

August 11, 2008

Circular to Municipal Councils and Town Clerks

Subject: Compliance with Public Sector Accounting Board (PSAB) Reporting

Municipalities and Inuit Community Governments throughout the Province have been presented with a significant task to comply with PSAB GAAP by March 31, 2009. In an effort to assist, the Department of Municipal Affairs has provided support by developing guidelines, conducting information sessions and providing ongoing technical aid for municipalities. Phase One of government's plan to assist municipalities has been completed and Phase Two is now underway.

Phase One

This phase included the development and distribution of the tangible capital assets (TCA) reference manual, information sessions held from May to July, as well as the creation of a general email account and toll-free number which municipalities can contact to obtain further information on PSAB related questions.

The final of 15 PSAB province-wide information sessions on TCAs took place on July 29 in Happy Valley-Goose Bay. Of the province's 277 municipalities and 5 Inuit Community Governments, 217 registered and attended sessions. Municipalities who were unable to send a representative to the earlier sessions will be offered one last TCA information session to be held in September. Details on the date and location for this session will be provided in the coming weeks. Municipalities who were unable to attend the previous sessions are strongly encouraged to attend.

Reporting Progress

Minister Denine, in an August 11, 2008 press release, noted that the Local Government Gas Tax Agreement between municipalities and the Province requires municipalities to be PSAB compliant by March 31, 2009. While it is recognized that it may not be possible for all towns to become fully compliant by this date, a note in the financial statement identifying the municipalities plan and where they are in the plan to become PSAB compliant will be acceptable. Municipalities are reminded however, that the Gas Tax Agreement with the federal government requires municipalities to be PSAB compliant by March 31, 2010.

It is important that municipalities keep track of progress on PSAB compliance. This progress will be required to be reported in 2008 financial statements as well as in the Gas Tax Annual Expenditure Report, due June 30, 2009. See Attachment 1 for critical dates.

The Department recommends that senior staff responsible for preparing municipal financial statements, meet with auditors to discuss and review progress as transition stages are completed. Such stages would include listing of TCAs, valuing and calculating amortization for TCAs, and developing accounting policies and procedures. If at any time throughout the process staff have questions, please contact the PSAB Coordinator or any other member of the PSAB Working Committee as per the contact information provided in Attachment 2.

Phase Two

Phase Two is currently being developed and will include the development of a TCA valuation manual, development of a reference manual for obligations and consolidations, as well as the launch of the PSAB resource website for Newfoundland and Labrador municipalities. The Department also will be offering Phase Two information sessions, again in cooperation with the Municipal Training Development Corporation (MTDC). Information sessions on Obligations (Environmental Liabilities, Landfills, etc) and Consolidations (Municipal Reporting Entity, Government Partnerships, etc) are scheduled to start early this Fall. Details on the sessions will follow in the coming weeks. We strongly encourage all municipalities to attend these information sessions to facilitate transition to PSAB reporting.

For more information on PSAB implementation, including training, information sessions and reporting, please call toll-free 1-877-729-4393 or email PSAB@gov.nl.ca



Lori Anne Companion
ADM, Municipal Support and Policy

Appendix 1
Critical Dates

Task*	Date
PSAB Resource Website Launch	September 2008
Distribution of TCA Valuation Manual	End of September/Early October
Distribution of Phase Two Reference Manual	End of September/Early October
Complete TCA Listing	September 30, 2008
Delivery of Phase Two Information Sessions	October through November
Complete TCA Valuation	December 1, 2008
Identify all shared services arrangements	December 1, 2008
Identify & consolidate controlled entities	December 1, 2008
Identify relationships with Government Business Enterprises & record	December 1, 2008
Identify potential environment liabilities	December 31, 2008
Identify accruals and other liabilities	December 31, 2008
Complete all Opening Balances	December 31, 2008
PSAB Compliance** Due Date (Per Local Government Gas Tax Funding Agreement)	March 31, 2009
Submit AER (Gas Tax Requirement)	June 30, 2009
Submit 2008 Financial Statements	June 30, 2009

** Please note that the listing of "Critical Dates" is not all-encompassing and additional dates may be added as they arise.*

*** PSAB compliance for the 2008 fiscal year merely requires a note in the financial statements identifying the municipalities plan and where they are in the plan. Financial statements for 2009 will require full PSAB compliance including financial statement presentation, TCA disclosure, etc.*

Appendix 2
PSAB Working Committee – Contact Information

General Inquiries	1-877-729-4393	PSAB@gov.nl.ca
Sol Modesto	Director, Municipal Finance	729-5381 SolModesto@gov.nl.ca
Anthony Keeping	PSAB Project Manager	729-3247 AnthonyKeeping@gov.nl.ca
Sheila Tulk	PSAB Coordinator	729-4393 sheilatulk@gov.nl.ca
Dan Noseworthy	Director, Regional Operations – Eastern & Central	729-7390 dannoseworthy@gov.nl.ca
Norm Snelgrove	Assistant City Treasurer – City of Mt. Pearl	nsnelgrove@mountpearl.ca
Melanie Gash	Manager, Municipal Training	729-5107 MelanieGash@gov.nl.ca
Hiram Boland	Manager – Central Region	256-1061 hboland@gov.nl.ca
Carl Cull	Manager – Western Region	637-2338 ccull@gov.nl.ca
Bob MacAulay	Manager – Labrador Region	896-5228 bmacaula@gov.nl.ca
Vida Greening	Town Clerk/Manager – Town of Port Blandford	543-2170 vgreening@nf.aibn.com
Donna Bragg	Town Clerk/Manager – Town of Port Aux Basques	695-2214 dbraggtown@nf.aibn.com
Martina Gale	Town Clerk/Treasurer – Town of Wabush	282-5696 mgale@wabush.ca
Bob Hiscock	Chief Administrative Officer – Town of Clarenville	466-7937 bob@clarenville.net
Dale Park	Director of Corporate Services, City of Corner Brook	637-1563 dpark@cornerbrook.com
Lori Evoy	Municipal Analyst – Eastern Region	729-5020 LoriEvoy@gov.nl.ca
Trina Keough-Hackett	Municipal Analyst – Eastern Region	729-2179 TrinaKeoughHackett@gov.nl.ca
Ivan Pickett	Municipal Analyst – Eastern Region	729-5285 ipickett@gov.nl.ca
Edison Goodyear	Municipal Analyst – Central Region	256-1058 egoodyear@gov.nl.ca
Bruce Pomeroy	Municipal Analyst – Central Region	256-1053 BrucePomeroy@gov.nl.ca
Rhonda McLean	Municipal Analyst – Western Region	637-2335 rmclean@gov.nl.ca