

Using SAS to Re-Engineer A Tax Department

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INTRODUCTION

Norfolk Southern Corporation is a Fortune 100 transportation company with \$4.6 billion in annual revenues and fixed assets totaling over \$13 billion. The decade of the 80's initiated deregulation within the railroad industry, as well as changes in both tax and financial accounting and reporting requirements. This paper will address how we used Version 6 of the SAS ® System, to meet the challenges of these changing requirements.

PROBLEMS

In the late 80's Norfolk Southern implemented several new accounting and information systems. These included the general ledger, project tracking, and fixed asset packages. Although these software packages are flexible in many respects, the railroad industry has many unique financial and tax reporting requirements that cannot be addressed completely within these accounting systems. Additionally, the Tax Reform Act of 1986 enacted the uniform capitalization rules (affectionately known as 263 cap A) whose tax reporting requirements present a challenge to any company that produces either inventory or self constructed assets. Over the last 2 years, we have used SAS to identify fixed asset system problems and to implement the necessary tracking and control systems to effectively monitor and maintain the project tracking and fixed asset systems. Specific problems identified and addressed using SAS include:

- 1) Sufficient front-end edits did not exist within the fixed asset and project tracking systems to ensure system data was accurate for tax reporting purposes.
- 2) The standard tax reports generated by the fixed asset system were not in an efficient format for tax return preparation.
- 3) The existing system did not provide timely and accurate tax information for making estimated tax payments.

- 4) The system did not address the unique and challenging tax reporting requirements under the uniform capitalization rules.

ANALYZING SYSTEMS WITH SAS

Determining where you are and how you got there is an important first step when you are evaluating any system. The typical process that we follow when analyzing and evaluating a system is as follows:

- Talk with the individuals who are actually working with and using the output from the system. Document the problems that they are having. Also, be alert for such phrases as "trick the system" or "get around the system". You can usually anticipate that procedures used to "trick the system" inherently create internal control problems.
- Review the system's technical manuals and available training manuals. This review should give you insight into system limitations, established internal controls and procedures, and database record field relationships.
- Extract and analyze system data to determine how well it correlates to your discussions with individuals and your review of system documentation. This step tells you how well system documentation and individuals' perceptions benchmark with reality. The data is the reality of what is occurring within a system.

SAS system language and procedures provide you with ample tools to extract and analyze system data. Two items I use quite often are the PROC SUMMARY and SET ...;BY; statements.

Although the fixed asset file layout for a record is 960 bytes, true to the 80/20 principle, I found that only 152 bytes of that information was needed for tax analysis and reporting requirements. The abbreviated SAS data set (e.g., FA94) created for the initial analysis as well as future requirements consisted of the following data fields:

<u>Variable</u>	<u>Description</u>	<u>Type</u>	<u>Length</u>
ACQMO	Acquisition Month	\$	2
ACQYR	Acquisition Year	\$	2
ADR	ADR Asset (Y/N)	\$	1
AFE	Project Number	\$	6
ASSET	Asset Number	\$	10
BKTYPE	Book Type	\$	1
BUDCAT	Budget Category	\$	5
COST	Book 2 Cost (Tax)	N	8.2
COST1	Book 1 Cost (Financial)	N	8.2
CREDIT	Credit Asset (Y/N)	\$	1
DEPRBG	Depreciation Begin Date	\$	4
DEPRLTD	Depreciation Reserve	N	8.2
DEPRYTD	Depreciation Accrual	N	8.2
DESCRIP	Asset Description	\$	35
ESTLIFE	Estimated Life	N	8.0
EXCSAL	Exclude Salvage (Y/N)	\$	1
GLCLS	Guideline Class	\$	5
ICC	ICC Group Code	\$	2
ITC	ITC Credit (Y/N)	\$	1
ITCAMT	ITC Amount	N	8.2
LVL1	Consolidation Level	\$	3
LVL2	Company	\$	3
PRORT	Prorate Code	\$	1
SALVAGE	Salvage Amount	N	8.2
SLSW	Switch to Straightline (Y/N)	\$	1
TEFRA	TEFRA Code	\$	1
TRANSCD	Transaction Code	\$	1
TRANSPD	Transaction Month	\$	2
TRANSYR	Transaction Year	\$	2
TXCLS	Tax Class	\$	2
TYPE	Record Type (Act/Inact)	\$	1

Although the database might contain as many as a million records, you want to determine how many unique combinations of record types you have to evaluate. From a tax standpoint, some of the key fields you would be concerned with would be **bktype**, **credit**, **deprmd**, **estlife**, **glcls**, **itc**, **lvl1**, **prort**, **slsw**, **tefra**, and **txcls**. The following routine will create a work file that reflects only a single record for each unique combination of these attributes.

```
...
PROC SORT DATA=fa94; BY bktype credit
    deprmd estlife glcls itc lvl1 prort slsw tefra
    txcls;
DATA work.file1; SET fa94;
    BY bktype credit deprmd estlife glcls itc lvl1 prort
    slsw tefra txcls;
IF FIRST.txcls;
...
```

To evaluate the dollar amounts associated with each of these unique characteristic groups you would use the PROC SUMMARY statement as follows.

```
...
PROC SUMMARY DATA=fa94;
BY bktype credit deprmd estlife glcls itc lvl1 prort
slsw tefra txcls;
VAR cost deprytd deprltd itcamt salvage;
OUTPUT OUT=work.sum1(DROP=_TYPE_
    _FREQ_) SUM=;
...
```

In some instances you may find that you need further categorization of asset groups and that the information required to create this category does not reside in a single data field. In this case, you can create the variable using IF statement logic within your DATA statement. For example, you may want to further breakout the assets by distinct depreciation treatments as follows:

```
Pre-1980 Assets (ADR)
1981 - 1986 Assets (ACRS)
1987 - 1989 Transitional ACRS
1987 - Previous Year (MACRS)
Current Year Assets (MACRS)
Unique Assets (e.g., pre-87 grading & tunnel
bores)
```

Although **acqyr** (i.e., acquisition year) provides a basic breakout of these asset groups, you also have to look at other data fields such as **deprmd** (i.e., depreciation method), **estlife** (i.e., estimated life of the asset), or **descrip** (i.e., actual description of the asset). An example of a routine used to obtain this additional categorization is as follows:

```
...
DATA work.file; SET fa94; FORMAT assetgrp $ 1.;
* *****;
* 1 = Grading and Tunnel Bores *****;
* 2 = ADR Assets *****;
* 3 = ACRS Assets *****;
* 4 = Transitional ACRS *****;
* 5 = Prior Year MACRS *****;
* 6 = Current Year MACRS *****;
* *****;
IF acqyr < '81' THEN assetgrp = '2';
IF '81' <= acqyr <= '86' THEN assetgrp = '3';
IF '87' <= acqyr <= '93' THEN DO;
    IF SUBSTR(deprmd,1,1) = 'T' AND
```

```

SUBSTR(deprmd,2,2) < '31' THEN
  assetgrp = '4';
ELSE assetgrp = '5';
END;
IF acqyr = '94' THEN assetgrp = '6';
IF INDEX(descrip,'grad') > 0 AND
  INDEX(descrip,'tun') > 0 AND
  INDEX(descrip,'bore') > 0 AND
  acqyr < '88' THEN assetgrp = '1';
...

```

The analysis phase is very much an iterative process. It is extremely unlikely that you will ascertain all you need to know with one run through of the data. A couple of tips that we have always found useful in evaluating and analyzing systems are:

- Look for logical relationships between the database record fields. Information systems exist to categorize and summarize large amounts of data into useful information for management and control purposes. This means that you will typically have logical relationships between data fields. For example, if the *glcls* value reflected in the record is '40100' and the *acqyr* > '86' then the *txcls* should be '07'. Identifying these logical relationships helps in analyzing the system and identifying errors and their cause.
- Look for "out-liers". These are data categories that are small in their number of occurrences. They often reflect errors within the system.

ESTABLISHING SYSTEM EDITS

Once we had completed the analysis of the system and identified existing errors and their cause, we began to design system edits and controls that would help to maintain the system on a day-to-day basis. These edits and controls were designed using SAS and could be broken down into two basic types.

1) The first type of edits checked to see if the proper relationship existed between various tax indicator fields on the database record. To accomplish this a work file was created and expected tax indicator fields were generated. These generated fields were then compared against the actual tax indicator fields to determine if they agreed. If the comparative fields did not agree a flag was generated to identify those

assets with incompatible data fields. A segment of the programming logic to do this is shown below:

```

...
DATA work.file1;SET fa94;
FORMAT cglcls $ 5. ctxcls $ 2. cestlife 8.0
      cdeprmd $ 3.;
...
IF icc = '06' THEN DO;
  cglcls = '40200';
  ctxcls = '20';
  cestlife = 2000;
  cdeprmd = '150';
END;
...
DATA work.file2;SET work.file1;
FORMAT flag1 $ 1. flag2 $ 1. flag3 $ 1.
      flag4 $ 1.;
IF glcls NE cglcls THEN flag1 = '*';
IF txcls NE ctxcls THEN flag2 = '*';
IF estlife NE cestlife THEN flag3 = '*';
IF deprmd NE cdeprmd THEN flag4 = '*';
...

```

2) The second set of edits that we implemented verified the accuracy of the depreciation accrual and the depreciation reserve. The fixed asset system generally uses a formula based methodology to generate the tax depreciation accrual for a given tax year. The ending depreciation reserve is calculated by adding the beginning reserve balance to the current year's depreciation accrual. To verify these calculations we did not use a formula based method, but instead chose to use a table based method. This method calculates the depreciation accrual and reserve at the end of a year, based upon the assumption that depreciation had been accrued and taken normally over the life of the asset since its acquisition. A brief abstract of the programming logic to accomplish this is shown below:

```

...
DATA work.file1;SET fa94;
FORMAT estdepr 8.2 estltd 8.2;
...
IF txcls = '07' AND acqyr > '86' AND year < 9
  THEN DO;
  IF deprmd = '200' OR deprmd = 'SLU' THEN
    DO;
  IF year = 1 THEN DO;
    estdepr = ROUND(cost * .142857,.01);

```

```
estltd = ROUND(cost * .142857,.01);
END;
```

```
IF year = 2 THEN DO;
  estdepr = ROUND(cost * .244898,.01);
  estltd = ROUND(cost * .387755,.01);
END;
```

```
...
```

```
END;
```

```
...
```

```
IF txcls = '07' AND acqyr > '86' AND year > 8
  THEN DO;
  estdepr = 0;
  estltd = cost;
END;
```

```
...
```

The program then compares the **estdepr** and **estltd** amounts to the fixed asset system data fields of **deprytd** and **deprltd**. Differences between the fields are calculated and compared to user defined acceptance parameters. Assets whose fixed asset system depreciation calculations fall outside of the established parameters are written to an exception report for further review.

TAX DEPARTMENT WORKFLOW STREAMLINING

An evaluation of the tax department workflows indicated a significant amount of time and resources were spent to: (1) verify the year end tax depreciation reports generated by the fixed asset system; and (2) determine the subsequent year's federal estimated tax payments. Attachment 1 shows brief extracts from three of the primary reports used to prepare the federal tax return. These reports are the depreciation report, the alternative minimum tax (AMT) report, and the ACE report. Working in conjunction with our capital accounting and information technology (IT) departments, we implemented procedures on the mainframe to write the resultant output reports listed above not only to the printer, but also to a disk file. The filename for the output reports was 'XX.XXXX.XX.GxxxxV00'.

Each of these report types were reviewed to determine field locations to be used to convert the diskfile text output into SAS datasets. An example of this review is shown on Atch.1 on the depreciation

report file (i.e., User Report 21). As can be seen on the reports, the company and consolidation codes are located in the header lines of the report. To develop an input program that will logically test the report text for input into a SAS dataset, the report was reviewed to identify input flags. Since several report types are located in the file for the output reports, the variable "flag" at location 116 identifies when you have reached report 21. A four byte field was chosen so the variable flag would have a value of '21 P'. A two byte value of '21' could not be used since you could have matches within the asset details of the report. By using the **RETAIN** statement you can hold the consolidation and company codes to be attached to each subsequent asset line that is input into the SAS dataset..

The variables **test1**, **test2**, **test3**, and **test4** are used to provide input logic so that the program inputs the desired data beginning with line 1 of the asset detail line. When the program encounters all dashes (i.e., "-") for the variables **test2**, **test3**, and **test4** and a value of '1' through '9' for **test1**, then the program inputs lines 1 and 2 of the asset detail line. The program used to convert User Report 21 into a SAS dataset is shown below:

```
...
%STREAM;
OPTIONS PAGENO=1;
X ALLOC F(tdbr)
  DA('xx.xxxx.xx.g0001v00') SHR;
DATA work.file1;INFILE tdbr;
RETAIN lv11 lv12;
INPUT @ 2 test1 $ 1.
      @ 46 test2 $ 1.
      @ 52 test3 $ 1.
      @ 58 test4 $ 1.
      @ 116 flag $ 4. @;
IF flag = '21 P' THEN DO;
INPUT @ 25 lv11 $ 3. @ 34 lv12 $ 3. @;
END;
IF '0' <= test1 <= '9'
  AND test2 = '-'
  AND test3 = '-'
  AND test4 = '-' THEN DO;
INPUT @ 2 acqyr $ 2.
      @ 5 txcls $ 2.
      @ 8 glcls $ 5.
      @ 14 deprmd $ 3.
      @ 18 asset $ 10.
      @ 44 deprbg1 $ 2.
```

```
@ 47 deprbg2 $ 2.
@ 50 estlife1 2.0
@ 53 estlife2 2.0
@ 56 rmgf $ 5.
@ 70 prort $ 1.
@ 73 adr $ 1.
@ 78 cost1 2.0
@ 80 cost2 comma10.2
@ 90 cstdbc $ 1.
@ 106 depytd1 2.0
@ 108 depytd2 comma10.2
@ 118 dytdbcr $ 1.
@ 121 deprltd1 2.0
@ 123 deprltd2 comma10.2
@ 133 dltdbcr $ 1.
```

#2

```
@ 2 descrip $ 35.
@ 54 basadj1 2.0
@ 56 basadj2 comma10.2
@ 66 basadjdc $ 1.
@ 68 test5 $ 8.
@ 77 tefra $ 1.;
```

END;

```
IF test1 IN ('0' '1' '2' '3' '4' '5' '6' '7' '8' '9' 'R')
AND test2 IN ('-');
```

```
DATA rpt21_94;SET work.file1;
```

```
FORMAT cost COMMA16.2 depytd COMMA16.2
deprltd COMMA16.2 basadj COMMA16.2
estlife 4.0 deprbg $ 4.;
```

```
IF asset = ' ' THEN DELETE;
```

```
IF flag = '21 P' THEN DELETE;
```

```
IF test5 NE 'TEFRA CD' THEN DELETE;
```

```
IF cost1 = ' ' THEN cost1 = 0;
```

```
IF depytd1 = ' ' THEN depytd1 = 0;
```

```
IF deprltd1 = ' ' THEN deprltd1 = 0;
```

```
IF basadj1 = ' ' THEN basadj1 = 0;
```

```
IF basadj2 = ' ' THEN basadj2 = 0;
```

```
cost = (cost1 * 1000000) + cost2;
```

```
depytd = (depytd1 * 1000000) + depytd2;
```

```
deprltd = (deprltd1 * 1000000) + deprltd2;
```

```
basadj = (basadj1 * 1000000) + basadj2;
```

```
deprbg = deprbg1 || deprbg2;
```

```
estlife = (estlife1 * 100) + estlife2;
```

```
IF cstdbc = '-' THEN cost = cost * -1;
```

```
IF dytdbcr = '-' THEN depytd = depytd * -1;
```

```
IF dltdbcr = '-' THEN deprltd = deprltd * -1;
```

```
IF basadjdc = '-' THEN basadj = basadj * -1;
```

```
IF cost = 0 AND depytd = 0 AND deprltd = 0 AND
basadj = 0 THEN DELETE;
```

```
KEEP lvl1 lvl2 acqyr txcls glcls deprmd asset
deprbg estlife rmgf prort adr cost depytd deprltd
descrip basadj tefra;
RUN;
```

...

Once the depreciation (RPT 21), AMT (RPT 37), and ACE (RPT 41) reports were converted into SAS datasets on the mainframe computer, they were downloaded into SAS Version 6 for Windows for further processing. A program was written to merge these three reports (now SAS datasets) into a single report. We chose to accomplish this within the SAS for Windows environment due to the greater flexibility in report outputs (i.e., primarily the fact that reports can be produced with linesizes up to 254 columns). Atch. 2 shows an example Form 4562 Summary Report that reflects the final numbers to be entered on tax Form 4562, Depreciation and Amortization; and Form 4626, Alternative Minimum Tax - Corporations. Atch. 3 shows an example summary backup report that is sorted by various tax groupings. As can be seen, the reports reflect the combined relevant information from the fixed asset system reports 21, 37, and 41.

Within the fixed asset system database, the depreciation accrual amount is calculated at year end and only resides on the database for approximately 3 days. Once the year end closing occurs, the depytd field is zeroed out. Since estimated tax payments for the current year need to be based on accurate depreciation forecasts or annualized depreciation deductions, the existing system did not provide an easy or timely method for us to calculate the depreciation estimates.

Building upon the logic that we developed to validate depreciation accruals and reserves that existed at year end closing on the fixed asset system, we developed a depreciation projection system with SAS that generated tax depreciation estimates with a high degree of accuracy (i.e., within ½%). At the same time we worked with the IT department to create quarterly pseudo runs in the fixed asset system and to write the depreciation report (i.e., RPT 21) to a diskfile on the mainframe. Using the same program logic created above, we convert the quarterly run into a SAS dataset. We then merge the SAS dataset created from the fixed asset system depreciation report with the SAS dataset created by the our tax

depreciation model to compare the results. Significant exceptions are researched to determine their cause. After determining that the numbers are accurate, we then annualize the depreciation accruals for the current year. A sample of the programming logic to accomplish this annualization process is shown below:

```
...
DATA work.file1;SET fa0695;
FORMAT month 8.0 adepytd 8.2
      acost 8.2;
* ***** Enter Month for Annualization *****;
month = 6;
* *****;

IF acqyr = '95' THEN DO;
  adepytd = ROUND(depytd / month * 12,.01);
  acost = ROUND(cost / month * 12,.01);
END;
...
```

Prior to implementing these SAS programs, estimated tax payments were calculated to allow a significant margin of error (e.g., in some instances as high as 5%) for the depreciation projections that we were getting from the fixed asset system. As noted previously, we are currently operating at a precision of ½% for our depreciation estimates for estimated tax payments. We anticipate narrowing this margin of error down even further in the future.

UNIFORM CAPITALIZATION RULES

As mentioned earlier, the enactment of the uniform capitalization rules (263A) presents a challenge to any company that produces inventories or self-constructed assets. The cost accounting requirements for tax reporting purposes generally will not be found in most accounting systems. We have used SAS extensively over the past year to create the required support and analytical systems to ensure compliance with this law. The magnitude of these programs are beyond the scope of this paper, however, some of the data extraction, manipulation, and analysis that we used SAS systems for were:

- Many intercompany cost allocations for fixed asset transactions did not occur until fixed asset balance sheet accounts were being updated. At the invoice transaction level within the project tracking system, costs might be charged against a

single company even though they applied to several companies. The final cost allocations for book purposes would occur at a summary level when the project was closed out of project tracking into the fixed asset system. SAS was used to create pseudo invoice transactions that reflected the proper allocation to each company back at the invoice transaction level.

- Norfolk Southern Corporation uses the typical responsibility center concept for control and budget purposes. Under this concept those costs which are beyond the control of a manager are not allocated to their center of responsibility. These unassigned costs would include such items as depreciation, fringe benefits, and payroll taxes. The uniform capitalization rules in many instances requires an allocation of these costs associated with labor and machinery used for producing inventory or self-constructed assets. We used SAS to develop a system to allocate these costs as well as other service costs for tax reporting purposes.
- The cost allocation factors used to determine the appropriate amount to allocate to inventory or asset production came from several different accounting and management systems. SAS was used to extract and bridge information between such diverse systems as inventory, general ledger, project tracking, fixed assets, budget, and work production.

CONCLUSION

This paper has presented some examples of how SAS systems can be used to streamline existing system processes as well as increase the accuracy and reliability of output from these systems. All of the programs and concepts presented in this paper were accomplished within the SAS base software language and procedures, so these system improvements could be implemented by any company using the SAS base software package.

We have found the SAS system to be especially useful in environments where information demands are constantly changing. In today's world, changing informational requirements is the rule instead of the exception. In the past, we have used SAS to evaluate various systems and to design and implement a wide

spectrum of support and analytical systems. Some of the areas that we have used SAS to streamline include cost control, production control, quality control, accounting, and tax. As a re-engineering tool, SAS programs can be used to save man-years in information extraction and analysis for management decision support, as well as, increase the timeliness, accuracy, and reliability of existing information system data. In the future, we see SAS continuing to be used to bridge the fluctuating information gaps between existing information systems and a constantly changing world.

REFERENCES

SAS® Language: Reference, Version 6, First Edition, SAS Institute, Inc., Cary, NC

SAS® Procedures Guide, Version 6, Third Edition SAS Institute, Inc., Cary, NC

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LN DATE 01-10-95 CONS 096 SUB NO3
BOOKED THRU 94-12
C TX GUIDE DPR ASSET
R CL LINE MTH NUMBER
3 14 00300 150 0389078001
UTO HANDLING FACILITIES
3 14 00300 150 0389078103
RACH DGS-MOTORVILLES

Test 2 Test 3 Test 4

EXPENSE LEDGER - TAX

USER REPORT 21 PAGE 852
BOOK 2 REPORT NAME TAX009

TX CL	GUIDE	DPR	ASSET	ASSET	NUMB	DEPR	EST	RMNG	QTY	DPR	P	ADR	TX	COST	PERIOD	YTD	LTD			
LINE		MTH	NUMBER	NUMBER		BEGN	LIFE	LIFE		MTH	C		CD		DEPR	RESERVE	RESERVE			
3 14	00300	150	0389078001	0389078001	93-08	15-00	13-06		150	1	N	A		52,888.75	5,024.43	5,024.43	7,668.87			
														TEFRA CD 4						
3 14	00300	150	0389078103	0389078103	93-07	15-00	13-06		150	1	N	A		18,816.08	1,797.03	1,797.03	2,742.84			
														TEFRA CD 4						

DEPRECIATION REPORT FILE

RUN DATE 01-10-95 CONS 096 SUB NO3
BOOKED THRU 94-12

ALT. MIN. TAX - BOOK 2

USER REPORT 37 PAGE 546
BOOK 2 REPORT NAME TAX038

AC TX	GUIDE	ASSET	ASSET														
YR CL	LINE	NUMBER	NUMBER	COST	BEGIN	PRO	LIFE										
					YR-PD	RATE	YR-PD	METHOD	YEAR-TO-DATE	LIFE-TO-DATE							
									DEPRECIATION	DEPRECIATION							
93 14	00300	0390076201	0390076201	2,781.58	ACTUAL	93-07	1	15-00	150								
														264.25	403.33		
														200.80	305.10		
93 14	00300	0391060400	0391060400	759.92	ACTUAL	93-08	1	15-00	150								
														72.19	110.19		
														54.88	83.35		

ALTERNATIVE MINIMUM TAX REPORT FILE

RUN DATE 01-10-95 CONS 096 SUB NO3
BOOKED THRU 94-12

ACE ADJUSTMENT

USER REPORT 41 PAGE 393
BOOK 2 REPORT NAME TAX038

AC TX	GUIDE	ASSET	ASSET														
YR CL	LINE	NUMBER	NUMBER	COST	BEGIN	PRO	LIFE										
					YR-PD	RATE	YR-PD	METHOD	YEAR-TO-DATE	LIFE-TO-DATE							
									DEPRECIATION	DEPRECIATION							
TOTALS				70,175,582.61	ALT MIN				9,736,862.17	15,000,030.56							
					ACE				7,017,558.80	31,579,011.71							
					DIFFERENCE				2,719,303.37	16,578,981.15-							
					ALT MIN				15,674,928.04	24,076,617.31							
					ACE				11,202,253.59	50,410,136.44							
					DIFFERENCE				4,472,674.45	26,333,519.13-							
93 14	00300	0389074600	0389074600	123,051.43	ALT MIN	93-03	1	20-00	150								
														8,882.78	13,497.20		
93 14	00300	0389077022	0389077022	894.17	ACE		1	20-00	S L								
														8,152.57	27,686.57		
														64.55	98.08		
93 14	00300	0389078000	0389078000	167,114.37	ALT MIN	93-05	1	20-00	150								
														44.71	201.19		
														12,063.57	18,330.36		
														4,788.75			

ACE REPORT FILE

08:54 Wednesday, July 5, 1995 4

SUMMARY OF 1994 ROADWAY DEPRECIATION BY TAX GROUPS (EXAMPLE REPORT)

LN2=NO3

FORM 4552 BREAKDOWN	SUBCLASS	COST	BASIS ADJUSTMENT	BASIS INCLUDED IN FAS 109	CURRENT DEPRECIATION	LIFE TO DATE DEPRECIATION	RPT 37 CURRENT DEPRECIATION	RPT 37 AMT YEAR DEPRECIATION	RPT 41 AMT YEAR DEPRECIATION	RPT 41 AMT YEAR DEPRECIATION
NON-REPR. EXCL. FAS 109		161,243,336.04	-1,210.93	0.00	0.00	-14,302.31	0.00	0.00	0.00	0.00
GRADING & TUNNEL BORES		107,211,786.57	0.00	107,211,786.57	2,126,828.78	41,698,046.43	0.00	0.00	0.00	0.00
AIR ASSETS		502,472,264.56	0.00	502,472,264.56	1,487,168.65	486,222,308.48	0.00	0.00	0.00	0.00
ADMS ASSETS		594,070,067.64	18,671,158.70	575,398,908.94	1,088,472.34	571,710,200.47	0.00	145,183.03	1,338,536.86	2,139,084.94
PRIOR YEAR MAINTS		653,648,944.17	0.00	653,648,944.17	77,216,516.98	430,650,550.84	77,876,803.23	57,215,644.15	57,253,281.53	53,253,582.96
CURRENT YEAR MAINTS		189,488.67	0.00	189,488.67	2,210.70	2,210.70	0.00	0.00	0.00	0.00
CURRENT YEAR MAINTS	5 YR	3,600,884.42	0.00	3,600,884.42	720,187.05	720,187.05	720,187.05	540,147.67	540,147.67	540,147.67
CURRENT YEAR MAINTS	7 YR	71,460,268.10	0.00	71,460,268.10	10,208,518.19	10,208,518.19	10,208,518.19	5,141,630.33	5,141,630.33	5,141,630.33
CURRENT YEAR MAINTS	15 YR	10,886,545.04	0.00	10,886,545.04	544,827.31	544,827.31	544,827.31	408,620.47	408,620.47	408,620.47
CURRENT YEAR MAINTS	20 YR	30,471,393.80	0.00	30,471,393.80	1,142,677.19	1,142,677.19	1,142,677.19	767,253.96	767,253.96	767,253.96
CURRENT YEAR MAINTS	31 YR	175,466.42	0.00	175,466.42	2,958.14	2,958.14	2,958.14	2,874.69	2,874.69	2,874.69
CURRENT YEAR MAINTS	39 YR	418,341.22	0.00	418,341.22	5,363.36	5,363.36	0.00	0.00	0.00	0.00
CURRENT YEAR MAINTS	50 YR	2,636,812.23	0.00	2,636,812.23	26,368.12	26,368.12	0.00	0.00	0.00	0.00
LN2		2,148,485,688.86	18,669,939.77	1,969,581,194.14	94,572,206.81	1,252,960,023.77	89,686,081.11	64,221,123.30	65,435,727.50	62,336,576.99
		2,148,485,688.86	18,669,939.77	1,969,581,194.14	94,572,206.81	1,252,960,023.77	89,686,081.11	64,221,123.30	65,435,727.50	62,336,576.99

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SUMMARY OF 1994 ROADWAY DEPRECIATION (EXAMPLE REPORT)

LV2-H03 ATYPE=4 ASSETS=PRIOR YEAR MACRS ACQIR=91 TRLS=07

GUIDELINE CLASS	ESTIMATED LIFE	DEPR METHOD	RPT 37 ANT LIFE	RPT 41 ANT LIFE	RPT 41 ACE LIFE	COST	BASIS ADJUSTMENT	BASIS INCLUDED IN FAS 109	CURRENT DEPRECIATION	LIFE TO DATE DEPRECIATION	RPT 37 CURRENT DEPRECIATION	RPT 37 ANT YEAR DEPRECIATION	RPT 41 ANT YEAR DEPRECIATION	RPT 41 ACE YEAR DEPRECIATION
0010	700	200	10-00	10-00	10-00	214,094.12	0.00	214,094.12	26,750.60	147,217.57	26,750.60	21,462.27	21,462.27	21,409.42
40100	700	200	14-00	14-00	14-00	40,207,385.45	0.00	40,207,385.45	5,026,713.26	27,648,260.51	5,026,713.26	3,252,262.45	3,252,262.45	2,873,707.18
40200	700	200	30-00	30-00	30-00	9,194.95	0.00	9,194.95	1,148.88	6,322.73	1,148.88	404.55	404.55	366.50
40200	700	SLU	30-00	30-00	30-00	36,636.72	0.00	36,636.72	4,487.61	20,930.06	4,487.61	1,611.90	1,611.90	1,221.22
40255	700	200	10-00	10-00	10-00	55,645,730.99	0.00	55,645,730.99	6,952,498.75	34,284,484.39	6,952,498.75	5,578,310.63	5,578,310.63	5,564,571.47
TRLS						96,113,042.23	0.00	96,113,042.23	12,011,599.10	66,087,215.28	12,011,599.10	9,854,051.80	9,854,051.80	8,461,217.79

LV2-H03 ATYPE=4 ASSETS=PRIOR YEAR MACRS ACQIR=91 TRLS=14

GUIDELINE CLASS	ESTIMATED LIFE	DEPR METHOD	RPT 37 ANT LIFE	RPT 41 ANT LIFE	RPT 41 ACE LIFE	COST	BASIS ADJUSTMENT	BASIS INCLUDED IN FAS 109	CURRENT DEPRECIATION	LIFE TO DATE DEPRECIATION	RPT 37 CURRENT DEPRECIATION	RPT 37 ANT YEAR DEPRECIATION	RPT 41 ANT YEAR DEPRECIATION	RPT 41 ACE YEAR DEPRECIATION
00300	1500	150	20-00	20-00	20-00	515,205.35	0.00	515,205.35	39,645.06	156,399.91	39,645.06	31,821.86	31,821.86	25,750.26
40300	1500	150	20-00	20-00	20-00	1,018,349.62	0.00	1,018,349.62	78,362.01	313,091.61	78,362.01	62,858.80	62,858.80	50,817.49
TRLS						1,533,554.97	0.00	1,533,554.97	118,007.07	471,491.52	118,007.07	94,720.66	94,720.66	76,567.75

LV2-H03 ATYPE=4 ASSETS=PRIOR YEAR MACRS ACQIR=91 TRLS=20

GUIDELINE CLASS	ESTIMATED LIFE	DEPR METHOD	RPT 37 ANT LIFE	RPT 41 ANT LIFE	RPT 41 ACE LIFE	COST	BASIS ADJUSTMENT	BASIS INCLUDED IN FAS 109	CURRENT DEPRECIATION	LIFE TO DATE DEPRECIATION	RPT 37 CURRENT DEPRECIATION	RPT 37 ANT YEAR DEPRECIATION	RPT 41 ANT YEAR DEPRECIATION	RPT 41 ACE YEAR DEPRECIATION
40200	2000	150	30-00	30-00	30-00	5,718,282.38	0.00	5,718,282.38	353,181.24	1,362,381.02	353,181.24	251,586.57	251,586.57	190,809.46
40540	2000	150	28-00	28-00	28-00	23,185.19	0.00	23,185.19	1,432.04	5,523.33	1,432.04	1,082.75	1,082.75	828.04
TRLS						5,741,467.57	0.00	5,741,467.57	354,613.28	1,367,904.35	354,613.28	252,669.32	252,669.32	191,437.50

LV2-H03 ATYPE=4 ASSETS=PRIOR YEAR MACRS ACQIR=91 TRLS=31

GUIDELINE CLASS	ESTIMATED LIFE	DEPR METHOD	RPT 37 ANT LIFE	RPT 41 ANT LIFE	RPT 41 ACE LIFE	COST	BASIS ADJUSTMENT	BASIS INCLUDED IN FAS 109	CURRENT DEPRECIATION	LIFE TO DATE DEPRECIATION	RPT 37 CURRENT DEPRECIATION	RPT 37 ANT YEAR DEPRECIATION	RPT 41 ANT YEAR DEPRECIATION	RPT 41 ACE YEAR DEPRECIATION
40200	3100	SLU	30-00	30-00	30-00	186,772.38	0.00	186,772.38	5,379.75	18,701.25	5,379.75	5,559.08	5,559.08	5,559.08
40200	3100	T31	40-00	40-00	40-00	1,852,958.80	0.00	1,852,958.80	58,831.44	205,900.78	58,831.44	46,322.98	46,322.98	46,322.97
40200	3100	T31	40-00	40-00	40-00	37,481.47	0.00	37,481.47	1,180.35	4,166.04	1,180.35	937.29	937.29	937.29
TRLS						2,067,222.65	0.00	2,067,222.65	65,401.54	228,768.07	65,401.54	52,820.35	52,820.35	52,820.34
ACQIR						108,128,854.28	0.00	108,128,854.28	12,847,795.76	70,263,016.28	12,847,795.76	9,675,221.98	9,675,221.98	9,266,943.46