Financial Advisory Services
at (780) 427-2225
if you have any questions.
Dial 310-0000 to call toll-free
within Alberta.

Valuation Matters



Municipalities are strongly encouraged to get started on the inventory process this summer. An engineering firm has been retained to develop valuations for infrastructure in Alberta. Public works and accounting staff recently participated in workshops focused on municipal roadway infrastructure. Attendees discussed various aspects of the project, including road classifications, cost influences and units of measure.

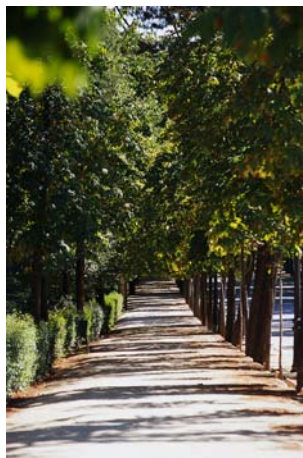


The ministry has expanded the scope of the valuation project to include drainage, water and sanitary sewer infrastructure assets. Additional workshops will be held this fall. The manual should be complete by late 2007.

You asked about....

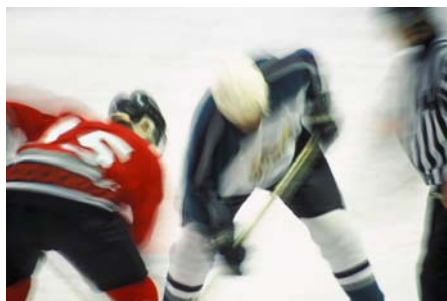
“Our municipality has a large number of valuable trees. Are trees a tangible capital asset?”

Although trees may meet the definition of an asset, they do not meet the Public Sector Accounting Handbook definition of a tangible capital asset. Trees, animals and the like are considered to be biological assets, and it is not necessary to include them in your inventory of capital assets.



“Our arena is jointly owned and operated by three municipalities. How should it be recorded for accounting purposes?”

There is no one correct answer to this question. A recommended guideline is under development, and will provide a decision tree approach to determining how to record jointly-owned or jointly-managed assets.



“I understand that there will be a report card in 2007 about our progress on the Tangible Capital Assets Project. What is this all about?”

Full compliance with the new accounting standard is required for 2009. However, in 2007 and 2008, Public Sector Accounting Guidelines will require financial statement note disclosure to show how much of the work is complete. A sample format for the note disclosure is on the toolkit site at www.MEnet.ab.ca.



Things You Should Be Doing Now

Develop Capital Policies
Consult with Your Auditor
Start the Inventory Work

Web Links

Government Finance
Officers Association of
Alberta

www.gfoa.ab.ca

Alberta Tangible Capital
Asset Project Website

www.MEnet@ab.ca/TCA

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

[www.amcto.com/db/
assetmgmt.asp](http://www.amcto.com/db/assetmgmt.asp)

Ontario Municipal
Benchmarking Initiative

www.ombi.ca

Public Sector Accounting
Board (PSAB)

www.psab-ccsp.ca

Project Status Update

Thanks go to the Alberta Urban Municipalities Association for arranging two web casts in June 2007 for interested municipal staff. The sessions covered most of the information that was included in the Government Finance Officers Association (GFOA) Spring Regional Workshops.

GFOA working group members continue to work on a number of issues including the impact on financial position and budgets.

Recommended guidelines are in development for specific issues including donated assets, valuation dates, and jointly owned assets.



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