

President’s Message

Dane Watson, SDP President

Hi!

We are on our way to Austin! I hope all of you are living life to the fullest and making plans to attend the annual conference and training in Austin this September. See more details in this newsletter and visit our website, www.depr.org, to register.

Studies suggest there is a connection between math and music. Something resonates for people who love statistics – they many times love music too. Austin, then, is the perfect place for an SDP meeting. It is the self-proclaimed live music Capital of the World! Having been there many times (and in my past life been a professional jazz musician), I agree. I hope you will be drawn to Austin for the conference or training, but also the music!

And for the Society, so many positive changes have happened in the last year – Thank you Aaron! – and so many still to come. We want the SDP to be a place you think about and value all year long, not just at the time of the conference. Be watching for exciting ways that there will be more value to being a part of SDP!

As you see SDP being a place to be all year long, please think:

- Get involved! We will be asking for more people to dedicate just a little time to being a part of this organization. If you don’t personally get invited to be a part, send me a note and you can be.
- Be involved! Suggest things we can do to make SDP more than just a conference or training.
- Get others involved! As you see the benefits of membership, talk to others about being a part of us.

I look forward to seeing so many old friends and making new ones at the conference. I hope you will be there.

Thank you for being a part of what may be the coolest organization around!

Sincerely,
Dane Watson
president@depr.org

**29th Annual Conference and Training
September 20 – September 24, 2015
Omni Hotel Downtown
7500 San Jacinto at 8th Street
Austin, TX**



Keep Austin Weird

Keep Austin Weird is the slogan adopted by the Austin Independent Business Alliance to promote small businesses in Austin, Texas. It is intended to promote local businesses.

Austin is the self-proclaimed "live music capital of the world". In a mostly conservative Texas, Austin is "Weird" because of that and because it continues to be liberal and progressive politically, socially, in culture, in the arts and in music, among other things. "Keep Austin Weird" moves beyond a mere slogan, to reflect the dynamics that encompass Austin.

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**Annual Conference and Training
September 20 – September 24, 2015**

Austin, TX.

Look for more information in 2015 at:

www.depr.org

Austin Attractions

Sixth Street, a historic street and entertainment district in Austin, Texas. It is located within the city's urban core in Downtown Austin and within an easy walk of our hotel. Many bars, clubs, music venues, and shopping destinations are located on E. 6th Street between Congress Avenue and Interstate 35 and many offer live music at one time or another during the week. Traffic is generally blocked on E. 6th Street and most crossroads from I-35 to Brazos Street on weekend evenings, and football home games (depending on pedestrian traffic), as well as holidays and special events to allow the crowds to walk unfettered to the many venues that line the street

Barton Springs Pool is a man-made recreational swimming pool located on the grounds of Zilker Park in Austin, Texas. The pool exists in the channel of Barton Creek and is filled by water from Main Barton Spring, the fourth largest spring in Texas. The pool is a popular venue for year-round swimming, as its temperature maintains a narrow range from about 68 °F (20 °C) in the winter to about 71.6 °F (22.0 °C) in the summer.

LBJ Presidential Library LBJ’s presidency spanned some of our nation’s most telling moments: the Civil Rights movement, the Vietnam War, and Johnson’s Great Society. Located on the campus of University of Texas at Austin, the library is filled with documents, oral histories, and recoded telephone conversations

Congress Street Bridge- Austin Bats
1.5 million bats live under this bridge on the southern end of downtown The bat colony leaves right around dusk to begin their trek to eat millions of bugs. Go out on the east sidewalk of the bridge and wait for and then watch this nearly silent and amazing spectacle.

2015 Annual Conference

Agenda Under Construction

If you have suggestions for speakers or topics, please send to Rick Fisher or admin@depr.org

Mark your calendars for the 2015 Annual Conference and Training to be held at the Omni Hotel in Austin Texas in the heart of downtown Austin. September 20 – 24. Nearby there are shops featuring fabulous restaurants and music venues, and of course Sixth Street an international destination.

On Sunday, you will enjoy a 5:30 – 7:30 PM Welcome and Gathering Reception

The Annual Meeting will get underway with the opening session on Monday extending through noon on Tuesday.

Details of the agenda are being developed. As the agenda develops, watch the SDP website, depr.org for more information. ❖



In Austin, graffiti is art. An investment company owns a property where graffiti is legal. Every inch is filled with a constantly changing array of tags, murals, messages, and wheat paste pieces (essentially posters printed in advance and affixed to a wall with a homemade glue of flour and water.)

SDP TRAINING

Dr. Susan Jensen, CDP, Training Chair

We encourage you to take advantage of the exceptional training offered before and after the conference. Trainees consistently give SDP training high praise for its excellent courses taught by recognized leaders in the field of depreciation. Over 90% **of the responses to our course evaluations rate our courses “good” or “excellent”**.

In 2014 we introduced a well-received class addressing reserve imbalances and true-up in the **Depreciation Fundamentals course**. And in the course **Analyzing the Life of Real-World Property**, we again include the popular class on engineering aspects of life analysis.

Our expert faculty have extensive experience that they gladly share in courses with real-world applications. Trainees report that the **skills acquired in the SDP courses are readily transferable to one’s job**, and the information learned is useful in taking the CDP exam. As an added benefit, trainees and instructors gather at informal receptions that provide valuable networking opportunities.

We offer four concurrent, stand-alone training courses directly after the Conference. Additionally, **we offer TWO half-day courses before the Conference for an additional fee.**

2015 SDP Training

- *Sunday Training – Introduction to Depreciation (5.5 CPEs)*

This exceptional overview course includes segments on group depreciation accounting, life and salvage analysis, and annual/accumulated depreciation calculations. The course is intended for professionals involved in preparing depreciation studies, managers wanting an overview of the segments of a depreciation study, or members preparing for the CDP exam.

- ***Sunday Training –Depreciation Topics (5.5 CPEs)***

This **NEW COURSE** includes timely topics each year. In 2015, we plan to offer three classes, including *Pricing of Retirements* and a *Current Issues Forum*, for which attendees would be invited to submit questions in advance.

- ***Extended Training -- Depreciation Fundamentals (22 CPEs)***

This course includes classes in *Plant and Depreciation Accounting, IFRS, Data Requirements and Collection, Simulation Life Analysis, Actuarial Life Analysis, Salvage and Cost of Removal Analysis, Depreciation Models, Reserve Imbalances and True-up, Life Cycle Analysis, and Technology Forecasting*. This excellent course is often repeated by those wanting additional study on select topics or additional prep for the CDP exam.

- ***Extended Training – Life and Net Salvage Analysis (22 CPEs)***

This course examines *Actuarial* and *Simulation* life analysis models. The models are applied to several data sets and the results are interpreted. Pitfalls of the models are also discussed. The course also includes classes in *Gross Salvage, Cost of Removal, Life Cycle Analysis, Technology Forecasting, FAS 143, and IFRS*. And in the class *Evaluation of a Depreciation Study*, you learn how to get behind the numbers developed in a depreciation study.

Prerequisite: *Depreciation Fundamentals* or permission from Dr. Susan Jensen based on your qualifying experience or courses.

- ***Extended Training – Analyzing the Life of Real-World Property (22 CPEs)***

This course was offered for the first time in 2013 to very positive reviews. This course provides valuable experience in applying life analysis

models to real-world property data. After a brief review of life analysis models, the course proceeds to apply these models to real-world property data.

Trainers provide valuable insights in how to interpret the results of the models as they are applied in the classes to actual property accounts. The course also includes a class in which you examine the engineering reasons that cause assets to fail or be replaced. The course ends with a segment on getting behind the numbers developed in a depreciation study. ***This course may be repeated, and taken before or after the course below, for valuable case study practice and preparation for the life analyses you perform or review at work.***

Prerequisite: *Depreciation Fundamentals* or permission from Dr. Susan Jensen based on your qualifying experience or courses.

- ***Extended Training -- Preparing and Supporting a Depreciation Study (22 CPEs)***

This capstone course is intended for depreciation professionals who have a direct role in depreciation studies as well as managers seeking an overview of the depreciation study process. The course begins with a brief review of life and salvage analysis and depreciation models. The course then focuses on developing life and salvage estimates, preparing the depreciation study report, and supporting the study. Trainees are given an opportunity to role play as a witness or provide support to the witness.

Prerequisites: *Depreciation Fundamentals* and either *Life and Net Salvage Analysis* or *Analyzing the Life of Real-World Property* or permission from Dr. Susan Jensen based on your qualifying experience or courses.

Additional information about each course is available on our website www.depr.org. We look forward to seeing you in September! ❖

Austin Nightlife

For visitors, the music scene is legendary; nearly 200 venues offer rock, blues, jazz, hip hop, punk or Latino shows nightly. The Broken Spoke, known as "the last true Texas dance hall," features great country acts - and guests can also take a Texas Two-Step lesson. The Continental Club has showcased blues, rock and folk music since 1957, earning it the title, "Granddaddy of Austin music venues." Antone's, Austin's "home of the blues," is where Stevie Ray Vaughan cut his proverbial teeth. Newer stages like those at The Mohawk and Club DeVille showcase local acts alongside big-name touring artists. Where to begin?



Above: View from Mount Bonnell, Austin's highest point- all of 780 feet above sea level



Above: Zilker Park Botanical Garden

Dynamite Comes In Small Packages Steve Barreca – Chairman, Certification & Testing

The Society of Depreciation Professions is a small professional organization with powerful significance. We are the keepers of the methods related to depreciation and life analysis which significantly influences virtually every business plan involving capital expenditures and every valuation of property, plant and equipment; not to mention the costs of goods and services. We are a small society of uniquely and highly qualified professionals.

Since our formation in the late 1980s, we have had over 1,000 members, many of whom are now retired or no longer with us. In 1996, the SDP began offering qualified members the designation of Certified Depreciation Professional. The Society's now highly distinguished CDP designation demonstrates to potential clients, regulators, and to the finders of facts in litigation that you are an objective expert with the prerequisite knowledge, education and experience; you are committed to excellence and have been tested and vetted; you are a professional.

To date, 70 members have been bestowed the Society's CDP designation. The Society's historical records do not indicate how many members actually applied for the CDP designation; however, we do know that approximately 150 individuals have taken the CDP certification exam; and we do know that many exam takers did not apply for CDP certification and some, in the past, were not SDP members.

Recently, we began a review of the CDP examination as well as the certification process. As a result, the application process has been improved; only SDP members can sit for the test; and we extended the confidentiality requirements to include the identification of members taking the test as well as individual test results. The CDP examination is currently under review to

determine 1) does the exam challenge the students understanding of pertinent depreciation concepts; and 2) are there areas of testing that so obscure as to warrant consideration of exclusion from the test. Additionally, in cooperation with the Training Committee, chaired by Dr. Susan Jensen, we are verifying that all areas of testing are covered in the Society's comprehensive training program.

While we are likely to remain a small professional Society, we can get stronger. If you are not already doing so, I strongly encourage all members to pursue CDP certification. Please don't hesitate to contact me if I can be of assistance to you in this regard.

From Karen DeDonato, Executive Director

Hello from 'snowy' New England! I have titled our winter theme as 'clean up'. Clean up of snow, ice, closets, basements and your **SDP account profile information!** I would like to invite each and every one of you to login to your SDP account and update your contact information. We are gearing up for the 2015 SDP Conference & Training and want to make sure we can reach you! Go to www.depr.org and update your profile NOW!

Please note, registration for the 2015 Annual Conference & Training will open on May 1st. Check out the SDP website at www.depr.org for 'All Things Conference and Training 2015!'

Hope to see you in Austin, TX!

We wish to thank our 2014 Annual Meeting and Training Sponsors for their generous donations. We invite our past sponsors and all members to consider sponsoring our 2015 Conference & Training. [Click Here](#) to become a sponsor! All sponsors for 2014 were at the Platinum Level.

Austin- Heart's Home Karen Ponder

My first visit to Austin was in 1978 on my first day of work. After leaving Iowa State, I was fortunate to begin my work life at Texas Electric Service Company in Fort Worth. The company has now been merged into Oncor Electric Delivery but at that time the organization was much smaller. I joined my new co-workers on a trip to Austin to attend rate case hearings for my new employer.

Over the years, I made trips to Austin to enjoy the city and see a different part of Texas.

Around 2003, my view of Austin as a fun place and a unique destination had a new perspective. My middle son enrolled as a freshman at UT- Austin. I was surprised that he embraced the huge campus, an urban experience, and a different way of life than the suburb of Dallas Fort Worth where we had raised our children. Little did either of us know it, but he met his future that first semester at UT. Across the hall at San Jacinto dorm, he met his future bride. During the undergraduate Austin years, they were good friends with no romantic entanglements.

During Ross's undergraduate career, we made many trips to move him countless times and enjoy a taste of Austin. For him, it was a bittersweet moment when he graduated in 2007 and had to leave the place I call his heart's home. In Austin, he found a unique city, lots of small businesses, a wonderful music scene, and a place to come to adulthood.

Fast forward five years from his departure, and he made a happy return. Ross, a dedicated student, was accepted in the newly created graduate program in religious studies. He reconnected with the lovely young lady who lived in the dorm across the hall, and they started their married lives in the place it all began.

The photos I am including are from their wedding, December 29, 2012. These were taken across from our hotel for the meeting, at St. David's Episcopal Church. Ross and his bride Sarah now live in Austin as he pursues his graduate dreams. I hope you all enjoy the city on a visit as much as they do.



Left to Right: Wendell Ponder, Ross Ponder, Sarah Pratt Ponder, and Karen Ponder.



Left to Right: Warren Ponder, Wendell Ponder, Ross Ponder, Sarah Ponder, Madeline Tarbutton, Travis Ponder (Trying to escape), Alan Ponder, Karen Ponder, Melissa Ponder and Matthew Ponder



Questions For the Society:

Please address future questions to admin@depr.org for inclusion in the newsletter or on the SDP website.

Coming Attractions:

What are members up to? Do you have some interesting experiences to share with the membership? If you would like to share something for a future newsletter, please email admin@depr.org.

Longer term members: Please consider contributing a newsletter article discussing your career and the impact of SDP. Please email admin@depr.org if you would like to contribute an article.