The Government Accounting Standards Boards (GASB) Statement 34 allows for reporting a government's infrastructure assets in one of two methods. The Modified Approach or the Depreciation method. The Modified Approach must meet the following two requirements:

* The government utilizes an asset management system to manage eligible infrastructure assets
* The government documents that the eligible infrastructure assets are being preserved at or above a condition level established by the government

The Depreciation method involves reporting infrastructure at historical cost and depreciating the assets over their estimated useful life. This article will discuss determining the estimated useful life for various classes of infrastructure assets.

GASB Statement 34 states that the government should estimate useful lives based upon its own experience and plans for the assets. Many states have established estimated lives for various classes of infrastructure through their Department of Transportation and make this information available via the Internet. Other sources of useful lives are professional organizations and the use of consultants. It is important to understand there are variances in estimated useful lives because of variables such as climate, construction materials, normal maintenance programs, etc. The lives identified in this article are “average” lives and are the result of recent GASB 34 implementation studies.

Several asset groupings can be classified as both Land Improvements and Infrastructure. Examples are Parking Lots, Sidewalks, and Pedestrian Paths. A definition frequently used to place an asset in either the Land Improvements account or Infrastructure account is if the asset is outside of, and including, the sidewalk. If it is, the asset is recorded in the Infrastructure Account. Otherwise it is considered a Land Improvement. For example, a Parking Lot adjacent to a building is a Land Improvement but a Parking Lot on a street corner operated by the government for Public Parking is an Infrastructure asset.

Roadways - Information can be reported in detail (curbs, gutters, surface type, guardrails, concrete barriers, etc.), by Subsystem (roadway pavement including curbs and gutters), or by Networks (Roadway Network consisting of pavement, curbs, gutters, lighting, guardrails, signage, etc.)

From our experience in setting up and reporting infrastructure values, the most common method for reporting roadway infrastructure is by Subsystem. This results in a level of detail sufficient for describing the components of the roadway system and depreciating each component using an estimated life for that particular classification. Although the reporting for GASB 34 is by subsystem the cost of all the sub units in the Subsystem are considered in arriving at the cost. This also simplifies the retirement of infrastructure assets on a going forward basis.

When assigning estimated useful lives for roadways the life is dependent more upon the type of pavement material than the class of road (Local, Connector, Arterial, Major Arterial). The estimated useful life is assigned by type of surface material because the engineering design of roadways with a high Average Daily Traffic (ADT) adjusts for the high traffic volume compared to the engineering design of a roadway with a lower traffic volume. In other words, a concrete Arterial roadway will have the same estimated useful life as a concrete Local roadway. In GASB 34 reporting, roadways are usually reported by type of pavement but sometimes governments want to report by class of roadway i.e. Local, Collector, Arterial or Major Arterial roads. In this case the estimated useful life is weighted taking into account the mix of surface types comprising each class of roadway.

Four factors affect the life assigned to roadways; Subgrade or bearing capacity of the road; the composition of the asphalt or concrete surface; traffic volume (engineered for cars and/or trucks); and the climate conditions such as amount of rain or snow and fluctuation in temperature. The harder the subgrade under the roadway the more likely the roadway will have a longer life. One additional factor to consider when assigning roadway lives is the speed limit. For example, asphalt roads with a slower speed limit have a shorter life than an asphalt road with a high speed limit due the “creeping” quality of asphalt. When arriving at an estimated

Continued on next page
life for a roadway it is assumed all normal maintenance is performed to maintain the roadway during its normal life.

Following are “average” lives for roadways:
- Dirt .................................. 10 years (subject to weather conditions)
- Gravel............................... 15 years (subject to weather conditions)
- Concrete.................................. 30 years
- Asphaltic Concrete ............... 20 years
- Brick or Stone ................. 50 years

Sidewalks - As with roadways, the climate conditions such as the amount of rain or snow and the fluctuation in temperature affects the life of the sidewalk. The “average” lives for sidewalks depends upon the material:
- Concrete............................30 years
- Asphalt .............................25 years
- Brick or Stone ............. 50 years (subject to weather conditions)

Parking Lots
- Concrete............................35 years
- Asphalt............................35 years
- Gravel..............................10 years
- Brick or Stone ............. 45 years

Bridges - Sometimes there is confusion in defining what is a bridge and what should be considered a culvert. A definition that can be used is if the structure has a 20-foot span or greater it is considered a bridge. If the span is less than 20 feet it is considered a culvert. As with roadways, many State Department of Transportation agencies publish estimated useful life guidelines of Bridges for their States. For GASB 34 reporting we use the following average lives that may be adjusted for the climate and temperature fluctuation.
- Precast Concrete.............40 years
- Prestressed Concrete ......45 years
- Steel with Truss...............50 years
- Timber/ Wood................30 years
- Pedestrian Steel.............30 years
- Concrete..........................30 years
- Wood __________________________ 25 years

Unique bridges such as Suspension Bridges, Cable Sta id Bridges, Moveable Bridges (Rotating, Hydraulic, Bas cle), and Covered Bridges are evaluated on a case by case basis.

Culverts - Culverts are divided into Major and Small culverts. Major culverts are culverts that have a side area of 35 square feet or greater. Small culverts have a side area less than 35 square feet.

Major:
- Concrete............................45 years

Road Signage - Although Roadway Signage may not meet GASB’s 5% rule most governments report this category, as the information is easily assessable.
- 10 years

Sewer Lines
- Concrete............................50 years
- Brick...............................90 years
- Metal..............................40 years

Traffic Lights - Although Traffic Lights may not meet GASB’s 5% rule most governments report this category, as the information is easily assessable.
- Mast Arms.......................20 years
- Hung Wire ....................15 years

Street Lighting - Although Street Lighting may not meet GASB’s 5% rule most governments report this cate-
crete dams have a life of 60 years. En dams have a life of 40 years and con-

Drains
Plastic .......................25 years
Cast Iron .....................30 years
Metal Corrugated ..........30 years
Concrete ....................40 years
Ditch/Trench .............100 years
Berms .......................20 years

Tunnels - Tunnels can have a vari-
able life expectancy and are determined on an individual tunnel basis.

Alleys
Concrete ....................20 years
Asphaltic Concrete ......20 years
Dirt ..........................10 years
Gravel .......................15 years
Brick or Stone ..........50 years

MAN MADE LAKES
100 years

Water Ways/Canals......100 years

Boat Ramps
Wood ......................10 years
Concrete/Asphalt ......20 years
Metal .....................15 years

Marinas
Piers ......................50 years
Seawalls ................50 years
Bulkheads .................50 years

Bike/Jogging Paths
Dirt ......................10 years
Gravel ....................15 years
Concrete ..................30 years
Asphalt ...................20 years
Composite Rubber ......7 years
Brick of Stone ..........50 years

Reservoirs ................50 years

Dams - Dams require individual research but as a general guideline earth-
en dams have a life of 40 years and concrete dams have a life of 60 years.

Airports ....................10 years

The above estimated lives are guidelines. The actual life expectancy should
be modified based on the experience of the reporting government.

MOVEABLE EQUIPMENT

Athletic Equipment ......10 years
Appliances/Food Service Equipment .................10 years
Audio Visual Equipment ....7 years
Books, Multi Media Materials .....................5 years
Business Machines ........7 years
Communications Equipment ....................10 years
Computer Software ..........5 years
Contractors/Construction Equipment ............12 years
Computer Equipment ..........5 years
Fire Department Equipment ....................12 years
Furniture ...................20 years
Grounds, Agricultural Equipment ................15 years
Lab, Science Equipment ..10 years
Law Enforcement Equipment ....................10 years
Licensed Vehicles .............6 years
Machinery and Tools ..........15 years
Musical Instruments ..........10 years
Outdoors Recreational Equipment ..........20 years
Stage and Auditorium Equipment ..........20 years
Custodial Equipment .........15 years
Photocopiers ................5 years

LAND IMPROVEMENTS

Fencing, gates ................20 years
Landscaping ................10 years
Outside Sprinkler Systems ....25 years
Athletic Fields .............15 years
Golf Courses ................20 years
Septic Systems ..............15 years
Stadiums ...................45 years
Swimming Pools .............20 years
Tennis Courts ................20 years
Fountains ....................20 years

Paul E. Gruenwald is a Vice President and Managing Principal for the Milwaukee Property Appraisal Services Group of American Appraisal Associates, Inc. (“AAA”).

Since joining the firm in 1972, Mr. Gruenwald has held various positions involving valuation consulting and system design, and he has served as vice president for a subsidiary of the firm. Prior to his current position, he served as manager of Systems Development.
# Calendar of Issuer Conferences & Outings for 2003

<table>
<thead>
<tr>
<th>NAME</th>
<th>EVENT</th>
<th>DATE</th>
<th>LOCATION</th>
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<tbody>
<tr>
<td></td>
<td>Annual Golf Outing</td>
<td>July 28</td>
<td>Dornoch Golf Club – Delaware, Ohio</td>
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<tr>
<td></td>
<td>Annual Fall Conference</td>
<td>September 16 - 18</td>
<td>Cincinnati Marriott North, Cincinnati, Ohio</td>
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<td>Annual Conference</td>
<td>TBD</td>
<td>Crown Plaza Hotel/Convention Center - Dayton Ohio</td>
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<tr>
<td></td>
<td>Northeast Ohio Golf Outing</td>
<td>August 27</td>
<td>Hyatt Regency Hotel - Columbus, Ohio</td>
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<td></td>
<td>North-Central Ohio Golf Outing</td>
<td>TBD</td>
<td>Woussickeet Golf Course – Sandusky, Ohio</td>
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<tr>
<td>MFOA</td>
<td>Spring Conference</td>
<td>April 23 - 25</td>
<td>Embassy Suites – Dublin, Ohio</td>
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<tr>
<td></td>
<td>Annual Conference</td>
<td>October 1 – 3</td>
<td>Hyatt Regency Hotel - Cincinnati, Ohio</td>
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<tr>
<td>(OML)</td>
<td>Northeast Ohio Golf Outing</td>
<td>TBD</td>
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<tr>
<td></td>
<td>North-Central Ohio Golf Outing</td>
<td>TBD</td>
<td>TBD</td>
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<tr>
<td>CCAO</td>
<td>Summer Conference</td>
<td>June 1 – 3</td>
<td>Crown Plaza Hotel/Convention Center - Dayton Ohio</td>
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<td></td>
<td>Winter Conference</td>
<td>Nov. 30 – Dec. 2</td>
<td>Hyatt Regency – Columbus, Ohio</td>
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<td>Annual Golf Outing</td>
<td>August</td>
<td>Wooldridge Golf &amp; Swim Club – Mansfield, Ohio</td>
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<td>OASBO</td>
<td>Annual Golf Outing</td>
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<td>OMCA</td>
<td>Spring Conference</td>
<td>April 1 - 3</td>
<td>Adam's Mark Hotel – Columbus, Ohio</td>
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<td>OSBA</td>
<td>Conference</td>
<td>November 9 - 12</td>
<td>Hyatt Regency - Columbus Convention Center</td>
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<td>NACO</td>
<td>National Conference</td>
<td>July 11 – 15</td>
<td>Milwaukee, Wisconsin</td>
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<td>Ohio Public Finance</td>
<td>June 23 – 27</td>
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<td>Officers Training Program</td>
<td>June 26 – 27</td>
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<td>CMFA Maintenance Program</td>
<td>June 25</td>
<td>To Be Announced – Hudson, Ohio</td>
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<td>Annual Conference</td>
<td>October 8 – 10</td>
<td>Hilton Cincinnati Netherland Plaza – Cincinnati Ohio</td>
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<td>National Conference</td>
<td>August 10 – 13</td>
<td>Washington DC – United States</td>
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<td>New &amp; Veteran Auditors</td>
<td>April 7 – 10</td>
<td>Hyatt on Capital Square – Columbus, Ohio</td>
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<td>Quail Hollow – Lake County, Ohio</td>
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<td>November 18 - 20</td>
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<tr>
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<tr>
<td>OPEC</td>
<td>Annual Meeting</td>
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If you would like your event highlighted, contact Chris Scott at 1-800-969-6622, or by email at Chris@ohiomac.com