



PSAB and the Total Capital Planning Solution (TCPS®)

A Business Solution for PSAB 3150 Reporting Requirements

Background

PSAB 3150 is coming into effect on January 1st, 2009 and Canadian Municipalities will need to find ways to comply with this requirement to report publicly on the infrastructure deficit. The infrastructure deficit can be defined as the difference between the forecasted financing needs related to ongoing maintenance and replacement of their tangible capital assets and the fiscal capacity of the government to generate that financing.

The key elements of that reporting are:

- ✚ Inventory; its classification and the division of assets into those categories;
- ✚ Valuation of the tangible capital assets to assign the correct current value to them;
- ✚ Amortization of the value of the assets; and,
- ✚ Reporting to the public on the current and future state of the tangible capital assets and the funding requirements needed to sustain them.

TCPS® meets all your PSAB needs.

TCPS® has the full range of capabilities to meet the needs of PSAB 3150. Using its unique and powerful Object Oriented Database design, it captures and connects the huge amounts of data associated with assets. Only this advanced design allows you to 'slice and dice' your data in the ways that you need to report it for PSAB 3150. Its ability to draw the links between assets, their condition, their usage, and the complex world of financial accounting is what makes TCPS® the number one choice for PSAB compliance.

Inventory

Inventory classification and categorization is fundamental to TCPS® and is an integral part of its elegant data structure. You have full control over your classification and categorization structures. Change them as you evolve without expensive programming or consulting – it's all done in by your staff in the Administration Module. Need to capture more detail on an asset? Instantly, your administrator can create new fields and make them available for data entry by the system users.

With the object oriented design, assets roll up in exactly the ways you need for reporting. They are linked in child-parent relationships and classified according to your organizational standards. When you create new assets, prompts guide you to link and classify them; there will be no orphans and no missed assets when reporting by classification or category.

Assessment

The inventory tombstone data may be enough for maintenance management, but PSAB deals with the long range sustainability of the assets. That means assessments need to be more than an effort to collect near-term deficiencies. Assessments have to bring you a full understanding of the asset over time from the prospective of capital requirements is vital (they are 'tangible *capital* assets, after all!) TCPS® offers complementary tools that directly meet that requirement. The Asset Validation Survey Tool, AVS;

- ✚ provides simpler, easier data entry,
- ✚ Ensures data integrity,
- ✚ Presents all (but only) relevant information to the assessors,
- ✚ Provides review, revision and approval of the data before final entry into the master database, and,
- ✚ Provides an historical record of the assessment.



Finally, AVS also captures all the attributes of “Condition” in accordance with the Standards of Recommended Practice for Tangible Capital Assets proposed by the PSAB. These attributes include:

- ✚ Physical Condition for Renewal Capital spending;
- ✚ Functional Performance in meeting requirements, demand, and capacity needs for Functional Capital spending; and,
- ✚ Compliance Performance with Health & Safety, Environmental and other legislated issues for non-discretionary Regulatory Capital spending.

Valuation

TCPS® works, through simple integration, with your financial ledgers to store the various valuation methods as details against the asset. It captures

- ✚ the original asset cost (when available or calculated),
- ✚ the valuation method used to get that cost (historical, reproduction, replacement, appraisal, or nominal value method), and,
- ✚ the current asset value.

It also captures all betterment, repairs and maintenance, and replacement costs in accordance with your organization’s business rules; again totally controlled by you in the Administration Module, growing with you, as your processes evolve, without costly programming intervention.

Amortization

With value now assigned to your assets, amortization is the fiscal process of reducing the value of the assets as they age. It recognizes their current and future value as a function of the capital actions used to counteract the years and use they are to which they are subjected. TCPS® tracks and reports on past and future amortization. It stores residual and salvage values for reporting in accordance with PSAB requirements. Finally, TCPS® is enabled for the four methods of amortization; Straight Line, Declining Balance, Unit-of-output (time), Unit-of-output (service levels).

Reporting

The most important function in satisfying the requirements of PSAB 3150 is the ability to report on assets in ways that are out of reach of CMMS, Space Management, and even some of the financial programs used today. With virtually unlimited capability to store desired details about assets, coupled with the Object Oriented database design, and enhanced with simple data integration and exchange with existing systems, you have the ability to meet and exceed all PSAB reporting requirements.

TCPS® Report Manager provides hundreds of standard reports, with full filter and sort capability. That means you can drill down to create your own ad hoc reports based on drop-downs and details that you created, such as budget types, or use one of the excellent standard reports like Asset Remaining Life (straight line, depreciated life, with associated remaining value and percent used).

Specific to PSAB, TCPS® offers:

- ✚ A wide variety of inventory reports;
- ✚ Asset remaining life reports and report cards;
- ✚ Betterments, repairs, and replacements reports;
- ✚ Amortization reports:
 - Historical amortization schedules
 - Forecast amortization
 - Amortization by asset, by amortization method, rolled up to higher assemblies; and,
- ✚ Emulation of financial statements.

Summary

With the fast-approaching deadline for PSAB 3150 implementation, TCPS® is the platform of choice in providing you the foundations for compliance in addition to its best-of-breed capital planning capabilities. Nowhere else will you find a capital planning package with the functionality, configurability, and practical understanding of business processes that you will find in TCPS®.