

## Future Key Dates

Newsletter No. 9  
October 2008

Liaison Committee  
September 11, 2008

**\*Rescheduled**  
Institute of Chartered  
Accountants of Alberta  
Breakfast Seminars  
**Edmonton**  
September 24, 2008  
**Calgary**  
September 25, 2008

Western Canada  
Government Finance Officers  
Association Conference  
Victoria, B.C.  
October 8 - 10, 2008

## Tangible Capital Assets Transition Just Around the Corner

### What comes after January 1, 2009?

Canadian municipalities must account for their tangible capital assets as of January 1, 2009. The focus in recent months has been on the transition issues related to completing an asset inventory and estimating the historical cost of assets in service as of that date.

On January 2, 2009, tangible capital asset (TCA) accounting becomes an ongoing exercise. Municipalities need to establish processes to deal with future TCA transactions. Consideration should be given to maintaining and updating inventories, recording acquisitions, disposals and write-downs, calculating amortization and preparing reports.

### How will the annual financial statements change?

For fiscal year 2009 reporting purposes, municipalities switch over to the new financial reporting model. This will align the annual financial statements with the presentation currently used by senior governments. Three position papers have been completed and added to the TCA Toolkit. Refer to the "TCA Toolkit Updates" section of this newsletter.

### What is the impact on future budget practices?

The financial statement changes, as well as the TCA requirement, bring a non-cash dimension to financial reporting and to budgeting. A budget template is currently in development to assist with establishing a cash requirements budget that links to the new financial reporting standard. A number of budgeting decision points are provided including cash required for current operating purposes, current capital purposes and future needs. The template will also include a decision point to consider in determining whether or not to fund amortization. The template and detailed instructions will be available in September 2008.



### Villages Working Together on TCA Project

The villages of Irma, Chauvin and Edgerton (ICE) are working together in order to complete the TCA requirements by 2009. Two individuals recently hired by ICE to assist with the inventory work found that using prior year's financial statements was a good starting point to identify asset additions during any particular year. Changes in the financial statement numbers were verified to identify the asset and the original cost. Data was then compiled into an Excel spreadsheet using standard categories such as administration, fire, water and recreation, along with sub-categories for the asset type. Old files and minute books were reviewed to find asset descriptions that would support the dollar amounts.

## TCA Toolkit Updates

The TCA Toolkit is located at [www.MEnet.ab.ca](http://www.MEnet.ab.ca) and provides information and recommendations to assist municipalities with the new accounting standards.

Position papers recently posted under the Financial Reporting heading include the impact of reporting TCA, financial reporting changes, and accumulated surplus defined.

Additions to the TCA Toolkit that are scheduled for posting by September 2008 include guidance on land under roads, contributed assets, transition journal entries and a miscellaneous Q&A. The bridge inventory and valuation process is being verified and will be added under the Inventory and Valuation heading.

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

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

### Things You Should Be Doing Now

Review implementation plan  
Adjust targets if necessary  
Establish a go-live date

## MIMS & Tangible Capital Assets

The Municipal Infrastructure Management System (MIMS) application was developed to assist small to medium-sized Alberta municipalities with maintaining inventory information for their infrastructure assets. The latest version of MIMS (4.3.0) was released on July 22, 2008 and has additional functionality to assist with TCA reporting requirements. For further information, please contact the MIMS Team:

Phone: 1-866-646-7473

Email: [support@albertamims.org](mailto:support@albertamims.org)

Website: [www.albertamims.org](http://www.albertamims.org)



## Project Status Update

This year's Government Finance Officers Association provincial conference was held in Canmore from June 3 to 6, 2008 with a record attendance of 220 delegates. Sessions included a presentation on the upcoming financial reporting changes and the budget implications of TCA accounting.

Association members were recognized during the conference for their many contributions to the TCA project. Over the past two years more than 50 individuals from large and small municipalities have devoted their time and expertise to collaborate, to share information and to find innovative solutions.

## Web Links

Government Finance Officers Association

Alberta Chapter

[www.gfoa.ab.ca](http://www.gfoa.ab.ca)

Alberta Tangible Capital Assets Project Website

[www.MEnet.ab.ca/TCA](http://www.MEnet.ab.ca/TCA)

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

[www.amcto.com](http://www.amcto.com)

Ontario Municipal Benchmarking Initiative

[www.ombi.ca](http://www.ombi.ca)

Public Sector Accounting Board (PSAB)

[www.psab-ccsp.ca](http://www.psab-ccsp.ca)