Getting Ready for 2009

September 21, 2006

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Agenda

- PSAB Standards
- The Perfect Storm
- Management Needs
- Coordinated Approach
- First Things First
- Get At it

PSAB Standards

- Section 3150 Tangible Capital Assets
    - Record and amortize all assets
    - Implement on or before 2009
    - PSG 7 - reporting reqts for 2007 & 2008

PSAB Standards

- Financial Reporting Model ED
  - Outlines concepts, objectives and presentation
  - Implement on or before 2009
  - Takes away the ability to smooth surpluses/deficits

PSAB Standards

- Government Transfers ED
  - Defines transfers
  - Record transfers received or receivable as revenue
  - MATCHING no longer available

The Perfect Storm

- ## For 2009:
  - Record all assets…
  - No more matching
  - Change the way you report and budget
    - And BTW don't balance your budget

Management Needs

- Information on infrastructure
- Maintenance management
- Understanding of new financial reporting
- Planning tools

Coordinated Approach

- We all need the following data:
  - Listing of assets
  - Information on asset life and residual value
  - Process to determine how assets are:
    - Added, deleted, improved, consumed, deteriorated, and costed

Coordinated Approach

- Find out what the engineers have:
  - Asset listings
  - Useful lives & residual values
  - Processes for maintenance or renewal
  - Maintenance Management Systems
  - Models for future planning

Coordinated Approach

- Use what the engineers have:
  - Their asset database will always be more accurate
  - They're paid to manage assets
  - They're trying to grapple with the infrastructure deficit

Coordinated Approach

- We each care about:
  - Knowing our assets
  - Understanding our costs
  - Robust processes
  - Understanding the health of our infrastructure
  - Funding future requirements

Coordinated Approach

- Where we differ:
  - Level of detail
  - Historical cost vs replacement cost
  - Statutory reporting vs management reporting

FIRST THINGS FIRST

- 1st PHASE:
  - COMMUNICATE
  - RESEARCH
  - Financial info needs
  - Existing info available
  - Engineering and management info needs
  - Catalog assets

FIRST THINGS FIRST

- 2nd PHASE:
  – COMMUNICATE
  – Processes for each major category.
  – Useful lives and residual values.
  – System(s) required to record and report
  – New reporting and budgetary impacts

FIRST THINGS FIRST

- 3rd PHASE:
  - COMMUNICATE
  - Cost the assets
  - Integrate other management needs
  - Adopt new reporting budgeting
  - Ongoing monitoring needs

GET AT IT

- There is a looming deadline
- Project management should already be underway
- Data collection is important, establishing processes even more so
- We can't go in sequence

GET AT IT

- We are not alone:

- OMBI, MFOA/AMCTO, PSAB, CA firms, GASB, senior levels of government, individual municipalities…