



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

May 01, 2025

Modified Approach to Reporting Infrastructure

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Modified Approach to Reporting Infrastructure

Reference Number: CTAS-1989

Most, if not all, Tennessee counties report their infrastructure on an individual asset basis. However, the GASB allows for a modified approach for infrastructure reporting. Under the modified approach, counties still are required to perform an initial retroactive capitalization of county-owned infrastructure (if over the \$10 million threshold mentioned previously). However, instead of annually depreciating each infrastructure asset, the county must calculate a “maintenance of effort” amount that reflects the current costs for preserving infrastructure in lieu of depreciation. Counties are discouraged from implementing the modified approach since use of this method requires a county to periodically engage independent engineering consultants to perform condition assessments and demonstrate that all infrastructure has been maintained at or above a prescribed level.

Source URL: <https://www.ctas.tennessee.edu/eli/modified-approach-reporting-infrastructure>