

ASSET MANAGEMENT

Practical applications from an accounting perspective

Adam Yelland, CPA
ajyelland@collinsbarrow.com



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TIMELINE

- **Prior to June 30, 2018**
 - Get educated in asset management (a general familiarity with the subject)
 - Develop and approve a policy & strategy
 - Develop an asset register for all asset classes
- **June 30, 2019**
 - Document current and desired condition of assets for amount of classes required (based on population)
 - Check in with council on progress
- **June 30, 2020**
 - Identify funding gaps for completed asset classes (same requirement as the previous year for # of classes)
- **June 30, 2022**
 - Check in with council RE: monitoring and improving plan.
- **Ongoing**
 - Answer surveys as required
 - Possibility of other requirements to come

REQUIRED #OF CLASSES

- Based on population:
 - <500 = 1 asset class
 - 501 to 1,500 = 2 asset classes
 - 1,501 to 5,000 = 3 asset classes
 - >5,000 = 4 asset classes

ASSET REGISTER INFORMATION

PSAS 3150

Excerpt – “.06 Governments need to present information about the complete stock of their tangible capital assets and amortization in the financial statements to demonstrate stewardship and the cost of using those assets to deliver programs and provide services.”

ASSET REGISTER INFORMATION

Asset Management - GTF

Excerpt – “Asset management is a municipality’s plan for how to manage municipal infrastructure in order to provide services to residents and other users in a way that meets their expectations, and is financially sustainable into the future” – Gov of Sask – GTF: Asset management: making progress.

ASSET REGISTER INFORMATION

PSAS 3150

Information on hand

- Identifier
- Description
- Location
- Asset class
- Area of use
- Cost ←
- Amortization ←
- Net book value ←
- Replacement cost
- Residual value
- Age of asset
- Useful life ←

ASSET REGISTER INFORMATION

PSAS 3150

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Asset Management

Information needed

- Identifier
- Description
- Location
- Asset class
- Cost
- Replacement cost
- Age of asset
- Useful life
- Remaining useful life
- Material of construction
- Condition (physical, functional, demand)
- Annual operating costs
- Segmentation

EXCEL

ARGUMENTS AGAINST

- Arguments as to why an asset management listing may not need to match a TCA asset listing.
 - » Breaking assets into more / smaller components
 - » Recording assets below TCA capitalization thresholds

ADVANTAGES OF USING TCA INFO

- Saves work setting up asset register
- Matches to the general ledger & financial statements
- Saves work going forward so you don't need to maintain two asset registers.
- Can help avoid sinking money into repairs when replacement may be a better option
- Can help prioritize purchases
- Can help identify impaired assets
- Is a fairly cost effective alternative

QUESTIONS?

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RESOURCES

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