



**STRONG
TOWNS**

YXE

ADVANCING SASKATOON'S BUDGET



01. Strong Towns YXE is a group of local citizens who advocate for sustainable growth and development of Saskatoon.

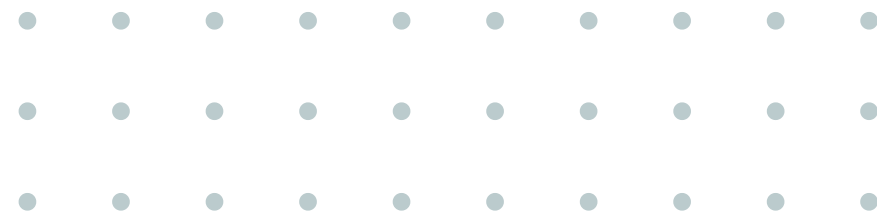
02. We think differently about a pattern of development that is financially strong and resilient.

03. We advocate for our city to be safe, livable, and inviting.

04. We work to elevate local council to be the highest level of collaboration for people working together in a place.



**WHO IS STRONG
TOWNS YXE?**



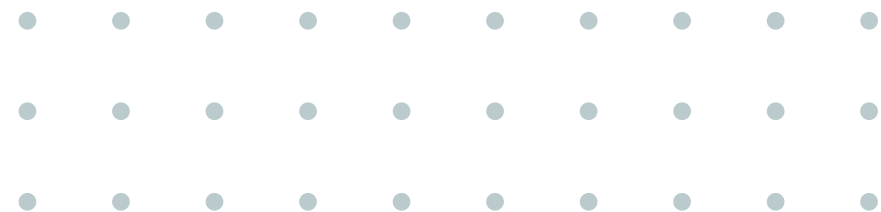
01. End Highway Expansion

02. Transparent Local Accounting.


03. Incremental Housing

04. Safe and Productive Streets

05. End Parking Mandates and Subsidies



Public Sector Accounting



Home / Public Sector Accounting Board / About / Due Process / What are Statements of Recommended Practice?

PSAB

ABOUTMEETINGSCOMMITTEESNEWS LISTINGSVOLUNTEER OPPORTUNITIES

What are Statements of Recommended Practice?

Statements of Recommended Practice (SORPs) address specific aspects of reporting on financial condition and financial and non-financial performance. PSAB issues SORPs to enhance decision-making and accountability by improving the understandability of reports issued in the public sector.

SORPs do not form part of GAAP. They are not prescriptive, but offer general guidance to encourage and assist public sector entities in effectively reporting relevant information that is useful in evaluating the entity's financial condition at the financial statement date and its financial and non-financial performance during the reporting period.

About

Terms of Reference

Members

Due Process

International Activities

SORP-3: ASSESSMENT OF TANGIBLE CAPITAL ASSETS

1, 7, 17, 41

SORP-3 Assessment of Tangible Capital Assets

This Statement of Recommended Practice (SORP) provides guidance to governments or government organizations that choose to prepare and present a report on the physical condition of their tangible capital assets, including leased tangible capital assets. The guidance provides a basis for exercising professional judgment as to the nature and extent of the information to be reported.

The report should provide an assessment of the physical condition of all of the government's tangible capital assets.

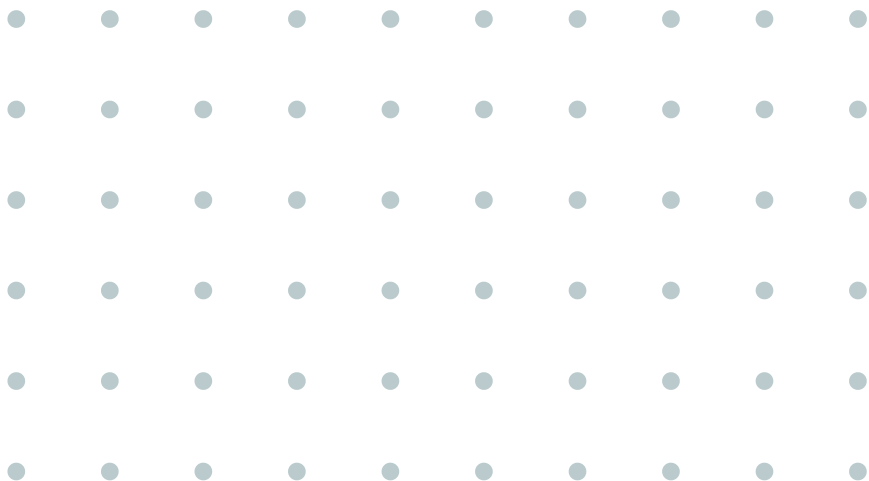
The report should provide the following information for each category of tangible capital assets:

- (a) the net carrying amount or cost;
- (b) the average physical condition rating;
- (c) the average age and useful life; and
- (d) its nature and extent.

NARRATIVE DISCLOSURE

The report should discuss:

- (a) trends in changes in the physical condition;
- (b) any effects of known plans on the changing physical condition;
- (c) the basis of measurement, measurement scale and effects of changes; and
- (d) definitions underlying information reported.



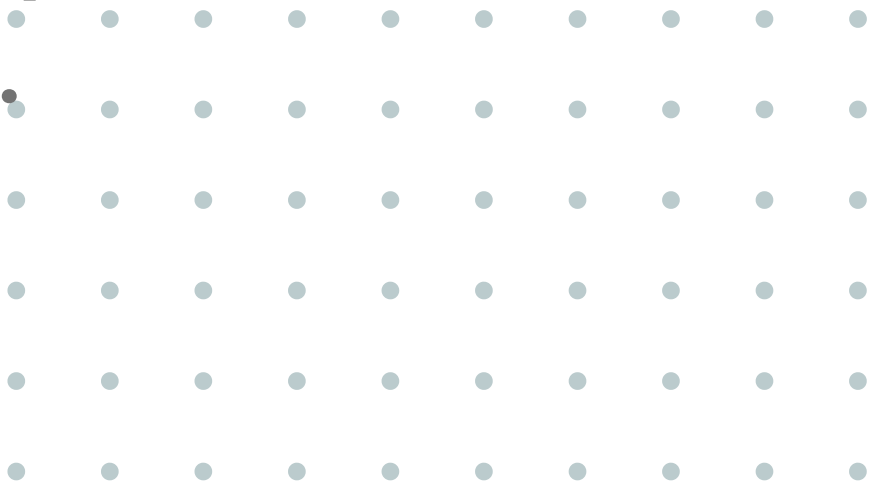


SORP-4: INDICATORS OF FINANCIAL POSITION

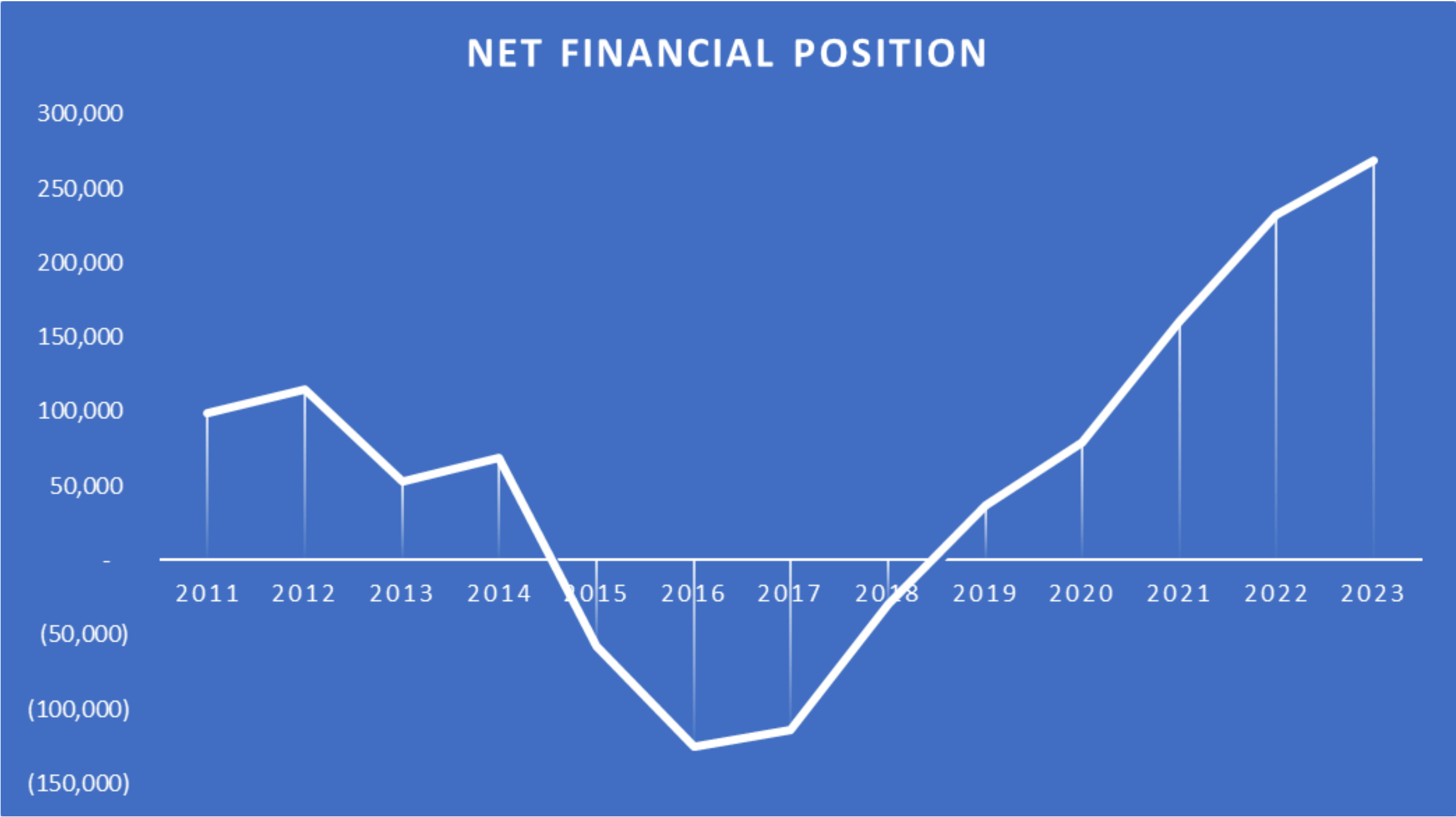
Sustainability: The degree to which a government can maintain its existing financial obligations.

Flexibility: The degree to which a government can change its debt or tax burden on the economy within which it operates.

Vulnerability: The degree to which a government is dependent on sources of funding outside its control or influence.

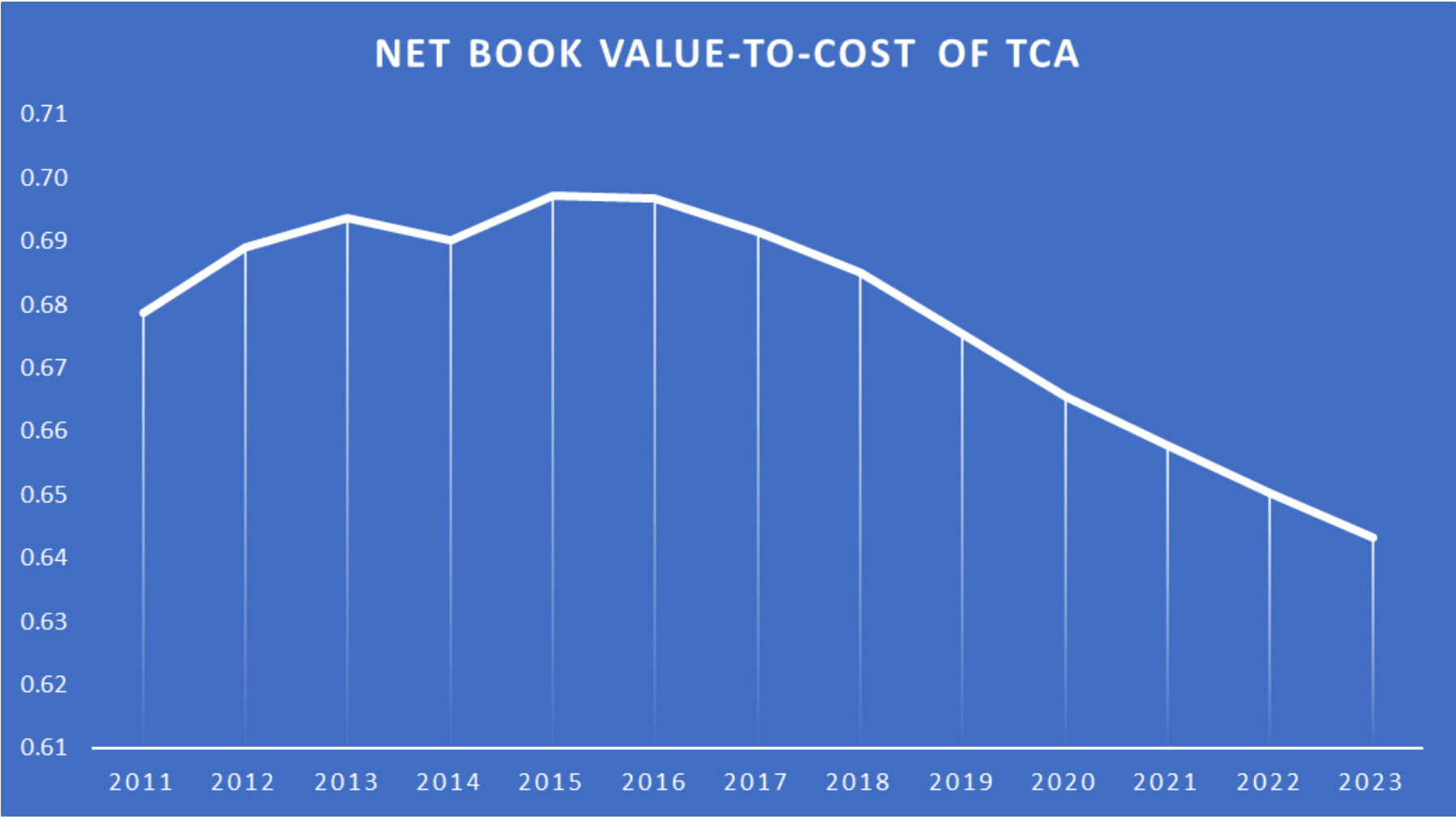
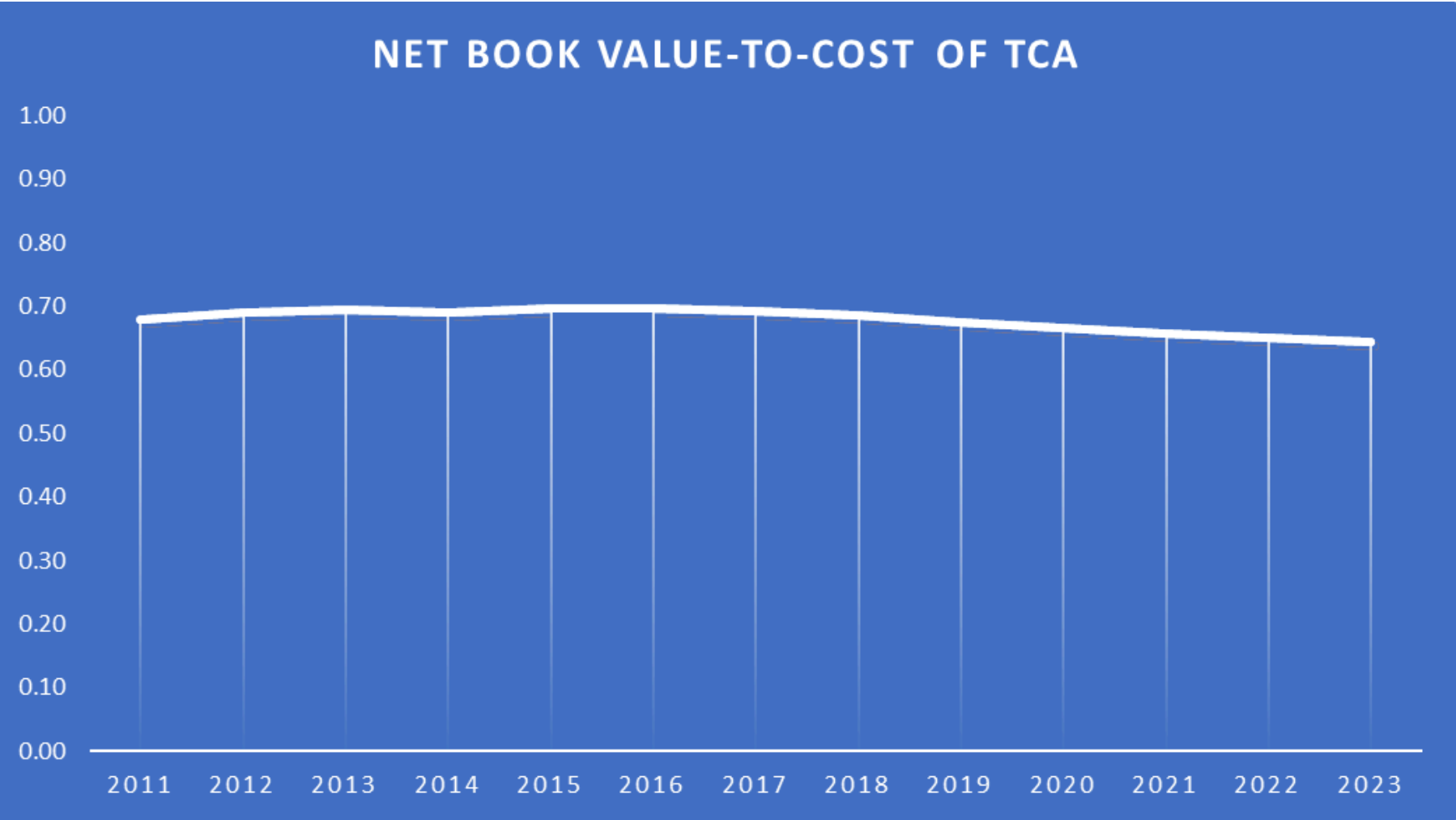


SUSTAINABILITY FINANCIAL POSITION



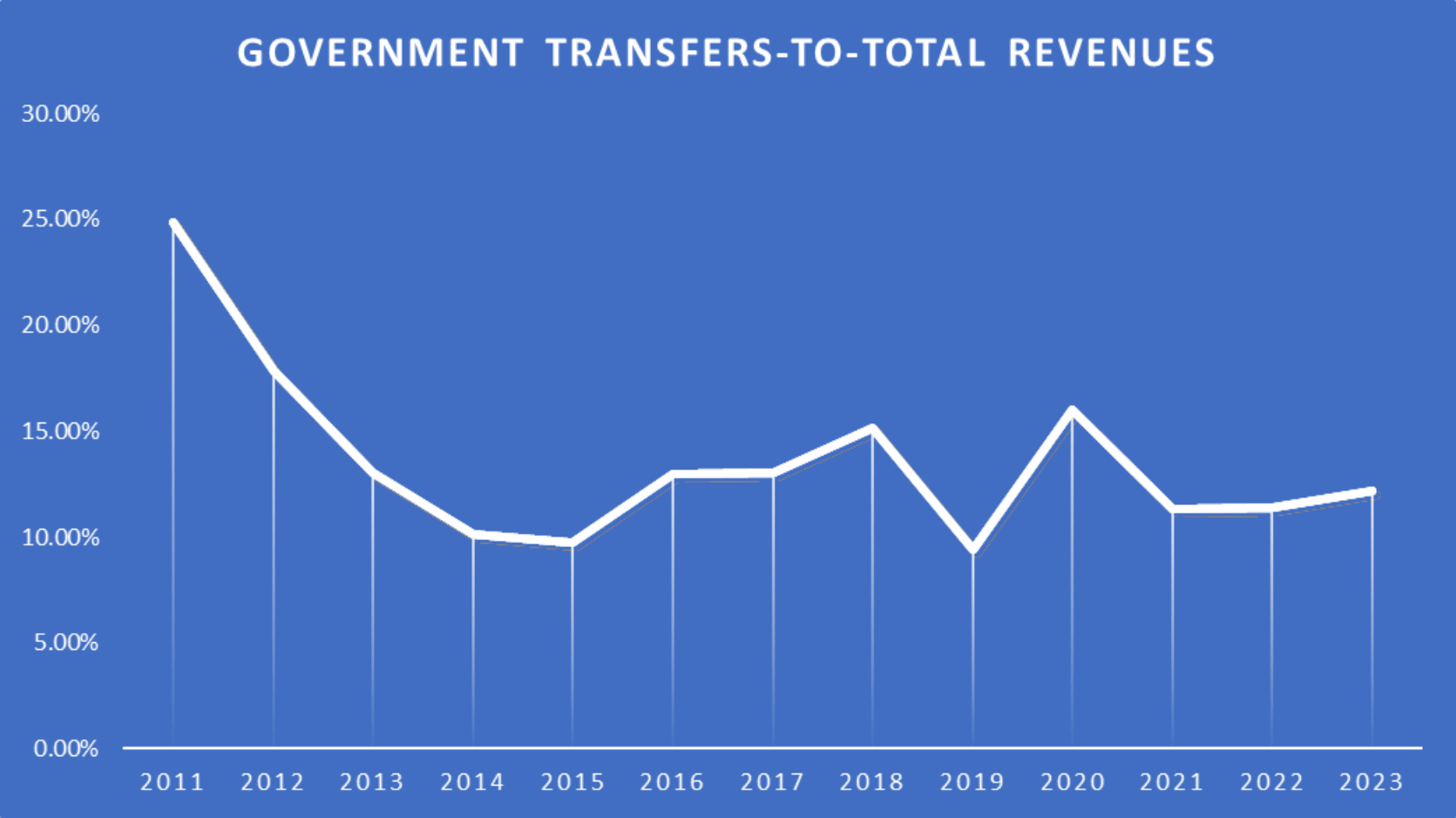
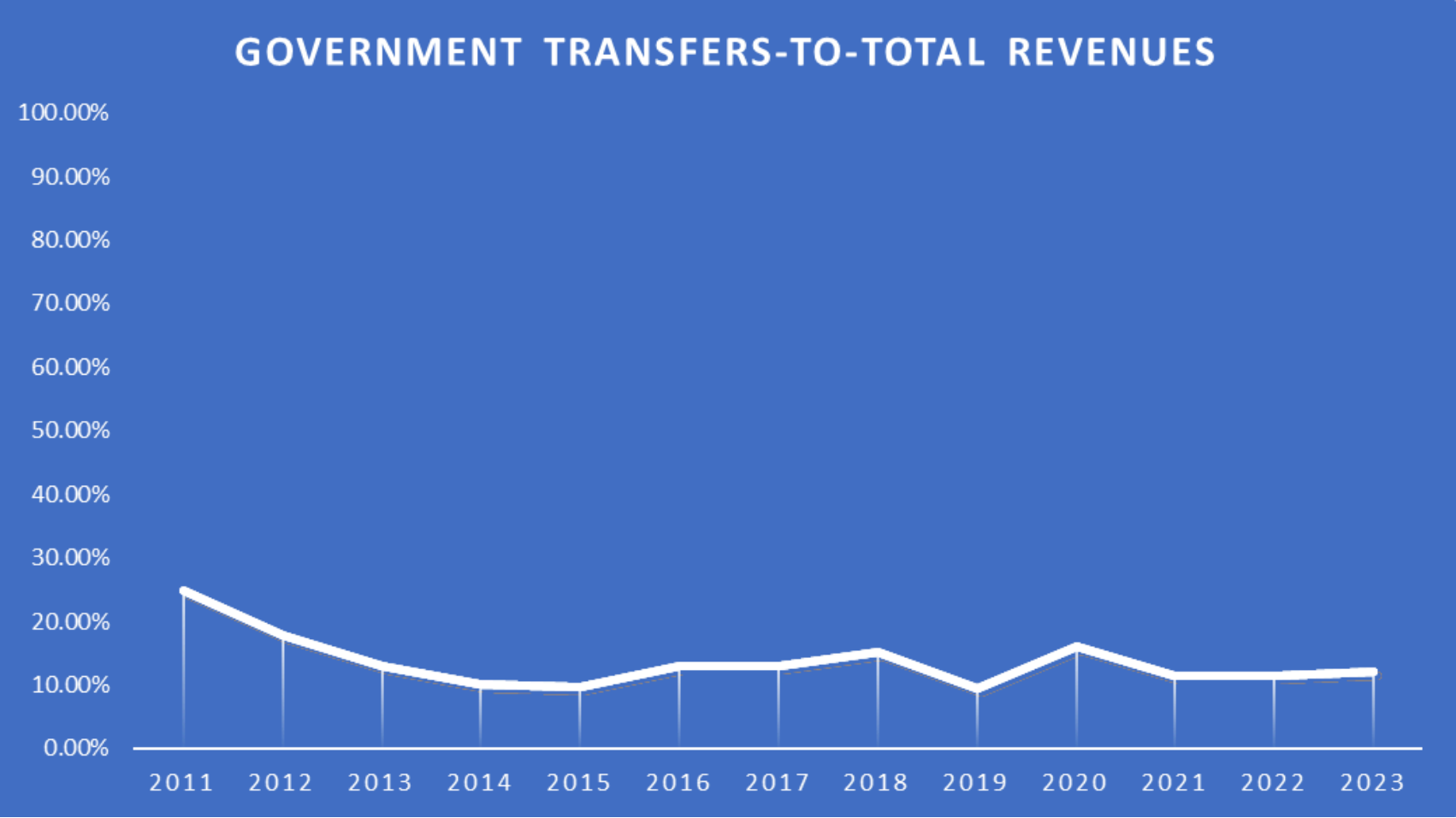
FLEXIBILITY

NET BOOK VALUE-TO-COST OF TANGIBLE CAPITAL ASSETS



VULNERABILITY

GOVERNMENT TRANSFERS-TO-TOTAL REVENUES



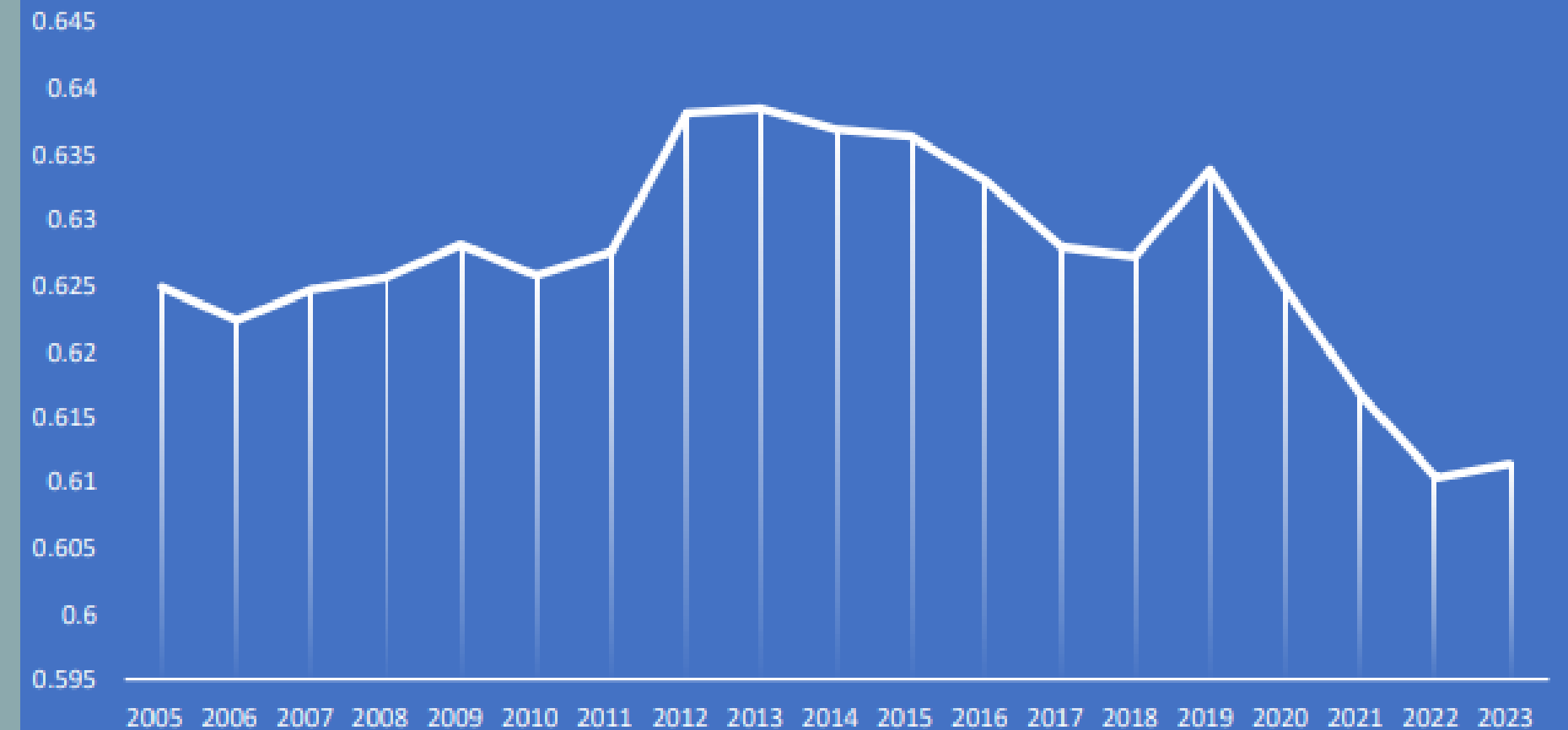
WINNIPEG



NET FINANCIAL POSITION



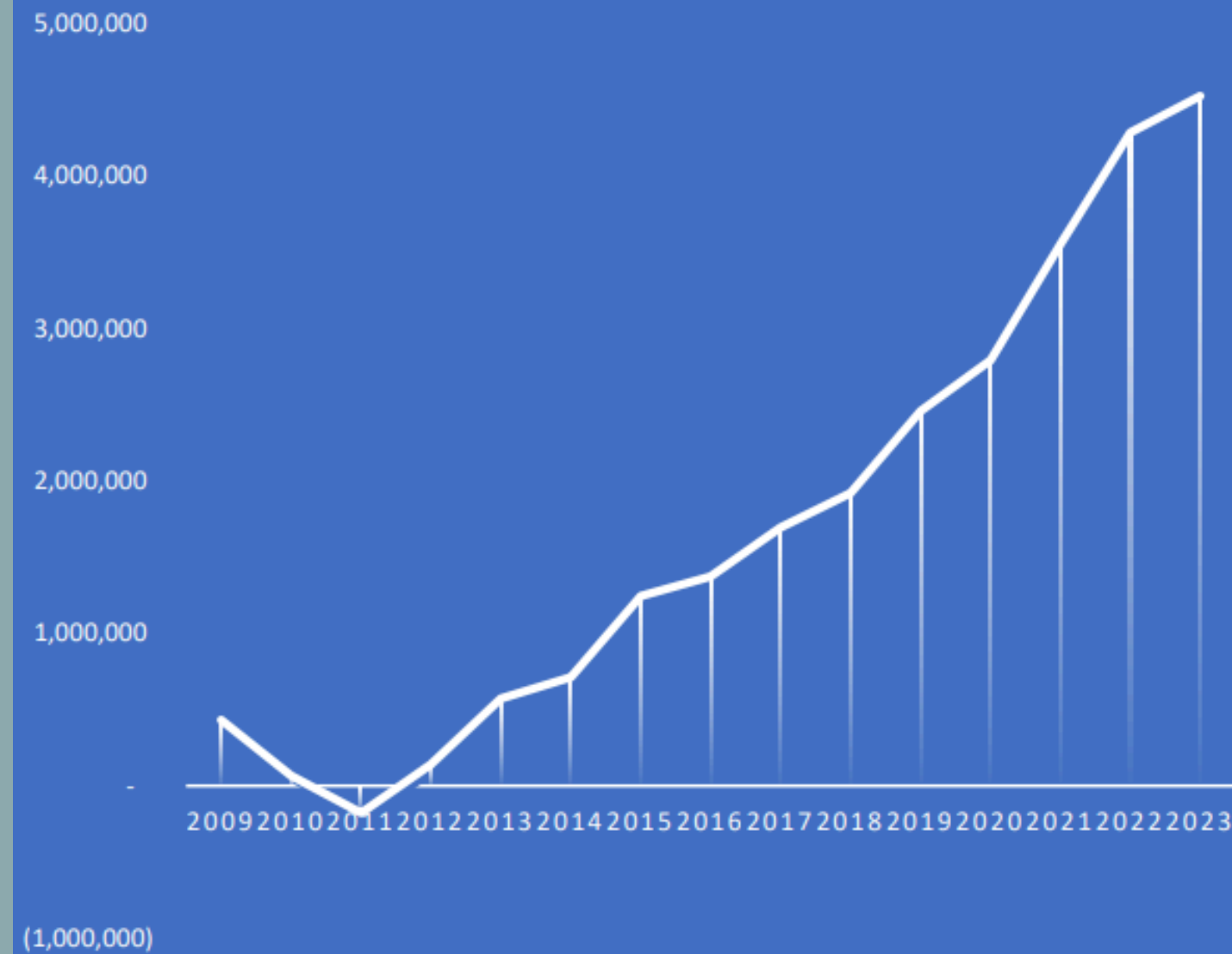
NET BOOK VALUE -TO -COST OF TCA



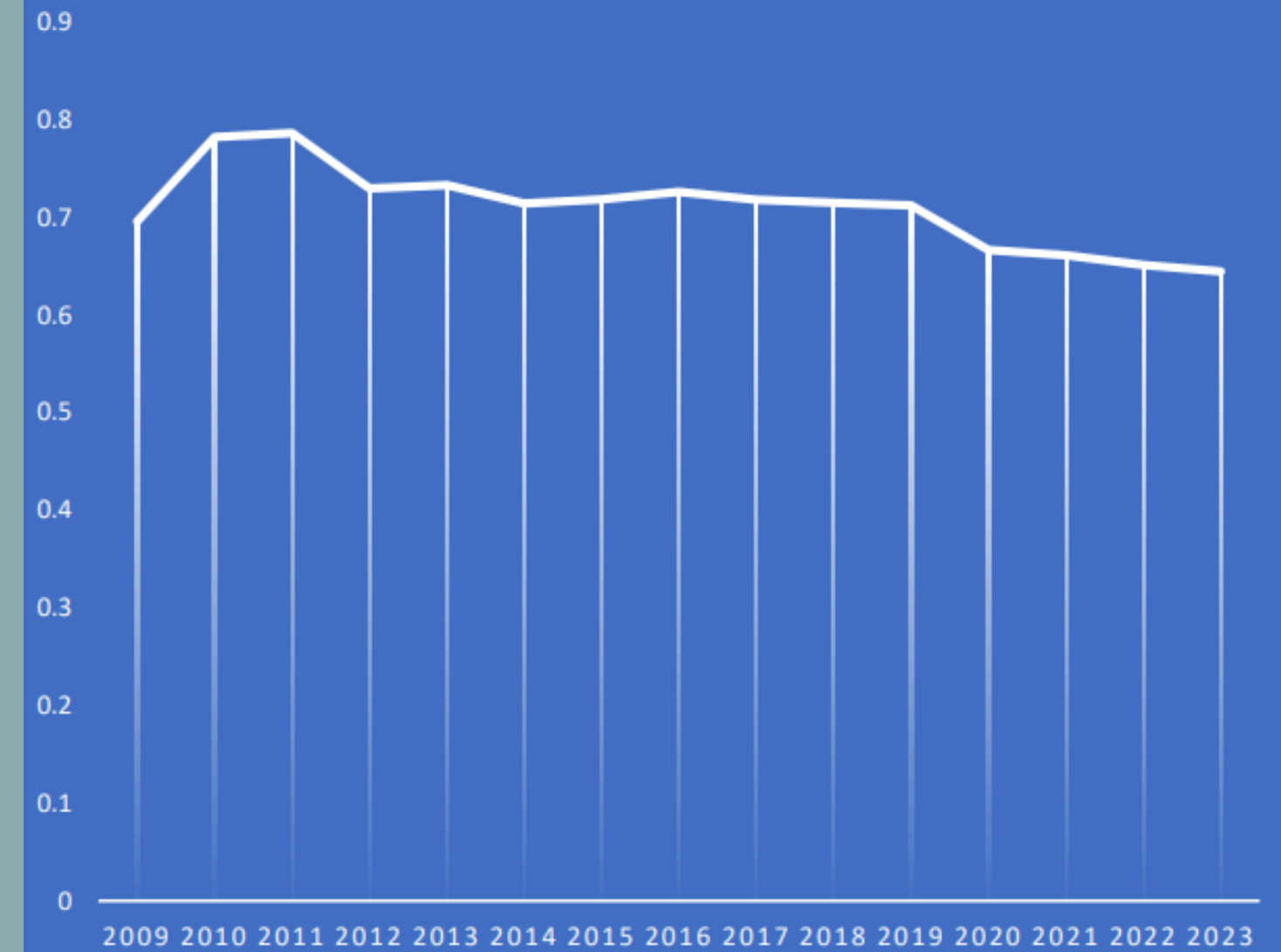
CALGARY



NET FINANCIAL POSITION



NET BOOK VALUE-TO-COST OF TCA



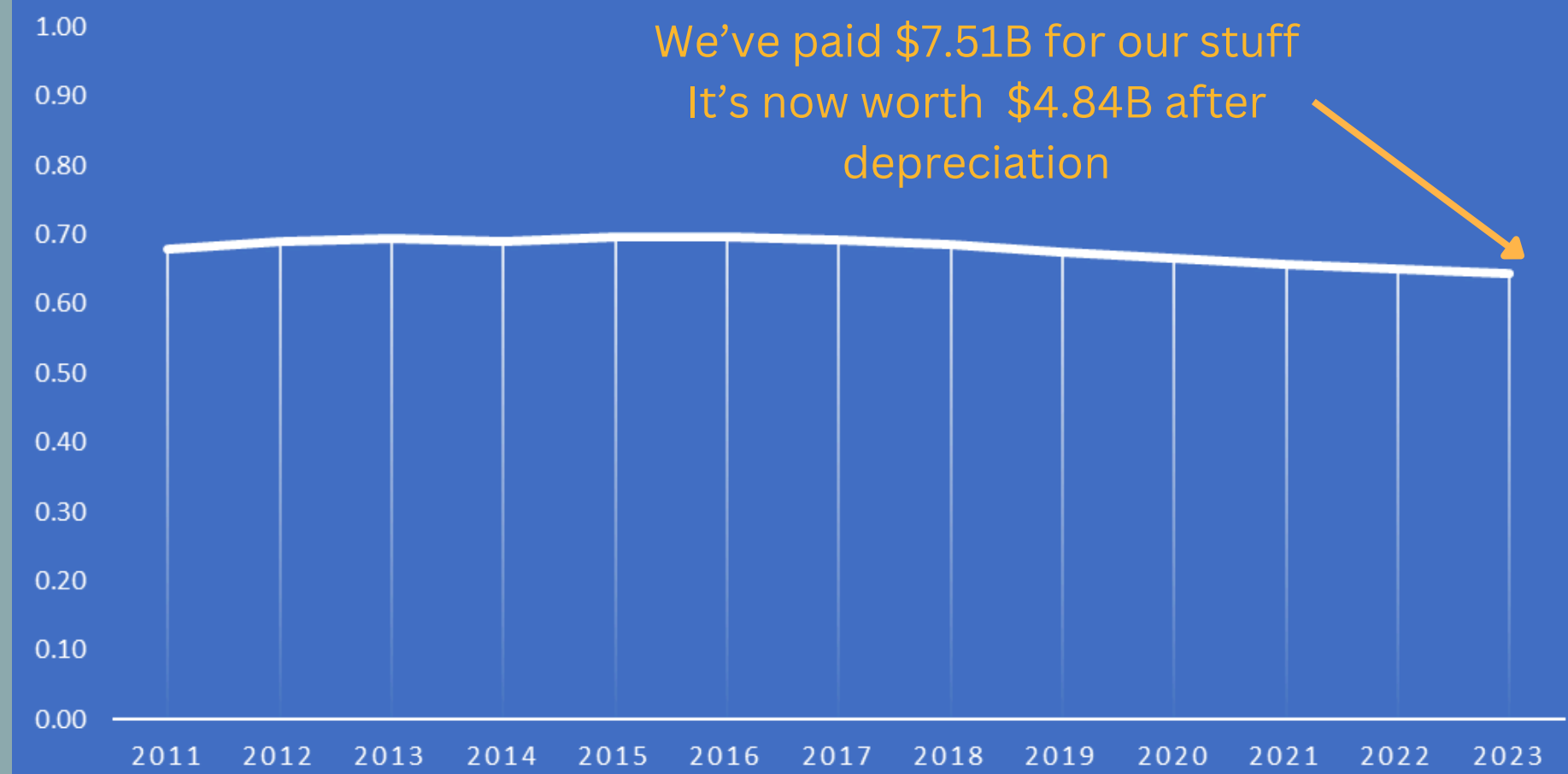
SASKATOON



NET FINANCIAL POSITION



NET BOOK VALUE-TO-COST OF TCA



IS THIS ENOUGH MONEY IN THE BANK TO COVER THE ~\$2.7BILLION IN DEPRECIATION BEFORE INFLATION?

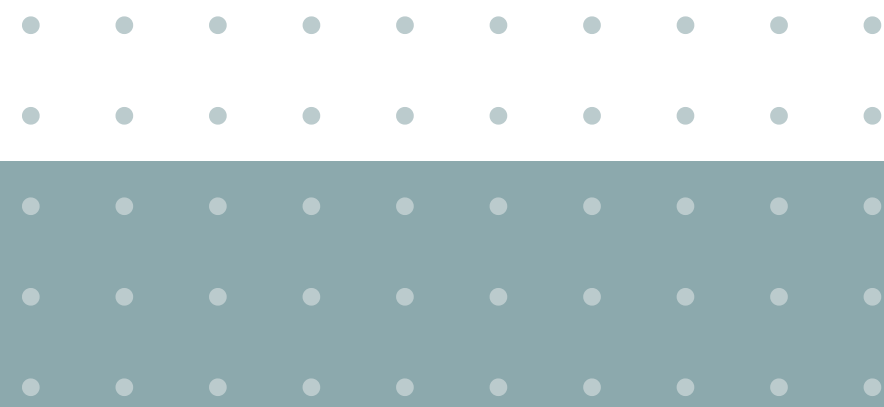
QUESTIONS TO PONDER

- *Can Saskatoon afford these trends to continue forever?*
- *Should Saskatoon use SORP-3: Assessment of Tangible Capital Assets in the Financial Statements?*
- *Should Saskatoon use SORP-4: Indicators of Financial Condition?*
- *Would Saskatoon benefit from a one-page summary of the finances for each service line in the Corporate Asset Management Plan with the following:*
 - *Undepreciated Book Value,*
 - *Accumulated Depreciation,*
 - *Replacement Cost,*
 - *Annual Operational Services, and*
 - *Maintenance*

RECOMMENDATIONS

We'd like Council to ask Administration to:

- 1. Include PSAS SORP-3 compliant capital asset statements in the Financial Statement. They are (mostly) already in the Asset Management Plans. The statements should use relevant construction inflation indices, not the Consumer Price Index, for future maintenance and replacement cost evaluations.*
- 2. Include many or all PSAS SORP-4 metrics in the Financial Statements.*
- 3. Include the future values of all SORP-4 indices in the Annual Budget (and any major off-cycle amendments) to help Council and Administration understand the impacts of their decisions to the financial health of the organization.*



THANK YOU

