

**Accounting Standards** have been created to describe and to value assets held by municipalities and government.

These include:

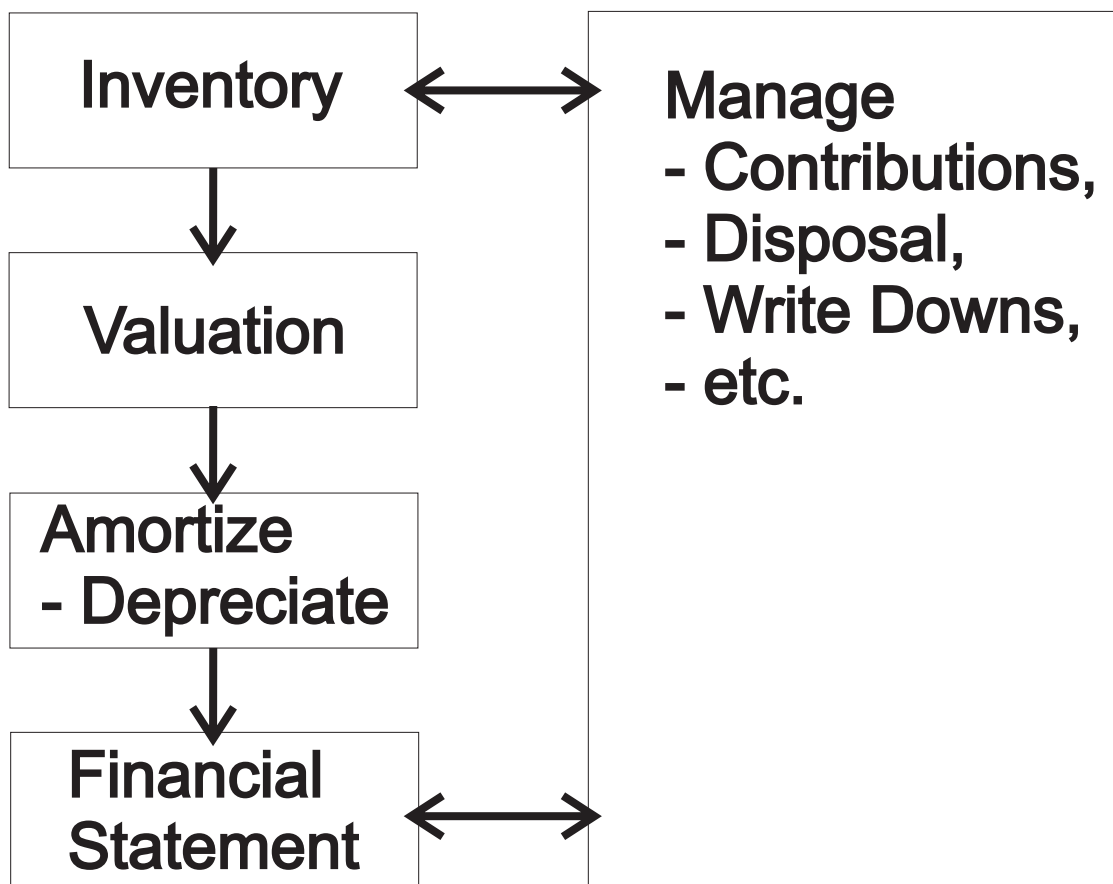
1. PSAB Protocol
2. Asset Management Protocol
3. Sustainable Service Delivery using Ecological Accounting Protocols

Sustainable Service Delivery protocols must be established and used in the management of government assets.



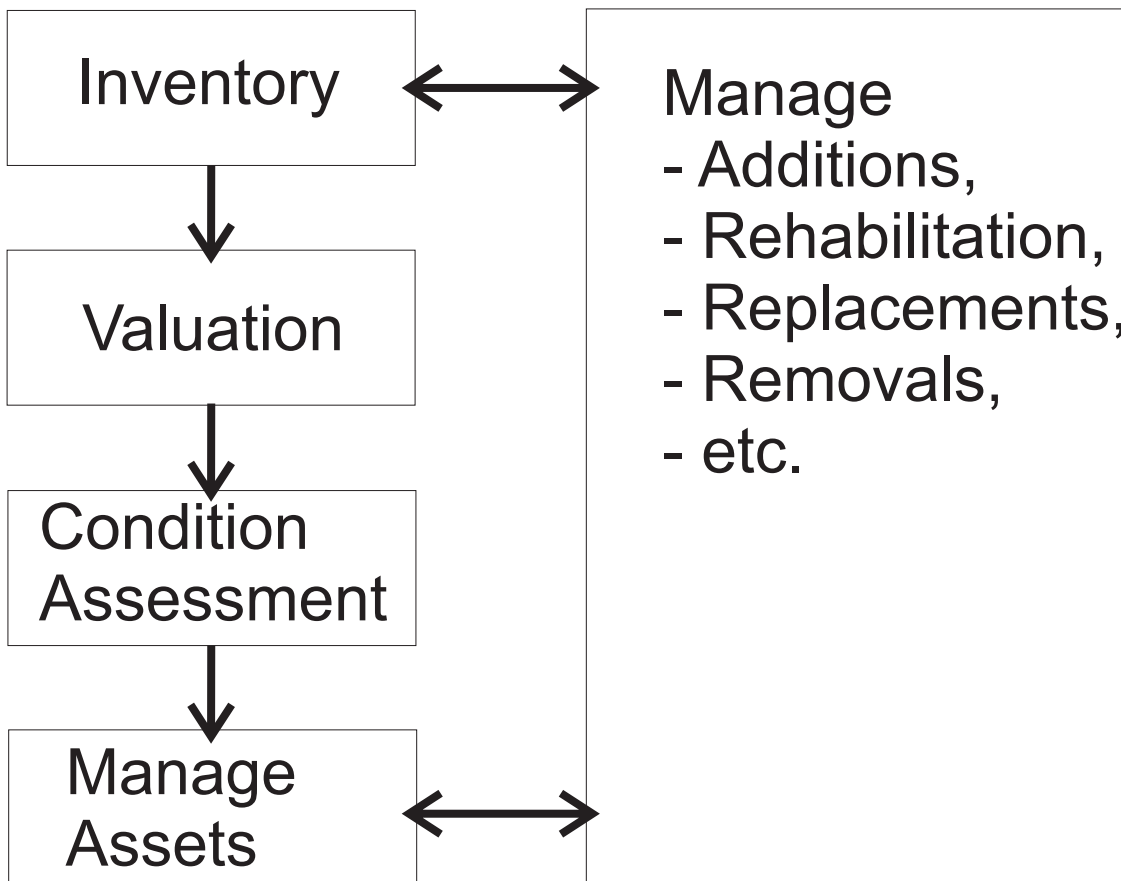
# Protocols of Canada Treasury Board, and Public Service Accounting Board (PSAB)

- Capital Assets are tangible assets that are purchased, constructed, developed or acquired
  - not natural assets
- Includes land, buildings, infrastructure assets
- Does not include intangible assets such as easements and rights of way
- Buildings and other assets acquired more than 40 years ago where no betterments have been undertaken should be carried at zero cost



# Asset Management Protocol

- Can include Net Present Value
- Limited to Capital, operating, maintenance, replacement, and removal costs
- Currently expenditures related to services from natural assets not included



# Sustainable Service Delivery

## - Ecological Accounting Protocol

### for Natural Asset Management

- A new way of thinking about, and valuing ecological services
- No standard protocols

The BC Framework focuses on desired outcomes rather than prescribing specific methodologies, thereby allowing local governments to develop and implement an approach that can be measured and incremental, **tailored to the individual needs and capacities of local government**. The Ecological Accounting Protocol supports sustainable service delivery.

#### What would you like to include?

Some suggestions include:

**Avoided Cost (AC):** Ecosystem services allow society to avoid costs that would have been incurred in the absence of those services. For example, flood control provided that reduces property damage

**Replacement Cost (RC):** Services could be replaced with human-made systems. For example, rain gardens to reduce surface runoff while extending stream base flow.

Attributed Values such as:

- **Net Factor Income (NFI):** Services provide for the enhancement of incomes. For example, water-quality improvements increase commercial fisheries catches and incomes from the fishery.
- **Travel Cost (TC):** Service demand may require travel, the cost of which can reflect the implied value of the service. For example, recreation areas attract distant visitors whose value placed on that area must be at least what they were willing to pay to travel to it.
- **Hedonic Pricing (HP):** Service demand may be reflected in the prices people will pay for associated goods. This method is often used to estimate property values. For example, housing prices along the natural landscapes tend to exceed the prices of other homes.
- **Ecological Values (EV)** also called Contingent Valuation (CV): Service demand may be elicited by posing hypothetical scenarios in surveys that involve some valuation of land-use alternatives. This method is often used for less tangible services like wildlife habitat or biodiversity. For example, people would be willing to pay for increased preservation of riparian areas, forests, conservation areas, parks, watersheds for drinking water, and wildlife habitat.

Are there other values that should be included?