

**Government Accounting
Standards Board
Statement 34
Implementation in Eules**

Building an Inventory of
the City's Infrastructure
for Valuation and
Depreciation

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GASB 34

- The City of Euless has long been keeping their infrastructure databases in a GIS. So when they were faced with complying with the new GASB 34 reporting standards, they went to work matching up those databases with the financial components to produce the required report.

GASB 34

- GASB 34 requires the reporting of general infrastructure assets in the City's statement of net assets.



GASB 34

- The purpose of GASB 34 is to provide anyone with an interest in public finance additional and easier to understand information in a business-like format about any governmental body in the United States.

GASB 34

- Phase II cities, such as Euless, must comply beginning in fiscal year 2003 for capital assets and in fiscal year 2007 for retroactive infrastructure assets (back to year 1980).

GASB 34

Capital Assets defined as:

Land / Easements

Land Improvements

Building / Building Improvements

Vehicles

Telecommunication Equipment

Moveable Equipment

GASB 34

Infrastructure Assets defined as:

Roads / Bridges

Drainage Systems

Underground Utilities

Street Lights and Signals

Sidewalks and Curbs

Water System

Sanitary Sewer System



GASB 34

- GASB 34 requires assets to be recorded at the historical / original cost and depreciated annually over the useful life of the asset



GASB 34

- Three Reports produced during the study:
 - Transportation Assets (1980 - 2002)
(Streets, Sidewalks, Bridges, etc.)
 - Water and Sanitary Sewer Assets (1968 – 2002)
(Water Lines, Valves, Hydrants, Tanks, etc.)
 - Storm Drainage System Assets (1980 – 2002)
(Drain Pipes, Inlets, Channels, etc.)

GASB 34

- The City's GIS contained much of the required inventory
- Some data had to be created / compiled / verified from other sources
 - **Construction records**
 - **Historical Maps / Aerial Photos**
 - **Field Observations**
 - **City Council and P&Z Minutes**

GASB 34

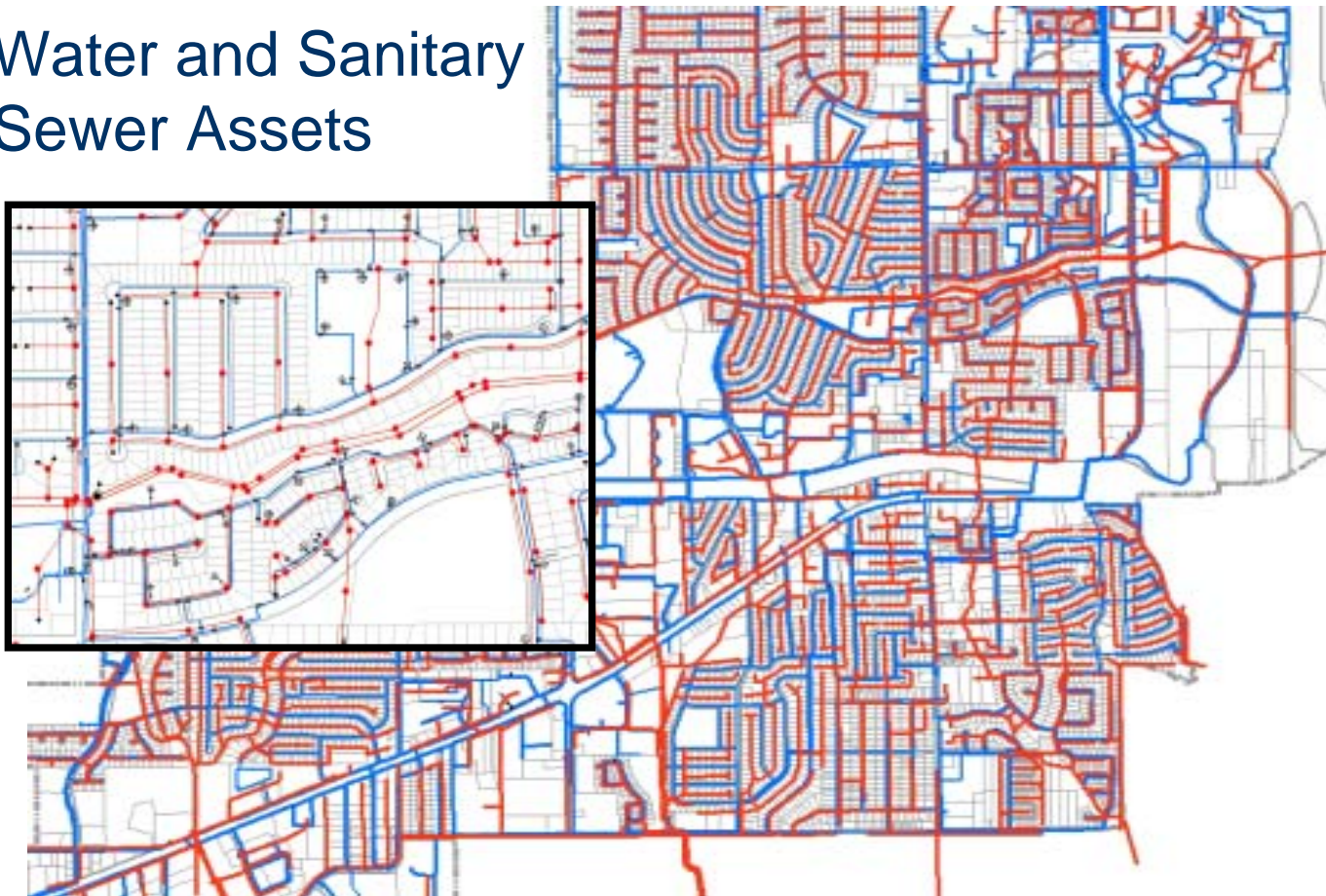
- **Transportation Assets**
 - **We had a complete inventory of streets, but added information about the age and material of the streets.**
 - **We utilized subdivision age, old budget reports, and visual confirmation to complete the data**

GASB 34

- **Water / Sanitary Sewer Assets**
 - **The City has used computerized utility maps since 1989, so our inventory for size, materials, and associated valves and hydrants was very complete.**
 - **We researched subdivision “as-built” drawings to get age of the various components.**

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- Water and Sanitary Sewer Assets



GASB 34

- Storm Drainage System Assets
 - We started with virtually nothing.
 - All of the system components were added from the original construction drawings.
 - We augmented document research with field verification and GPS location collection.

GASB 34

- Storm Drainage System Assets



GASB 34

- **GIS Asset Inventory**
 - **Between Feb 2002 and Aug 2003, we had created a full inventory of each system's components, along with the year each piece was installed.**
 - **We simply queried the GIS data to produce the framework for the valuation process, although some major projects were input from project records.**

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- A unit cost was developed for every infrastructure element and listed on an Excel spreadsheet.
- The cost was developed from the spreadsheet, or original project records where available, then summarized.

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April - 1981	City Participation in 24" Oversize Waterline in Cinnamon Ridge Phase 1	\$42,525
April - 1981	16" Waterline-Pipeline from FM 157 to Stanley	\$172,998
July - 1981	Midway Park Paralleling Sanitary Sewer	\$30,092
Aug - 1982	Water Utility Improvements on FM 157	\$481,420
Mar - 1986	Water and Sanitary Sewer Improvements	\$28,730
Aug - 1986	Paving and Utility Improvements-So. Pipeline Rd	\$84,232
July - 1988	Sanitary Sewer Improvements at Midway Park	\$10,725
Mar - 1989	Sanitary Sewer Replacement-So. Pipeline Rd	\$94,567
July - 1992	Waterline Replacement-Pebble Creek Drive	\$37,831
June - 1994	Sanitary Sewer Relocation/Construction	\$85,000
	Etc ...	

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- Calculate an Inflation Factor

Historic Cost / Cost 2002

If a project cost \$20,000, but would now cost \$80,000, the Inflation Factor is 0.25

GASB 34

- **A Useful Life of Infrastructure was established to set a depreciation schedule**
 - **Concrete Roads ... 30 years**
 - **Asphalt Roads ... 20 years**
 - **Bridges / Culverts ... 40 years**
 - **Traffic Signals ... 10 years**
 - **Asphalt Overlays ... 7 years**
 - **Water / Sewer System ... 33 1/3 years**
 - **Storm Drainage System ... 40 years**

GASB 34

- Annual Depreciation Coefficients were calculated for the various elements, then added to the spreadsheet
- A depreciated value was then calculated for the elements, and summarized by year.
- This resulted in a complete cost and depreciated value for each system

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SANITARY SEWER COLLECTION SYSTEM - PIPES AND FIXTURES								
Year	Pipe Size-In	Length-Ft	Cost/Ft -2000	Amount-2000	Infl. Factor	Year Value	Depr. Coeff.	Current Value
1987								
	4	76	\$18.83	\$1,431.08				
	6	504	\$19.72	\$9,938.88				
	8	15,915	\$23.00	\$366,045.00				
	10	1,033	\$25.00	\$25,825.00				
	21	498	\$42.00	\$20,916.00				
	Manhole	46	\$1,815.00	\$83,490.00				
	Cleanout	28	\$200.00	\$5,600.00				
			TOTAL =	\$513,245.96	0.708	\$363,378.14	0.55	\$199,857.98
1996								
	4	198						
	6	7,003	\$19.72	\$138,099.16				
	8	1,659	\$23.00	\$38,157.00				
	10	684	\$25.00	\$17,100.00				
	Manhole	30	\$1,815.00	\$54,450.00				
	Cleanout	6	\$200.00	\$1,200.00				
			TOTAL =	\$249,006.16	0.903	\$224,852.56	0.82	\$184,379.10

GASB 34

- **Transportation System (1980 – 2002)**
 - **Original Cost**
 - **\$34,884,945**
 - **Depreciated Value**
 - **\$21,209,892**
 - **Right-Of-Way Value**
 - **\$15,591,579**

GASB 34

- **Water and Sanitary Sewer System**
(1968 – 2002)
 - **Original Cost**
 - **\$38,101,033**
 - **Depreciated Value**
 - **\$23,692,013**

GASB 34

- Storm Drainage System (1980 – 2002)
 - Original Cost
 - \$19,303,624
 - Depreciated Value
 - \$14,670,676

GASB 34

- Adding new projects/infrastructure will be an ongoing process that will be managed by city staff.
- New procedures have been developed to capture individual infrastructure costs in a similar format as the GASB 34 reports.
- This data will then enter the depreciation schedule and be maintained over the years.

Thank You!

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