Appendices to a Review of DOT Compliance with GASB 34 Requirements

DETAILS

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A Review of DOT Compliance with GASB 34 Requirements — Final Report Appendices A through G

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Appendix A: Composite Survey and Answers

GASB 34 Study

NCHRP

I. GASB 34 Implementation: General

1) **Mark the most challenging issues that the DOT faced in implementing the infrastructure provisions of GASB 34.** ***(mark all that apply)***

16 Deciding which reporting method – depreciation or modified approach – to use.

29 Developing a methodology to establish historical cost or current value.

29 Accounting for additions to and retirements from the system.

11 Establishing a methodology for computing depreciation.

10 Determining the estimated lives for various asset classes

19 Determining whether expenditures should be expensed or capitalized

16 Identifying ROW costs.

19 Finding accurate data to use in establishing or estimating historical cost or current value.

13 Converting data to a format that could be used in reporting.

8 Establishing accurate inventory figures.

6 Other:

- ACCOUNTING FOR CONSTRUCTION IN PROGRESS. **(NC)**
- ESTIMATING ANNUAL COST TO MAINTAIN AND PRESERVE. **(WI)**
- MODIFYING EXISTING DEPRECIATION SYSTEM AND RECONCILING RESULTS. **(SC)**
- ONLY PROSPECTIVE REPORTING HAS BEEN COMPLETED. **(CA)**
- WHEN TO PLACE AN ASSET IN SERVICE **(AZ)**
- NO EXISTING REPORTING SYSTEM FOR GASB34 REQUIREMENTS. **(PA)**

1a) **Of those answers you selected in question #1, which ONE did you consider to be the most challenging issue?**

9 Deciding which reporting method – depreciation or modified approach – to use.

6 Developing a methodology to establish historical cost or current value.

8 Accounting for additions to and retirements from the system.

2 Determining the estimated lives for various asset classes.

6 Determining whether expenditures should be expensed or capitalized.

5 Identifying ROW costs.

5 Finding accurate data to use in establishing or estimating historical cost or current value.

4 Converting data to a format that could be used in reporting.

5 Other

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2) **What reporting method did you principally use for infrastructure assets *(excluding buildings and equipment)*?**

28 Depreciation: *Did you seriously consider the modified approach?* 12 Yes
16 No

20 Modified: *Did you seriously consider using depreciation?* 7 Yes 13
No

2 Combination of both (with major infrastructure assets in each category)

3) **Were there different perspectives in your agency among the engineers, planners and finance people about the reporting method selected?**

11 Yes: (*specify)*

- ENGINEERS AND PLANNERS PREFERRED THE MODIFIED APPROACH IF FUNDING WAS AVAILABLE TO IMPLEMENT IT. **(MO)**
- ENGINEERS BELIEVED "MODIFIED" WAS MORE LOGICAL AND ALSO WANTED MORE NETWORKS/SUBSYSTEMS. **(SC)**
- ENGINEERS WANTED TO REPORT PROJECT BY PROJECT WITH DIFFERENT DEPRECIATION RATES FOR DIFFERENT SEGMENTS OF CONSTRUCTION. **(WV)**
- THE DECISION TO USE THE DEPRECIATION METHOD WAS DETERMINED BY THE STATE FINANCE DIRECTOR WHO IS RESPONSIBLE FOR FINANCIAL REPORTING AT THE STATE LEVEL. MANY OF OUR ENGINEERS FELT THAT THE MODIFIED APPROACH WOULD BRING A MORE REALISTIC LOOK. **(OK)**
- THE DECISION ULTIMATELY WAS BASED MORE ON POLICY DECISION MAKING AT THE LEGISLATIVE LEVEL VERSUS THE PRAGMATIC VIEW TAKEN BY THOSE THAT WORK IN THE PROGRAM AREAS AFFECTED. IN SHORT, ESTABLISHING A SPECIFIC CONDITION TARGET AND THEN ENSURING THE FINANCING. **(OR)**
- FINANCE EMPLOYEES RESPONSIBLE FOR THE ACTUAL WORK WOULD HAVE PREFERRED MODIFIED. **(GA)**
- VARIOUS **(FL)**
- N/A SPECIFIED BY 4 RESPONDENTS **(IL, MT, NM, WY)**

39 No

4) **In what year did the DOT begin its GASB 34 infrastructure implementation initiative?**

2000(AVG.) *(specify year)*

10	1999	11	2001
14	2000	15	2002

5) **Do you expect to change your approach to reporting infrastructure assets within the next 5 years?**

3 Yes ↓ 9 Possibly ↓ 38 No → SKIP TO Q.6

5a) **If you plan to change your approach or are considering it, please explain why.**

- HAVE NOT DECIDED HOW TO REPORT HISTORIC COSTS. **(AK)**
- MODIFIED APPROACH MORE CLOSELY MATCHES WHAT REALLY OCCURS IN MANAGEMENT OF INFRASTRUCTURE. ASSET MANAGEMENT SYSTEM FOR ROADS IS NOT CURRENTLY COMPLETE FOR SECONDARY ROAD SYSTEM. BUT BIGGEST FACTOR/CONCERN IS THAT MODIFIED WOULD REVEAL COST TO PRESERVE. **(SC)**

- MOST CURRENTLY USES DEPRECIATION METHOD FOR RAMPS. EVENTUALLY, MDOT WILL USE THE MODIFIED APPORACH FOR RAMPS. **(MI)**
- NO REASON AT PRESENT. **(NH)**
- OUR CONSTRUCTION PAYMENT AND ACCOUNTING PROCESSES ARE NOT ADEQUATE TO IDENTIFY THE INFRASTRUCTURE CAPITAL EXPENDITURES AT THE LEVEL WE NEED. **(OR)**
- THE DOT WANTED TO USE THE MODIFIED APPROACH BUT WAS REQUIRED BY THE BUREAU OF FINANCE AND MANAGEMENT TO USE THE DEPRECIATION METHOD. WITH THE CHANGE OF ADMINISTRATION, WE FEEL THERE IS A CHANCE OF GETTING AGREEMENT TO USE THE PREFERRED METHOD. **(SD)**
- THE ONLY REASON WE WOULD CHANGE FROM THE MODIFIED APPROACH TO THE DEPRECIATION METHOD WOULD BE IF WE COULD NO LONGER MEET THE REQUIREMENTS OF THE MODIFIED APPROACH. **(WA)**
- WE ARE NOT SURE IF WE ARE CAPITALIZING ENOUGH OF OUR ANNUAL EXPENDITURES. **(WV)**
- WE EXPECT A NEW MAINTENANCE MANAGEMENT SYSTEM TO BE IMPLEMENTED WHICH WOULD BETTER CONTROL CONDITION ASSESSMENTS. **(NJ)**
- 1. WE ARE IMPLEMENTING A NEW FISCAL MANAGEMENT SYSTEM (MYSAP) 2. WE WILL BE IMPLEMENTING ASSET MANAGEMENT IN OUR VARIOUS INFRASTRUCTURE MANAGEMENT SYSTEMS THAT WILL BE ABLE TO GENERATE GASB34 REPORTS. **(PA)**
- ACCOUNTING FEELS MODIFIED WOULD BE EASIER. **(GA)**

6) Has the DOT noticed any significant increase in the activities of any auditor group (external, internal, legislative, etc.) with respect to the infrastructure requirements of GASB 34? Indicate the nature of the increased auditor activities the DOT has noticed. ***(mark all that apply)***

23 Advising on the development of procedures over infrastructure assets

20 Evaluating (asking questions about) internal control over infrastructure assets

5 Comparing infrastructure listings with information included in maps or similar public documents

31 Testing the historical cost of infrastructure assets

19 Testing the calculation of depreciation expense

9 Observing condition assessments

23 Advising on the form and substance of the GASB 34 required information

12 Evaluating the method to calculate asset useful life

5 None

9 Other:

- ASSISTANCE IN DEVELOPMENT OF NEW FINANCIAL STATEMENTS AND CLASSIFICATION OF TRANSACTIONS. **(SC)**
- AUDITING ADDITIONS/DELETIONS EACH YEAR FOR ALL ASSET CATEGORIES. **(MI)**
- CHALLENGING THE DOT INTERPRETATION OF CAPITAL/PRESERVATION. **(IN)**

- NOT YET AUDITED. **(ME)**
- OBSERVE AND CONFIRM WORK BY DOT. **(KY)**
- REVIEW OF THE METHOD USED TO ESTABLISH THE ESTIMATED HISTORICAL COST OF THE SYSTEM INITIALLY. **(OR)**
- REVIEWING INVENTORY DATA AND CONDITION ASSESSMENT INFORMATION.
- SINGLE AUDIT **(HI)**
- PROVIDED INPUT ON DETERMINING CONSTRUCTION IN PROGRESS EXPENDITURES. **(PA)**

7) **Regardless of the method your agency uses, which reporting method do you feel is more challenging to implement and report?**

28 Modified approach 10 Depreciation 12 Neither is more challenging

8) **Which method do you feel is more helpful for making financial and management decisions?**

31 Modified approach 9 Depreciation 0 Both are equally helpful 10 Neither is helpful

9) **Was determining ownership of infrastructure assets ever a significant issue during GASB 34 implementation?**

7 Yes: (*specify)*

- D.C. IS UNIQUE. ASSETS CAN BE HELD BY D.C. FEDERAL GOVERNMENT OR WMATA, YET FUNDING DOES NOT ALWAYS MATCH OWNERSHIP. **(DC)**
- DETERMINING OWNERSHIP OF CONNECTING HIGHWAYS (PORTIONS ON STATE HIGHWAYS OWNED BY LOCAL UNITS OF GOVERNMENT) **(WI)**
- HAD TO DISTINGUISH LOCAL ASSETS. **(OH)**
- IT WAS AN ISSUE ONLY WITH A FIBER OPTIC NETWORK. **(MN)**
- OWNERSHIP OF RIGHT OF WAY IS NOT ALWAYS CLEAR. **(KS)**
- WHO OWNED THE ROADS (LOCAL VS. DOT) & PARK ROADS. **(NV)**
- WORK DONE ON LOCAL ROADS **(AK)**

43 No

10) **Are all transportation infrastructure assets operated and/or managed by the state accounted for in the State DOT's reporting?**

38 Yes → SKIP TO Q.11 12 No ↓

10a) **If No, why are all assets not accounted for?** ***(mark all that apply)***

11 Some assets are owned by other agencies.

7 Some assets are owned by localities and not included in the state's financial reports.

4 Some projects, jointly constructed by the DOT and another political subdivision, are accounted for, at least partially, by the other political subdivision.

11) **Does the DOT ever transfer ownership of assets to localities or other political subdivisions?**

42 Yes ↓ 8 No → SKIP TO Q.12

11a) If Yes, does the State DOT continue to report these assets in its financial statements?

0 Yes➔ SKIP TO Q.12 42 No ➔

11b) If No to question #11a, how are the assets valued at the time of transfer?

11 Historical cost depreciated to the date of transfer

19 Historical cost without depreciation

2 Replacement value

1 Nominal value

9 Other:

- AVERAGE, RECALCULATED ANNUALLY. **(TN)**
- CURRENT COST INDEXED BACK TO AVERAGE YEAR OF RECONSTRUCTION. **(MI)**
- ESTIMATED HISTORICAL COST. – 2 RESPONDENTS **(WA, WI)**
- ESTIMATE OF HISTORICAL COST WITHOUT DEPRECIATION **(AL)**
- REPLACEMENT COST DEFLATED TO DATE OF CONSTRUCTION. **(NE)**
- REPLACEMENT COSTS INDEXED TO APPROXIMATE DATE OF CONSTRUCTION. **(KY)**
- THE RETROACTIVE REPORTING PHASE HAS NOT STARTED. **(CA)**
- THEY WOULD BE REMOVED FROM OUR BOOKS AT HISTORICAL COST NET OF DEPRECIATION. **(GA)**

12)What were the TOTAL ESTIMATED OR ACTUAL COSTS involved in implementing GASB 34 requirements?

$ 204,517.OO (AVG. of 16 respondents) 34 Not known

Minimum= $10,000 Maximum= $1,000,000

12a) How many additional staff were hired to implement the infrastructure requirements of GASB 34?

1 (AVG. of 5 respondents) *[# Full Time Equivalents (FTEs)]* 45 None

Minimum= 0 Maximum= 1

12b) How many hours of staff time were used in implementing GASB 34 requirements?

2,037 (AVG. of 18 respondents) *(# hours)* 32 Not known

Minimum= 40 Maximum= 9,000

12c) What role did outside consultants play in GASB 34 implementation? ***(mark all that apply)***

36 None were hired

7 Historical cost estimates model validation

1 Organizational management

4 Inventory assessment

8 Auditing of financial reports

6 Other:

- COMPTROLLER HIRED AN ADVISOR. **(CT)**
- GASB 34 CONSULTING. **(DE)**
- HELPED IN THE DEVELOPMENT OF POLICY AND PROCEDURE FOR REPORTING. **(SD)**
- INTERPRETING GASB 34, 33 & 39. **(DC)**
- WORKED WITH STATE FINANCE AND STATE AUDITORS. **(UT)**
- DEVELOPMENT OF MODIFIED APPROACH PROCESSES AND ASSET MANAGEMENT SYSTEM. **(AL)**

13)What was the SINGLE MOST IMPORTANT SOURCE used to clarify information about the implementation of GASB 34 infrastructure requirements? *(mark only one)*

25 GASB

2 National Association of State Auditors, Comptrollers and Treasurers

5 AASHTO workshops

4 Other State DOTs

5 Outside consultants

9 Other:

- AND GASB 34 TRAINING WE ALL ATTENDED. **(UT)**
- AUDITOR EXPECTATIONS **(IN)**
- CONTACTS AT THE WISCONSIN STATE CONTROLLERS OFFICE (FINANCIAL REPORTING TEAM) AND THE WISCONSIN LEGISLATIVE AUDIT BUREAU. **(WI)**
- GASB IMPLEMENTATION GUIDE. **(OH)**
- INTERNAL STAFF. **(TN)**
- STAFF ANALYSIS. **(NJ)**
- STATE OF MICHIGAN, DEPT OF MANAGEMENT & BUDGET, OFFICE OF FINANCIAL MANAGEMENT. **(MI)**
- AUDITOR GENERAL **(IL)**
- GOVERNOR'S OFFICE OF FINANCIAL MANAGEMENT (BFM) **(PA)**

14)To what degree were existing automated financial / accounting systems modified?

0 Total system replacement: (*describe)*

_____

3 Major modifications: (*describe)*

_____

27 Minor modifications: (*describe)*

_____

15 No modifications needed

5 The DOT has no automated systems in place that are related to GASB 34

0 The DOT had no automated systems, but new systems had to be put in place for GASB 34 infrastructure implementation.

STOP!!

- If you chose **DEPRECIATION or a COMBINATION OF DEPRECIATION & THE MODIFIED APPROACH** in question #2, continue to question #15.
- If you chose the **MODIFIED APPROACH** in question #2, skip to question #25.

Depreciation

15)Which issues were influential in selecting the depreciation approach?
(mark all that apply)

6 Depreciation smooths the peaks and valleys of preservation costs.

6 The funding of preservation costs under the modified approach (recorded as an expense) with debt (recorded as a liability) could result in the reporting of a deficit.

4 Changing from the modified approach to the depreciation approach when condition targets are not met could result in the reporting of higher depreciation costs as the result of shorter estimated lives.

4 The use of the modified approach has a higher risk of making the DOT appear less favorable in comparison with other DOTs.

14 There was uncertainty in the ability to achieve target conditions.

9 The department does not have asset management systems adequate to provide the information required in the modified approach.

3 None

9 Other:

- ALREADY HAD A PROCESS IN PLACE. **(NH)**
- DIRECTED BY STATE ADMINISTRATION TO USE DEPRECIATION METHOD FOR POLITICAL REASONS. **(SD)**
- EXPENSE IN IMPLEMENTING AND MAINTAINING THE MODIFIED APPROACH. **(WV)**
- IT WAS THE EASIEST TO DO. **(CT)**
- THE AVAILABILITY OF INFORMATION AND THE ABILITY TO SEPARATELY IDENTIFY ASSETS. **(TX)**
- THE DEPRECIATION APPROACH WAS DICTATED BY THE STATE FINANCE DIRECTOR. **(OK)**
- THE MODIFIED APPROACH WAS UNACCEPTABLE POLITICALLY BECAUSE OF THE FINANCING ISSUES. **(OR)**
- BFM **(PA)**
- WITH BUDGET UNCERTAINTY, NOT SURE FUNDS WOULD BE AVAILABLE FOR MAINTAINING TARGET CONDITIONS. **(GA)**

15a) Of those answers you selected in question #15, which ONE did you feel had the greatest influence?

5 Depreciation smooths the peaks and valleys of preservation costs.

1 The funding of preservation costs under the modified approach (recorded as an expense) with debt (recorded as a liability) could result in the reporting of a deficit.

1 The use of the modified approach has a higher risk of making the DOT appear less favorable in comparison with other DOTs.

5 There was uncertainty in the ability to achieve target condition.

6 The department does not have asset management systems adequate to provide the information required in the modified approach.

9 Other

16)What methods of depreciation are used? ***(mark all that apply)***

29 Straight line

0 Modified Accelerated Cost Recovery System

0 Declining Balance

2 Other:

- COMPOSITE DEPRECIATION WITH WEIGHTED AVERAGE FOR BEGINNING DEPRECIATION. **(ND)**
- WEIGHTED AVERAGE USEFUL LIFE **(CT)**

17)What policies have been adopted to allocate expenditures among the capital, preservation and maintenance categories? ***(mark all that apply)***

22 If the expenditure increases the capacity or efficiency of an asset, it is treated as a capital asset.

21 If the expenditure extends the useful life of an asset, it is treated as a capital asset

19 If the expenditure neither increases capacity/efficiency nor extends the useful life of the asset,
it is a maintenance cost.

15 Capitalization thresholds are used to help determine if an expenditure is capitalized.

2 Other:

- ANYTHING GREATER THAN $1,000 IS CAPITALIZED. **(NM)**
- EXPENDITURES ARE CAPITALIZED OR EXPENSED BASED ON THE FUNDING DESIGNATION SUPPLIED FROM THE GENERAL ASSEMBLY. **(NC)**

18)Which of the following represent asset classes used in reporting with the depreciation approach? ***(mark all that apply)***

Please fill in the useful life ***(number of years)*** **for any of the following that are used in your depreciation model as an asset category.** ***(If the useful life is a range, please provide the mid-point)***

Asset Class	Useful Life *(in years)*	Asset Class	Useful Life *(in years)*
17 Roads	18 (0-75)	0 Docks, piers, etc	_____
6 Interstates	17 (0-50)	0 Dams	_____
4 National Hwy. System	23 (0-50)	5 Rail track and rail systems	40 (0-99)
10 State Hwy System	20 (0-50)	3 Rolling stock	6 (8-10)
21 Bridges	20 (0-82)	1 Signs and appurtenances	40
3 Interchanges	29 (0-50)	9 Equipment	6 (4-17)
3 Ferries	35 (15-60)	3 Right of Way	n/a
3 Tunnels	31 (50-75)	7 Single infrastructure asset	15 (0-40)

12 Buildings .....17 (0-50) 7 Other:

- EACH ASSET IS EVALUATED INDIVIDUALLY. ZERO'S WERE USED DUE TO THE FACT THAT WE DO EVALUATE INDIVIDUALLY. **(VT)**
- INTANGIBLE ASSETS (EASEMENTS) **(NC)**
- NETWORK FOR 2-LANE AND 4-LANE ASPHALT NETWORK FOR INTERSTATE **(ND)**
- REST AREA BUILDINGS **(ID)**
- ROAD IMPROVEMENTS **(AK)**
- USED 3 SYSTEM CATEGORIES; HIGHWAY SYSTEM - 22 YEARS; RAIL SYSTEM - 28 YEARS; AVIATION SYSTEM - 20 YEARS. **(CT)**
- ROADS (SURFACE) **(GA)**

19) Does the State accounting system have the ability to break out costs by the asset class detail desired or required for financial reporting?

24 Yes 6 No

20) How were useful lives of infrastructure assets determined?

4 Comparison with lives used by others

19 Actual internal experience

2 Use of outside appraisers, engineers, etc.

5 Other, including published guidelines:

- AASHTO & OTHER STANDARDS AND DEPARTMENT EXPERIENCE **(CT)**
- CONSULTATION/ADVICE OF STATE COMPTROLLER GENERAL **(SC)**
- DEVELOPED INTERNALLY WITH THE HELP OF MAINTENANCE AND CONSTRUCTION ENGINEERING STAFF. **(OR)**
- IRS PUBLICATION 946 - APPENDIX B **(LA)**
- BASED ON OUR OFFICE OF PROGRAMMING & PLANNING. **(IL)**

21) How was the beginning value for depreciation established?

18 Historical construction costs

7 Current replacement value deflated to the time of construction

3 Combination of both

2 Other:

- AASHTO BOOK-1914-1964 **(SC)**
- HISTORICAL EXPENDITURES **(PA)**

22) Are salvage values assigned to infrastructure assets?

3 Yes:

- 10 PERCENT COST – SURFACE ONLY. **(MS)**
- GRADING AND DRAINAGE COSTS EQUAL SALVAGE VALUE. **(MO)**
- ROADS - 20% OF BASE BRIDGES - 80-90% BASED ON DESIGN LOAD **(GA)**

27 No

23)Who made the final decision concerning the specifics of the depreciation method used such as the length of useful life, salvage value, etc?

8 The DOT's Chief Financial Officer

1 The DOT's Chief Engineer

16 A committee within the DOT

5 Other:

- COST ANALYST IN DOT **(SD)**
- DOT CFO IN CONJUNCTION WITH STATE COMPTROLLER **(MA)**
- SOMEONE FROM OUTSIDE THE DOT **(LA)**
- BFM **(PA)**
- STATE COMPTROLLER **(TX)**

24)Do you plan to report the condition of infrastructure assets being depreciated as supplementary information in the financial report?

5 Yes 25 No

STOP!!

- If you use the **MODIFIED APPROACH or a COMBINATION OF DEPRECIATION & THE MODIFIED APPROACH** for the reporting of any infrastructure assets, continue to question #25.
- If you use **DEPRECIATION** skip to question #32.

Modified Approach

25)Which issues were influential in selecting the modified approach? ***(mark all that apply)***

17 The modified approach provides more useful information.

19 The modified approach is consistent with the DOT's asset management philosophy.

9 The depreciation method does not reflect the economics of financing infrastructure as reported to the public by the DOT (e.g., the smoothing effect of depreciation masks the peaks and valleys of preservation costs).

13 Estimated lives and related salvage costs used to compute depreciation are inconsistent with the characteristics of infrastructure assets.

0 None

2 Other:

- OUR UNDERSTANDING THAT THE MODIFIED APPROACH IS THE GASB PREFERRED METHOD AND THAT THE SUPPLEMENTAL INFORMATION REQUIRED BY THOSE GOVERNMENT UNITS USING THE MODIFIED APPROACH MAY SOMEDAY DOWN THE ROAD (NO PUN INTENDED) BE REQUIRED BY GASB AS OPPOSED TO BEING CONSIDERED AN OPTION. **(WI)**
- CALCULATING DEPRECIATION ON INFRASTRUCTURE ASSETS IS AN EXERCISE IN FUTILITY. DEPRECIATION CHARGES MEAN NOTHING AND ADD ABSOLUTELY "NO" VALUE TO FINANCIAL INFORMATION ASSOCIATED WITH THE CONSTRUCTION/MAINTENANCE OF INFRASTRUCTURE ASSETS. **(AL)**

25a) Of those answers you selected in question #25, which ONE did you feel had the greatest influence?

9 The modified approach provides more useful information.

11 The modified approach is consistent with the DOT's asset management philosophy.

1 Estimated lives and related salvage costs used to compute depreciation are inconsistent with the characteristics of infrastructure assets.

1 Other

26) Was it difficult to convince people at the DOT or State that the modified approach would provide better information for financial reporting purposes?

1 Yes 21 No

27) What policies have been adopted to allocate expenditures among the capital, preservation and maintenance categories? ***(mark all that apply)***

21 If the expenditure increases the capacity or efficiency of an asset, it is treated as a capital asset.

11 If the expenditure extends the useful life of an asset, it is treated as a preservation cost.

18 If the expenditure neither increases capacity/efficiency nor extends the useful life of the asset,
it is a maintenance cost.

5 Capitalization thresholds are used to determine if an expenditure is capitalized.

1 Other:

- MDOT DOES NOT DIFFERENTIATE BETWEEN PRESERVATION & MAINTENANCE FOR GASB PURPOSES. THE COST EITHER INCREASES CAPACITY / IMPROVES EFFICIENCY OR IS CONSIDERED MAINTENANCE. **(MI)**

28) **Mark all of the following that represent asset classes used in reporting with the modified approach.** ***(mark all that apply)***

15	Roads	0	Docks, piers, etc
9	Interstates	0	Dams
8	National Highway System	1	Rail track and rail systems
10	State Highway System	0	Rolling stock
17	Bridges	4	Signs and appurtenances
3	Interchanges	1	Equipment
1	Ferries	11	Right of Way
3	Tunnels	5	Single infrastructure asset *(entire network)*
1	Buildings	4	Other:

- AIR FIELDS **(WA)**
- CIP, PRIORITY PAVING, GENERAL PAVING **(OH)**
- LAND, INFRASTRUCTURE **(DE)**
- SIGNS AND APPURTENANCES INCLUDED IN ROAD COSTS. **(MI)**

29) **What determinations for the financial reporting of infrastructure assets under the "modified approach" were the most challenging for the DOT's required supplementary information (paragraphs 132-133 of GASB 34)?** ***(mark up to 3)***

0 The frequency of performing condition assessments.

18 The estimated annual costs to maintain and preserve at (or above) the condition level established and disclosed by the government compared with amounts actually expensed.

7 The basis for the condition measurement and the measurement scale used to assess and report condition.

10 The condition level at which the government intends to preserve eligible infrastructure assets.

2 Factors that significantly affect trends in the information reported in the required schedules.

0 Other: *(specify)* _____

30) How did you arrive at a historical cost for your assets?

8 Historical construction costs

8 Current replacement value deflated to the time of construction

3 Combination of both

3 Other:

- ESTIMATED HISTORICAL COST BASED ON CONSTRUCTION COSTS SINCE 1980. **(WA)**
- NOT PERFORMED YET, PLANNING TO USE A CURRENT REPLACEMENT COST WRITTEN DOWN BASED ON CURRENT CONDITION. **(CA)**
- HISTORICAL CONSTRUCTION COSTS ALLOCATED TO ASSET CLASSES BY CURRENT REPLACEMENT VALUE. **(AL)**

31) How was minimum acceptable condition policy determined? *(mark all that apply)*

9 Based on current condition

13 Based on previously held standards

6 Based on likely funding / budget scenarios

17 Decision made by DOT staff

0 Decision made by State staff

2 Other:

- BASED ON FUTURE CONDITION LEVEL GOALS **(ID)**
- DOT IS USING A BANDED CONDITION APPROACH: MINIMUM AND EXPECTED CONDITION LEVELS. **(CA)**

II. Organization / Decision Making

32) Who determined your policies for conforming with the infrastructure provisions of GASB 34? *(mark all that apply)*

20 The DOT's Chief Financial Officer

4 The DOT's Chief Engineer

27 A committee within the DOT

20 Other:

- A COMMITTEE OF DOT FINANCIAL AND PROGRAMMING STAFF, FINANCE DEPARTMENT, AND THE LEGISLATIVE AUDITOR. **(MN)**
- AUDITORS AND STATE COMPTROLLER GENERAL ASSISTED IN DECISION MAKING PROCESS. **(SC)**
- COLLABORATION BETWEEN THE DOT, COMPTOLLER AND STATE AUDITOR. **(TX)**
- CONTROLLER **(AZ)**
- COST ANALYST DOT **(SD)**

- DOT CHIEF ACCOUNTANT **(MI)**
- DOT CONTROLLER AND DOT EXECUTIVE IN CHARGE OF (ROAD & BRIDGE) INFRASTRUCTURE MANAGEMENT **(IN)**
- DOT CONTROLLER, STATE CONTROLLER, AUDITORS **(CO)**
- DOT FISCAL DIVISION DIRECTOR **(VA)**
- EXECUTIVE COMMITTEE **(KS)**
- ODOT DEPUTY DIRECTOR **(OH)**
- OFFICE OF STATE CONTROLLER **(NC)**
- SECRETARY OF TRANSPORTATION **(DE)**
- SOMEONE FROM OUTSIDE THE DOT **(LA)**
- STAFF ANALYST **(NJ)**
- STATE AUDITOR AND OMB **(ND)**
- STATE COMPTROLLER **(MA)**
- THE WISDOT GASB 34 INFRASTRUCTURE COMMITTEE ALSO INCLUDED A RESPRESENTATIVE FROM BOTH THE STATE CONTROLLERS OFFICE AND LEGISLATIVE AUDIT BUREAU. **(WI)**
- TRANSPORTATION COMMISSION **(UT)**
- BFM **(PA)**

33) **What agencies (other than the DOT) were involved in GASB 34 infrastructure implementation?** ***(mark all that apply)***

31 State Auditor

27 State Comptroller

1 State Land Office

1 State Treasury

7 State Department of Natural Resources

18 State Office of Finance and Administration

8 None

3 Other:

- INDEPENDENT AUDITOR- DEPARTMENT OF REVENUE **(SC)**
- INDEPENDENT CPA FIRMS **(WV)**
- LEGISLATIVE AUDITOR **(MN)**

34) **Did representatives from other state agencies (such as The State Auditor's Office or State Comptroller's Office) disagree with the DOT on what reporting approach should be used for the infrastructure provisions of GASB 34?**

46 No

4 Yes:

- INITIALLY LEANED TOWARD DEPRECIATION METHOD. **(MN)**

- REQUIRED REPORTING BY THE DEPRECIATION METHOD BY BUREAU OF FINANCE AND MANAGEMENT. **(SD)**
- LAND VALUES **(IL)**
- STATE AUDITORS DISAGREED WITH EXPECTED LIFE AND METHODOLGY FOR DEPRECIATION **(PA)**

35) **Do you feel implementing GASB 34 has improved the lines of communication among the engineering, finance, and maintenance departments?**

25 Yes↓ 25 No → SKIP TO Q.36

35a) Do you feel that improved lines of communication between the engineering and finance departments (regarding infrastructure conditions) will improve how dollars are allocated between expansion and preservation?

11 Yes 14 No

36) Is the information being generated by the reporting of infrastructure assets being utilized by parties outside the DOT?

22 No

28 Yes:

- 1ST YEAR **(NH)**
- BECOMES PART OF STATEWIDE C.A.F.R. **(SC)**
- BOND RATING AGENCIES **(OH)**
- BUDGET & COMPTROLLER'S OFFICE **(DC)**
- DEPARTMENT OF FINANCE AND ADMINISTRATION (PREPARES STATE CAFR) **(WV)**
- DEPT OF FINANCE & ADMINISTRATION, DEPT OF STATE AUDITOR **(MS)**
- LEGISLATORS, FINANCING ENTITIES **(ND)**
- LEGISLATURE, BOND RATING AGENCIES, ETC. **(FL)**
- LOCAL GOVERNMENTS. **(TX)**
- LOCALITIES **(VA)**
- MANAGEMENT DISCUSSION AND ANALYSIS **(NM)**
- MISSOURI HIGHWAY & TRANSPORTATION COMMISSION - NON-PAID POLITCAL APPOINTEES BY THE GOVERNOR, WITH STAGGERED TERMS. **(MO)**
- OFFICE OF STATE CONTROLLER FOR CAFR REPORT **(NC)**
- ONLY FOR THE STATE'S CAFR **(IN)**
- PERHAPS THE USERS OF STATE OF WASHINGTON FINANCIAL STATEMENTS AND THE LEGISLATURE. **(WA)**
- READERS OF OUR FINANCIAL STATEMENTS **(AR)**
- STATE ACCOUNTING OFFICE **(LA)**
- STATE AUDITOR, STATE COMPTROLLER **(MI)**
- STATE COMPTROLLER **(CT)**
- STATE CONTROLLER'S OFFICE AND STATE DEPARTMENT OF FINANCE. **(CA)**
- STATE FINANCE & ADMINISTRATION **(TX)**
- UNABLE TO BE DETERMINED. **(KS)**
- UNKNOWN **(GA)**, **(OK)**
- USERS OF STATEWIDE CAAFR **(MT)**
- KPMG, AUDITOR GENERAL, COMPTROLLER **(IL)**
- BFM **(PA)**
- PRESENTED TO LEGISLATURE **(WY)**

III. Costing Methodology

37)What internal expenses are included in the total actual or estimated historical cost of a typical project? ***(mark all that apply)***

44 Design expenses

39 Environmental expenses

21 Administrative expenses

41 Transportation expenses (equipment, personnel, etc)

8 Internal expenses are not included in project costs

6 Other:

- ALL PROJECT RELATED COSTS OTHER THAN GENERAL AND ADMINISTRATIVE COSTS. **(TX)**
- HUMAN RESOURCE, FINANCE, EXECUTIVE OFFICE, ETC. **(MI)**
- INDIRECT COST **(VT)**
- ONLY TO THE EXTENT THAT COSTS ARE CHARGED TO THE PROJECT AND INCURRED DURING THE CURRENT YEAR THAT THE ASSET IS CAPITALIZED. **(IN)**
- PROJECT MANAGEMENT & OVERSIGHT COSTS, PROJECT SUPPORT COSTS **(WA)**
- UTILITY COSTS **(PA)**

38)At what point are project costs capitalized?

4 When construction has started

7 When construction has finished

6 When project has opened to traffic

8 Upon approval of completion

18 The construction costs accrued each year are capitalized that year

7 Other:

- CIP FOR 24 MONTHS, MOVED TO FIXED ASSETS & DEPRECIATED FOLLOWING 24 MONTHS AVERAGE CONSTRUCTION PERIOD. **(DC)**
- FINAL BILLING **(NV)**
- ONCE PROJECT IS 85% COMPLETE. **(TX)**
- PROJECT IS OFFICIALLY CLOSED IN ACCOUNTING RECORDS. **(AK)**
- SUBSTANTIAL COMPLETION (95% EST.) **(MA)**
- TWO YEARS AFTER FIRST EXPENSED. **(VA)**
- CONSTRUCTION COSTS INCLUDED IN WORKS IN PROGRESS UNTIL COMPLETION, THEN CAPITALIZED. **(GA)**

39)In which of the following ranges does the capitalization threshold fall?

21 No capitalization thresholds are employed

5 Less than $25,000

2 $25,000 to $75,000

6 $75,000 to $125,000

11 $125,000 or greater

5 Multiple thresholds for different classes of assets are employed: *(please list)*

- $1 MILLION FOR ALL ROADWAY AND BRIDGE INFRASTRUCTURE. $25,000 FOR BUILDINGS. $5,000 FOR ALL OTHERS. **(WV)**
- $500,000-INFRASTRUCTURE (HIGHWAYS & BRIDGES) $5,000-PERSONAL PROPERTY, $100,000- OTHER REAL PROPERTY(BUILDINGS & IMPROVEMENTS) **(TX)**
- GREATER THAN $0 FOR ROADWAYS, GREATER THAN $5,000 FOR BRIDGES, REST AREAS, POE'S, WEIGH STATIONS. **(ID)**
- LAND AND INFRASTRUCTURE HAVE NO THRESHOLD. OTHER ASSETS HAVE $1,000 THRESHOLD. **(MO)**
- UNSURE OF CURRENT THRESHOLD, IF ANY. **(GA)**

40) What time period represents the years of cost data included in your DOT's calculation of historical cost / current value?

1953 (AVG.) *to the present (enter the beginning year)*
MINIMUM= 1900 (5) MAXIMUM= 2003 (1)

41) What sources of information were used to establish the historical cost of infrastructure assets? *(mark all that apply)*

10 "AASHTO: The First 50 Years"

26 Financial Statements

3 Bond Records

9 Budget Records

32 Other:

- CONSTRUCTION CPI **(UT)**
- CONSTRUCTION DATABASES **(WI)**
- CURRENT PRICING DATA PER LANE MILE OF ROADWAY AND PER SQUARE FOOT OF BRIDGE DECK, DEVALUED TO YEAR OF ORIGIN OR SUBSEQUENT CONSTRUCTION. **(IN)**
- CURRENT REPLACEMENT COST AND THE DEPARTMENT'S PLANNING, BRIDGE & HIGHWAY INVENTORY. **(KS)**
- DOT INFORMATION FOR THE RETROACTIVE PHASE. **(CA)**
- ENGINEERING COST ESTIMATES **(OH)**
- ESTIMATED COST BASED ON CURRENT REPLACEMENT COST INDEXED BACK TO HISTORICAL COST. **(MO)**
- FEDERAL HIGHWAY RECORDS **(AR)**
- FEDERAL HIGHWAY STATISTICS **(WY)**
- FINANCIAL RECORDS ON CONSTRUCTION COSTS. **(WA)**
- FWHA-532 **(WV)**

- HISTORICAL FIXED ASSET RECORDS **(DC)**
- INTERNAL DATABASE ON ROADS **(GA)**
- INTERNAL INVENTORY SYSTEM, INTERNAL COST LEDGERS **(ID)**
- INTERNAL RECORDS **(ME, VA)**
- INTERNAL SYSTEMS **(MT)**
- INVENTORY REPORTS **(NH)**
- MDOT'S ASSET MANAGEMENT SYSTEM **(MI)**
- N/A **(NM)**
- OTHER COST ACCOUNTING RECORDS **(FL)**
- PAVEMENT MANAGEMENT PROGRAM, COST ACCOUNTING SYSTEM **(MN)**
- PENNDOT ACCOUNTING RECORDS **(PA)**
- PRIOR YEAR GENERAL LEDGERS **(LA)**
- PRIOR YEARS NOT DONE YET. **(AK)**
- PROJECT ACCOUNTING **(NV)**
- PROJECT COST SYSTEM. **(VT)**
- PROJECT COSTS **(DE)**
- PROJECT RECORDS FROM 1984 TO PRESENT **(ND)**
- SD CONSTRUCTION COST INDEX WAS USED TO DEFLATE THE CURRENT REPLACEMENT COST TO CONSTRUCTION YEAR. **(SD)**
- THE NEVER ENDING REPORT- AN INTERNAL REPORT THAT IS RECONCILED TO THE FINANCIAL STATEMENTS ANNUALLY. THIS REPORT HAS EXPENDITURES FROM 1938 TO PRESENT. **(NC)**
- WE DEVELOPED OUR OWN MODEL USING INFORMATION FROM VARIOUS SOURCES. **(OR)**

42)What index was used to deflate the current replacement value of infrastructure assets to reflect the historical cost?

8 CPI

14 Federal Construction Cost Index

0 California Construction Cost Index

2 ENR Construction Cost Index

20 The DOT did not use an index in its historical cost calculation

6 Other:

- N/A **(VT)**
- N/A, BUT USED ENR TO CONFIRM HISTORICAL COST RECORDS. **(DC)**
- NOT COMPLETED YET **(AK)**
- PLANNING TO USE A CURRENT REPLACEMENT COST WRITTEN DOWN BASED ON CURRENT CONDITION. **(CA)**
- SD CONSTRUCTION COST INDEX **(SD)**
- WE USED A COMPOSITE PRICE INDEX WHICH INCLUDED THE CPI, FHWA AND ENR INDICES. **(OR)**

IV. Infrastructure Condition Assessment

43) To what degree were existing condition assessment systems modified? ***(mark all that apply)***

4 Total system replacement: *(describe)*

_____

6 Major modifications: *(describe)*

_____

6 Minor modifications: *(describe)*

_____

31 No modifications needed

9 The DOT has no automated systems in place that are related to GASB 34

4 The DOT had no automated systems, but new systems had to be put in place for GASB 34 infrastructure implementation.

44) In response to GASB 34, in what new ways does the DOT intend to use the information from the condition assessments? ***(mark all that apply)***

23 Has no new plans to use the information, other than to comply with GASB 34.

16 Aid in budgeting and funding requests.

15 Strategically allocate dollars to parts of the system with the greatest need.

14 Development of long range plans.

7 Other:

- "FDOT HAS BEEN COLLECTING AND REPORTING ON THIS DETAILED DATA FOR YEARS AND PLANS TO CONTINUE TO USE THE DATA IN MANNERS DESCRIBED IN THE CHOICES FOR THIS QUESTION. HOWEVER, DISTINCTION NEEDS TO BE MADE THAT IT'S NOT SOMETHING NEW FOR THEIR AGENCY. **(FL)**
- DEVELOP A STATEWIDE ANNUAL MAINTENANCE PROGRAM. **(NC)**
- INCLUDE IN QUARTERLY OR ANNUAL PERFORMANCE REPORTING THROUGH OUR ACCOUNTABILITY REPORTS. **(WA)**
- N/A **(VT)**
- NOT USED **(LA)**
- TO BE DECIDED **(VA)**
- USE THE INFORMATION IN THE DEVELOPMENT OF AN ASSET MANAGEMENT SYSTEM. **(AL)**

45) What is the primary cycle for inspecting different bridge structures based on span length?

6 Every year

42 Every two years

2 Every three years

45a) Are there different cycles for inspecting bridge structures based on span length or other criteria?

29 No

21 Yes:

- A BRIDGE IN POOR CONDITION MAY BE INSPECTED EACH YEAR. **(ME)**
- ABOVE **(AR)**
- ANNUALLY- DEPENDENT ON CURRENT CONDITION **(MA)**
- BRIDGES CLASSIFIED AS CRITICAL ARE INSPECTED YEARLY. **(KY)**
- BRIDGES WITH A LOAD RESTRICTION OR OTHER DEFICIENCIES ARE INSPECTED MORE FREQUENTLY. **(CT)**
- DEPENDS ON CONDITION OF BRIDGE **(MS)**
- EVERY TWO YEARS **(VT)**
- FRACTURE CRITICAL IN DEPTH INSPECTION EVERY FOUR YEARS, UNDERWATER EVERY FIVE YEARS, SPECIAL FEATURES AS DETERMINED. **(MN)**
- IF LARGE CULVERT OR SHOW SIGNS OF DISTRESS **(VA)**
- INTERSTATES ANNUALLY **(IN)**
- MORE FREQUENT INSPECTIONS ARE PERFORMED ON CRITICAL OR BORDERLINE POOR CONDITION STRUCTURES. **(WI)**
- NEW BRIDGES, EVERY 4 YEARS. OLDER BRIDGES, LESS THAN 2 YEARS. **(WV)**
- NONE SPECIFIED IN SURVEY **(AZ)**
- ONE YEAR FOR FRACTURE CRITICAL **(IL)**
- ONLY INSPECT BRIDGES WITH SPAN GREATER THAN 20 FT LENGTH. ANNUAL INSPECTION FOR ANY BRIDGE RATED POOR OR WORSE, OR BRIDGE WITH LOAD POSTING OR BRIDGES WITH TIMBER SUBSTRUCTURE. **(MO)**
- STRUCTURES WITH SOME DEFICIENCIES MAYBE INSPECTED MORE OFTEN. **(ID)**
- THERE ARE NUMEROUS CYCLES USED IN THE INSPECTION PROCESS. BRIDGE TYPE, MATERIAL, LOCATION, TRAFFIC FLOW, ETC. **(OR)**
- UNDERWATER BRIDGES ARE INSPECTED EVERY 5 YEARS **(AK)**
- UNDERWATER COMPONENTS ARE INSPECTED AT LEAST ONCE EVERY 5 YEARS. SPECIAL EMPHASIS IS GIVEN TO ONGOING INSPECTION AND MAINTENANCE OF MAJOR BRIDGES REPRESENTING A SIGNIFICANT PUBLIC INVESTMENT. **(VA)**
- VARIES ACCORDING TO CONDITIONS OBSERVED. **(TX)**
- VARIES DEPENDING ON THE CONDITION OF THE BRIDGE. **(IA)**

46)What bridge management system does the DOT use? ***(mark all that apply)***

25 In-house developed system

30 PONTIS

2 None

2 Other:

- BRIDGIT **(ME)**
- IRDI DEVELOPED **(KY)**

47)What is the cycle for inspecting pavements?

12 Continuously

20 Every year

16 Every two years

2 Every three years

0 More than every three years

48)How is inspection of pavements conducted?

1 Visual inspection by engineers

12 Instrumented vehicle or other type of pavement inspection equipment

36 Both

1 Other:

- VISUAL WINDSHIELD **(NC)**

49)What pavement management system does the DOT use? ***(mark all that apply)***

8 Vendor-supplied system

10 Vendor-customized system

30 In-house developed system

2 None

2 Other:

- HPMA (HIGHWAY PAVEMENT MANAGEMENT APPLICATION) BY STANTEC. **(MN)**
- IN-HOUSE SYSTEM FOR INTERSTATE AND APPALACHIAN HIGHWAYS ONLY. ALL OTHERS- NO SYSTEM. **(WV)**

50)What is the total estimated value ***(book value)*** **of your state's highway infrastructure network?** ***(If value is a range, provide the mid-point)***

$ 38.4 (AVG. of 46 Respondents) *(in billions)*

Minimum= 2 Maximum= 760

51)What is the estimated current replacement value of your state's highway infrastructure network? ***(If value is a range, provide the mid-point)***

$ 48 (AVG. of 35 Respondents) *(in billions)*

Minimum= 2 Maximum= 287

52) **Overall, what is the DOT's belief as to the usefulness to the state and other users of the information that will be generated due to the additional reporting requirements of GASB 34?** *(mark all that apply)*

20 Useful in preparing budgeting and funding requests

13 Useful in strategically allocating resources

16 Useful in developing long range plans

26 Useful in making case for funding infrastructure

13 Not useful

10 Other:

- BOND RATING AGENCIES **(WI)**
- BOND RATINGS **(MS)**
- COMPARIBILITY TO OTHER STATES **(SC)**
- FINANCIAL STATEMENTS **(NH)**
- HOW COMPARES OR CONFLICTS WITH OTHER DATA. **(MO)**
- UDOT AREADY HAD AND WAS USING MOST OF THE INFORMATION REQUIRED EXCEPT FOR REPORTING. **(UT)**
- UNDETERMINED **(IL)**
- USEFUL IN CORRELATING THE RESULTS (CONDITION RATINGS) AND THE PERFORMANCE (RELATIVE PRESERVATION COST) **(IN)**
- USEFUL IN ESTABLISHING SUPPORT FOR THE DEVELOPMENT OF AN ASSET MANAGEMENT SYSTEM. **(AL)**
- USEFUL IN MAKING CASE FOR MAINTAINING INFRASTRUCTURE **(KY)**

Comments

1) What is the **MAIN** issue you would like to see addressed as part of this study?

- A REEVALUATION WITH GASB REGARDING THE VALUE OF REPORTING INFRASTRUCTURE ASSETS ON THE FINANCIAL STATEMENTS. ALSO, A CLEARER DEFINITION OF HOW TO CLASSIFY CAPITAL VERSUS MAINTENANCE EXPENDITURES. **(MN)**
- A UNIVERSAL DEFINITION OF WHAT CONSTITUTES CAPITAL CONSTRUCTION FOR INFRASTRUCTURE. **(PA)**
- CALTRANS WOULD LIKE THE NHCRP TO LOOK AT INCONSISTENCIES BETWEEN THE MODIFIED APPROACH AND OTHER VALUATION METHODS. **(CA)**
- CONSISTENT REPORTING -- METHODS FOR VALUING INFRASTRUCTURE DIFFER BETWEEN THE STATES (AS ONE EXAMPLE). WE KNOW COMPARISONS WILL GENERALLY NOT BE POSSIBLE UNTIL "BEST PRACTICE" IS DEVELOPED. THE INCONSISTENCIES MAY MAKE THE DATA LESS USEFUL. **(WI)**
- HOW OTHERS ARE CAPITALIZING INFRASTRUCTURE EXPENDITURES. WOULD LIKE TO SEE RESULTS OF SURVEY. **(WV)**
- LESSONS LEARNED FROM IMPLEMENTING GASB 34 THAT MAY ASSIST IN IMPROVING REPORTS FOR THE FUTURE. **(KS)**

- REPORT ON WHETHER DOT MANAGEMENTS AND LEGISLATIVE STAFFS ACTUALLY USE THE NEW INFORMATION REPORTED AS A RESULT OF GASB 34 REQUIREMENTS. **(TX)**
- REPORT RESULTS TO ALL STATES. **(VT)**
- THE STUDY SHOULD HAVE BEEN IMPLEMENTED LAST YEAR, SINCE THE DEPT. ALREADY HAS IMPLEMENTED GASB 34. **(NM)**
- THE USEFULNESS OF THE TABLE IN THE RSI THAT REPORTS BUDGETED & ACTUAL COSTS TO MAINTAIN INFRASTRUCTURE. WITHOUT REPORTING CAPITALIZED COSTS, THE INFO IS NOT COMPLETE AND MAY LEAD A READER TO INCORRECT CONCLUSIONS. **(MI)**
- TOTAL MONETARY EFFECT ON FINANCIAL REPORTING **(PR)**
- USING THE MODIFIED APPROACH, THIS IMPLEMENTATION WAS UNDERTAKEN AS AN EXTENSION OF THE WAY THE DOT DOES BUSINESS. HOWEVER, THE TRADITIONAL ACCOUNTING EMPHASIS CAPITAL / DEPRECIATION WAS YET OVERBEARING CAUSING THE IMPLEMENTATION TO BE A SUBSTANTIAL BURDEN. **(IN)**
- VALUE OF GASB34 DATA TO OTHER DOTS, FHWA,... **(PA)**
- WE WOULD LIKE TO SEE GASB CONSIDER REMOVING THE REQUIREMENT TO REPORT DEPRECIATION IF PLANNED CONDITION LEVELS ARE NOT MET OVER A PERIOD OF TIME. CONDITION LEVELS PROVIDE DECISION MAKERS AND THE PUBLIC BETTER INFORMATION THAN DEPRECIATION. **(WA)**

Appendix B: GASB 34 Survey Answer Matrix Codebook

Appendix B serves as a guide for Appendices C and D. The question numbers in this appendix are column headings in Appendix C and reference comments made by each state regarding various questions in Appendix D.

Appendix B: GASB 34 Survey Answer Matrix Code Book

1 Mark the most challenging issues that the DOT faced in implementing the infrastructure provisions of GASB 34 (mark all that apply)

Value	Label
1	Deciding which reporting method - depreciation or modified approach - to use.
2	Developing a methodology to establish historical cost or current value.
3	Accounting for additions to and retirements from the system.
4	Establishing a methodology for computing depreciation.
5	Determining the estimated lives for various asset classes
6	Determining whether expenditures should be expensed or capitalized
7	Identifying ROW costs.
8	Finding accurate data to use in establishing or estimating historical cost or current value.
9	Converting data to a format that could be used in reporting.
10	Establishing accurate inventory figures.
97	Other: Comment

1A Of those answers you selected in question # 1, which ONE did you consider to be the most challenging issue?

Value	Label
1	Deciding which reporting method - depreciation or modified approach - to use.
2	Developing a methodology to establish historical cost or current value.
3	Accounting for additions to and retirements from the system.
4	Establishing a methodology for computing depreciation.
5	Determining the estimated lives for various asset classes
6	Determining whether expenditures should be expensed or capitalized
7	Identifying ROW costs.
8	Finding accurate data to use in establishing or estimating historical cost or current value.
9	Converting data to a format that could be used in reporting.
10	Establishing accurate inventory figures.
97	Other: Comment

2 What reporting method did you principally use for infrastructure assets (excluding buildings and equipment)?

Value	Label
1	Depreciation
2	Modified
3	Combination of both

2A [If Q2=depreciation] Did you seriously consider using the modified approach?

Value	Label
1	yes
2	no

2B [If Q2=modified] Did you seriously consider using depreciation?

Value	Label
1	yes
2	no

3 Were there different perspectives in your agency among the engineers, planners and finance people about the reporting method selected?

Value	Label
1	yes
2	no

Appendix B: GASB 34 Survey Answer Matrix Code Book

3 [If Q3=Yes] Specify

4 In what year did the DOT begin its GASB 34 infrastructure implementation initiative?

5 Do you expect to change your approach to reporting infrastructure assets within the next 5 years?

Value	Label
1	yes
2	possibly
3	no

5A [IF Q5= yes or possibly] If you plan to change your approach or are considering it, please explain why.

6 Has the DOT noticed any significant increase in the activities of any auditor group (external, internal, legislative, etc.) with respect to the infrastructure requirements of GASB 34? Indicate the nature of the increased auditor activities the DOT has noticed. (mark all that apply)

Value	Label
1	Advising on the development of procedures over infrastructure assets
2	Evaluating (asking questions about) internal control over infrastructure assets
3	Comparing infrastructure listings with information included in maps or similar public documents
4	Testing the historical cost of infrastructure assets
5	Testing the calculation of depreciation expense
6	Observing condition assessments
7	Advising on the form and substance of the GASB 34 required information
8	Evaluating the method to calculate asset useful life
97	Other: Comment
98	None

6 If Other, specify

7 Regardless of the method your agency uses, which reporting method do you feel is more challenging to implement and report?

Value	Label
1	Modified approach
2	Depreciation
3	Neither is more challenging

8 Which method do you feel is more helpful to making financial and management decisions?

Value	Label
1	Modified approach
2	Depreciation
3	Both are equally helpful
4	Neither is helpful

9 Was determining ownership of infrastructure assets ever a significant issue during GASB 34 implementation?

Value	Label
1	yes
2	no

9 [If Q9=yes] Specify

Appendix B: GASB 34 Survey Answer Matrix Code Book

10 Are all transportation infrastructure assets operated and/or managed by the state accounted for in the State DOT's reporting?

Value	Label
1	yes
2	no

10A If Q10=no, why are all assets not accounted for? (mark all that apply)

Value	Label
1	Some assets are owned by other agencies.
2	Some assets are owned by localities and not included in the state's financial reports.
3	Some projects, jointly constructed by the DOT and another political subdivision, are accounted for, at least partially, by the other political subdivision.

11 Does DOT transfer ownership of assets to localities or other political subdivisions?

Value	Label
1	yes
2	no

11A [If Q11=yes] If yes, does the State DOT continue to report these assets in financial statements?

Value	Label
1	yes
2	no

11B [If Q11A=no] If No to question # 11a, how are the assets valued at time of transfer?

Value	Label
1	Historical cost depreciated to the date of transfer
2	Historical cost without depreciation
3	Replacement value
4	Nominal value
7	Other: Comment

11B If Other, specify

12 What were the total estimated or actual costs involved in implementing GASB 34 requirements?

Value	Label
	Not Known

12A How many additional staff were hired to implement the infrastructure requirements of GASB 34?

Value	Label
0	None
99	Don't know

12B How many hours of staff time were used in implementing GASB 34 requirements?

Value	Label
99	Don't know

12C What role did outside consultants play in GASB 34 implementation? (mark all that apply)

Value	Label
1	None were hired
2	Historical cost estimates model validation
3	Organizational management
4	Inventory assessment
5	Auditing of financial reports
7	Other: Comment

12C If Other, specify

13 What was the single most important source used to clarify information about the implementation of GASB 34 infrastructure requirements?

Value	Label
1	GASB
2	National Association of State Auditors, Comptrollers and Treasurers
3	AASHTO workshops
4	Other State DOTs
5	Outside consultants
7	Other

13 If Other, specify

14 To what degree were existing automated financial / accounting systems modified?

Value	Label
1	Total system replacement (describe)
2	Major modifications (describe)
3	Minor modifications (describe)
4	No modifications needed
5	DOT has no automated systems in place related to GASB 34
6	DOT had no automated systems, new systems put in for GASB 34

14 Descriptions

Q15 through Q24 asked only of those who selected Depreciation in Q2

15 Which issues were influential in selecting the depreciation approach? (mark all that apply)

Value	Label
1	Depreciation smooths the peaks and valleys of preservation costs.
2	The funding of preservation costs under the modified approach (recorded as an expense) with debt (recorded as a liability) could result in the reporting of a deficit.
3	Changing from the modified approach to the depreciation approach when condition targets are not met could result in the reporting of higher depreciation costs as the result of shorter estimated lives.
4	The use of the modified approach has a higher risk of making the DOT appear less favorable in comparison with other DOTs.
5	There was uncertainty in the ability to achieve target conditions.
6	The department does not have asset management systems adequate to provide the information required in the modified approach.
7	Other: Comment
8	None

15 If Other, specify

Appendix B: GASB 34 Survey Answer Matrix Code Book

15A Of those answers you selected in question #15, which ONE did you feel had the greatest influence?

Value	Label
1	Depreciation smooths the peaks and valleys of preservation costs.
2	The funding of preservation costs under the modified approach (recorded as an expense) with debt (recorded as a liability) could result in the reporting of a deficit.
3	Changing from the modified approach to the depreciation approach when condition targets are not met could result in the reporting of higher depreciation costs as the result of shorter estimated lives.
4	The use of the modified approach has a higher risk of making the DOT appear less favorable in comparison with other DOTs.
5	There was uncertainty in the ability to achieve target conditions.
6	The department does not have asset management systems adequate to provide the information required in the modified approach.
7	Other
8	None

16 What methods of depreciation are used? (mark all that apply)

Value	Label
1	Straight line
2	Modified Accelerated Cost Recovery System
3	Declining Balance
7	Other: (specify)

16 If Other, specify

17 What policies have been adopted to allocate expenditures among the capital, preservation and maintenance categories? (mark all that apply)

Value	Label
1	If the expenditure increases the capacity or efficiency of an asset, it is treated as a capital asset.
2	If the expenditure extends the useful life of an asset, it is treated as a capital asset.
3	If the expenditure neither increases capacity/efficiency nor extends the useful life of the asset, it is a maintenance cost.
4	Capitalization thresholds are used to help determine if an expenditure is capitalized.
7	Other: (specify)

17 If Other, specify

Appendix B: GASB 34 Survey Answer Matrix Code Book

18 Which of the following represent asset classes used in reporting with the depreciation approach? (mark all that apply)

Value	Label
1	Roads
2	Interstates
3	National Highway System
4	State Highway System
5	Bridges
6	Interchanges
7	Ferries
8	Tunnels
9	Buildings
10	Docks, piers, etc
11	Dams
12	Rail track and rail systems
13	Rolling stock
14	Signs and appurtenances
15	Equipment
16	Right of Way
17	Single infrastructure asset (entire network)
97	Other: Comment

18 If Other, specify

19 Does the State accounting system have the ability to break out costs by the asset class detail desired or required for financial reporting?

Value	Label
1	yes
2	no

20 How were useful lives of infrastructure assets determined?

Value	Label
1	Comparison with lives used by others
2	Actual internal experience
3	Use of outside appraisers, engineers, etc.
7	Other, including published guidelines

20 If Other, specify

21 How was the beginning value for depreciation established?

Value	Label
1	Historical construction costs
2	Current replacement value deflated to time of construction
3	Combination of both
7	Other

21 If other, specify

22 Are salvage values assigned to infrastructure assets?

Value	Label
1	yes
2	no

22 If yes, specify

23 Who made the final decision concerning the specifics of the depreciation method used such as the length of useful life, salvage value, etc.?

Value	Label
1	DOT's Chief Financial Officer
2	DOT's Chief Engineer
3	Committee within the DOT
7	Other

23 If Other, specify

24 Do you plan to report the condition of infrastructure assets being depreciated as supplementary information in the financial report?

Value	Label
1	yes
2	no

Appendix B: GASB 34 Survey Answer Matrix Code Book

Q25 through Q31 asked only of those who selected Modified in Q2

25 Which issues were influential in selecting the modified approach? (mark all that apply)

Value	Label
1	The modified approach provides more useful information.
2	The modified approach is consistent with the DOT's asset management philosophy.
3	The depreciation method does not reflect the economics of financing infrastructure as reported to the public by the DOT (e.g., the smoothing effect of depreciation masks the peaks and valleys of preservation costs).
4	Estimated lives and related salvage costs used to compute depreciation are inconsistent with the characteristics of infrastructure assets.
7	Other
8	None

25 If Other, specify

25A Of those answers you selected in question #25, which ONE did you feel had the greatest influence?

Value	Label
1	The modified approach provides more useful information.
2	The modified approach is consistent with the DOT's asset management philosophy.
3	The depreciation method does not reflect the economics of financing infrastructure as reported to the public by the DOT (e.g., the smoothing effect of depreciation masks the peaks and valleys of preservation costs).
4	Estimated lives and related salvage costs used to compute depreciation are inconsistent with the characteristics of infrastructure assets.
7	Other
8	None

26 Was it difficult to convince people at the DOT or State that the modified approach would provide better information for financial reporting purposes?

Value	Label
1	yes
2	no

27 What policies have been adopted to allocate expenditures among the capital, preservation and maintenance categories? (mark all that apply)

Value	Label
1	If the expenditure increases the capacity or efficiency of an asset, it is treated as a capital asset.
2	If the expenditure extends the useful life of an asset, it is treated as a preservation cost.
3	If the expenditure neither increases capacity/efficiency nor extends the useful life of the asset, it is a maintenance cost.
4	Capitalization thresholds are used to determine if an expenditure is capitalized.
7	Other

27 If Other, specify

Appendix B: GASB 34 Survey Answer Matrix Code Book

28 Mark all of the following that represent asset classes used in reporting with the modified approach. (mark all that apply)

Value	Label
1	Roads
2	Interstates
3	National Highway System
4	State Highway System
5	Bridges
6	Interchanges
7	Ferries
8	Tunnels
9	Buildings
10	Docks, piers, etc
11	Dams
12	Rail track and rail systems
13	Rolling stock
14	Signs and appurtenances
15	Equipment
16	Right of Way
17	Single infrastructure asset (entire network)
97	Other: Comment

28 If Other, specify

29 What determinations for the financial reporting of infrastructure assets under the “modified approach” were the most challenging for the DOT’s required supplementary information (paragraphs 132-133 of GASB 34)? (mark up to 3)

Value	Label
1	The frequency of performing condition assessments.
2	The estimated annual costs to maintain and preserve at (or above) the condition level established and disclosed by the government compared with amounts actually expensed.
3	The basis for the condition measurement and the measurement scale used to assess and report condition.
4	The condition level at which the government intends to preserve eligible infrastructure assets.
5	Factors that significantly affect trends in the information reported in the required schedules.
7	Other

30 How did you arrive at a historical cost for your assets?

Value	Label
1	Historical construction costs
2	Current replacement value deflated to time of construction
3	Combination of both
7	Other

30 If Other, specify

Appendix B: GASB 34 Survey Answer Matrix Code Book

31 How was minimum acceptable condition policy determined? (mark all that apply)

Value	Label
1	Based on current condition
2	Based on previously held standards
3	Based on likely funding / budget scenarios
4	Decision made by DOT staff
5	Decision made by State staff
7	Other

31 If Other, specify

Q32 through end are asked of all respondents

32 Who determined your policies for conforming with the infrastructure provisions of GASB 34? (mark all that apply)

Value	Label
1	The DOT's Chief Financial Officer
2	The DOT's Chief Engineer
3	A committee within the DOT
7	Other: (specify agency and/or position)

32 If Other, specify

33 What agencies (other than the DOT) were involved in GASB 34 infrastructure implementation? (mark all that apply)

Value	Label
1	State Auditor
2	State Comptroller
3	State Land Office
4	State Treasury
5	State Department of Natural Resources
6	State Office of Finance and Administration
7	Other:
8	None

33 If Other, specify

34 Did representatives from other state agencies (such as the The State Auditor's Office or State Comptroller's Office) disagree with the DOT on what reporting approach should be used for the infrastructure provisions of GASB 34?

Value	Label
1	yes
2	no

34 If yes, specify

35 Do you feel implementing GASB improved lines of communication among the engineering, finance, and maintenance departments?

Value	Label
1	yes
2	no

Appendix B: GASB 34 Survey Answer Matrix Code Book

35A [If Q35=yes] Do you feel that improved lines of communication between engineering and finance departments (regarding infrastructure conditions) will improve how dollars are allocated between expansion and preservation?

Value	Label
1	yes
2	no

36 Is the information generated by the reporting of infrastructure assets being utilized by parties outside the DOT?

Value	Label
1	yes
2	no

36 [If Q36=yes] Specify

37 What internal expenses are included in the total actual or estimated historical cost of a typical project? (mark all that apply)

Value	Label
1	Design expenses
2	Environmental expenses
3	Administrative expenses
4	Transportation expenses (equipment, personnel, etc)
5	Internal expenses are not included in project costs
7	Other

37 If Other, specify

38 At what point are project costs capitalized?

Value	Label
1	When construction has started
2	When construction has finished
3	When project has opened to traffic
4	Upon approval of construction
5	Construction costs accrued each year capitalized that year
7	Other

38 If Other, specify

39 In which of the following ranges does the capitalization threshold fall?

Value	Label
1	No capitalization thresholds are employed
2	Less than $25,000
3	$25,000 to $75,000
4	$75,000 to $125,000
5	$125,000 or greater
7	Multiple thresholds for different classes of assets employed: (please list)

39 If multiple thresholds, list

40 What time period represents the years of cost data included in your DOT's calculation of historical cost / current value? Enter the beginning year

Appendix B: GASB 34 Survey Answer Matrix Code Book

41 What sources of information were used to establish the historical cost of infrastructure assets? (mark all that apply)

Value	Label
1	"AASHTO: The First 50 Years"
2	Financial Statements
3	Bond Records
4	Budget Records
7	Other

41 If Other, specify

42 What index was used to deflate the current replacement value of infrastructure assets to reflect the historical cost?

Value	Label
1	CPI
2	Federal Construction Cost Index
3	California Construction Cost Index
4	ENR Construction Cost Index
5	DOT did not use an index in its historical cost calculation
7	Other

42 If Other, specify

43 To what degree were existing condition assessment systems modified? (mark all that apply)

Value	Label
1	Total system replacement: (describe)
2	Major modifications: (describe)
3	Minor modifications: (describe)
4	No modifications needed
5	The DOT has no automated systems in place that are related to GASB 34
6	The DOT had no automated systems, but new systems had to be put in place for GASB 34 infrastructure implementation.

43 Descriptions

44 In response to GASB 34, in what new ways does the DOT intend to use the information from the condition assessment? (mark all that apply)

Value	Label
1	Has no new plans to use the information, other than to comply with GASB 34.
2	Aid in budgeting and funding requests.
3	Strategically allocate dollars to parts of the system with the greatest need.
4	Development of long range plans.
7	Other

44 If Other, specify

45 What is the primary cycle for inspecting different bridge structure based on span length?

Value	Label
1	Every year
2	Every two years
3	Every three years

Appendix B: GASB 34 Survey Answer Matrix Code Book

45A Are there different cycles for inspecting bridge structures based on span length or other critieria?

Value	Label
1	yes
2	no

45A If yes, specify

46 What bridge management system does the DOT use? (mark all that apply)

Value	Label
1	In-house developed system
2	PONTIS
7	Other
8	None

46 If Other, specify

47 What is the cycle for inspecting pavements?

Value	Label
1	Continuously
2	Every year
3	Every two years
4	Every three years
5	More than every three years

48 How is inspection of pavements conducted?

Value	Label
1	Visual inspection by engineers
2	Instrumented vehicle or other pavement inspection equipment
3	Both
7	Other

48 If Other, specify

49 What pavement management system does the DOT use? (mark all that apply)

Value	Label
1	Vendor-supplied system
2	Vendor-customized system
3	In-house developed system
7	Other
8	None

49 If Other, specify

50 What is the total estimated value (book value) of your state's highway infrastructure network? (If value is a range, provide the mid-point)

51 What is the total estimated current replacement value of your state's highway infrastructure network? (If value is a range, provide the mid-point)

Appendix B: GASB 34 Survey Answer Matrix Code Book

52 Overall, what is the DOT's belief as to the usefulness to the state and other users of the information that will be generated due to the additional reporting requirements of GASB 34? (mark all that apply)

Value	Label
1	Useful in preparing budgeting and funding requests
2	Useful in strategically allocating resources
3	Useful in developing long range plans
4	Useful in making case for funding infrastructure
7	Other: (specify)
9	Not useful

52 If Other, specify

C1 What is the MAIN issue you would like to see addressed as part of this study?

COMNT Please use the space below to provide comments on any GASB 34 implementation issues.
Note: If respondent provided comments to questions that were closed ended (either over the phone or on the paper survey form, those responses were recorded in this field. If that is the case, the comment begins by referencing the question number, then lists the comment(s).

Appendix C: Answer Matrix

Appendix C: Answer Matrix

STATE	1	1A	2	2A	2B	3	4	5	6	7	8	9	10	10A	11	11A	11B
AL	3, 9	9	2		2	2	2000	3	None	3	4	2	1		1	2	7
AK	1, 2, 8	1	1	1		2	2002	2	1, 4	3	1	1	1		1	2	1
AZ	2, 7, 9, Comment	Comment	2		2	2	2001	3	4, 7	1	1	2	1		1	2	2
AR	3	3	1	2		2	2002	3	2, 4, 5, 8	1	2	2	1		2		
CA	6, 9, Comment	6	2		2	2	2000	3	1, 2, 6, 7	2	1	2	1		1	2	7
CO	2, 3, 8	2	2		2	2	2000	3	None	2	1	2	1		1	2	2
CT	1	1	1	1		2	2001	3	1, 2, 5, 7, 8	1	4	2	1		1	2	1
DE	2, 3, 6, 8	8	2		2	2	2001	3	1, 2, 4, 5, 6, 7	2	2	2	1		1	2	2
DC	1, 2, 4, 5	1	1	2		2	2002	3	2, 4, 5, 7, 8	3	2	1	2	1,3	1	2	2
FL	2, 3, 6, 7	3	2		2	1	1999	3	2, 3, 4, 6	1	1	2	2	1	1	2	2
GA	3, 4, 7, 8, 9, 10	8	1	1		1	2001	2	1, 2, 4, 5, 8	2	2	2	1		1	2	7
HI	2, 10	2	1	1		2	1999	2	Comment	1	1	2	1		2		
ID	2, 3, 5, 6, 10	3	3			2	2000	3	1	3	1	2	1		1	2	1
IL	2, 7, 8	2	1	1		1	2000	3	1, 4, 5	2	4	2	1		1	2	1
IN	2, 3, 6, 7, 9	6	2		2	2	2001	3	1, 7, Comment	2	4	2	1		1	2	2
IA	1, 2, 3, 4, 8	1	1	2		2	2000	3	4, 5	1	4	2	2	1	1	2	4
KS	3, 7	3	2		2	2	1999	3	2, 7	3	1	1	1		1	2	2
KY	1, 3, 6, 7, 8, 10	3	2		1	2	2001	3	1, 2, 4, 7, Comment	3	1	2	1		1	2	7
LA	1, 2, 4, 8	1	1	2		2	2000	3	5	1	4	2	2	1, 2	1	2	2
ME	9	9	2		1	2	2001	3	Comment	2	1	2	1		1	2	2
MD	5, 6	5	1	2		2	2002	3	1, 2, 7	1	4	2	1		2		
MA	3, 8	8	1	2		2	2002	3	None	1	1	2	2	1, 2	1	2	2
MI	2, 7, 8	7	2		2	2	2000	1	2, 3, 4, 5, 6, 7, 8, Comment	1	1	2	1		1	2	7
MN	2, 3, 6 ,7, 8	3	2		2	2	2000	3	1, 4, 7	1	1	1	2	1, 2	1	2	2
MS	3, 4, 5, 9	5	1	2		2	2001	3	8	1	2	2	1		1	2	2
MO	2, 3, 6, 8	8	1	1		1	2002	3	7	1	1	2	2	3	1	2	1
MT	1, 2, 6, 7, 8	2	1	1		1	2002	3	None	1	2	2	1		1	2	1
NE	1, 3	1	2		1	2	2002	3	2, 4, 6, 7	1	1	2	1		1	2	7
NV	1, 2, 3, 7, 8	7	2		1	2	2000	3	1, 3, 4, 6, 7	2	4	1	1		1	2	2
NH	1, 2	2	1	2		2	1999	2	1, 4, 5	3	2	2	1		1	2	2
NJ	1, 2, 5, 9, 10	1	1	1		2	2002	2	4, 8	1	1	2	1		2		
NM	1, 2, 4, 5, 8	2	1	1		1	2002	3	1, 2, 3, 4, 5, 6, 8	2	2	2	1		1	2	3
NC	3, Comment	Comment	1	2		2	2001	3	None	2	4	2	2	1, 2	2		
ND	4, 6, 8	6	1	2		2	1999	3	1, 4, 5	1	1	2	1		1	2	2
OH	2, 3, 6	6	2		1	2	2002	3	4, 6, 7	3	1	1	1		2		
OK	2, 3, 8	8	1	2		1	2001	3	2, 3, 4, 5, 7	1	4	2	1		1	2	1
OR	1, 2, 3, 4, 5, 6, 7, 8, 10	7	1	2		1	1999	1	5, 7, Comment	3	1	2	1		1	2	1
PA	3, 4, 6, Comment	Comment	1	2		2	2000	1	2, 4, 7, 8, Comment	1	1	2	2	1, 2, 3	1	2	1
PR	2, 9	9	1	2		2	2002	3	1, 4, 5, 7, 8	1	1	2	1		1	2	3
SC	3, 4, Comment	Comment	1	2		1	2001	2	1, 4, 5, Comment	1	1	2	1		2		
SD	2, 3, 4, 5, 7	7	1	1		2	2002	2	1, 2, 4, 5, 7	3	1	2	2	1, 2	1	2	2
TN	3, 6	3	2		2	2	1999	3	1, 4, 6, 7	3	1	2	1		1	2	7
TX	1, 2, 6	6	3			2	1999	3	2, 4, 5	1	1	2	1		1	2	1
UT	7, 8 ,9, 10	7	2		2	2	2002	3	1, 2, 4	1	1	2	1		1	2	2
VT	1, 2, 3, 5	1	1	1		2	2000	3	4, 5, 8	1	1	2	1		2		
VA	9	9	1	2		2	2002	3	2	1	2	2	1		1	2	2
WA	3, 6, 7, 9, 10	3	2		1	2	1999	2	4, Comment	1	1	2	2	1, 2, 3	1	2	7
WV	2, 3, 5, 6	6	1	1		1	2000	2	1, 8	1	1	2	2	1	1	2	1
WI	2, 6, 7, Comment	Comment	2		2	2	2000	3	1, 2, 4, 7	1	1	1	1		1	2	7
WY	1, 3, 9	1	2		1	1	1999	3	1, 4, 7	3	1	2	1		1	2	2

Appendix C: Answer Matrix

STATE	12	12A	12B	12C	13	14	15	15A	16	17
	(dollars)		(hours)							
AL	$500,000	0	No Entry	2, 7	4	2				
AK	No Entry	0	No Entry	1	3	3	6	6	1	1, 2, 3, 4
AZ	No Entry	1	No Entry	1	1	4				
AR	$10,000	0	40	1	1	3	8		1	1, 2, 3
CA	$420,000	0	5,000	1	1	3				
CO	No Entry	0	No Entry	1	3	3				
CT	$10,000	0	100	1, 7	3	3	7	7	7	1, 2, 3
DE	No Entry	0	No Entry	5, 7	5	3				
DC	No Entry	0	700	2, 7	2	3	1, 2, 3, 4, 5	1	1	1, 2, 3, 4
FL	No Entry	0	No Entry	1	1	3				
GA	No Entry	0	No Entry	5	1	3	5, 7	7	1	1, 2, 3
HI	$1,000,000	1	2,800	4	5	4	5, 6	6	1	1, 2, 3, 4
ID	No Entry	0	No Entry	1	1	4	5	5	1	1, 2, 3
IL	No Entry	0	150	1	7	4	8		1	2
IN	No Entry	0	No Entry	2	7	3				
IA	No Entry	0	No Entry	1	1	4	8		1	1 ,2 ,4
KS	$104,155	0	2,650	2, 5	5	4				
KY	No Entry	0	1,200	5	1	3				
LA	No Entry	0	No Entry	1	4	3	1	1	1	4
ME	No Entry	0	No Entry	1	1	4				
MD	No Entry	0	No Entry	1	1	3	1, 2, 3, 5	2	1	2, 3
MA	$60,000	0	No Entry	1	3	4	2, 4	4	1	1, 2, 3, 4
MI	No Entry	0	No Entry	1	7	4				
MN	No Entry	0	No Entry	1	4	3				
MS	No Entry	0	100	1	1	5	2, 5, 6	5	1	3
MO	$64,000	0	2,400	1	1	3	4, 5, 6	6	1	1, 2, 3
MT	No Entry	1	1,040	2,3	1	3	1	1	1	1, 2, 3, 4
NE	No Entry	0	No Entry	1	3	3				
NV	No Entry	0	No Entry	1	1	5				
NH	$12,000	0	300	1	1	3	6, 7	7	1	1
NJ	No Entry	0	No Entry	1	7	4	5, 6	6	1	1, 2, 3
NM	$50,000	1	2,000	2, 4, 5	5	4	5	5	1	7
NC	No Entry	0	No Entry	1	1	4	5	5	1	7
ND	No Entry	0	No Entry	1	1	3	5	5	1, 7	1, 2, 3, 4
OH	No Entry	0	No Entry	1	7	3				
OK	$50,000	0	2,000	1	4	3	6, 7	7	1	1, 2
OR	$500,000	0	9,000	1	1	4	3, 7	7	1	1
PA	No Entry	0	No Entry	1	7	5	7	7	1	1, 2
PR	$500,000	0	2,100	4, 5	1	2	1, 2	1	1	1, 2, 3
SC	$55,000	0	No Entry	1	1	3	4, 5, 6	6	1	1, 2, 3, 4
SD	No Entry	0	No Entry	2, 4, 5, 7	5	4	7	7	1	1, 2, 3, 4
TN	No Entry	0	No Entry	1	7	3				
TX	$239,000	1	6,200	1	1	3	5, 7	7	1	1, 3, 4
UT	$35,000	0	1,000	7	7	3				
VT	No Entry	0	No Entry	1	1	3	2, 3, 6	6	1	1, 2, 3, 4
VA	No Entry	0	No Entry	1	1	5	1	1	1	3, 4
WA	No Entry	0	No Entry	1	2	3				
WV	No Entry	0	No Entry	1	1	2	5, 7	7	1	4
WI	No Entry	0	No Entry	1	7	4				
WY	No Entry	0	No Entry	5	1	5				

Appendix C: Answer Matrix

STATE	18	19	20	21	22	23	24	25	25A	26	27
	Category : Useful Life (if not given, 'none')										
AL								1, 2, 3, 7	7	2	1, 2, 3
AK	1:40, 5:75, 7:none, Comment	2	2	1	2	3	2				
AZ								1, 2	2	2	1, 2, 3, 4
AR	1:none,7:none	1	2	1	2	1	2				
CA								1, 2	2	2	1, 2, 3
CO								1, 4	1	2	1, 3, 4
CT	Comment	1	7	1	2	1	2				
DE								1, 4	1	2	1, 2
DC	1:30, 5:40, 9:50	1	2, Comment	1	2	3	2				
FL								1, 2, 3	2	2	1, 2, 3
GA	1:50, 2:30, 5:50, Comment	1	2	2	1	3	2				
HI	1:20, 4:20, 5:50, 8:75	2	3	3	2	3	1				
ID	5:75, Comment	1	2	3	2	3	2	1, 4	1	2	1, 3
IL	1:20, 5:40	1	7	1	2	1	1				
IN								2, 3, 4	2	2	1, 3
IA	17:25	1	2	1	2	1	2				
KS								1, 2, 3, 4	1	2	1, 2, 3
KY								1, 2, 3, 4	1	2	1, 2, 3
LA	17:40	1	7	1	2	7	2				
ME								1, 2, 4	2	2	1, 2
MD	9:25, 15:12, 17:30	1	2	1	2	3	2				
MA	17:40	1	1	1	2	7	2				
MI								2	2	2	1, 3, 7
MN								1, 2, 3, 4	2	2	1, 3
MS	1:50, 2:50, 3:50, 4:50, 5:50, 6:50	1	2	1	1	3	2				
MO	1:18, 5:50, 13:8, 15:12, 16:none	1	2	2	1	3	2				
MT	1:28, 2:28, 3:28, 4:28, 5:28	1	1	2	2	3	1				
NE								2, 3	2	2	1, 2, 3
NV								2, 4	2	2	1, 3
NH	1:50, 2:50, 3:50, 4:50, 5:50, 6:50, 9:10, 15:5	1	2	2	2	3	2				
NJ	1:20, 5:70	1	2	1	2	1	2				
NM	4:30, 5:25	1	2	2	2	3	1				
NC	4:50, 7:15, 9:50, 15:7, Comment	1	2	1	2	3	2, Comment				
ND	9:35, Comment	1	2	1	2	3	2				
OH								1, 2, 3, 4	2	2	1, 3, 4
OK	1:none	2	2	1	2	1	2				
OR	4:25, 5:50, 12:50, 13:10, 15:7	2	7	2	2	1	2				
PA	1:25, 5:50	2	2	7	2	7	2				
PR	1:40, 4:40, 5:50, 8:50, 9:40, 12:40, 14:40, 15:10, 17:10	1	2	1	2	3	1				
SC	1:75, 5:50, 9:30, 16:none	1	7	7	2	3	2				
SD	1:35, 5:82, 12:99, 16:none	2	2	2	2	7	2				
TN								2, 4	4	2	1, 3
TX	5:33, 9:20, 12:10,15:4	1	1	3	2	7	2	1, 2, 4	1	2	1, 2, 3, 4
UT								1, 2	1	1	3
VT	2:35, 4:22, 5:40, 9:40, 12:55, Comment	1	3	1	2	2	2				
VA	1:30, 2:30, 3:30, 4:30, 5:30, 6:50, 7:30, 8:50, 9:30	1	1	1	2	1	2				
WA								1, 2, 3, 4	1	2	1, 4
WV	1:30, 5:50, 9:40, 13:10, 15:12	1	2	1	2	3	2				
WI								1, 2, 7	1	2	1, 2, 3
WY								1, 2	2	2	1

Appendix C: Answer Matrix

STATE	28	29	30	31	32	33	34	35	35A	36	37	38	39	40	41	42
AL	1, 2, 3, 4, 5, 16	2	7	1, 2, 3, 4	3	1, 2	2	1	2	2	1, 2, 3, 4	4	1	1918	1, 2	5
AK					3	6	2	2		2	1, 2, 3, 4	7	5	2002	7	7
AZ	1, 2, 3, 4, 5, 6, 8, 14, 16	2	3	4	3, 7	8	2	1	1	2	1, 2, 4	4	4	1900	1, 2, 4	1
AR					1	8	2	2		1	1, 2, 4	1	1	1972	7	5
CA	1, 2, 3, 4, 5, 6, 7, 8, 14, 16	2, 3, 4	7	1, 2, 4, 7	3	8	2	1	1	1	1, 2, 3, 4	3	2	1980	7	7
CO	5, 16	4	1	1, 2	7	1, 2, 5	2	1	2	2	1, 4	3	5	1914	1, 2, 4	5
CT					1	1	2	2		1	1, 2, 4	3	1	1980	2, 4	5
DE	1, 5, 9, 15, Comment	4, 5	1	2, 4	1, 2, 7	1, 6	2	2		2	2, 3	5	1	1914	2, 7	5
DC					3	2	2	1	1	1	1, 2, 3, 4	7	4	1957	2, 7	7
FL	4, 5	2	3	2	1	1, 2	2	1	2	1	1, 2, 3, 4	5	1	1920	2, 3, 4, 7	2
GA					3	1	2	1	1	1	1, 3, 4	7	7	1952	7	2
HI					3	2	2	1	1	2	3, 4	1	2	1980	2	1
ID	1	2	2	1, 4, 7	3	1, 2	2	2		2	1, 4	3	7	1918	7	1
IL					3	1, 2, 5	1	2		1	1, 2, 3	1	5	1982	1, 2, 3, 4	1
IN	1, 2, 3, 4, 5	2	2	2, 4	1, 7	1, 2, 5	2	2		1	5, 7	5	1	1998	7	2
IA					1, 3	1, 6	2	2		2	5	5	5	1981	2	5
KS	2, 4, 5	2, 4	2	2, 4	3, 7	2	2	1	2	1	1, 2, 3, 4	2	1	1917	7	4
KY	17	2, 3, 4	1	4	3	1, 2, 6	2	1	2	2	1, 2 ,4	2	1	1914	1, 2	5
LA					1, 7	1, 6	2	2		1	5	5	1	1960	7	5
ME	1, 2, 3, 4, 5, 16	3	1	2	1, 3	2	2	1	1	2	1, 2, 4	5	1	1980	2, 7	5
MD					3	2, 5	2	2		2	5	5	3	1971	4	5
MA					1, 7	2, 3, 5	2	2		2	1, 2, 4	7	4	1962	1, 2	5
MI	1, 2, 3, 4, 5, 14, Comment	2, 5	2	2, 3, 4	1, 2, 7	1, 6	2	1	2	1	1, 2, 3, 4, 5, 7	5	1	1928	2, 3, 4, 7	2
MN	1, 2, 5, 16	2, 4	2	1, 2, 4	7	6, 7	1	1	2	2	1, 2, 4	5	2	1996	7	2
MS					3	1, 6	2	2		1	1, 2, 4, 5	4	4	1981	2	5
MO					3	8	2	1	2	1	1, 2, 4, 5	4	7	1920	7	2
MT					3	8	2	1	1	1	1, 2, 3, 4	2	5	1915	2, 7	2
NE	17	2	1	4	1	8	2	2		2	1, 2, 4	4	1	1958	2	4
NV	1, 2, 3, 4, 5, 6, 8, 14, 16, 17	2	1	1, 4	1	2	2	2		2	1, 2	7	1	1980	7	5
NH					1, 3	1, 2	2	1	2	1	1, 2, 3, 4	2	1	1950	7	2
NJ					1, 7	1, 4	2	2		2	1, 2, 4	4	1	1957	2, 4	5
NM					3	1, 2, 6	2	1	1	1	1, 2	5	2	2003	7	2
NC					7	1, 2	2	2		1	1, 2, 3, 4	5	1	1953	2, 7	5
ND					1, 3, 7	1, 6	2	2		1	1, 2, 4	2	4	1980	7	2
OH	1	2	3	2	7	1, 6	2	1	2	1	1, 2, 3, 4	4	5	1965	2, 7	1
OK					1	2, 6	2	2		1	1, 4	5	1	1914	1, 2	5
OR					1	1, 2	2	2		2	1, 2, 4	5	1	1900	7	7
PA					7	1, 2, 6	1	2		1	1, 2, 3, 4, 7	5	1	1984	7	5
PR					3	8	2	2		2	1, 3, 4, 5	5	5	1966	2	1
SC					1, 7	1, 2, 7	2	1	2	1	1, 2, 3	5	5	1914	1, 2	5
SD					7	1, 6	1	2		2	1, 2, 4	2	5	1900	7	7
TN	1, 5 ,16	2, 3, 4	1	2, 4	1, 2, 3	2, 6	2	1	2	1	1, 2, 4	4	1	1914	1, 2	5
TX	17	2	1	1, 2, 4	7	1, 2	2	1	1	1	1, 2, 4, 7	7	7	1906	1, 2	2
UT	1, 5, 16	4	2	1, 4	7	1, 6	2	2		2	1, 2, 4	3	5	1900	7	2
VT					3	1, 6	2	1	1	2	1, 2, 3, 4, 7	5	3	1981	7	7
VA					7	1, 2	2	2		1	1, 2, 3, 4	7	2	1932	7	1
WA	12, 17, Comment	2, 3, 4	7	2, 3, 4	1, 2, 3	1, 6	2	1	1	1	1, 2, 4, 7	5	4	1980	7	5
WV					3	1, 2, 5, 6, 7	2	2		1	1, 2, 3, 4	3	7	1980	2, 7	1
WI	1, 5, 16	2, 3, 4	2	1, 2, 4	3, 7	1, 2	2	1	2	2	1, 4	1	1	1900	4, 7	2
WY	3, 4, 5, 16	2, 3	2	3	3	8	2	1	2	1	1, 2 ,4	2	5	1917	7	2

Appendix C: Answer Matrix

STATE	43	44	45	45A	46	47	48	49	50	51	52	C1	COMNT
									$ billions				
AL	3, 2	7	2	2	1	3	3	3			Comment		
AK	5	2, 3, 4	2	1	2	1	3	1		Comment	1, 4		
AZ	4	2, 3, 4	2	1	1, 2	2	3	3	7		1, 2, 3, 4		
AR	6	1	2	1	1	3	2	3	7		9		
CA	4	1, 2	2	2	1, 2	2	3	3	250	287, Comment	4	Comment	
CO	4	2, 3, 4	2	2	2	1	3	2	9		1, 2, 4		
CT	4	1	2	1	1	2	3	3	7	Comment	9		
DE	1, 2, 3	1	2	2	1, 2	2	3	2	5	21	2		Comment
DC	4	2, 3, 4	2	2	2	2	3	1	2	7	1, 2, 3, 4		
FL	4	7	1	2	2	2	3	3	35	86	1, 2, 3, 4		
GA	4	3	2	2	1, 2	1	3	3		23	1, 3, 4		
HI	6	4	2	2	2	3	2	8	7		1, 2, 3, 4		
ID	4	1	2	1	2	2	3	1, 3	2	8	9		
IL	6	1	2	1	1, 2	1	3	3	11		Comment		
IN	5	1	2	1	1	3	3	3	6	43	Comment	Comment	Comment
IA	4	1	2	1	2	1	3	3	4	17	9		
KS	4	2, 3, 4	1	2	2	2	2	2	9	25	1, 2, 3, 4	Comment	
KY	4	2	2	1	1, 7	2	3	2			1, Comment		Comment
LA	5	7	2	2	1, 2	1	3	3	8		9		
ME	4	1	2	1	1, 7	3	2	1	2		4		
MD	3, 2	1	2	2	1	3	3	3	5		1, 3, 4		
MA	4	3	2	1	2	2	2	1	9		1, 3, 4		
MI	4	2, 4	2	2	1	2	3	3	15		1, 4	Comment	Comment
MN	4	1	1	1	2	2	3	7	4	22	9	Comment	Comment
MS	5	1	2	1	2	3	2	2	4		Comment		
MO	4	4	2	1	8	2	3	1	36	65	2, 3, 4, Comment		
MT	4	2, 3	2	2	1	3	3	3	5	11	1, 2, 3, 4		
NE	4	1	2	2	1	2	3	2	6	9	9		
NV	4	1	2	2	1	1	3	3	2		9		
NH	6	4	2	2	2	1	3	8	3	10	3, 4, Comment		Comment
NJ	5	2, 3, 4	3	2	1	4	2	1	14	40	3, 4		
NM	4	3	1	2	2	1	3	3	7	30	1, 4	Comment	
NC	4	2, 3, 4	2	2	1	3	7	3	15	75	9		
ND	4	3,4	2	2	2	2	3	3	3	8	1, 4		
OH	4	1	2	2	1	2	3	3	19	Comment	9		
OK	5	1	2	2	2	1	3	2	6	60	9		Comment
OR	5	1	1	1	2	3	3	3	6	13	3, 4	Comment	Comment
PA	5	1	2	2	1	3	2	3		120	9	Comment	Comment
PR	1, 2, 3	1, 4	1	2	1	1	3	3	12	24	2, 3	Comment	Comment
SC	4	2, 3, 4	2	2	2	2	3	2	9	42	Comment		Comment
SD	4	1	3	2	2	2	3	3	2	3	9		
TN	4	2, 3	2	2	2	4	3	2	15	45	1, 2		
TX	2, 3, 1	2, 3	2	1	1	1	3	3	33	225	1, 2 ,4	Comment	
UT	4	1	2	2	2	3	3	3	8	13	Comment		
VT	4	7	2	1	2	3	2	2	0.76		1, 3, 4	Comment	
VA	5	7	2	1	2	2	1	3	10	15	1		
WA	2, 3, 1	2, 7	2	1	1	2	2	3	11	99	4	Comment	Comment
WV	4	1	2	1	8	3	3	7	5		4	Comment	
WI	4	1	2	1	1, 2	3	2	1, 3	10		Comment	Comment	
WY	4	2	2	2	2	3	2	3	5	10	1, 2, 3, 4		

Appendix D: Comments from Answer Matrix

Appendix D: Comments from Answer Matrix

Alabama

11B	ESTIMATE OF HISTORICAL COST WITHOUT DEPRECIATION
12C	DEVELOPMENT OF MODIFIED APPROACH PROCESSES AND ASSET MANAGEMENT SYSTEM.
14	EXPANSION/MODIFICATION OF DATA COLLECTION AND REPORTING TECHNIQUES IN OUR PAVEMENT MANAGEMENT AND BRIDGE MANAGEMENT SYSTEMS.
44	USE THE INFORMATION IN THE DEVELOPMENT OF AN ASSET MANAGEMENT SYSTEM.
52	USEFUL IN ESTABLISHING SUPPORT FOR THE DEVELOPMENT OF AN ASSET MANAGEMENT SYSTEM.

Alaska

5A	HAVE NOT DECIDED HOW TO REPORT HISTORIC COSTS
9	WORK DONE ON LOCAL ROADS
14	ORGANIZATION OF ACCT SYSTEM CHANGED TO EXPENSED VERSUS CAPITALIZED
18	ROAD IMPROVEMENTS
45A	UNDERWATER BRIDGES ARE INSPECTED EVERY 5 YEARS.
50 / 51	UNKNOWN- 2006 IMPLEMENTATION / UNKNOWN

Arizona

1	WHEN TO PLACE AN ASSET IN SERVICE
45A	NONE SPECIFIED IN SURVEY

Arkansas

14	G. L. ACCOUNTS
45A	ABOVE

California

1	ONLY PROSPECTIVE REPORTING HAS BEEN COMPLETED.
11B	THE RETROACTIVE REPORTING PHASE HAS NOT STARTED.
14	A PROCESS IS BEING DEVELOPED.
51	CALTRANS HAS NOT STARTED THE RETROACTIVE PHASE OF THE IMPLANTATION PROCESS.
C1	CALTRANS WOULD LIKE THE NHCRP TO LOOK AT INCONSISTENCIES BETWEEN THE MODIFIED APPROACH AND OTHER VALUATION METHODS.

Colorado

14	SYSTEM MODS NEEDED TO DEPR. NON INFRASTRUCTURE ASSETS

Connecticut

12C	COMPTROLLER HIRED AN ADVISOR
14	TABULATED DATA DIFFERENTLY
15	IT WAS THE EASIEST TO DO.
16	WEIGHTED AVERAGE USEFUL LIFE
18	USED 3 SYSTEM CATEGORIES; HIGHWAY SYSTEM - 22 YEARS; RAIL SYSTEM - 28 YEARS; AVIATION SYSTEM - 20 YEARS.
45A	BRIDGES WITH A LOAD RESTRICTION OR OTHER DEFICIENCIES ARE INSPECTED MORE FREQUENTLY.
51	NO VALUE WAS ENTERED. FOR GASB34, THE STATE DID NOT CALCULATE THE REPLACEMENT VALUE FOR THE TRANSPORTATION SYSTEM.

Delaware

12C	GASB 34 CONSULTING
14	DATA CAPTURE WAS THE DIFFERENCE.
COMNT	THE CONVERSION OF THE DELAWARE TRANSPORTATION TRUST FUND FINANCIALS WAS NOT DIFFICULT. THE MD&A WAS DIFFICULT! I THINK IT PAINFULLY REGURGITATES EVERYTHING AND THEN SOME FROM THE NOTES TO THE FINANCIAL STATEMENTS.

District of Colombia

Appendix D: Comments from Answer Matrix

9	D.C. IS UNIQUE. ASSETS CAN BE HELD BY D.C. FEDERAL GOVERNMENT OR WMATA, YET FUNDING DOES NOT ALWAYS MATCH OWNERSHIP.
12C	INTERPRETING GASB 34, 33 & 39
14	FIXED ASSETS SUBSYSTEM BROUGHT INTO COMPLIANCE.
20	OTHER- NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS & TREASURERS.

Florida

3	VARIOUS
14	MODIFICATIONS REQUIRED TO REPORTS - CAPITALIZATION VS. EXPENSE, ETC.
44	"FDOT HAS BEEN COLLECTING AND REPORTING ON THIS DETAILED DATA FOR YEARS AND PLANS TO CONTINUE TO USE THE DATA IN MANNERS DESCRIBED IN THE CHOICES FOR THIS QUESTION. HOWEVER, DISTINCTION NEEDS TO BE MADE THAT ITS NOT SOMETHING NEW FOR THEIR AGENCY.

Georgia

3	FINANCE EMPLOYEES RESPONSIBLE FOR THE ACTUAL WORK WOULD HAVE PREFERRED MODIFIED.
5A	ACCOUNTING FEELS MODIFIED WOULD BE EASIER.
11B	THEY WOULD BE REMOVED FROM OUR BOOKS AT HISTORICAL COST NET OF DEPRECIATION.
14	ADDED NEW ACCOUNTS TO SPLIT EXPENSES FOR ROADS INTO TWO DIFFERENT CATEGORIES FOR DEPRECIATION PURPOSES-BASE(50 YR) AND SURFACE(10 YR)
15	WITH BUDGET UNCERTAINTY, NOT SURE FUNDS WOULD BE AVAILABLE FOR MAINTAINING TARGET CONDITIONS.
18	ROADS(SURFACE)

Hawaii

5A	N/A
6	SINGLE AUDIT

Idaho

18	REST AREA BUILDINGS
45A	STRUCTURES WITH SOME DEFICIENCIES MAYBE INSPECTED MORE OFTEN.

Illinois

3	N/A
13	AUDITOR GENERAL
45A	ONE YEAR FOR FRACTURE CRITICAL
52	UNDETERMINED

Indiana

6	CHALLENGING THE DOT INTERPRETATION OF CAPITAL / PRESERVATION
13	AUDITOR EXPECTATIONS
14	A SERIES OF REPORTS FROM TRANSPORT TO CAPTURE APPROPRIATE COSTS FOR ELIGIBLE CONSTRUCTION CONTRACTS AND CLASSIFY SUCH AS CAPITAL / PRESERVATION AND COMPLETED / IN-PROGRESS.
45A	INTERSTATES ANNUALLY
52	USEFUL IN CORRELATING THE RESULTS (CONDITION RATINGS) AND THE PERFORMANCE (RELATIVE PRESERVATION COST)
C1	USING THE MODIFIED APPROACH, THIS IMPLEMENTATION WAS UNDERTAKEN AS AN EXTENSION OF THE WAY THE DOT DOES BUSINESS. HOWEVER, THE TRADITIONAL ACCOUNTING EMPHASIS CAPITAL / DEPRECIATION WAS YET OVERBEARING CAUSING THE IMPLEMENTATION TO BE A SUBSTANTIAL BURDEN.
COMNT	FOR THE MODIFIED APPROACH, REDUCE THE EMPHASIS ON CAPITALIZED COSTS. THE MODIFIED APPROACH, WHICH WAS DEVELOPED BASED ON THE DOTS' APPROACH TO MANAGING INFRASTRUCTURE, IS INTENDED TO FOCUS ON THE "CONDITION" OF THE ASSET.

Iowa

45A	VARIES DEPENDING ON THE CONDITION OF THE BRIDGE.

Kansas

9	OWNERSHIP OF RIGHT OF WAY IS NOT ALWAYS CLEAR.
C1	LESSONS LEARNED FROM IMPLEMENTING GASB 34 THAT MAY ASSIST IN IMPROVING REPORTS FOR THE FUTURE.

Appendix D: Comments from Answer Matrix

Kentucky

6	OBSERVE AND CONFIRM WORK BY DOT
11B	REPLACEMENT COSTS INDEXED TO APPROXIMATE DATE OF CONSTRUCTION
14	DATA CLEANSING REQUIRED AND EXISTING DATA FIELDS REDEFINED
45A	BRIDGES CLASSIFIED AS CRITICAL ARE INSPECTED YEARLY
46	IRDI DEVELOPED
52	USEFUL IN MAKING CASE FOR MAINTAINING INFRASTRUCTURE
COMNT	1) GASB34 WAS SOLD AS "KEEP IT SIMPLE" BUT THE IMPLEMENTATION BECAME VERY COMPLEX / 2) THERE WAS FAILURE WHEN IT CAME TO INFORMING THE AUDITORS THAT WE WERE TO "KEEP IT SIMPLE" / 3) OUTSIDE OF THE GENERAL GUIDELINES, STATES WERE LEFT ON THERE

Louisiana

14	RESTRUCTURE OF DATA IN CAPITAL OUTLAY & GENERAL LEDGER SYSTEMS
44	NOT USED

Maine

6	NOT YET AUDITED
45A	A BRIDGE IN POOR CONDITION MAY BE INSPECTED EACH YEAR
46	BRIDGIT

Maryland

14	MINOR DEPRECIATION MODIFICATIONS

Massachusetts

45A	ANNUALLY- DEPENDENT ON CURRENT CONDITION

Michigan

5A	MOST CURRENTLY USES DEPRECIATION METHOD FOR RAMPS. EVENTUALLY, MDOT WILL USE THE MODIFIED APPROACH FOR RAMPS.
6	AUDITING ADDITIONS/DELETIONS EACH YEAR FOR ALL ASSET CATEGORIES.
11B	CURRENT COST INDEXED BACK TO AVERAGE YEAR OF RECONSTRUCTION.
13	STATE OF MI, DEPT OF MANAGEMENT & BUDGET, OFFICE OF FINANCIAL MANAGEMENT.
C1	THE USEFULNESS OF THE TABLE IN THE RSI THAT REPORTS BUDGETED & ACTUAL COSTS TO MAINTAIN INFRASTRUCTURE. WITHOUT REPORTING CAPITALIZED COSTS, THE INFO IS NOT COMPLETE AND MAY LEAD A READER TO INCORRECT CONCLUSIONS.
COMNT	ONLY PARTIAL INFO (MAINTENANCE COSTS) ARE INCLUDED. A READER NEEDS THE COMPLETE INFRASTRUCTURE PICTURE AND THE RSI DOES NOT PROVIDE FOR A FULL PICTURE. ALSO, PROJECTS CONSIDERED "MAINTENANCE" FOR MODIFIED APPROACH MAY TAKE MORE THAN 1 YEAR TO COMPLETE. THE RSI REQUESTS BUDGET INFO FOR A PARTICULAR YEAR, THEN ACTUAL EXPENDITURES INCLUDES CURRENT & PRIOR BUDGETED PROJECTS THEREFORE APPLES AND ORANGES ARE BEING REPORTED IN THE RSI DUE TO TIMING DIFFERENCES. MI ACCOUNTED FOR THIS DIFFERENCE BY ADDING A CLARIFYING STATEMENT, BUT OVERALL THIS TABLE DOES NOT SEEM TO SUIT THE INTENDED PURPOSE.

Minnesota

9	IT WAS AN ISSUE ONLY WITH A FIBER OPTIC NETWORK.
14	A FIELD WAS ADDED TO RECORD A CAPITAL ASSET CODE.
45A	FRACTURE CRITICAL IN DEPTH INSPECTION EVERY FOUR YEARS, UNDERWATER EVERY FIVE YEARS, SPECIAL FEATURES AS DETERMINED.
49	HPMA (HIGHWAY PAVEMENT MANAGEMENT APPLICATION) BY STANTEC
C1	A REEVALUATION WITH GASB REGARDING THE VALUE OF REPORTING INFRASTRUCTURE ASSETS ON THE FINANCIAL STATEMENTS. ALSO, A CLEARER DEFINITION OF HOW TO CLASSIFY CAPITAL VERSUS MAINTENANCE EXPENDITURES.
COMNT	OUR AUDITORS HAVE TAKEN EXCEPTION TO OUR BUDGET VERSUS ACTUAL PRESERVATION EXPENDITURES BECAUSE ACTUAL CONSISTS OF EXPENDITURES FROM MULTIPLE FY'S. BUDGET DOLLARS REPORTED ARE FOR ONE FY. I KNOW OF AT LEAST ONE STATE THAT HAS THE SAME REPORTING METHOD AND AUDITORS TOOK NO EXCEPTION. ARE OTHER STATES USING MODIFIED APPROACH HAVING TO FACE THE SAME PROBLEM?

Mississippi

45A	DEPENDS ON CONDITION OF BRIDGE
52	BOND RATINGS

Missouri

3	ENGINEERS AND PLANNERS PREFERRED THE MODIFIED APPROACH IF FUNDING WAS AVAILABLE TO IMPLEMENT IT.
14	SOME SYSTEM UPGRADES; NEW DATA TRACKING; PROCEDURAL CHANGES
45A	ONLY INSPECT BRIDGES WITH SPAN GREATER THAN 20 FT LENGTH.□ ANNUAL INSPECTION FOR ANY BRIDGE RATED POOR OR WORSE, OR BRIDGE WITH LOAD POSTING OR BRIDGES WITH TIMBER SUBSTRUCTURE.
52	HOW COMPARES OR CONFLICTS WITH OTHER DATA.

Montana

3	N/A
14	ASSET MANAGEMENT MODULE MODIFIED FOR COMPOSITE ASSETS

Nebraska

11B	REPLACEMENT COST DEFLATED TO DATE OF CONSTRUCTION
14	ALL DATA IN EXISTING SYSTEMS. MODIFICATIONS TO REPORTS REQUIRED TO SUMMARIZE DATA FOR GASB PURPOSES.

Nevada

9	WHO OWNED THE ROADS (LOCAL VS. DOT) & PARK ROADS.

New Hampshire

5A	NO REASON AT PRESENT
14	THE NHDOT WAS ALREADY USING DEPT FOR OUR TURNPIKES
15	ALREADY HAD A PROCESS IN PLACE
52	FINANCIAL STATEMENTS
COMNT	THE NHDOT USED ITS TURNPIKE PROCESS THAT WAS ESTABLISHED IN 1986 WHEN IT BECAME AN ENTERPRISE FUND. BOTH HISTORICAL AND CURRENT WAS STARTED IN FY 2002 REPORTING. THE INDEPENDENT AUDITOR HAVE AUDIT OUR PROCESS AND ACCEPTED OUR METHOD FOR OUR 1ST YEAR REPORTING IN FY 2002.

New Jersey

5A	WE EXPECT A NEW MAINTENANCE MANAGEMENT SYSTEM TO BE IMPLEMENTED WHICH WOULD BETTER CONTROL CONDITION ASSESSMENTS.
13	STAFF ANALYSIS

New Mexico

3	N/A
17	ANYTHING GREATER THAN $1,000 IS CAPITALIZED.
C1	THE STUDY SHOULD HAVE BEEN IMPLEMENTED LAST YEAR, SINCE THE DEPT. ALREADY HAS IMPLEMENTED GASB 34.

North Carolina

1	ACCOUNTING FOR CONSTRUCTION IN PROGRESS
16	COMPOSITE DEPRECIATION
17	EXPENDITURES ARE CAPITALIZED OR EXPENSED BASED ON THE FUNDING DESIGNATION SUPPLIED FROM THE GENERAL ASSEMBLY.
18	INTANGIBLE ASSETS (EASEMENTS)
24	WE ARE WAITING FOR THE 2002 ASSESSMENT. THE STATE CONTROLLER'S OFFICE MIGHT HAVE INCLUDED IT IF THE 2002 REPORT HAD BEEN COMPLETED.
44	DEVELOP A STATEWIDE ANNUAL MAINTENANCE PROGRAM
48	VISUAL WINDSHIELD

North Dakota

14	NEEDED TO ADD DEPRECIATION MODULE TO FIXED ASSET PROGRAM
16	COMPOSITE DEPRECIATION WITH WEIGHTED AVERAGE FOR BEGINNING DEPRECIATION
18	NETWORK FOR 2-LANE AND 4-LANE ASPHALT NETWORK FOR INTERSTATE

Appendix D: Comments from Answer Matrix

Ohio

9	HAD TO DISTINGUISH LOCAL ASSETS
13	GASB IMPLEMENTATION GUIDE
14	IMPLEMENTED A CIP SYSTEM
51	NOT COMPUTED

Oklahoma

3	THE DECISION TO USE THE DEPRECIATION METHOD WAS DETERMINED BY THE STATE FINANCE DIRECTOR WHO IS RESPONSIBLE FOR FINANCIAL REPORTING AT THE STATE LEVEL. MANY OF OUR ENGINEERS FELT THAT THE MODIFIED APPROACH WOULD BRING A MORE REALISTIC LOOK.
14	MODIFICATIONS WERE MADE TO PROVIDE ADDITIONAL COST BREAK DOWN REGARDING PROJECTS IMPACTING THE INFRASTRUCTURE.
15	THE DEPRECIATION APPROACH WAS DICTATED BY THE STATE FINANCE DIRECTOR.
COMNT	IMPLEMENTATION HAS BEEN SOMEWHAT DIFFICULT IN OKLAHOMA BECAUSE OF THE STATE AUDITOR'S RELUCTANCE TO BECOME INVOLVED WITH THE ISSUE UNTIL IT WAS TIME FOR THE AUDIT. AT THAT TIME THE AUDITOR HAD LITTLE KNOWLEDGE OF THE ISSUE AND NO TOLERANCE FOR NOT HAVING COMPLETE AND ACCURATE COST DATA BACK TO 1914.

Oregon

3	THE DECISION ULTIMATELY WAS BASED MORE ON POLICY DECISION MAKING AT THE LEGISLATIVE LEVEL VERSUS THE PRAGMATIC VIEW TAKEN BY THOSE THAT WORK IN THE PROGRAM AREAS AFFECTED. IN SHORT, ESTABLISHING A SPECIFIC CONDITION TARGET AND THEN ENSURING THE FINANCING.
5A	OUR CONSTRUCTION PAYMENT AND ACCOUNTING PROCESSES ARE NOT ADEQUATE TO IDENTIFY THE INFRASTRUCTURE CAPITAL EXPENDITURES AT THE LEVEL WE NEED.
6	REVIEW OF THE METHOD USED TO ESTABLISH THE ESTIMATED HISTORICAL COST OF THE SYSTEM INITIALLY.
15	THE MODIFIED APPROACH WAS UNACCEPTABLE POLITICALLY BECAUSE OF THE FINANCING ISSUES.
45A	THERE ARE NUMEROUS CYCLES USED IN THE INSPECTION PROCESS. BRIDGE TYPE, MATERIAL, LOCATION, TRAFFIC FLOW, ETC.
C1	A UNIVERSAL DEFINITION OF WHAT CONSTITUTES CAPITAL CONSTRUCTION FOR INFRASTRUCTURE.
COMNT	SURVEYS LIKE THIS SHOULD HAVE TAKEN PLACE MUCH SOONER IN THE IMPLEMENTATION PROCESS. JUMPING IN AFTER THE WAR IS OVER DOES LITTLE TO ENJOIN THE FORCES THAT ARE REQUIRED TO SUCCESSFULLY IMPLEMENT THIS NEW POLICY. YOUR ORGANIZATION COULD HAVE GONE A LONG WAY TO SUPPORT THIS ENDEAVOR VERY EARLY ON TO EDUCATE THE ENGINEERING COMMUNITY ON WHAT THE IMPACT WILL BE TO THEM NOW & IN THE FUTURE.

Pennsylvania

1	NO EXISTING REPORTING SYSTEM FOR GASB34 REQUIREMENTS
5A	WE ARE IMPLEMENTING A NEW FISCAL MANAGEMENT SYSTEM. (MYSAP) WE WILL BE IMPLEMENTING ASSET MANAGEMENT IN OUR VARIOUS INFRASTRUCTURE MANAGEMENT SYSTEMS THAT WILL BE ABLE TO GENERATE GASB34 REPORTS.
6	PROVIDED INPUT ON DETERMINING CONSTRUCTION IN PROGRESS EXPENDITURES
13	GOVERNOR'S OFFICE OF FINANCIAL MANAGEMENT (BFM)
15	BFM
C1	VALUE OF GASB34 DATA TO OTHER DOTS, FHWA,...
COMNT	PENNDOT USED HISTORICAL EXPENDITURE DATA FROM ITS FISCAL MANAGEMENT SYSTEM FOR GASB34 REPORTING. HOWEVER, THAT COST DATA WAS NOT DETAILED ENOUGH TO TRACK BACK TO INDIVIDUAL ASSETS NOR TO PROVIDE BETTER DATA FOR DEPRECIATION.

Puerto Rico

14	FINANCIAL STATEMENTS WERE CONVERTED FROM FUND ACCOUNTING TO ENTERPRISE
C1	TOTAL MONETARY EFFECT ON FINANCIAL REPORTING
COMNT	THERE SHOULD BE AN ADAPTATION PERIOD.

South Carolina

1	MODIFYING EXISTING DEPRECIATION SYSTEM AND RECONCILING RESULTS
3	ENGINEERS BELIEVED "MODIFIED" WAS MORE LOGICAL AND ALSO WANTED MORE NETWORKS/SUBSYSTEMS.
5A	MODIFIED APPROACH MORE CLOSELY MATCHES WHAT REALLY OCCURS IN MANAGEMENT OF INFRASTRUCTURE. ASSET MANAGEMENT SYSTEM FOR ROADS IS NOT CURRENTLY COMPLETE FOR SECONDARY ROAD SYSTEM. BUT BIGGEST FACTOR/CONCERN IS THAT MODIFIED WOULD REVEAL COST TO PRESERVE.
6	ASSISTANCE IN DEVELOPMENT OF NEW FINANCIAL STATEMENTS AND CLASSIFICATION OF TRANSACTIONS.

Appendix D: Comments from Answer Matrix

14	DEPRECIATION SYSTEM UPDATED
52	COMPARABILITY TO OTHER STATES
COMNT	# 12: MODERATE TRAINING COSTS (+/- $5000) COST OF AUDIT BASICALLY DOUBLED (+/- $50,000) / # 15A: BUT CURRENT SYSTEMS INDICATED RESPONSE # 5 WAS A GIVEN ALSO. / # 23: COMMITTEE WITHIN THE DOT HELPED SIGNIFICANTLY WITH HISTORICAL VALUES AND DIVISION OF COSTS BETWEEN ROADS/BRIDGES/ROW.

South Dakota

5A	THE DOT WANTED TO USE THE MODIFIED APPROACH BUT WAS REQUIRED BY THE BUREAU OF FINANCE AND MANAGEMENT TO USE THE DEPRECIATION METHOD. WITH THE CHANGE OF ADMINISTRATION, WE FEEL THERE IS A CHANCE OF GETTING AGREEMENT TO USE THE PREFERRED METHOD.
12C	HELPED IN THE DEVELOPMENT OF POLICY AND PROCEDURE FOR REPORTING.
15	DIRECTED BY STATE ADMINISTRATION TO USE DEPRECIATION METHOD FOR POLITICAL REASONS.

Tennessee

11B	AVERAGE, RECALCULATED ANNUALLY
13	INTERNAL STAFF
14	N/A

Texas

14	DEVELOPED NEW ACCOUNTS TO TRACK TYPES OF EXPENDITURES AND CREATED SOME INVENTORIES IN AN ACCESS DATABASE.
15	THE AVAILABILITY OF INFORMATION AND THE ABILITY TO SEPARATELY IDENTIFY ASSETS.
45A	VARIES ACCORDING TO CONDITIONS OBSERVED.
C1	REPORT ON WHETHER DOT MANAGEMENTS AND LEGISLATIVE STAFFS ACTUALLY USE THE NEW INFORMATION REPORTED AS A RESULT OF GASB 34 REQUIREMENTS.

Utah

12C	WORKED WITH STATE FINANCE AND STATE AUDITORS
13	AND GASB 34 TRAINING WE ALL ATTENDED
14	TO REPORT INFORMATION PER GASB 34
52	UDOT ALREADY HAD AND WAS USING MOST OF THE INFORMATION REQUIRED EXCEPT FOR REPORTING.

Vermont

14	SET UP EXISTING SYSTEM TO RECORD INFRASTRUCTURE.
18	EACH ASSET IS EVALUATED INDIVIDUALLY. ZERO'S WERE USED DUE TO THE FACT THAT WE DO EVALUATE INDIVIDUALLY.
44	N/A
45A	EVERY TWO YEARS
C1	REPORT RESULTS TO ALL STATES.

Virginia

44	TO BE DECIDED
45A	IF LARGE CULVERT OR SHOWS SIGNS OF DISTRESS

Washington

5A	THE ONLY REASON WE WOULD CHANGE FROM THE MODIFIED APPROACH TO THE DEPRECIATION METHOD WOULD BE IF WE COULD NO LONGER MEET THE REQUIREMENTS OF THE MODIFIED APPROACH.
6	REVIEWING INVENTORY DATA AND CONDITION ASSESSMENT INFORMATION
11B	ESTIMATED HISTORICAL COST
14	ADDITIONAL AD HOC REPORTING WAS DEVELOPED.
44	INCLUDE IN QUARTERLY OR ANNUAL PERFORMANCE REPORTING THROUGH OUR ACCOUNTABILITY REPORTS.
45A	UNDERWATER COMPONENTS ARE INSPECTED AT LEAST ONCE EVERY 5 YEARS. SPECIAL EMPHASIS IS GIVEN TO ONGOING INSPECTION AND MAINTENANCE OF MAJOR BRIDGES REPRESENTING A SIGNIFICANT PUBLIC INVESTMENT.
C1	WE WOULD LIKE TO SEE GASB CONSIDER REMOVING THE REQUIREMENT TO REPORT DEPRECIATION IF PLANNED CONDITION LEVELS ARE NOT MET OVER A PERIOD OF TIME. CONDITION LEVELS PROVIDE DECISION MAKERS AND THE PUBLIC BETTER INFORMATION THAN DEPRECIATION.

Appendix D: Comments from Answer Matrix

COMNT	#3: MORE DIFFERENCES WERE NOTED REGARDING OPINIONS ON ASSET VALUE. / #4: TO PREPARE FOR FIRST REPORTING IN FY 2002. / #13: MONTHLY CONFERENCE CALL WITH GASB PARTICIPATION. / # 50: AT THE END OF FY 2002

West Virginia

3	ENGINEERS WANTED TO REPORT PROJECT BY PROJECT WITH DIFFERENT DEPRECIATION RATES FOR DIFFERENT SEGMENTS OF CONSTRUCTION.
5A	WE ARE NOT SURE IF WE ARE CAPITALIZING ENOUGH OF OUR ANNUAL EXPENDITURES.
14	WHOLE NEW SYSTEM HAD TO BE DEVELOPED TO REPORT PUBLIC TRANSIT EQUIPMENT. COMPUTER PROGRAMS HAD TO BE WRITTEN TO EXTRACT DATA FOR FINANCIAL REPORTING PURPOSES.
15	EXPENSE IN IMPLEMENTING AND MAINTAINING THE MODIFIED APPROACH.
45A	NEW BRIDGES, EVERY 4 YEARS, OLDER BRIDGES, LESS THAN 2 YEARS.
49	IN-HOUSE SYSTEM FOR INTERSTATE AND APPALACHIAN HIGHWAYS ONLY.□□ALL OTHERS- NO SYSTEM.
C1	HOW OTHERS ARE CAPITALIZING INFRASTRUCTURE EXPENDITURES. WOULD LIKE TO SEE RESULTS OF SURVEY.

Wisconsin

1	ESTIMATING ANNUAL COSTS TO MAINTAIN/PRESERVE.
9	DETERMINING OWNERSHIP OF CONNECTING HIGHWAYS (PORTIONS ON STATE HIGHWAYS OWNED BY LOCAL UNITS OF GOVERNMENT)
11B	ESTIMATED HISTORICAL COST
13	CONTACTS AT THE WI STATE CONTROLLERS OFFICE (FINANCIAL REPORTING TEAM) AND THE WI LEGISLATIVE AUDIT BUREAU
45A	MORE FREQUENT INSPECTIONS ARE PERFORMED ON CRITICAL OR BORDERLINE POOR CONDITION STRUCTURES.
52	BOND RATING AGENCIES
C1	CONSISTENT REPORTING -- METHODS FOR VALUING INFRASTRUCTURE DIFFER BETWEEN THE STATES (AS ONE EXAMPLE). WE KNOW COMPARISONS WILL GENERALLY NOT BE POSSIBLE UNTIL "BEST PRACTICE" IS DEVELOPED. THE INCONSISTENCIES MAY MAKE THE DATA LESS USEFUL.

Wyoming

3	N/A

Appendix E: State DOT Contacts

Appendix E: State DOT Contacts

State	Contact	Phone Number	E-mail Address
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Connecticut-	Robert Eissler	860-594-3041	ROBERT.EISSLER@PO.STATE.CT.US
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Links to FY 2002 Financial Statements

STATE	
AK	http://fin.admin.state.ak.us/dof/financial_reports/cafr_toc.jsp
AL	http://www.comptroller.state.al.us/cafr.htm
AR	http://www.legaudit.state.ar.us/AuditReports/StateAgencies/2002/StateofArkansasCAFR2002Final.pdf
AZ	http://www.dot.state.az.us/ABOUT/fms/cafr/cindex.htm
CA	http://www.sco.ca.gov/ard/state/index.shtml
CO	www.sco.state.co.us/reports.htm
CT	http://www.osc.state.ct.us/reports/
DC	http://www.cfo.dc.gov/cafr/index.shtm
DE	http://www.state.de.us/auditor/financial.htm
FL	www.dbf.state.fl.us/aadir/cafrlist.html
GA	http://www.audits.state.ga.us/internet/sgd/cafr_main.html
HI	http://www.state.hi.us/dags/cafr/
IA	www.state.ia.us/tax/comptrol/finreport.html
ID	http://www.sco.state.id.us/web/scoweb.nsf/Content?OpenFrameSet&Frame=Body&Src=/web/DSADoc.nsf/financial_reports?OpenPage
IL	http://www.dot.state.il.us/generalinfo.html
IN	www.state.in.us/auditor/publications/2002cafr.html
KS	http://kdot1.ksdot.org/public/kdot/offtransinfo/index.html
KY	www.kytc.state.ky.us/accounts/report.html
LA	www.state.la.us/osrap/SupplementalReport.htm
MA	www.state.ma.us/osc/Reports/02cafr/02CAFR.html
MD	http://www.comp.state.md.us/main/localgov/fiscalrprts.asp
ME	http://www.state.me.us/bac/Finance/
MI	http://www.michigan.gov/budget/0,1607,7-157-13406_13419---,00.html
MN	www.finance.state.mn.us/cafr
MO	http://www.modot.state.mo.us/newsandinfo/annualreports.htm
MS	www.gomdot.com/news/annual_reports/fy_2002_annual_report/02_financials.pdf
MT	http://www.discoveringmontana.com/doa/adm/cafr/cafr.htm
NC	www.osc.state.nc.us/financial/02_cafr/index.html
ND	www.state.nd.us/fiscal/cafr2002/cafr2002index.pdf
NE	http://www.das.state.ne.us/accounting/cafr/cafrcon.htm
NH	www.admin.state.nh.us/accounting/reports.htm
NJ	www.state.nj.us/treasury/omb/publications/02cafr/index.shtml
NM	http://www.state.nm.us/pera/pdf_files/CAFR_Report.pdf
NV	www.controller.nv.gov/CAFR_Download_Page.htm
NY	www.osc.state.ny.us/finance/finreports/cafr02.pdf
OH	www.state.oh.us/obm/BusinessCommunityPage/financial/cafr.asp
OK	www.osf.state.ok.us/comp-fr.html
OR	http://scd.das.state.or.us/cafr02/cafr02.htm
PA	www.psers.state.pa.us/publications/cafr/index.htm#2002
PR	
RI	http://www.dot.state.ri.us/WebOrgz/admin.htm
SC	www.scrs.state.sc.us/docs/pubs/cafr2002.pdf
SD	http://www.state.sd.us/bfm/cafr/fy02/index.htm
TN	www.state.tn.us/finance/act/cafr.html
TX	http://www.sao.state.tx.us/Reports/report.cfm/year/2003/report/03-555
UT	www.finance.utah.gov/reports/cafr.htm
VA	www.doa.state.va.us/docs/Publications/CAFR/cafr.htm#2002Annual Report
VT	http://www.state.vt.us/sao/audits.htm
WA	www.ofm.wa.gov/cafr/2002/cafr02toc.htm
WI	http://www.doa.state.wi.us/pagesubtext_detail.asp?linksubcatid=376&linkcatid=225&linkid=
WV	www.state.wv.us/admin/finance/cafr/defaul02.htm
WY	http://sao.state.wy.us/

Appendix F: Michigan Work Codes

Appendix F

FY2002 Work Code Listing

Michigan DOT

Project Category

Repair & Rebuild

Traffic Operations / Safety

100	Raised Pavement Marking
101	Relocate Roadside Obstacles
102	Rumble Strips - Shoulder
103	Add Turn Lns for Trfc Sig Oper
104	Add Turn Lns for Trfc Vol
105	Rev Vert/Hori Align for Crash Reduc
110	Non-Freeway Sign Replacement
111	Pavement Marking
112	Traffic Signals
113	Overhead Sign Structures
114	Freeway Sign Replacement
120	Intersection Revisions
121	Construct Roadway Lighting
122	Construct Median Barrier
123	Guardrails & Attenuator
124	RR Xing Imp & Sfty
125	Ped Screen on Structure
126	Remove Roadside Obstacles
127	Culvert Extensions
128	Slope Flattening
129	Add Turn Lanes for Crash Redu

Bridge Rehabilitation

115	Superstructure Repair
116	Substructure Repair
117	Substructure Replacement
131	Overlay
132	Railing Replacement
133	Painting
134	Underwater Repairs
135	Widen-Maint Lanes
136	Pins and Hangers
139	Misc Rehabilitation
417	Overlay - Shallow
424	Overlay - Deep

Bridge CPM

418	Overlay - Thin
419	Deck Patching
420	Scour Protection
421	Miscellaneous Bridge CPM
422	Painting Complete
423	Pin & Hanger Replacement
430	Joint Replacement
431	Substructure Patching
432	Bituminous Cap
433	Painting - Zone
434	Asphalt Overlay
460	Superstructure Wash
461	Vegetation Control
462	Drain System Cln./Rpr.
463	Paint - Spot
464	Joint Repair
465	Concrete Sealing
466	Crack Sealing
467	Minor Concrete Patching
468	Approach Pvmnt. Relief Jts.
469	Slope paving Repair
476	Miscellaneous Bridge CSM

Resurface

140	Bituminous Resurfacing
141	Bit Resurf & Bit Shlders
142	Resurf, Mill & Pulver
143	Bit Resurf & Minor Widening
144	Thin Cncr Ovr (< 7") - Ultra Thin
145	Thin Cncr Ovr (> 7") - White Topping
146	Bit Resurf & Drainage Imprv
147	Bit Resurf & Curb & Gutter
148	Reconstruct Non Freeway

Restoration & Rehabilitation

150	Recycl Existing Cncr Pv
151	Bituminous Shoulders
152	Drn Correct, Culv Repl
153	Pmphse Recnst/Repl
154	Superelevation Correcti
155	Crk & Surfac Ovr Old Pv
156	Unbonded Concrete Overlay
157	Pavement Patching
158	Long & Transv Jnt Rprs
159	Minor Rehabilitation
165	Cncr Pavement Inlay
166	Cncr Pavement Repair & Diamond Grinding
167	Crush & Shape & Resurface
168	Cold-In-Place Recycle & Resurf
169	Cncr Pv Rubb & Bit Resurf
170	Major Rehabilitation

Reconstruction

160	Recnst Exist, No Widen
161	Recnst for Sight Distan
162	Interchange Reconstruct
163	Concrete Reconstruction
164	Bituminous Reconstruction

Bridge Miscellaneous

470	Miscellaneous Bridge
471	New Technologies
472	Bridge Inspection
473	Studies/Scoping
474	Bridge Removal
475	Special Needs
477	Railroad Oversight
478	Relocation of Railroad Facilities

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Appendix F

FY2002 Work Code Listing

Michigan DOT

New Roads

New Routes

308 Wetland Mitigation on New Route
309 Endangered Species on New Route
310 New Routes
311 New Structure on New Ro

Roadside Facilities - New Routes

312 Sound Barrier 'Type II'
313 Rest Area-New/Reloc Rte
314 Welcome Center on New Route
315 Weigh Station on New Route
316 Sound Barrier 'Type I'
317 Landscaping New Facility

Relocation

320 Relocation on Existing Route
321 New Strc on Reloc Rte

Roadside Facilities - Relocation

330 Sound Barrier 'Type II'
331 Rest Area-New or Reloc
332 Welcome Center on Relocated Route
333 Weigh Station on Relocated Route
334 Sound Barrier 'Type I'
335 Landscaping New Facility

Structures/Interchanges

340 New Interchange-Extg Rt
341 New Strc-Extg Rte

New Roads Miscellaneous

350 Warranty Inspection on New Roads

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Appendix G: FY02 CAFR
Required Supplementary Information

STATE OF ALABAMA

REQUIRED SUPPLEMENTARY INFORMATION
Information About Infrastructure Assets Reported Using the Modified Approach

For Fiscal Year Ending September 30, 2002

As allowed by GASB Statement Number 34, the State has adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity, an improvement in the efficiency, or a replacement of a portion of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense. Assets accounted for under the modified approach include approximately 10,840 miles of state maintained highways and 5,583 of state maintained bridges and culverts.

In order to utilize the modified approach, Alabama is required to:

- Maintain an asset management system that includes an inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate annually the amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at or above the established condition level.

A. Roads

1. Measurement Scale

The Alabama Department of Transportation (ALDOT) uses a Distress Rating to measure and monitor pavement conditions. The Distress Rating is a zero to one hundred score assigned to 50-meter segments of pavement and then averaged for each roadway route using an algorithm developed by the ALDOT Material and Testing Bureau. The algorithm uses the distress categories of roughness, alligator cracking, block cracking, rutting, patching, raveling, transverse cracking, and longitudinal cracking. The 100 point scale is as follows:

RATING	CONDITION	DESCRIPTION
Less than 55	Marginal	Significant Maintenance Required (Resurfacing or Reconstruction)
55 - 70	Satisfactory	Routine Maintenance Required (Patching and/or Sealing)
Greater than 70	Good	Negligible Maintenance Required

2. Established Condition Level

The weighted average rating of all State maintained roadways shall be "Satisfactory" or better.

3. Assessed Conditions

The following table represents the most recent condition assessment for roadways classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

CATEGORY	MILES	RATING
Non-Interstate Non-National Highway System	7,128.6	78.68
Non-Interstate National Highway System	3,111.8	80.78
Interstate System	833.3	84.35
SUMMARY TOTAL AND AVERAGE RATING	11,073.6	79.70

B. Bridges

1. Measurement Scale
ALDOT uses a weighted rating of the major structure components and the deck area of a bridge or culvert. The GASB 34 Bridge Rating is a zero to ten score assigned to each component-rating category and then averaged for each bridge asset classification using an algorithm developed by the ALDOT Maintenance Bureau. The algorithm uses the assessed weighted ratings, each bridge deck area, and the sum of all deck areas. The ten point scale is as follows:

RATING	CONDITION	DESCRIPTION
1 – 4.99	Marginal	Structural elements have been seriously affected by deterioration.
5 – 6.99	Satisfactory	Structural elements are sound but have minor deterioration.
7 or Greater	Good	Structural elements show negligible signs of deterioration.

2. Established Condition Level
The weighted average rating of all State maintained bridges and culverts shall be "Satisfactory" or better.

3. Assessed Conditions
The following table represents the most recent condition assessment for bridges and culverts classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

CATEGORY	STRUCTURES	RATING
Non-Interstate Non-National Highway System	2,889	6.78
Non-Interstate National Highway System	1,502	6.79
Interstate System	1,146	6.35
SUMMARY TOTAL AND AVERAGE RATING	5,537	6.69

C. Budgeted and Estimated Costs to Preserve

In 2002, the State spent $186,391,931 to preserve all roadway and bridge assets at or above the "Established Condition Levels" presented above. ALDOT estimates that it will spend approximately $205,000,000 in 2003 to preserve all roadway and bridge assets at or above the "Established Condition Levels" presented above. The budgeting process utilized by ALDOT results in spending in one fiscal year from amounts that were budgeted in previous years. Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given fiscal year. This information as well as the information presented in the tables above demonstrates that Alabama has incurred the necessary expenditures to meet its desired asset condition levels.

Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34), the Arizona Department of Transportation (Department) reports it roads and bridges using the modified approach. Assets accounted for under the modified approach include approximately 6,650 center lane miles (17,807 travel lane miles) of roads and 4,378 bridges that the Department is responsible to maintain.

In order to utilize the modified approach, the Department is required to:

- Maintain an asset management system that includes an up to date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Department.
- Document that the assets are being preserved approximately at or above the established condition level.

As adopted by the State Transportation Board on an annual basis, the Five Year Transportation Facilities Construction Program contains estimated expenditures for highway system improvements and the preservation of existing roadway and bridges. The Five Year Transportation Facilities Construction Program in effect for fiscal year 2002 and beyond was adopted by the Transportation Board on June 15, 2001.

The following information pertains to the condition assessment and maintenance of these infrastructure assets.

Roads

The mission of the ADOT Pavement Management Section (PMS) is to develop and provide a cost effective pavement rehabilitation construction program that preserves the state's investment in its highway system and enhances public transportation and safety. The requirements of GASB 34 and the ADOT PMS both work toward the same basic goal, the efficient, effective management of ADOT assets to produce long term benefits while minimizing expenditures.

The PMS has developed performance goals for the condition level of the pavement in the state highway system. These goals require periodic assessment of pavement conditions and the budget level needed to meet that goal. The goal is expressed as a measure called "Serviceability" which can be defined as the ability of a pavement to serve the travelling public (as documented in 1961 after AASHTO Road Test, 1956-1961). Serviceability was originally based on detailed measurements of objective features of the pavement but many surveys since the original road test have shown that such measurements closely track the subjective opinion of the travelling public. Because of that close tracking, it is possible to substitute panel rating measurements by road users as a subjective assessment to determine Serviceability ratings and then use those ratings to track performance from year to year. Most commonly, this number is called Present Serviceability Rating and abbreviated as PSR. PSR is a five-point scale (5 excellent, 0 impassable), similar to the Weaver/AASHTO Scale shown as follows:

Numerical Rating	PSR	Weaver/AASHTO Scale
5	Excellent	Perfect
4	Good	Very Good
3	Fair	Good
2	Poor	Fair
1	Very Poor	Poor
0	Impassable	Very Poor

Information About Infrastructure Assets Reported Using the Modified Approach - continued

The Serviceability rating method, in its most common form, is shown in Figure 1 below:

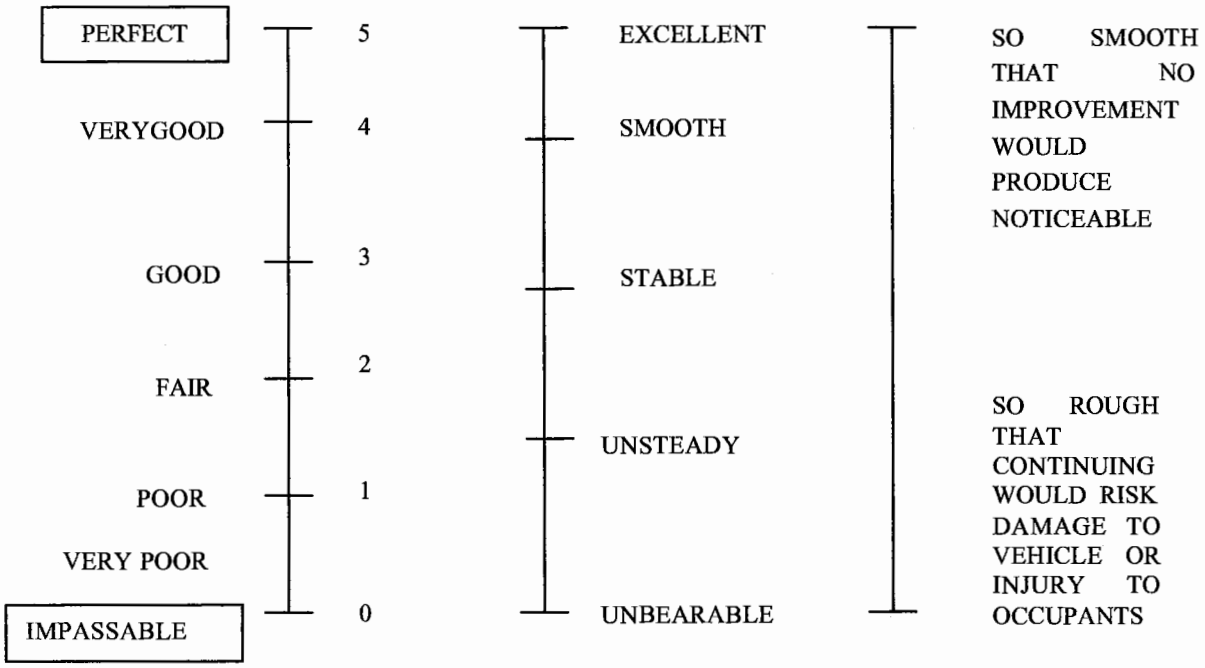

Figure 1

The goal of the Arizona Department of Transportation is to maintain a condition level (PSR) rating of 3.23 or better for all roads in the state highway system. Annually, Transportation Material Technicians drive over the system with inertial profiling equipment and measure the roughness of the pavement. This process is continuous throughout the year in order to assess the condition level of all pavement on an annual basis. As of the end of fiscal year 2002, an overall rating of 3.6 was achieved, as shown in the following graph:

Information About Infrastructure Assets Reported Using the Modified Approach - continued

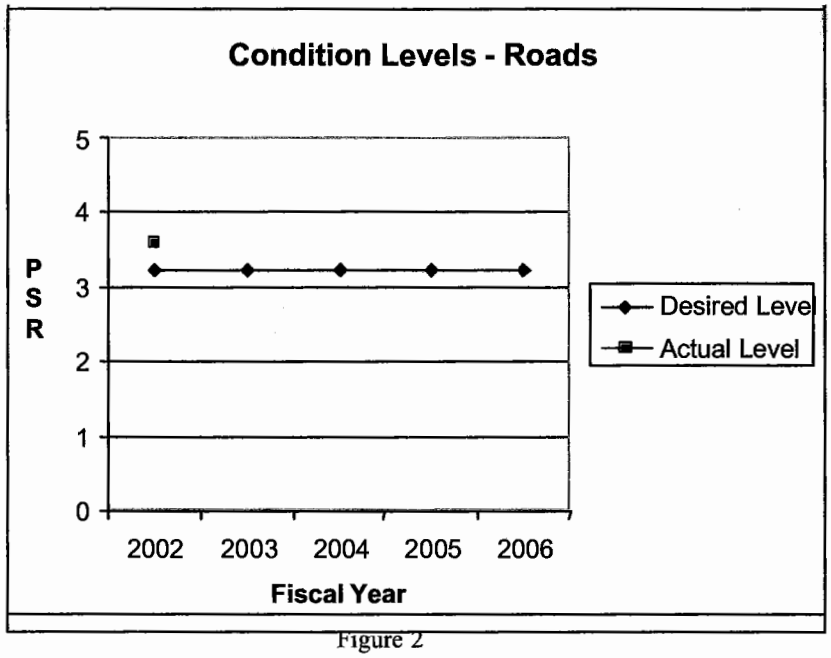

Figure 2

Preservation of the roads is accomplished through programs managed by the ADOT Pavement Management Section). The estimated and actual expenditures for fiscal year 2002 were as follows:

Fiscal Year	Estimated Expenditures (in millions)	Actual Expenditures (in millions)
2002	$227.4	$234.8

Bridges

ADOT's bridge assets constitute a significant portion of all infrastructure assets in Arizona. As of June 30, 2002, ADOT owns and maintains 4,378 bridges with an approximate total deck area of 39,422,410 square feet. Bridges, for purposes of this report, include all structures erected over an opening or depression with a centerline of 20 feet or more. Information related to these bridges is stored and updated in the Arizona Bridge Information and Storage System (ABISS). This system is used to efficiently manage the bridge inventory through storing all bridge related data and assisting bridge engineers in arriving at appropriate bridge preservation decisions. Also, ABISS is used for reporting bridge inventory and condition, on an biennial basis, to the Federal Highway Administration (FHWA).

A Condition Rating Index (CRI) is used to track the condition of the bridge network. The CRI is based on four selected bridge inspection condition ratings which in turn are based on standards established in the FHWA's "Recording and Coding Guide for the Structural Inventory of the Nation's Bridges". The four selected element condition ratings that are included in the CRI computation are: the bridge joints condition, the deck condition, the superstructure condition, and the substructure condition. The bridge joints condition rating is an Arizona specific rating item not included in the FHWA condition rating guidelines, whereas the three other condition ratings are federally mandated condition ratings. The CRI is computed by subtracting from one the ratio of the sum of the deck areas of all bridges with a condition rating of four or less, which indicates that the rated element is at best in a poor condition, to the total sum of the deck areas.

The rating system in this guide is as follows:

Numerical Rating	Condition Rating
9	Excellent
8	Very Good
7	Good
6	Satisfactory
5	Fair
4	Poor
3	Serious
2	Critical
1	Imminent Failure

Management of the bridge inventory is a major function of ADOT's Bridge Group and regularly scheduled biennial inspections are made of all bridges. A civil or structural engineer, licensed to practice in Arizona, performs these inspections. It is the policy of ADOT to maintain state highway bridges so that the CRI exceeds 92.5%. In fiscal year 2002, the CRI was computed at 93.6%.

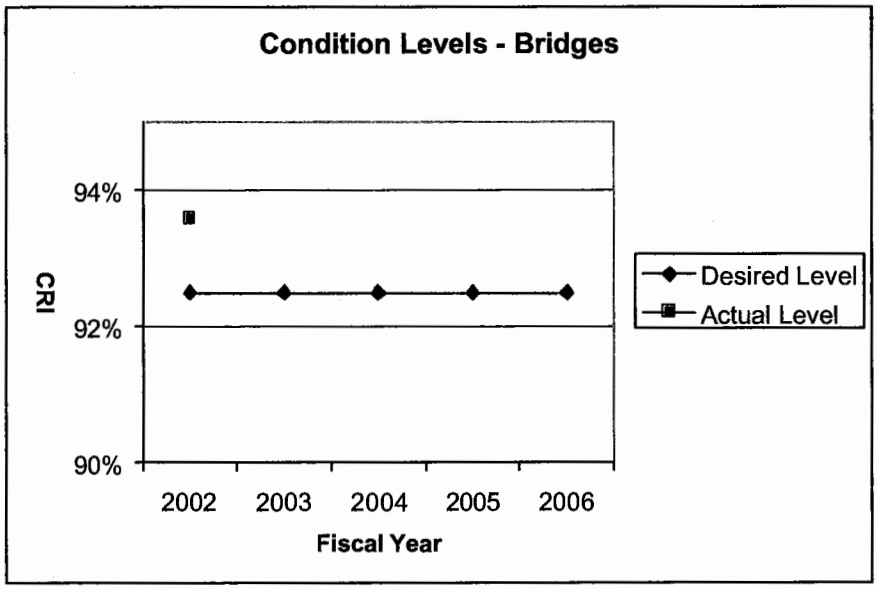

Figure 3

Bridges represent a major public investment and their inspection and maintenance is an essential function of the Department of Transportation in its mission of providing a safe and efficient transportation system. Figure 4 indicates that approximately 66% of the bridges in the state were constructed prior to the 1970s while only 20% have been constructed in the last two decades.

Information About Infrastructure Assets Reported Using the Modified Approach- continued

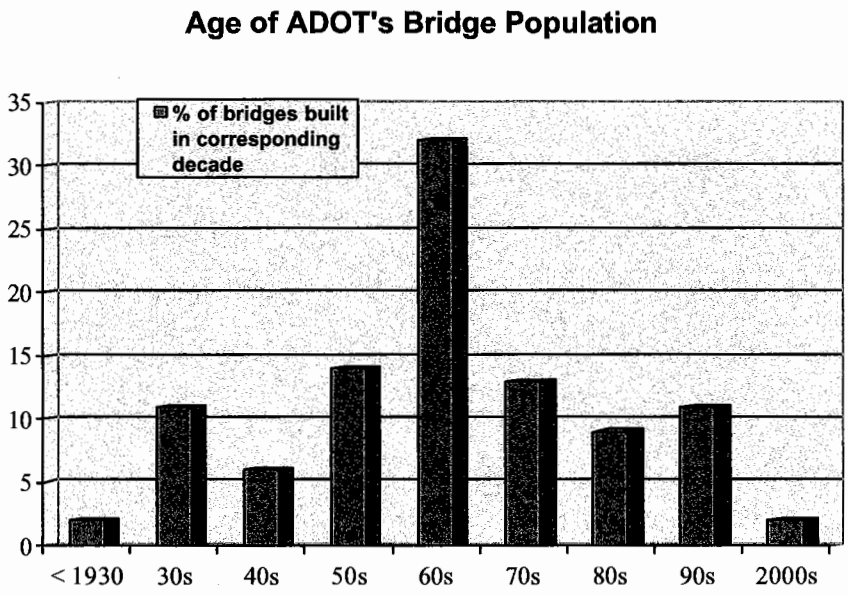

Figure 4

Preservation of the bridges is accomplished through programs managed by the Bridge Group. The estimated and actual expenditures for fiscal year 2002 were as follows:

Fiscal Year	Estimated Expenditures (in millions)	Actual Expenditures (in millions)
2002	$14.4	$18.2

University of California Retirement System
(amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of the Actuarial Value of Assets over AAL (a - b)	Funded Ratio (a / b)	Covered Payroll (c)	Excess as a Percentage of Covered Payroll ((a - b) / c)
June 30, 2000	$ 37,026	$ 24,067	$ 12,959	153.8 %	$ 5,903	219.5 %
June 30, 2001	40,554	27,451	13,103	147.7	6,539	200.4
June 30, 2002	41,649	30,100	11,549	138.4	7,227	159.8

Infrastructure Assets Using the Modified Approach

To comply with the prospective reporting requirements, all current year additions to the State Highway System (completed projects and purchased land) and construction work-in-progress (uncompleted projects) are being reported. The estimated budgeted preservation costs, actual preservation costs, established condition levels, and actual condition levels are not being reported because the reported infrastructure asset value is not material.

All costs incurred that are related to State Highway System projects completed prior to the year ending June 30, 2002, will be included during the retroactive reporting phase. Retroactive reporting of the State Highway System general infrastructure assets in the financial statements will occur not later than the year ending June 30, 2006. When the value of the reported infrastructure assets becomes material, the estimated budgeted preservation costs, actual preservation costs, established condition levels, and actual condition levels of the State Highway System will be included.

C. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. If earned cash revenues plus available fund balance and earned federal revenues are less than cash and federal expenditures, then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation. Individual overexpenditures are listed in Note 8A.

A separately issued report comparing line item expenditures to authorized budget is available upon request from the State Controller's Office.

D. BUDGET TO GAAP RECONCILIATION

The *Reconciling Schedule – All Budget Fund Types to All GAAP Fund Types* (See page 116) shows how revenues, expenditures/expenses, and transfers under the budgetary basis in the budgetary fund structure (See pages 112 to 115) relate to the change in fund balances/net assets for the funds presented in the fund level statements (See pages 44 to 61).

Certain expenditures on a generally accepted accounting principle (GAAP) basis, such as, bad debt expense and depreciation, are not budgeted by the General Assembly. These expenditures are not shown on the budget-to-actual schedules but are included in the budget-to-actual reconciliation as "GAAP Expenditures Not Budgeted". Some transactions considered expenditures for budgetary purposes, such as capital purchases in proprietary fund types, are not expenditures on a GAAP basis. These expenditures are shown as "Budgeted Non-GAAP Expenditures."

Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments, affect revenues on a GAAP basis but not on the budgetary basis. These events and transactions are shown in the reconciliation as "Unrealized Gains/Losses" and/or "GAAP Revenue Adjustments".

The inclusion of these revenues and expenditures and the change in nonbudgeted funds along with the balances from the budget-to-actual statements is necessary to reconcile to the GAAP fund balance.

E. OUTSTANDING ENCUMBRANCES

The state uses encumbrance accounting as an extension of formal budgetary integration in most funds except certain Fiduciary Funds, and certain Higher Education Institutions Funds. Under this procedure, purchase orders and contracts for expenditures of money are recorded to reserve an equivalent amount of the related appropriation. Encumbrances do not constitute expenditures or liabilities. They lapse at year end unless specifically brought forward to the subsequent year, thus, committing the subsequent year's available appropriation.

NOTE RSI-2. INFRASTRUCTURE ASSETS REPORTED UNDER THE MODIFIED APPROACH

As allowed by GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, the state has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the modified approach, the state expenses most maintenance and preservation costs and does not report depreciation expense. The state capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach. Colorado applies the modified approach only to infrastructure owned and/or maintained by the Colorado Department of Transportation. Assets accounted for under the modified approach include approximately 22,700 lane miles of roads and 3,699 bridges for which the state has maintenance responsibilities.

In order to use the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.

- Document that the assets are being preserved approximately at or above the established condition level.

Roadway

Measurement Scale

The Colorado Department of Transportation (CDOT) uses Remaining Service Life (RSL) to determine the condition of roadway pavements. In use since 1998, the RSL is a representation, in years, of functional and structural performance of the roadway pavement. CDOT has defined RSL into three conditions as follows:

Condition	Bituminous Surface	Concrete Surface
11 or more years = Good	No distress or some indication of initial distress, but no appreciable maintenance is required. Distress items include low or a small amount of moderate severity cracking such as transverse, longitudinal, or fatigue. Slight rutting in the wheel paths.	No distress or some indication of initial distress, but no appreciable maintenance is required. Distress items include low or a small amount of moderate severity cracking such as transverse or longitudinal or slight corner breaks.
6 to 10 years = Fair	Initial distresses are apparent requiring routine maintenance. Distress items include moderate and some high severity cracking such as transverse, longitudinal, or fatigue. Moderate rutting in the wheel paths.	Initial distresses are apparent requiring sealing. Distress items include moderate and some high severity cracking such as transverse or longitudinal or moderate corner breaks.
0 to 5 years = Poor	Excessive distresses requiring high maintenance or major rehabilitation treatments. Distress items include a large amount of moderate to high severity cracking such as transverse, longitudinal, or fatigue. Moderate to severe rutting in the wheel paths.	Excessive distresses requiring high maintenance or slab replacement. Distress items include a large amount of moderate to high severity transverse or longitudinal cracking or moderate to severe corner breaks.

Established Condition Level

The expected condition level for roadway was initially established based upon historical trends. The expectation is that 54% of roadways will be in the good and fair categories.

Assessed Conditions

Condition levels are assessed on a fiscal year basis. The following table reports the percentage of pavements meeting the "Good/Fair" condition for the past five years.

Rating	2001	2000	1999	1998	1997
Good/Fair	54%	54%	51%	58%	62%
Poor	46%	46%	49%	42%	38%

Bridges

Measurement Scale

CDOT utilizes PONTIS and the National Bridge Inventory to monitor the condition of the 3699 bridges under its jurisdiction. The inventory rates bridges including the deck, superstructure, and substructure, using a 10-point scale as follows.

Rating	Description
9	Excellent
8	Very Good
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural element are sound but may have minor section loss, cracking, spalling or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service; beyond corrective action.

Established Condition Level

No more than 25% of the bridges shall be rated as "structurally deficient".

Assessed Conditions

"Structurally deficient" results when a condition of 4 or worse is assessed to at least one of the major structural elements, that is, deck, superstructure, or substructure. The following table reports the percentage of bridges whose condition was assessed as "structurally deficient".

Year	Percent
2002	6.6%
2001	6.7%
2000	6.3%
1999	6.5%
1998	5.6%
1997	5.4%

Budgeted and Estimated Costs to Maintain

(Amounts in Millions)

Fiscal Year	Estimated Spending	Actual Spending
2001-02	$ 751.1	$ 849.0
2000-01	770.5	691.6
1999-00	936.9	774.3
1998-99	693.4	696.5
1997-98	533.0	552.4
1996-97	495.6	414.5
Total	$ 4,180.5	$ 3,978.3

The Department of Transportation has not developed a process for reporting the estimated cost to maintain infrastructure assets at the established condition level. Until the department develops that system, it has chosen to use budgeted amounts as a surrogate for the cost to maintain.

Infrastructure maintenance projects by their nature span multiple years, and the related budgets do not lapse at year end. As a result, the Department of Transportation's spending in any fiscal year may be from amounts that were budgeted in the current and/or previous years. Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year.

The Department of Transportation issued $1.295 billion in bonds during Fiscal Years 2001-02 and 2000-01. These additional funds are reflected in the Estimated Spending in the respective period net of $575 million that relates to capacity improvements, which will be capitalized as infrastructure upon project completion.

Delaware

Required Supplementary Information

Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the State has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 11,057 centerline miles and approximately 1,359 bridges that the State is responsible to maintain.

The condition of the State's road pavement is measured using the Overall Pavement Condition (OPC) system, which is based on the extent and severity of various pavement distresses that are visually observed. The OPC system uses a measurement scale that is based on a condition index ranging from 0 for poor pavement to 5 for pavement in excellent condition.

The condition of bridges is measured using the "Bridge Condition Rating" (BCR) which is based on the Federal Highway Administration (FHWA) Coding Guide, "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges." The BCR uses a measurement scale that is based on a condition index ranging from 0-9, 0-4 for substandard bridges and 9 for bridges in perfect condition. For these reporting purposes, substandard bridges are classified as those with a rating of 4 or less. The good or better condition bridges were taken as those with ratings of between 6-9. A 5 rating is considered fair. The information is taken from past "Bridge Inventory Status" reports.

It is the Department of Transportation's policy to maintain at least 75 percent of its highways and bridge system at a good or better condition level. No more than 10 percent of bridges and 15 percent of roads should be in substandard condition. Condition assessments are determined every year for roads and every two years for bridges.

State of Delaware
Department of Transportation
Supplementary Information for Government That Use the
Modified Approach for Infrastructure Assets

		Structural Rating Numbers and Percentages for Bridges					
		2001		2000		1999	
	BCR Condition Rating	Number	Percent	Number	Percent	Number	Percent
Good	6 - 9	1,057	77.7	1,021	75.7	1,001	75.7
Fair	5	232	17.0	245	18.1	240	18.2
Poor	1 - 4	70	5.2	84	6.2	80	6.1
Totals		1,359		1,350		1,321	

		Deck Rating Numbers and Percentages for Bridges					
		2001		2000		1999	
	OPC Condition Rating	Square Meters	Percent	Square Meters	Percent	Square Meters	Percent
Good	6 - 9	763,388	97.0	758,795	96.8	725,569	95.7
Fair	5	15,512	2.0	17,128	2.2	20,334	2.7
Poor	1 - 4	8,343	1.0	8,042	1.0	12,417	1.6
Totals		787,243		783,965		758,320	

		Center-line Mile Numbers and Percentages for Road Pavement					
		2002		2001		2000	
	OPC Condition Rating	Center-line Mile	Percent	Center-line Mile	Percent	Center-line Mile	Percent
Good	3.0 - 5.0	3,196	76.6	973	80.8	2,377	68.7
Fair	2.5 - 3.0	568	13.6	136	11.3	821	23.7
Poor	Below 2.5	411	9.8	95	7.9	264	7.6
Totals		4,175		1,204		3,462	

Comparison of Estimated-to-Actural Maintenance / Preservation
(Expressed In Thousands)

	2002	2001	2000	1999	1998
Estimated	$ 97,341	$ 51,275	$ 50,854	$ 42,384	$ 38,672
Actual	$ 126,540	$ 132,454	$ 116,158	$ 82,217	$ 79,980

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the State has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,000 centerline miles of roads and 6,260 bridges that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Condition and Maintenance Programs

Resurfacing Program: Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path ruts are depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System has a score greater than six in all three criteria.

Bridge Repair/Replacement Program: The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program's primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, this program addresses bridges that require structural repair but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components, such as deck, superstructure, and substructure, are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent, which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good, which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge and a rating of 1 is used for a bridge that is closed but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action.

The FDOT standard is to ensure that 90 percent of all Department maintained bridges do not need major repairs or replacement.

Routine Maintenance Program: The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the highway system. Routine maintenance includes many activities, such as: highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by quarterly surveys, using the Maintenance Rating Program (MRP), which result in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories, or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 1 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

2002	2001	2000
79%	79%	79%

Percentage of bridges meeting FDOT standards

2002	2001	2000
93%	93%	92%

Maintenance Rating

2002	2001	2000
85	84	82

Comparison of Needed-to-Actual Maintenance/Preservation (in millions)

Resurfacing Program

	2002	2001	2000	1999	1998
Needed	$416.9	$467.0	$416.4	$385.7	$306.5
Actual	367.4	421.2	342.4	360.0	295.9

Bridge Repair/Replacement Program

	2002	2001	2000	1999	1998
Needed	$236.1	$344.6	$200.5	$259.4	$210.5
Actual	250.0	379.5	196.7	292.2	234.8

Routine Maintenance Program

	2002	2001	2000	1999	1998
Needed	$388.2	$374.3	$348.2	$342.9	$317.3
Actual	392.9	371.7	357.9	338.4	307.4

The Florida Department of Transportation determines its program needs based on a five-year plan (plan). The needed amounts provided above are for estimated expenses and commitments relating to appropriate projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The difference between the needed and the actual amounts above reflects these changes.

Required Supplementary Information
Infrastructure – Modified Approach Reporting
For the Fiscal Year Ended June 30, 2002

Under GASB 34, governments are allowed an alternative to depreciation for their infrastructure assets, referred to as the modified approach. Using the modified approach, states report maintenance and preservation expenses and do not report depreciation expense on qualifying assets. In order to use the modified approach, the government must manage the infrastructure assets using an asset management system and maintain those assets at established condition levels. The asset management system shall meet the following requirements:

- Maintain an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Annually estimate the cost to maintain and preserve the assets at the condition level established.
- Document the condition level at which the assets are being actually preserved and maintained.

The State of Idaho has chosen to use the modified approach in reporting the roadway network, which consists of approximately 11,800 lane miles.

Measurement Scale

The Idaho Transportation Department (ITD) determines the condition of the State's roadway surfaces by use of the Pavement Management System. The roadway surface condition is determined using two pavement-condition data elements, road roughness and pavement distress, collected as follows:

Road Roughness – Roughness is a primary indicator of pavement serviceability; or the ability of a pavement to meet the demands and expectations of motorists. In Idaho, the public's perception of the state highway system is very important. For that reason, a roughness index (RI) was adopted that correlates the longitudinal profile of the road surface to an index based upon the public's perception of road roughness. The RI ranges from 0.0 to 5.0 (0.0 being extremely rough and 5.0 being smooth).

A South Dakota type Profilometer is currently used by ITD to obtain pavement roughness. This instrument uses laser sensors and personal computers to collect and store road-profile information. The vehicle stores profile and rutting measurements at one foot intervals traveling at highway speeds, and is mounted in a van operated by the Planning Services Section. Longitudinal profiles of all pavement management sections (PMS) statewide are obtained annually.

Pavement Distress (Cracking) – Pavement distress, or cracking, is another important indicator of pavement condition. The video-inspection vehicle used to collect profile information also collects pavement video of the entire state highway system each year. The pavement management engineer then uses this video or actual field observations to determine the type, extent, and severity of cracking within each PMS. Based on this input a cracking index (CI) is calculated for each section. The CI is a rating very similar to the RI with 5.0 corresponding to a section with little or no cracking and 0.0 representing a section with severe cracking.

Required Supplementary Information
Infrastructure – Modified Approach Reporting
For the Fiscal Year Ended June 30, 2002

Pavement surface condition assessment is dependent upon functional classification and is divided into two categories: interstates and arterials, and collectors. Pavement surface condition is determined by applying the lower of the cracking index or roughness index to the measurement ranges shown in the following table:

Pavement Condition	Interstates and Arterials	Collectors
	Lower Index of Cracking (CI) or Roughness (RI)	
Good	(CI or RI) > 3.0	(CI or RI) > 3.0
Fair	>=2.5 (CI or RI) <=3.0	>=2.0 (CI or RI) <=3.0
Poor	>=2.0 (CI or RI) <2.5	>=1.5 (CI or RI) <2.0
Very Poor	(CI or RI) <2.0	(CI or RI) <1.5

Established Condition Level

No more than 18% of the pavements shall be in poor or very poor condition.

Assessed Conditions

Most Recent Three Complete Condition Assessments
Percentage of Total Lane Miles per Pavement Condition

	2001		2000		1999	
Good	7,094	60%	6,833	58%	6,201	53%
Fair	2,610	22%	2,777	24%	3,243	28%
Poor	1,255	11%	1,176	10%	1,254	11%
Very Poor	820	7%	970	8%	1,062	9%
Total Lane	11,779		11,756		11,760	

Estimated and Actual Costs to Maintain

The information below reflects the State's estimate of spending necessary to preserve and maintain the roads at, or above, the established condition level presented above, and the actual amount spent during the past five fiscal years:

	FY2003	FY2002	FY2001	FY2000	FY1999	FY1998
Estimated	$63,922,000	$62,000,000	$61,543,539	$60,312,668	$59,106,415	$57,924,287
Actual		$57,259,654	$68,277,884	$69,267,561	$57,254,828	$55,853,834

Spending in fiscal year 2002 was less than estimated; however, the condition level for the year did not fall below management's goal. Consideration of past years' spending in conjunction with the assessment results demonstrates that the State has maintained the desired roadway pavement condition level.

Indiana

Infrastructure - Modified Reporting
Condition Rating of the State's Highways and Bridges

Roads

	Average Pavement Quality Index (PQI)		
	2002	2001	2000
Interstate Roads (including Rest Areas and Weigh Stations)	N/A	87	88
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	N/A	83	82
Non-NHS Roads	N/A	80	78

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70). It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads.

Bridges

	Average Sufficiency Rating		
	2002	2001	2000
Interstate Bridges	91.2%	N/A	N/A
NHS Bridges - Non-Interstate	91.2%	N/A	N/A
Non-NHS Bridges	88.1%	N/A	N/A

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69) and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

N/A - Information is not available

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	2002	2001	2000	1999	1998
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	$ 101,574	N/A	N/A	N/A	N/A
Actual	198,144	N/A	N/A	N/A	N/A
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	67,392	N/A	N/A	N/A	N/A
Actual	2,618	N/A	N/A	N/A	N/A
Non-NHS Roads					
Needed	185,909	N/A	N/A	N/A	N/A
Actual	311,757	N/A	N/A	N/A	N/A
Roads at State Institutions and Properties					
Needed	5,000	N/A	N/A	N/A	N/A
Actual	1,603	N/A	N/A	N/A	N/A
Total					
Needed	359,875	N/A	N/A	N/A	N/A
Actual	514,122	N/A	N/A	N/A	N/A
Bridges					
Interstate Bridges					
Needed	$ 42,634	N/A	N/A	N/A	N/A
Actual	27,838	N/A	N/A	N/A	N/A
NHS Bridges - Non-Interstate					
Needed	35,384	N/A	N/A	N/A	N/A
Actual	11,265	N/A	N/A	N/A	N/A
Non-NHS Bridges					
Needed	41,116	N/A	N/A	N/A	N/A
Actual	74,388	N/A	N/A	N/A	N/A
Total					
Needed	119,134	N/A	N/A	N/A	N/A
Actual	113,491	N/A	N/A	N/A	N/A

N/A - Information is not available

Kansas Department of Transportation
Required Supplementary Information
For the Year Ended June 30, 2002

Information needed to support the use of the Modified Approach for Infrastructure Reporting:

Roadways

The highways in the state are made up of two systems: Interstate Highways and Non-interstate Highways. The condition of these systems is assessed annually using a Pavement Management System that measures the condition of the pavement surface to classify the roads into the following three performance levels:
PL-1 Roadway surface is in good condition and needs only routine or light preventative maintenance.
PL-2 Roadway surface needs at least routine maintenance.
PL-3 Roadway surface is in poor condition and needs significant work.

While the Department has goals to maintain these systems at higher levels, minimum acceptable condition levels have been defined as having at least 80 percent of the interstate miles in PL-1 and at least 75 percent of the non-interstate miles in PL-1. The latest evaluation indicates that 97 percent of the interstate and 91 percent of non-interstate miles are in PL-1.

To maintain the Interstate Highways at or above the stated minimum condition level it is estimated that annual preservation and maintenance expenditures must exceed $110 million annually. To maintain the Non-interstate Highways at or above the stated minimum condition level it is estimated that annual preservation and maintenance expenditures must exceed $260 million. The Department's goal is to continually improve the condition of the State Highway System. To achieve this goal it is necessary to perform maintenance activities and replace those assets that can no longer be economically maintained. In fiscal year 2002, preservation and maintenance expenditures were $170 million for Interstate Highways and $307 million for Non-interstate Highways.

Bridges

The condition of the bridge system in the state is assessed annually using the Pontis Bridge Management System. This system evaluates the condition of several elements (decks, girders, floor beams, columns etc) within each bridge using a rating scale of 1 to 5. These element ratings are weighted and aggregated to establish a health index of 0 to 100 for each bridge which, in turn, is aggregated to establish a health index for the entire system.

The goal of the Department is to maintain the bridge system at a higher level, but has defined an overall state-wide health index of 80 as the minimum acceptable condition level. The latest evaluation indicates that the overall health index of bridges in the state was at 91.

To maintain the state's bridges at or above the stated minimum condition level it is estimated that annual preservation and maintenance expenditures must be approximately $75 million annually. The Department's goal is to continually improve the condition of the state's bridges system. To

achieve this goal it is necessary to perform maintenance activities and to replace those bridges that can no longer be economically maintained. In fiscal year 2002, preservation and maintenance expenditures were $74 million.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -

Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the Commonwealth has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the Commonwealth expenses certain maintenance and preservation costs and does not report depreciation expense. Assets reported using the modified approach, include 61,500 lane miles of roads and approximately 8,900 bridges that the Commonwealth maintains.

In order to utilize the modified approach, the Commonwealth is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate, each year, the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Commonwealth.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Pavements

Measurement Scale
The Kentucky Transportation Cabinet (KYTC) uses numerous methods to determine the condition of roadway pavements; however, the Pavement Condition Index (PCI) serves as KYTC's primary method to measure and monitor pavement conditions. In use since the mid-1980s, the PCI for any particular pavement section is the mathematical difference between the current pavement smoothness and the acceptable pavement smoothness threshold based on traffic volumes. The corresponding pavement condition is based on the following PCI ranges:

Condition	PCI
Good	Greater than +0.4
Fair	Between 0.0 and 0.4
Poor	Less than 0.0

Established Minimum Condition Level
No more than 30% of the pavements shall be rated as "poor."

Assessed Conditions
The Commonwealth assesses pavement condition on a calendar year basis. The following table reports the percentage of pavements meeting ratings of "Good", "Fair", and "Poor" for the past five years.

Condition	2001	2000	1999	1998	1997
Good	50.4%	51.7%	51.5%	55.9%	64.3%
Fair	29.0%	31.2%	30.8%	30.2%	22.5%
Poor	20.6%	17.1%	17.7%	13.8%	13.2%

Bridges

Measurement Scale
KYTC utilizes the National Bridge Inspection Program to monitor the condition of the nearly 8,900 bridges under its jurisdiction. The National Bridge Inspection Program rates bridges, including the deck, superstructure and substructure, using a 0 to 9 point scale. The ratings are based on the following descriptions:

Rating	Description
9	Excellent.
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound but may have minor section loss, cracking, spalling or scour.
4	Poor. Advanced section loss, deterioration, spalling or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored, it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service; beyond corrective action.

Established Minimum Condition Level
No more than 7% of the bridges shall be rated as "structurally deficient."

Assessed Conditions
"Structurally deficient" results when a rating of 4 or worse is assessed to at least one of the major structural elements (e.g. the deck, superstructure, or substructure). The following table reports

the percentage of bridges whose condition was assessed as "structurally deficient" in the stated year:

Calendar Year	Structurally Deficient
2001	5.3%
2000	4.9%
1999	4.9%
1998	5.1%
1997	5.4%

Maintenance

Measurement Scale
KYTC uses its Maintenance Rating Program to measure and monitor the maintenance condition of the state-maintained highway system. This program is based on field rating the condition of 25 attributes for a statistically valid, random sample of 500 foot highway segments. It has been in use since 1999 and the overall score uses a scale of 0 to 100 as follows:

Score	Level of Service
90.0 – 100.0	A – Excellent
80.0 – 89.9	B – Good
70.0 – 79.9	C – Acceptable
60.0 – 69.9	D – Poor
50.0 – 59.9	F – Unacceptable

Established Minimum Condition Level
The statewide score shall not be lower than 70.

Assessed Conditions
The Commonwealth assesses the maintenance condition on a fiscal year basis. The following table reports the statewide score for the Maintenance Rating Program since the inception of the program:

Fiscal Year	Statewide Score	Level of Service
2001	75.9	C
2000	75.3	C

Budgeted and Estimated Costs to Maintain

The following table presents the Commonwealth's estimate of spending necessary to preserve and maintain the pavements, bridges, and maintenance condition at, or above, the "Established Condition Levels" cited above and the actual amount spent during the past three fiscal years (in millions):

Fiscal Year	Estimated Spending	Actual Spending
2003	$695.0	—
2002	—	$672.7
2001	—	$700.6
2000	—	$688.8

The Commonwealth's Management Administrative and Reporting System (MARS) is utilized to identify the actual spending on highway system maintenance and preservation activities. MARS was first implemented for the fiscal year ended June 30, 2000, therefore, only three fiscal years of historical spending levels are available.

The annual budgeting process utilized by the Commonwealth results in spending in one fiscal year amounts that were budgeted in a previous year(s). Additionally, beginning in fiscal year 2000, the Transportation Cabinet began using a cash-flow basis funding technique for financing costs of highway projects. Expenditures for the three fiscal years displayed above include the expenditure of previous year's revenues that have been carried forward to that fiscal year as a cash balance. Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. The tables and narrative above demonstrate that the Cabinet is spending sufficient amounts to meet its reportable condition level goals.

Required Supplementary Information – Information about Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructures assets. Under this process, the State does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets, unless the improvements expand the capacity or efficiency of an asset. Assets accounted for under the modified approach include approximately 8,698 highway miles or 17,664 lane miles of roads and approximately 2,960 bridges having a total deck area of 11.10 million square feet that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Roads and bridges maintained by the Department of Transportation are accounted for using the modified approach.

Roads

Measurement Scale for Highways

The Maine Department of Transportation (MDOT) uses six indicators to determine the condition of highway adequacy. The six indicators and their relative point weighting are listed in the table below.

Data Element	Point Rating (%)	Description
Pavement Condition Rating (PCR)	45	PCR is defined as the composite condition of the pavement on a roadway only, and is compiled from the severity and extent of pavement distresses such as cracking, rutting and patching. It is the key indicator used to determine the optimum time to treat a particular section of road. Points decrease as PCR decreases.
Safety	20	Statewide crash rates are used to allocate points. Locations with high rates get fewer points.
Backlog (Built v Unbuilt roadway)	15	A "Built" road is one that has been constructed to a modern standard, usually post 1950. This includes adequate drainage, base, and pavement to carry the traffic load, and adequate sight distance and width to meet current safety standards. "Unbuilt" (backlog) is defined as a roadway section that has not been built to modern standards. Yes or No (15 or 0).
Annual Average Daily Traffic divided by the hourly highway capacity (AADT/C)	10	This ratio measures how intensely a highway is utilized. As a highway facility's AADT/C ratio increases, the average speed of vehicles on that facility tends to decrease. This decrease in average speed is evidence of reduced mobility. As congestion increases, points decrease (0-10).
Posted Speed	5	Lower speeds equal fewer points.
Paved Shoulder	5	In general, roadways with paved shoulders perform at a higher level and last longer than those without shoulders or with only gravel shoulders. Yes or No (5 or 0).
	100	

Assessed Conditions

The following table shows the adequacy ratings for maintenance levels from Excellent to Poor. It is the Department's intent to keep the highway system at a level considered fair or better.

Highway Adequacy Rating	Total
Excellent	80-100
Good	70-80
Fair	60-70
Poor	0-60

Bridges

MDOT uses four separate factors to obtain a numerical value used to indicate the ability of bridges to remain in service at the current level of usage. The numeric value is a percentage ranging from 0% to represent an entirely insufficient or deficient bridge, and 100% to represent an entirely sufficient bridge. The four indicators and their relative point weighting are listed in the table below. The composite numeric value is based on the sufficiency rating formula in the Recording and Coding Guide for Structure Inventory and Appraisal of the Nation's Bridges.

Data Element	Point Rating (%)	Description
Structural Adequacy and Safety	55	This category considers inventory rating, superstructure, substructure and culverts.
Serviceability and Functional Obsolescence	30	Serviceability and functional obsolescence that addresses the number of lanes, average daily traffic, roadway width, bridge width, deck condition, under clearances, waterway adequacy, alignment, and defense highway designation.
Essentiality for Public Use	15	This considers detour length, average daily traffic, and defense highway designation.
Special Reductions	(13%)	The sufficiency rating also includes consideration of special reductions for detour length, safety features, and type of structure.

Budgeted and Estimated Costs to Maintain

The following table presents the State's preservation costs for the past five fiscal years. It also shows the estimate of spending necessary to preserve and maintain the roads and bridges at, or above, a sufficiency rating of 60 for both highways and bridges (in millions). DOT did not collect estimated information in this format for earlier years.

Fiscal Year	Estimated Spending	Actual Spending
2003	$ 36	$ -
2002	-	41.4
2001	-	29.4
2000	-	28.9
1999	-	24.5
1998	-	16.4

It is the Department's goal to maintain an adequacy rating of 60 or higher for both highways and bridges. In FY 2002, the Department achieved adequacy ratings of 76.6 for highways, and 77.0 for bridges. Chapter 38, P&S 2001, authorized $61 million of transportation bonds for improvements to highways and bridges.

Required Supplementary Information

Information About Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 27,423 lane miles of roads, 4,652 bridges (spans in excess of 20 feet), and 1,123 other spans (less than 20 feet) that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Roads

Measurement Scale

The Michigan Department of Transportation (MDOT) uses numerous methods to determine the condition of roadway pavements; however, the Sufficiency Rating serves as the State's primary method to measure and monitor pavement conditions. In use since 1961, the Sufficiency Rating is a visual analysis conducted by an engineer and includes a 5-point scale, as follows:

Rating	Bituminous Surface	Concrete Surface
1.0 = Excellent	Pavement shows no visible deterioration. Distresses are non-existent.	Same
2.0 = Good	Some indication of initial deterioration, but not yet requiring appreciable amounts of maintenance. Distress items include the start of small transverse and/or longitudinal cracks. Slight rutting may be apparent in the wheel path.	Some indication of initial deterioration, but not yet requiring appreciable amounts of maintenance. Distress items may include the start of small transverse and/or longitudinal cracks, or slight seam and joint separation. Joints may show very small amounts of deterioration.
3.0 = Fair	Average deterioration requiring occasional routine maintenance. Distresses may include minor transverse and longitudinal cracking becoming continuous throughout the segment. Severe cracking is patched effectively. Rutting may be a little more severe and hold small amounts of water.	Average deterioration requiring occasional routine maintenance. Distresses may include minor transverse and longitudinal cracking becoming continuous throughout the segment. Severe cracking is patched effectively. Through lanes and shoulders may begin to show separation from failing tie bars.
4.0 = Poor	Excessive deterioration requiring frequent maintenance and warrants resurfacing soon. Distress may be evident in wide transverse and longitudinal cracks. Severe "shallow cracking" could be evident if the pavement is composite. If the segment has been patched, the cracks may be showing through. Rutting is severe and may effect driving.	Excessive deterioration requiring frequent maintenance and warrants resurfacing soon. Distress may be evident in wide transverse and longitudinal cracks. If the segment has been patched, cracks may be showing through. Joint repairs could begin to fail. Shoulder and/or through-lane separation may be apparent. Popouts or spalling could also be present in the section.
5.0 = Very Poor /Failed	Extreme deterioration requiring continuous maintenance and warrants resurfacing or total cross-section replacement. Distress items may include severe transverse and longitudinal cracking or severe alligator cracking. Shadow cracking in composite pavement is wider than 1". Rutting in wheel path may be severe and patching is no longer beneficial to pavement condition.	Extreme deterioration requiring continuous maintenance and warrants resurfacing or total cross-section replacement. Distress items may include severe transverse and longitudinal cracking, joints are failed, and the patching is no longer beneficial to pavement condition. Spalling and edge cracking could also be severe.

Established Condition Level

No more than 30% of the pavements shall be rated as "poor" or "very poor."

Assessed Conditions

The State assesses condition on a calendar year basis. The following table reports the percentage of pavements meeting ratings of "Good" or "Poor", for the past five years. "Good" represents ratings of 1.0 through 3.0 above and "Poor" represents ratings of 4.0 and 5.0.

Rating	2001	2000	1999	1998	1997
Good	78%	78%	75%	73%	69%
Poor	22%	22%	25%	27%	31%

Bridges

Measurement Scale
MDOT utilizes the National Bridge Inventory to monitor the condition of the 4,652 bridges and 1,123 other spans under its jurisdiction. The inventory rates bridges, including the deck, superstructure and substructure, using a 10-point scale:

Rating	Description
9	Excellent (no specific definition).
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound but may have minor section loss, cracking, spalling, or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service; beyond corrective action.

Established Condition Level
No more than 35% of the bridges shall be rated as "structurally deficient."

Assessed Conditions
"Structurally deficient" results when a condition of 4 or worse is assessed to at least one of the major structural elements (e.g. the deck, superstructure, or substructure). The following table reports the percentage of bridges whose condition was assessed as "structurally deficient", in the stated year:

Calendar Year	Structurally Deficient
2001	20.9%
2000	22.5%
1999	18.9%
1998	19.2%
1997	16.7%

Budgeted and Estimated Costs to Maintain
The following table presents the State's estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the "Established Condition Levels" cited above, and the actual amount spent during the past five fiscal years (in millions):

Fiscal Year	Estimated Spending	Actual Spending
2002-2003	$873.6	-
2001-2002	$993.3	$798.2
2000-2001	$984.3	$915.2
1999-2000	$817.4	$895.3
1998-1999	$831.8	$822.0
1997-1998	$688.1	$693.5

The budgeting process utilized by the Department of Transportation results in spending in one fiscal year from amounts that were budgeted in a previous year(s). Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. This table, and other tables within this narrative demonstrate that the State has incurred the necessary expenditures to meet its desired condition levels.

Modified Approach for Infrastructure

As allowed by GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", the state has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 29,000 lane miles of pavement and approximately 2,855 bridges and tunnels that the state maintains.

To utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Lane Miles of Pavement

Measurement Scale

The Minnesota Department of Transportation uses three pavement condition indices to determine the condition of the trunk highway system, the Present Serviceability Rating (PSR), the Surface Rating (SR) and the Pavement Quality Index (PQI). The PSR is a measure of pavement smoothness, the SR measures pavement distress (cracking) and the PQI is a composite index equal to the square root of the PSR multiplied by the SR.

The five qualitative categories used to describe pavement condition are shown in the table below.

Description	PQI Range	PSR Range	SR Range
Very Good	3.7 - 4.5	4.1 - 5.0	3.3 - 4.0
Good	2.8 - 3.6	3.1 - 4.0	2.5 - 3.2
Fair	1.9 - 2.7	2.1 - 3.0	1.7 - 2.4
Poor	1.0 - 1.8	1.1 - 2.0	0.9 - 1.6
Very Poor	0.0 - 0.9	0.0 - 1.0	0.0 - 0.8

The PQI will be used as the index for determining whether the pavement infrastructure is being maintained in a serviceable level. The PQI is an overall index, combining both pavement smoothness (PSR) and cracking (SR).

Established Condition Level

Principal arterial pavements will be maintained at 3.0 PQI (good) or higher and all other pavements will be maintained at 2.8 PQI (good) or higher.

Assessed Conditions

The state assesses condition on 100 percent of the pavement surfaces at least once every two years.

	Principal Arterial Average PQI	Non-Principal Arterial Average PQI
1999	3.45	3.33
2000	3.47	3.35
2001	3.47	3.35
2002	3.39	3.30

Bridges and Tunnels

Measurement Scale

The Minnesota Department of Transportation (MnDOT) utilizes three performance measures to maintain and improve the bridge system: Structural Condition Rating, Geometric Rating, and Posted Bridge and Bridge Load Carrying Capacity. The Structural Condition Rating will be used to determine if the bridge system is being maintained at a serviceable level for the condition of the 2,855 bridges under MnDOT's jurisdiction.

The Structural Condition Rating is a broad measure of the structural condition of a bridge. Each bridge is rated as Good, Fair, or Poor by using three National Bridge Inventory (NBI) condition codes and two NBI appraisal ratings to place each bridge in a category.

The three NBI condition codes are Deck Condition, Superstructure Condition, and Substructure Condition. The two NBI appraisal ratings are Structural Evaluation and Waterway Adequacy. Both the condition codes and the appraisal ratings use a scale of 0 through 9 where 9 is excellent and 0 is failed.

Rating	Description
9	Excellent (no specific definition).
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound but may have some minor section loss, cracking, spalling or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service, beyond corrective action.

The criteria for placing a bridge in each of the three categories are as follows:

Good - If all of the condition codes are 7 or greater, and if both of the appraisal ratings are 6 or greater.

Fair - If any of the condition codes are 5 or 6, or if either of the appraisal ratings are 3, 4, or 5.

Poor - If any of the condition codes are 4 or less, or if either of the appraisal ratings are 2 or less. This is also defined as structurally deficient.

Established Condition Level

Ninety-two percent of principal arterial system bridges will be maintained at fair to good, while 80 percent of all other system bridges will be maintained at fair to good.

Assessed Conditions

Principal Arterial	1997	1998	1999	2000	2001
Fair to Good	95.5%	95.4%	96.3%	96.1%	95.9%

All Other Systems	1997	1998	1999	2000	2001
Fair to Good	88.0%	88.4%	90.1%	89.6%	90.8%

Budgeted and Estimated Costs to Maintain

The following table presents the state's estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the "Established Condition Levels" cited above, and the actual amount spent during the year ended June 30, 2002 (in thousands):

	Budget	Actual
Costs to be Capitalized	$ 296,500	$ 258,803
Maintenance of System	417,400	357,823
Total Construction Program	$ 713,900	$ 616,626

MnDOT projects may span several years, project costs are budgeted in the first year but spent throughout the life of the project. This process does not allow an accurate comparison of the amounts budgeted and spent within a fiscal year due to funding carryover between two or more fiscal years. Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. The table demonstrates that over the past year, the state spending has been in line with the budgeted amounts and other tables contained within this narrative demonstrate that the state has met its desired condition levels.

Actuarial Measures of Pension Funding Progress

The state of Minnesota is the employer for five defined benefit single employer plans that are administered by Minnesota State Retirement System (MSRS). MSRS prepares and publishes its own stand-alone comprehensive annual financial report (see Summary of Significant Accounting Policies for the address).

The Elective State Officers Retirement (ESORF), is excluded from the single employer plan disclosures since this plan is closed to new entrants and any remaining active employees have either retired, terminated, or elected coverage under another plan.

State of Nebraska

REQUIRED SUPPLEMENTARY INFORMATION
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

For the Year Ended June 30, 2002

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 10,000 miles of highway and bridges the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Measurement Scale

The Nebraska Department of Roads uses the Nebraska Serviceability Index (NSI) to measure and monitor pavement conditions. The NSI is a numerical pavement rating scale used to monitor the condition on a scale ranging from 0 to 100 with 0 being the worst and 100 being the best. NSI represents the condition of the pavement at the time of measurement and is based on pavement's surface distresses. Surface distresses include, cracking, patching, roughness, rutting, and faulting.

Established Condition Level

It is the policy of the Nebraska Department of Roads to maintain at least an overall system rating of 72 percent or above.

Assessed Condition

The State assesses conditions on a calendar year basis. The following table reports the percentage of pavements meeting ratings of "Very Good", "Good", "Fair", and "Poor". This condition index is used to classify roads in very good (90-100), good (70-89), fair (50-69), and poor (0-49).

Calendar Year	2001	2000	1999	1998	1997
Very Good	48%	50%	51%	47%	50%
Good	36%	35%	35%	33%	26%
Fair	13%	13%	12%	18%	20%
Poor	3%	2%	2%	2%	4%
Overall System Rating	84.0%	84.0%	83.6%	82.7%	81.9%

Estimated and Actual Costs to Maintain

The following table presents the State's estimate of spending necessary to preserve and maintain the roads at, or above, the established condition level cited above, and the actual amount spent during the past fiscal year (amounts in millions). The actual cost of system preservation will be greater than estimated as a result of maintaining the system at a NSI level higher than the base level established for GASB-34 purposes (72 base versus 84 actual).

Fiscal Year	2003	2002
Estimated	$ 174	$ 169
Actual		194
Difference		25

See independent auditor's report

Schedule of Infrastructure Condition and Maintenance Data

State of Nevada

The State has adopted the modified approach for reporting infrastructure assets. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 5,300 centerline miles of roads and approximately 1,000 bridges.

The State manages its roadway system by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates to category V, representing the least busy rural routes with an average daily traffic of less than 200 vehicles. In odd numbered calendar years the State completes a condition assessment of its roadways. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80. The State has set a policy that it will maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show that the State's policy regarding the condition level of the roadways and bridges has been met.

Condition Level of the Roadways
Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2001 condition assessment	83%	77%	86%	65%	19%

Condition Level of the Bridges
Percentage of substandard bridges

State Policy-maximum percentage	10%
Actual results of 2001 condition assessment	6%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadways and bridges at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs
(expressed in thousands)

	2002	2001	2000	1999	1998
Estimated	$255,575	$94,194	$97,038	$129,255	$203,986
Actual	$135,898	$75,080	$91,615	$125,506	$135,549

Maintenance and preservation costs are primarily funded with the fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

Pavement Network

The Ohio Department of Transportation conducts annual condition assessments of its Pavement Network. The State manages its pavement system by means of annual, visual inspections by trained pavement technicians. Technicians rate the pavement using a scale of 1 (minimum) to 100 (maximum) based on a Pavement Condition Rating (PCR). This rating examines items such as cracking, potholes, deterioration of the pavement, and other factors. It does not include a detailed analysis of the pavement's subsurface conditions.

Ohio accounts for its pavement network in two subsystems: *Priority*, which comprises interstate highways, freeways, and multi-lane portions of the National Highway System, and *General*, which comprises two-lane routes outside of cities.

For the Priority Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 65, and to allow no more than 25 percent of the pavement to fall below a 65 PCR level. For the General Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 55, and to allow no more than 25 percent of the pavement to fall below a 55 PCR level.

Condition Assessment Data for the Pavement Network

Priority Subsystem:

		Calendar Year 2002	
	PCR	Lane-Miles	%
Excellent	85-100	6,753	55.74%
Good	75-84	2,688	22.19
Fair	65-74	2,162	17.85
Poor	Less than 65	511	4.22
		12,114	100.00%

General Subsystem:

	PCR	Lane-Miles	%
Excellent	85-100	10,635	34.89%
Good	75-84	6,547	21.47
Fair	55-74	12,393	40.65
Poor	Less than 55	912	2.99
		30,487	100.00%

Comparison of Estimated-to-Actual Maintenance/Preservation Costs

(dollars in thousands)

	Fiscal Year 2002
Priority Subsystem:	
Estimated	$251,216
Actual	319,518
General Subsystem:	
Estimated	$110,956
Actual	151,978

Bridge Network

The Ohio Department of Transportation conducts annual inspections of all bridges in the State's Bridge Network. The inspections cover major structural items such as piers and abutments, and assign a general appraisal condition rating from 0 (minimum) to 9 (maximum) based on a composite measure of these major structural items.

It is the State's intention to maintain at least 85 percent of the square feet of deck area at a general appraisal condition rating level of at least five, and to allow no more than 15 percent of the number of square feet of deck area to fall below a general appraisal condition rating level of five.

Condition Assessment Data for the Bridge Network

		Calendar Year 2002	
	General Appraisal Rating	Square Feet of Deck Area	%
Excellent	7-9	43,395,068	53.56%
Good	5-6	34,898,954	43.08
Fair	3-4	2,687,455	3.32
Poor	0-2	30,112	.04
		81,011,589	100.00%

Comparison of Estimated-to-Actual Maintenance/Preservation Costs

(dollars in thousands)

	Fiscal Year 2002
Estimated	$192,105
Actual	210,084

STATE OF TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION (RSI)
Infrastructure Assets Reported Using the Modified Approach

ROADWAYS

Measurement Scale
The State uses a Maintenance Rating Index (MRI) that addresses all elements of the roadway system. A statistical sample of randomly selected highway segments, representative of the entire subsystem, are inspected annually and rated in accordance with the MRI criteria. (For the year ended June 30, 2002, 6,691 segments were inspected.) The following elements are rated: traveled pavement; shoulders; various roadside elements such as debris, grass height, slope erosion, and fencing; drainage elements such as culverts, crossdrain pipes, and drain inlets; and traffic services such as signage, pavement markings, and guardrails. The MRI is a numerical score from 1 to 100, with 100 being a perfect score. The average MRI of all the rated segments is the reported condition level.

Established Condition Level
The State intends to maintain roadways so that the reported condition level each year does not fall below 75.

Assessed Conditions
The condition assessment for roadways for the year ended June 30, 2002 was 87.75.

BRIDGES

Measurement Scale
The State maintains information on its 8,028 bridges in compliance with the National Bridge Inventory (NBI) guidelines established by the Federal Highway Administration. Bridges are inspected at least once every two years and the results are coded on a 0 to 9 scale (with 9 being the most desirable). A bridge coded 4 or less for its deck, superstructure, or substructure, or coded 2 or less for its structural evaluation or waterway adequacy is classified as "structurally deficient." A structurally deficient bridge is inadequate to carry legal loads, whether caused by structural deterioration, obsolete design standards, or an insufficient waterway opening. A bridge coded 3 or less for its structural evaluation, deck geometry, vertical or horizontal underclearance, water adequacy, or approach roadway alignment is classified as "functionally obsolete." A functionally obsolete bridge cannot properly accommodate the current traffic.

Established Condition Level
The State intends to maintain bridges so that 75 percent or more of the total deck area is not classified as structurally deficient or functionally obsolete.

Assessed Conditions
The following table presents the percentage of deck area whose condition assessment did not meet the criteria of structurally deficient or functionally obsolete according to the NBI.

For the Two-Year Period Ended	Percentage of Deck Area Not Structurally Deficient or Functionally Obsolete
June 30, 2002	79.86%
June 30, 2000	82.35%
June 30, 1998	79.39%

ESTIMATED AND ACTUAL COSTS TO MAINTAIN

The following table presents the State's estimate of spending to preserve and maintain the roadways and bridges at, or above, the "Established Condition Level" cited above, and the actual amount spent (in thousands) for the year ended June 30, 2002.

	Roadways	Bridges
Estimated	$ 290,583	$ 28,830
Actual	$ 278,683	$ 20,527

Actual and estimated maintenance/preservation expenses are determined using the accrual basis of accounting. Additional years will be reported when data is available.

Modified Approach to Reporting Infrastructure Assets

As permitted by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the State has adopted the modified approach for reporting its highway system. Under the modified approach, depreciation is not reported and certain preservation and maintenance costs are expensed.

The modified approach requires that the State:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at (or above) the condition level established and disclosed by the government, and
- Estimate each year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

Although bridges are an integral part of the highway system, the State has elected to depreciate bridges. Therefore, they are not reported using the modified approach.

Condition Assessments

The Texas Department of Transportation (TxDOT) performs yearly condition assessments through its Texas Maintenance Assessment Program (TxMAP). Under this program, visual inspections are conducted on approximately 10% of the Interstate system and 5% of the Non-Interstate system (US, State, and FM roadways). For each section of highway observed, twenty-one elements separated into three highway components are assessed scores from 0 to 5 (0=NA, 1=Failed, 2=Poor, 3=Fair, 4=Good, 5=Excellent) in order to determine the condition of the highways. Each element within a component is weighted according to importance and each component is weighted according to importance to determine the overall condition of the highways. The overall score is converted to a percentage measurement for reporting (1=20%, 2=40%, 3=60%, 4=80%, 5=100%).

Assessed Conditions

The Commission has adopted a minimum condition level of 80% for the Interstate system and 75% for the Non-Interstate system.

For the current year and the prior year, the results of the condition assessments are as follows:

Year	Interstate Condition (Minimum 80%)	Non-Interstate Condition (Minimum 75%)
2002	82.5%	78.7%
2001	85.0%	78.3%

Estimated and Actual Costs for Maintenance

The table below provides a comparison between TxDOT's estimate of maintenance expenditures required to maintain the highway system at or above the adopted condition levels and the actual expenditures. Since GASB 34 only became effective for fiscal year 2002, no prior year estimates are available. However, the actual maintenance expenditures are presented for comparison.

Maintenance Cost
(In Thousands)

	2002	2001
Interstate Highways		
Estimate	$ 210,000	N/A
Actual	$ 386,032	$ 283,502
Other Highways		
Estimate	$1,444,000	N/A
Actual	$1,489,744	$1,292,071

Factors Affecting Condition Assessments

Although TxDOT has adopted condition levels for the highway system, this process is new and represents a different approach to maintaining the highway system. (As time progresses, TxDOT hopes to achieve a greater correlation between the estimated and actual maintenance expenditures needed to maintain the highway system at or above the adopted condition levels.)

In reviewing the condition assessments, it is also necessary to consider the effects of other factors such as increases in traffic, legislative mandates, and environmental effects (rainfall, drought, freeze, thaw, etc) which may have a major impact on needed funds and the condition of Texas roads.

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

As allowed by GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, the State has adopted an alternative to reporting depreciation on roads and bridges (infrastructure assets) maintained by the Utah Department of Transportation (UDOT). Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the State.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the State.

Roads

UDOT uses the Pavement Management System to determine the condition of 5,855 centerline miles of state roads. The assessment is based on the Ride Index, which is a measure of ride quality on a 1 to 5 scale, with 5 representing new or nearly new pavements that provide a very smooth ride. The Ride Index is calculated from the International Roughness Index (IRI), with pavement type (asphalt or concrete) taken into account. The IRI is a mathematical statistic based on the longitudinal profile of the road.

Category	Range	Description
Very Good	4.35 - 5.00	New or nearly new pavements that provide a very smooth ride, and are mainly free of distress.
Good	3.55 - 4.34	Pavements which provide an adequate ride, and exhibit few, if any, visible signs of distress.
Fair	2.75 - 3.54	Surface defects in this category such as cracking, rutting, and raveling are affecting the ride.
Poor	1.85 - 2.74	These roadways have deteriorated to such an extent that they are in need of resurfacing and the ride is noticeably rough.
Very Poor	1.00 - 1.84	Pavements in this category are severely deteriorated, and the ride quality must be improved.

Condition Level

The State's established condition level is to maintain 50 percent of its roads with a rating of "fair" or better and no more than 15 percent of roads with a rating of "very poor."

The State performs complete assessments on a calendar year basis. The following table reports the result of pavements with ratings of "fair" or better (ratings of 2.75 through 5.0) or "very poor" (ratings of 1.0 through 1.84) for the last three years:

Rating	2001	2000	1999
Fair or Better	70.4%	66.5%	74.0%
Very Poor	8.3%	10.7%	7.3%

Bridges

UDOT uses the Structures Inventory System to monitor the condition of the 1,760 state-owned bridges. A number, ranging from 1-100, is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established in relation to the number range as follows:

Category	Range	Description
Good	80-100	Preventive maintenance requirements include repair leaking deck joints, apply deck overlays and seals, place concrete sealers to splash zones, paint steel surfaces, and minor beam repairs.
Fair	50-79	Corrective repairs include deck, beam, and substructure repairs, fixing settled approaches, and repairing collision damage.
Poor	1-49	Major rehabilitation and replace includes deck, beam, or substructure replacements or replacement of the entire bridge.

Condition Level

The State performs complete assessments on an annual basis ending April 1 of each year. The established condition level is to maintain 50 percent of the bridges with a rating of "good" and no more than 15 percent with a rating of "poor." The following table reports the results of the bridges assessed for the past three years:

Rating	2002	2001	2000
Good	70.4%	67.0%	76.5%
Poor	2.8%	5.0%	10.8%

The following table presents the State's estimated amounts needed to maintain and preserve the roads and bridges at or above the established condition levels addressed above, and the amounts actually spent for each of the past five reporting periods (in thousands):

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2002	$ 285,044	$ 330,894
2001	$ 281,497	$ 246,399
2000	$ 251,039	$ 249,500
1999	$ 238,970	$ 263,568
1998	$ 238,302	$ 245,443

State of Washington's Capital Assets
(net of depreciation)
(in millions of dollars)

	Governmental Activities	Business-type Activities	Total
Land	$ 1,088	$ 24	$ 1,112
Highway system infrastructure and other assets not depreciated	11,174	-	11,174
Buildings	3,716	662	4,378
Furnishings, equipment and collections	1,250	85	1,335
Other improvements and miscellaneous	588	43	631
Construction in progress	1,141	300	1,441
Total	$ 18,957	$ 1,114	$ 20,071

Infrastructure. Fiscal Year 2002 is the first year for the State of Washington to report infrastructure under the new requirements of GASB 34. Transportation infrastructure includes the state highway system, emergency airfields and a short rail line. While the rail line is reported net of depreciation, the state highway system and emergency airfields are reported using the modified approach. Under the modified approach, rather than recording depreciation, asset condition is reported. The rating scales for pavements, bridges and airfields are further explained in the notes and required supplementary information to the financial statements.

The Department of Transportation (WSDOT) manages state highways targeting the lowest life cycle cost per the Pavement Management System due date. While WSDOT has a long-term goal of no pavements in poor condition (a pavement condition index less than 40, on a 100 point scale), the policy for the current biennium is to maintain 90 percent of all highway pavement types at a pavement condition index of 40 or better with no more than 10 percent of its highways at a pavement condition index below 40. The most recent assessment found that state highways were within the prescribed parameters with only 9 percent of all pavement types with a pavement condition index below 40.

WSDOT manages state-owned bridges using the Washington State Bridge Inventory System (WSBIS). While WSDOT has a 20-year goal of no structurally deficient bridges, the policy for the current biennium is to maintain 95 percent of its bridges at a structural condition of at least fair, meaning that all primary structural elements are sound. The most recent assessment found that state-owned bridges were within the prescribed parameters with 96.7 percent having a condition rating of fair or better and only 3.3 percent of bridges having a condition rating of poor. Bridges rated as poor may have structural deficiencies that restrict the weight and type of traffic allowed. No bridges that are currently rated as poor are unsafe for public travel. Any bridges determined to be unsafe are closed to traffic. WSDOT does not have any closed bridges at the present time.

WSDOT owns and maintains eight emergency airfields. All but one are acceptable for general recreational use or a higher standard of use. The one airfield not up to that minimum standard is maintained as a limited search and rescue forward operating location only, and is expected to remain at that condition level.

Commitments made for infrastructure projects that extend beyond the current fiscal year to Fiscal Year 2003 amount to $801 million, representing 1,273 projects.

Bond debt. At the end of Fiscal Year 2002, the state of Washington had total bond debt outstanding of $8.7 billion, an increase of 7% over Fiscal Year 2001. Three times during the year, the state issued general obligation debt, totaling $1 billion, for various capital and transportation projects as well as for refunding purposes. The state ranked 24th in amount financed by municipal issuers in 2001, according to *The Bond Buyer's 2002 Yearbook.*

Information about Infrastructure Assets Reported Using the Modified Approach

Condition Assessment

Pavement Condition

The Washington State Department of Transportation (WSDOT) owns and maintains 19,164 lane miles of highway, including ramps and collectors. WSDOT has been rating pavement condition since 1969. Pavement rated in *good* condition is smooth and has few defects. Pavement in *poor* condition is characterized by cracking, patching, roughness and rutting. Pavement condition is rated using three factors: Pavement Structural Condition (PSC), International Roughness Index (IRI), and Rutting. In 1993 the Legislature required WSDOT to rehabilitate pavements at the Lowest Life Cycle Cost, which has been determined to occur at a PSC range between 40 and 60, or when triggers for roughness or rutting are met. The trend over the last five years has shown slight decreases in the percent of pavements in poor or worse condition.

WSDOT uses the following scale for Pavement Structural Condition (PSC):

Category	PSC Range	Description
Very Good	80 – 100	Little or no distress. Example: Flexible pavement with 5% of wheel track length having "hairline" severity alligator cracking will have a PSC of 80.
Good	60 - 80	Early stage deterioration. Example: Flexible pavement with 15% of wheel track length having "hairline" alligator cracking will have a PSC of 70.
Fair	40 - 60	This is the threshold value for rehabilitation. Example: Flexible pavement with 25% of wheel track length having "hairline" alligator cracking will have a PSC of 50.
Poor	20 - 40	Structural deterioration. Example: Flexible pavement with 25% of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 30.
Very Poor	0 - 20	Advanced structural deterioration. Example: Flexible pavement with 40% of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The PSC is a measure based on distresses such as cracking and patching which are related to the pavement's ability to carry loads. Pavements develop structural deficiencies due to truck traffic and cold weather. WSDOT attempts to program rehabilitation for pavement segments when they are projected to reach a PSC of 50. A PSC of 50 can occur due to various amounts and severity of distress. See above table for examples for flexible pavements such as asphalt. For rigid pavements (such as Portland cement concrete), a PSC of 50 represents 50 percent of the concrete slabs exhibiting joint faulting with a severity of 1/8 to ¼ inch (faulting is the elevation difference at slab joints and results in a rough ride – particularly in large trucks). Further, a PSC of 50 can also be obtained if 25 percent of concrete slabs exhibit two to three cracks per panel.

The International Roughness Index (IRI) uses a scale in inches per mile. Rutting is measured in millimeters. The three indices (PSC, IRI, and Rutting) are combined to rate a section of pavement which is assigned the lowest category of any of the three ratings. The following table shows the combined explanatory categories and the ratings for each index.

Category	PSC	IRI	Rut
Very Good	100 – 80	<= 95	<= 4
Good	80 – 60	95 – 170	4 – 8
Fair	60 – 40	170 – 220	8 – 12
Poor	40 – 20	220 – 320	12 – 16
Very Poor	0 – 20	> 320	> 16

Notes: Based on WSPMS 2002 database. Ramps are not included. Based on all three indices: PSC, IRI and Rut. A section of pavement is assigned the lowest category based on the three indices. The following table lists the explanatory categories and the ranges of the underlying indices. From 1991 - 1998, previous year IRI and rut values were used for those sections that were not surveyed in a particular year.

Beginning in 1999, the pavement distress survey procedure changed from a visual survey to an automated survey. In the automated survey, high-resolution video images are collected at highway speed and these video images are then rated on special workstations at 3-6 mph speed. This change has also resulted in a more detailed classification and recording of various distresses that are rated.

Pavement condition surveys are generally conducted in the fall of each year, then analyzed during the winter and spring, with the previous year's results available by July each year. The chart below shows recent pavement condition ratings for the State Highway System, using the combination of the three indices described above.

Condition Rating of Washington State Department of Transportation's Pavement

Percentage of Pavement in Fair or Better Condition

	2001*	2000*	1999*	1998*	1997*
Statewide - Chip Seals	89	92	91	76	76
Statewide - Asphalt	92	95	93	90	89
Statewide - Concrete	92	92	90	92	92
Statewide - All Pavements (based on total lane miles rated)	91	94	92	87	86

Percentage of Pavement in Poor or Very Poor Condition

	2001*	2000*	1999*	1998*	1997*
Statewide - Chip Seals	11	8	9	24	24
Statewide - Asphalt	8	5	7	10	11
Statewide - Concrete	8	8	10	8	8
Statewide - All Pavements (based on total lane miles rated)	9	6	8	13	14

* Calendar year data. Assessments are typically made in the fall of each year, and verified during the winter and spring, with final results released in June. Years indicated are when the physical assessment was done in the fall.

More information about pavement management at the Department of Transportation may be obtained at: http://www.wsdot.wa.gov/fossc/mats/pavement/pave_management_main.htm

Bridge Condition

There are 3,063 state-owned bridges with a total deck area of 45,261,272 square feet. All bridges are inspected on a two to four year interval, with no more than 10 percent of the bridges inspected less than every three years. Underwater bridge components are inspected by divers at least once every five years. Special emphasis is given to the ongoing inspection and maintenance of major bridges which represent a significant public investment due to size, complexity or strategic location. Information related to public bridges is maintained in the Washington State Bridge Inventory System (WSBIS). This system is used to develop preservation strategies and comprehensive recommendations for maintenance and construction, and for reporting to the Federal Highway Administration (FHWA).

The following condition rating data is based on the structural sufficiency standards established in the FHWA "Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges." This structural rating relates to the evaluation of bridge superstructure, deck, substructure, structural adequacy and waterway adequacy. Three categories of condition were established in relation to the FHWA criteria as follows:

Category	National Bridge Inventory Code	Description
Good	6, 7, or 8	A range from no problems noted to some minor deterioration of structural elements.
Fair	5	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour or seriously affected primary structural components.

Notes: Bridges rated in poor condition may be restricted for the weight and type of traffic allowed.

Condition Rating of Washington State Department of Transportation's Bridges

Percentage of Bridges in Fair or Better Condition	2002	2001	2000	1999	1998
Reinforced Concrete (1283 bridges in FY 2002)	97	96	95	na	na
Prestressed Concrete (1271 bridges in FY 2002)	99.5	99	99	na	na
Steel (344 bridges in FY 2002)	92	91	91	na	na
Timber (65 bridges in FY 2002)	70	71	71	na	na
Statewide - All Bridges (2963 bridges out of 3063 in FY 2002)	96.7	96	95	na	na

Percentage of Bridges in Poor Condition	2002	2001	2000	1999	1998
Reinforced Concrete (38 bridges in FY 2002)	3	4	5	na	na
Prestressed Concrete (6 bridges in FY 2002)	0.5	1	1	na	na
Steel (28 bridges in FY 2002)	8	9	9	na	na
Timber (28 bridges in FY 2002)	30	29	29	na	na
Statewide - All Bridges (100 bridges out of 3063 in FY 2002)	3.3	4	5	na	na

na - data not available

Notes: Bridges rated as poor may have structural deficiencies that restricted the weight and type of traffic allowed. WSDOT currently has 14 posted bridges and 152 restricted bridges. Posted bridges have signs posted which inform of legal weight limits. Restricted bridges are those where overweight permits will not be issued for travel by overweight vehicles. Refer to http://www.wsdot.wa.gov/fossc/maint/motor/ for more information. Any bridges determined to be unsafe are closed to traffic. WSDOT has no closed bridges at the present time.

Additional information regarding the Department of Transportation's bridge inspection program may be obtained at:
http://www.wsdot.wa.gov/eesc/bridge/index.cfm or
http://www.wsdot.wa.gov/accountability/GrayNotebookDec-01.pdf

Emergency Air Field Condition

The Washington State Department of Transportation (WSDOT), through its Aviation Division is authorized by RCW 47.68.100 to acquire and maintain airports. Under this authority, WSDOT owns eight emergency airfields and leases several others. Most of the airfields are located near or adjacent to state highways and range in character from paved to gravel or turf. The prime task of the airfields is to provide emergency facilities. Two airfields are in operational condition twelve months of the year, with five operational from June to October each year. One is only available for emergency search and rescue use. Maintenance is done on each airfield annually to keep it at its existing condition of use. Each airfield is inspected a minimum of three times per year.

The definitions below form the rating criteria for the current airfield condition ratings which follow.

Category	Definition
General Use Community Airport	An airport with a paved runway capable of handling aircraft with a maximum gross certificated takeoff weight of 12,500 pounds.
Limited Use Community Airport	An airport with an unpaved runway capable of handling aircraft with a maximum gross certificated takeoff weight of 12,500 pounds.
General Recreational Use Airport	An airport with a turf (unpaved) runway near access to recreational opportunities with capacity for aircraft less than 12,500 pounds.
Limited Search and Rescue Forward Operating Location	An airport with a landing pad only capable of accommodating rotorcraft.

Washington State Emergency Airfields

Condition Rating	Number of Airports
Owned airports:	
Acceptable for general use as a community airport	2
Acceptable for limited use as a community airport	1
Acceptable for general recreation use	4
Limited search and rescue forward operating location	1
Total owned airports	8

	2002	2001	2000	1999	1998
Percentage of airports acceptable for general recreational use or better	88	88	88	88	na
Percentage of airports not acceptable for general recreational use or better	12	12	12	12	na

na - data not available

Notes: One airport is open only as a limited search and rescue operating location and is expected to remain in that status.

For pictures of specific airfields, see our website at: http://www.wsdot.wa.gov/Aviation/airports/airport-default.htm

Information about Infrastructure Assets Reported Using the Modified Approach

Comparison of Budgeted-to-Actual Preservation and Maintenance

For the Fiscal Year Ended June 30, 2002
(expressed in thousands)

	Budget	Actual	Variance with Budget
Pavement:			
Preservation	$ 134,810	$ 127,946	$ 6,864
Maintenance	23,746	19,485	4,261
Total	$ 158,556	$ 147,431	$ 11,125
Bridges:			
Preservation	$ 24,270	$ 16,307	$ 7,963
Maintenance	11,430	11,012	418
Total	$ 35,700	$ 27,319	$ 8,381
Emergency air fields:	$ 70	$ 28	$ 42

Notes: Numbers for the Pavement and Bridges budget amounts came from the 2001-2003 biennial plan as shown in the WSDOT December 2001 *Monthly Financial Report* for sub-programs P1 (Roadway Preservation), P2 (Structures Preservation), and M2 (Roadway, Bridge & Tunnel maintenance). For FY 2002, the annual budget amount was calculated as half the biennial amount. The Preservation budgeted and actual amounts were adjusted for capitalized infrastructure and equipment in FY 2002.

The emergency airfields (program F3, State Airport Construction and Maintenance) budget amount came from the same sources as for pavements and bridges described above but is only one fourth of the biennial amount budgeted as half of the biennial budget is assigned for airfields not owned by WSDOT.

The Maintenance Accountability Process (MAP) measures and communicates the outcomes of 34 distinct highway maintenance activities. Maintenance results are measured via field condition surveys and reported as Level of Service (LOS) ratings. LOS targets are defined in terms of the condition of various highway features (i.e. percent of guardrail on the highway system that is damaged) and are set commensurate with the level of funding provided for the WSDOT highway maintenance program. More information about MAP may be obtained at: http://www.wsdot.wa.gov/fossc/maint/htm/accountability.htm

The state implemented the requirements of Statement No. 34 of the Governmental Accounting Standards Board (GASB), including the provisions related to capitalizing and reporting infrastructure on the modified approach, in Fiscal Year 2002. While budget to actual information is not available for years prior to Fiscal Year 2002 using the GASB definitions of preservation and maintenance, historical budget to actual information for the entire Construction and Maintenance programs is available by contacting the WSDOT Budget Office at (360) 705-7500.

Required Supplementary Information

Infrastructure Assets Reported Using the Modified Approach

The State has adopted the modified approach for reporting infrastructure assets. Under the modified approach, infrastructure assets are not depreciated as long as the State can demonstrate that the assets are properly managed and are being preserved at or above an established condition level. Instead of depreciation, the costs to maintain and preserve infrastructure assets are expensed, while additions and improvements are capitalized. The State owns approximately 11,200 miles of roads and 4,900 bridges.

Road Network

Condition assessments are completed on a two-year cycle. Numerous measures are used to assess the condition of the State's road network. The State has adopted the International Roughness Index (IRI), as defined by the Federal Highway Administration, as its primary condition measure. IRI is measured on a scale of 0 to 5, with an IRI of 2.69 or greater being defined as a "poor" ride. Roads with a "poor" IRI assessment cause negative impacts for the traveling public by decreasing driver comfort and increasing the damage to vehicles and goods. It is the State's policy to ensure no more than 15 percent of its roads receive a "poor" IRI assessment. At June 30, 2002, approximately 4.6 percent of the State road network had a "poor" IRI rating.

The State estimated that during Fiscal Year 2002, it would cost approximately $470.7 million to maintain and preserve the road network at, or above, the established condition level. Actual maintenance and preservation costs of the road network were $437.6 million, $33.1 million less than estimated. The State of Wisconsin, Department of Transportation's multi-year budgeting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult since expenditures for the current year may have been budgeted and committed to a project in prior years.

Bridge Network

Condition assessments are completed on a two-year cycle, with more frequent inspections completed if warranted. The State has adopted the National Bridge Inventory (NBI) 10-point rating scale as its primary condition measure. Using the Federal Highway Administration's definition, a bridge is considered "structurally deficient" if it has an NBI score of 4 or less on its deck, superstructure, or substructure. "Structurally deficient" bridges cause negative impacts for the public by increasing the likelihood that heavy loads will need to be rerouted to less efficient routes, thus increasing logistic costs for State businesses. It is the State's policy to ensure no more than 15 percent of its bridges are "structurally deficient". At June 30, 2002, approximately 7.6 percent of the State bridge network was rated "structurally deficient".

The State estimated that during FY 2002, it would cost approximately $33.6 million to maintain and preserve the bridge network at, or above, the established condition level. Actual costs for maintenance and preservation were $38.4 million, $4.8 million more than estimated. The Department of Transportation's multi-year budgeting process, allowing encumbrances to carry forward, makes a comparison of actual to estimated amounts difficult, since expenditures for the current year may have been budgeted and committed to a project in prior years.

Required Supplementary Information

Budgets

The Legislature appropriates substantially cash basis budgets for a majority of the funds at the program level (administration, revenue division, investigations, etc.) within an agency. The State budget office maintains budgets for budgeted funds at the series level (personnel services, support services, etc.) within a program. Agency budget analysts are allowed to transfer appropriations from one series to another series within an agency's program but the Governor must approve all changes in appropriations at the program level. The State's legal level of budgetary control is at the program level.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed for governmental fund types. Encumbrances outstanding at June 30, 2002, for which the goods or services have not been received, are shown as a reservation of fund balance.

Reconciliation from the Budgetary Basis of Accounting to the GAAP Basis

	General Fund	Foundation Program Fund	Budget Reserve Fund
Budgetary Basis Excess (Deficit)			
Revenues over (under) Expenditures	$ (564,152,804)	$ 30,053,264	$ 65,895,822
Changes in accruals of certain expenditures	30,719,205	0	(1,912,935)
Changes in accruals of certain revenues	(34,056,561)	17,584,534	(81,887,594)
Current year encumbrances	42,292,242	0	7,500
Revenues from prior biennium appropriation	(1,043,886,865)	(416,076,890)	(56,325,344)
Expenditures from prior biennium appropriations	1,126,767,702	380,881,880	38,523,314
Non-budgeted funds	413,880,562	(3,775,357)	0
GAAP Basis Excess (Deficiency) of Revenues and Other Financing Soruces Over (Under) Expenditures and Other Financing Uses	$ (28,436,519)	$ 8,667,431	$ (35,699,237)

Supplemental appropriations and additional appropriations approved by the Governor are included in the column titled "B11's & Supplemental Budget". In the budget and actual statements, encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded as expenditures and liabilities in order to reserve that portion of the applicable appropriation, is employed for budgetary control purposes. Some unencumbered appropriations lapse at the end of each biennium. Encumbrances are reported as a reservation of fund balance and carried forward for use in future years. Revenue budgets are not legislatively established but are determined by individual agencies or the Consensus Revenue Estimating Group.

Wyoming Department of Transportation Infrastructure Using Modified Approach

The Wyoming Department of Transportation (DOT) accounts for its infrastructure assets using the modified approach. The infrastructure consists of the road subsystem and the bridge subsystem.

DOT manages its road network with a pavement management system developed by the Department. A consulting firm is contracted to collect the data. The pavement condition is rated in three areas; ride, rutting, and cracking. The ride is measured by suspension movement using an index called the present surface index (PSI). The rutting is measured using the height difference between the lane center and each wheel path of a cross section of the road to determine the rut index (RUT). The cracking measures the width and frequency of the cracks to establish the pavement condition index (PCI). A composite rating is derived from the three condition ratings called the pavement serviceability rating (PSR). The pavement management system establishes a PSR on a scale from 0 to 5 for each road section with excellent 5.0 to 3.5, good 3.5 to 3.0, fair 3.0 to 2.5 and poor 2.5 to 0. It is DOT's policy to maintain its National Highway System (NHS) at 3.25 (good) and its Off the National Highway System (Non-NHS) at 3.00 (fair). Each road section has data collected every other year. The road subsystem condition assessment is done every year.

As of September 30, 2001, the overall PSR for the NHS was 3.56 and Non-NHS was 3.24. The number of miles for NHS and Non-NHS with excellent to good condition and fair to poor condition are as follows:

	NHS		Non-NHS	
PSR Condition Rating	Number of Miles	Percent	Number of Miles	Percent
Good to Excellent	2,258	76.40%	1,737	48.90%
Poor to Fair	697	23.60%	1,812	51.10%
	2,955	100%	3,549	100%

The Department uses PONTIS, a comprehensive bridge management system accepted by the Federal Highway Administration, to assist in managing the State's bridges. Each bridge is inspected at least once every two years. This inspection measures and rates

the required National Bridge Inventory (NBI) items, including dimensions, clearances, alignment, waterway data and structural condition. The structural condition is evaluated by using structural elements. Each component of the bridge (girders, deck, railing, columns, piling, etc.) is assigned an element and the condition of each element is evaluated based on several condition State assessments. The element data is converted to NBI ratings using a conversion program. The structure's NBI data is then used to determine its sufficiency rating. The sufficiency rating is calculated by the Federal Highway Administration, and bridges with a sufficiency rating of 80 or less and classified as structurally deficient and/or functionally obsolete are put on the Federal Highway Administration Selection List. Functional obsolescence is a measure of the suitability of the bridge to provide for requirements of traffic both on and under the structure. Structural deficiency is a measure of the condition of the structural elements and the ability of the bridge to carry the anticipated loads. Bridges appearing on the Selection List are considered deficient, whereas those not on the list are considered acceptable. The bridge subsystem condition assessment is done every year. In the past, the Department's policy has been to maintain 93% of its NHS bridges and 90% of Non-NHS bridges in acceptable condition.

The program, internal to PONTIS, used to convert the element level inspection data to NBI item ratings was revised with the release of PONTIS 4.01. In 2001, the Department adopted PONTIS 4.0.1 since the earlier conversion program is no longer acceptable to the Federal Highway Administration. The revised program has resulted in significant differences in the NBI item ratings from past years. The sufficiency rating for many structures has decreased resulting in a significant increase in the number of bridges qualifying for the select list. As a result, the percentage of bridges in acceptable condition has decreased to 85% for the NHS system and 84% for the Non-NHS system.

As a result, the Department's policy will be to maintain 83% of its NHS bridges and 80% of the Non-NHS bridges in acceptable condition.

	NHS		Non-NHS	
Select List Condition Rating	Number of Bridges	Percent	Number of Bridges	Percent
Acceptable	1,092	85.50%	569	84.30%
Deficient	185	14.50%	106	15.70%
	1,277	100%	675	100%

For the year ended September 30, 2001, actual maintenance and preservation expenditures on infrastructure were $278.1 million compared to projected expenditures of $350.2 million a difference of $72.1 million. The difference is due to projects that were not completed at the end of the fiscal year; therefore, portions of the estimated costs will be expended during the subsequent year.