

---

---

*Office of Inspector General*

*Audit Report*

---

---

*Fiscal Year 1999*  
*Financial Statements*

*Highway Trust Fund*

*Report Number: FE-2000-056*  
*Date Issued: February 28, 2000*



---

---

**MTA LIBRARY**



U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation  
Office of Inspector General

# Memorandum

Subject: INFORMATION: Report on Fiscal Year 1999  
Financial Statements, Highway Trust Fund  
FE-2000-056

Date: February 28, 2000

*K. M. Mead*  
From: Kenneth M. Mead  
Inspector General

Reply To  
Attn. of: Meche:x61496

To: The Secretary  
Thru: The Deputy Secretary

I respectfully submit the Office of Inspector General (OIG) report on the Highway Trust Fund (HTF) Financial Statements for the Fiscal Year (FY) 1999 ended September 30, 1999. This report is required by the Chief Financial Officers Act of 1990, as amended by the Government Management Reform Act of 1994.

The audit report is the responsibility of the OIG. All other information--including the Management Discussion and Analysis, Financial Statements, Notes, and Supplemental Information--is the responsibility of the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), National Highway Traffic Safety Administration, and the Federal Railroad Administration (the HTF agencies).

This report presents our unqualified opinion on the HTF Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing as of, and for the year ended, September 30, 1999.

To assist us, the Department of Treasury (Treasury) Office of Inspector General audited the schedule of assets and liabilities, and the related schedule of activity for the HTF accounts (referred to as the Corpus account) administered by the Treasury Bureau of Public Debt. The Treasury OIG issued an unqualified opinion on these FY 1999 schedules. The General Accounting Office performed agreed-upon procedures on the tax revenue receipts at the Internal Revenue Service and distributions to the HTF Corpus account, and identified no material discrepancies.

During FY 1999, the HTF agencies overcame major problems with the Statement of Budgetary Resources and Statement of Financing. The HTF agencies provided sufficient evidence to support all material line items on the Statement of Budgetary Resources, and reconciled the Statement of Budgetary Resources with the Statement of

Net Cost on the Statement of Financing for FY 1999. We identified four areas involving weaknesses in internal controls and compliance with laws and regulations. While these issues are important, they did not affect our audit opinion.

- In November 1998, FTA implemented a new grants management system (TEAM). We examined the computer security controls, and found improved controls were needed to ensure the integrity, availability, and continuity of FTA grants management operations. A separate report addressing these weaknesses will be issued later.
- The HTF agencies had not established procedures to fully estimate and accrue liabilities, thereby underestimating goods and services received by states and transit authorities. As a result, both liabilities and expenses would have been understated by about \$1.1 billion. The HTF agencies made the appropriate adjustments on the FY 1999 HTF Financial Statements.
- The performance measures presented in the Management Discussion and Analysis did not provide information about the cost effectiveness of programs, and did not relate to the Statement of Net Cost. The nine performance measures were based on 1998 rather than 1999 performance data. None of the nine measures was linked to the cost of achieving targeted results.
- The HTF agencies were not in compliance with the Federal Financial Management Improvement Act of 1996 because liabilities were not fully accrued at yearend, the Department's accounting system did not provide all data used to prepare the HTF Financial Statements, and a managerial cost accounting system was not implemented. The Department plans to have a compliant system fully operational by June 30, 2001.

We are making no recommendations in this report. Because the control weaknesses and compliance issues we identified are common to the HTF and other Department of Transportation (DOT) Operating Administrations, we will address these issues in our report on the FY 1999 DOT Consolidated Financial Statements.

A draft of this report was provided to the FHWA Acting Chief Financial Officer on February 18, 2000. He agreed with the report.

We appreciate the cooperation and assistance of representatives of the HTF agencies and DOT. If we can answer questions or be of any further assistance, please call me at (202) 366-1959, or John Meche at (202) 366-1496.

Attachments

#

**TABLE OF CONTENTS**

TRANSMITTAL MEMORANDUM

SECTION I: INDEPENDENT AUDIT REPORT  
ON THE HIGHWAY TRUST FUND  
FINANCIAL STATEMENTS ..... I-1

A. Opinion on Financial Statements ..... I-2  
B. Report on Internal Control Structure ..... I-2  
C. Report on Compliance with Laws and Regulations ..... I-3  
D. Prior Audit Coverage..... I-6

SECTION II: FINANCIAL STATEMENTS

Consolidated Balance Sheet ..... II-1  
Consolidated Statement of Net Cost ..... II-2  
Consolidated Statement of Changes in Net Position..... II-3  
Consolidated Statement of Budgetary Resources ..... II-4  
Consolidated Statement of Financing..... II-5  
Notes to the Financial Statements ..... II-6

SECTION III: SUPPLEMENTAL INFORMATION

Management Discussion and Analysis..... III-1  
Required Supplementary Stewardship Information ..... III-42  
Consolidating Financial Statements ..... III-46

**DEPARTMENT OF TRANSPORTATION**  
**INSPECTOR GENERAL'S INDEPENDENT AUDIT REPORT**  
**ON THE HIGHWAY TRUST FUND**  
**FISCAL YEAR 1999 FINANCIAL STATEMENTS**

To the Federal Highway Administrator,  
Federal Transit Administrator,  
National Highway Traffic Safety Administrator, and  
Federal Railroad Administrator

The Department of Transportation (DOT), Office of Inspector General (OIG), audited the Highway Trust Fund (HTF) Financial Statements as of, and for the year ended, September 30, 1999. In our opinion, the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing were fairly presented, in all material respects, in conformance with Generally Accepted Accounting Principles.

We also are reporting on internal controls over the HTF within the HTF agencies, and compliance with laws and regulations applicable to the Fiscal Year (FY) 1999 HTF Financial Statements. We performed audit work in the Headquarters offices of the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and the National Highway Traffic Safety Administration (NHTSA). We examined, on a test basis, evidence supporting the amounts and disclosures in the HTF Financial Statements. We assessed the accounting principles and estimates used by management. We evaluated the overall presentation of the HTF Financial Statements.

We examined the validity of financial transactions and interviewed financial management officials in FHWA Division and state Department of Transportation offices in Richmond, Virginia; Sacramento, California; Albany, New York; Harrisburg, Pennsylvania; and Atlanta, Georgia. We also examined financial transactions in FTA regional offices and five transit authorities: San Francisco Bay Area Rapid Transit; Los Angeles County Metropolitan Transportation Authority; New York City Metropolitan Transportation Authority; Southeastern Pennsylvania Transportation Authority; and Metropolitan Atlanta Rapid Transit Authority, and in the NHTSA and California Highway Patrol offices in Sacramento, California.

We examined the computer security controls in FTA's new grants management system (TEAM), a financial and management information system implemented in November 1998. We found improved controls were needed to ensure the integrity, availability, and continuity of FTA grants management operations. The weaknesses we identified will be addressed in a separate report to be issued later.

We performed the audit in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States, and the Office of Management and Budget (OMB) Bulletin 98-08, Audit Requirements for Federal Financial Statements, as amended.

Our audit objectives for the FY 1999 HTF Financial Statements were to determine whether (1) the principal HTF Financial Statements are presented fairly, in all material respects, in conformance with Generally Accepted Accounting Principles; (2) the HTF agencies have adequate internal controls over financial reporting, including the safeguarding of assets; (3) the HTF agencies have complied with laws and regulations that could have a direct and material effect on the HTF Financial Statements or have been specified by OMB; (4) the financial information in the Management Discussion and Analysis is materially consistent with the information in the principal HTF Financial Statements; (5) the internal control structure ensured the existence and completeness of reported data supporting performance measures; and (6) HTF stewardship information is consistent with management representations and the HTF Financial Statements.

Except for performance measures, which were based on 1998 performance data (Part C of this report), the financial information in the Management Discussion and Analysis was materially consistent with the FY 1999 HTF Financial Statements. The HTF stewardship information was consistent with management representations and the HTF Financial Statements.

We are including our reports on the internal control structure, and compliance with laws and regulations, in Parts B and C of this report.

#### **A. OPINION ON FINANCIAL STATEMENTS**

In our opinion, the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing as of, and for the year ended, September 30, 1999, were fairly presented, in all material respects, in conformance with Generally Accepted Accounting Principles.

#### **B. REPORT ON INTERNAL CONTROL STRUCTURE**

While the purpose of our work was not to express, and we do not express, an opinion on internal controls, we found one material internal control weakness. Our work was limited to applicable internal controls designed to ensure reliable financial reporting, including the safeguarding of assets against loss from unauthorized use. We obtained an understanding of the design of the internal controls, determined whether the controls have been placed in operation, assessed control risk relevant to the assertions embodied in the Financial Statements, and performed tests of the internal controls. Because of



inherent limitations in any internal control structure, misstatements and losses may occur and not be detected.

## **MATERIAL WEAKNESS**

The following section describes a material weakness we identified and its impact on the HTF Financial Statements and management of HTF operations. The financial statement weaknesses were reported to The President and Congress on December 29, 1999, as part of the Department's report required by the Federal Managers' Financial Integrity Act of 1982.

### **Accrual of Liabilities to States and Transit Authorities**

Statement of Federal Financial Accounting Standard Number 1 requires agencies to recognize a liability for unpaid goods and services that have been accepted at yearend. For two of the HTF agencies (FHWA and FTA), goods and services are accepted and paid by states and transit authorities, and subsequently reimbursed by the HTF agencies. Invoices for goods and services that are not available when financial statements are prepared should be estimated for financial statement purposes. The intent of accruing liabilities at yearend is to properly report liabilities and expenses in the appropriate accounting period.

The HTF agencies had not established procedures to fully accrue liabilities at yearend. During FY 1999, the HTF agencies estimated and accrued liabilities of \$900 million for goods and services received by states and transit authorities at yearend. We tested the estimate and found it did not include all goods and services that had been accepted but not yet billed to the HTF agencies. As a result, both liabilities and expenses would have been understated on the Balance Sheet and Statement of Net Cost by about \$1.1 billion. The HTF agencies revised the estimate and appropriately reported liabilities on the Balance Sheet and expenses on the Statement of Net Cost as of September 30, 1999. The HTF agencies also adjusted liabilities that were underestimated prior to FY 1999.

## **C. REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS**

Our objective was not to express, and we do not express, an opinion on compliance with laws and regulations. Our work was limited to selected provisions of laws and regulations that would have a direct and material effect on the HTF Financial Statements or have been specified by OMB, and would not necessarily disclose all material noncompliances.

## **Performance Data**

Under OMB Bulletin 98-08, our responsibility is to obtain an understanding of internal controls relating to the existence and completeness of performance data. The HTF agencies are responsible for establishing and maintaining adequate internal controls. The FY 1999 DOT Performance Plan contained 70 performance measures, of which 9 were in the FY 1999 HTF Financial Statements. The presentation complied with the requirements of OMB Bulletin 97-01 to report performance measures consistent with goals and objectives from agencies' strategic plans.

### *Linking to the Statement of Net Cost and Measuring Cost-Effectiveness*

OMB Bulletin 97-01 states:

Entities should strive to develop and report objective measures that . . . provide information about the cost effectiveness of programs. The reported measures . . . should be linked to the programs featured in the Statement of Net Cost. . . . To further enhance the usefulness of the information, agencies should include an explanation of what needs to be done and what is planned . . . to improve financial or program performance.

The HTF agencies did not have systems in place to allocate costs by major program. Consequently, the performance measures could not be linked to the Statement of Net Cost. For example, one FTA goal is to increase the percentage of key rail stations that are compliant with the Americans with Disabilities Act. FTA did not report the FY 1999 cost data for increasing the percentage of compliant key stations.

The performance measures presented in the HTF Financial Statements also did not provide information about cost-effectiveness. None of the measures was linked to the cost of achieving targeted results, or to the Statement of Net Cost. For example, one FHWA goal is to improve the condition of bridges so that, in 10 years, less than 20 percent are classified as deficient. FHWA did not report the FY 1999 cost data for improving deficient bridges.

The Departmental Accounting and Financial Information System (DAFIS) does not have the capability to track program costs. However, DOT is in the process of replacing DAFIS, and plans to have the new accounting system in full operation by June 30, 2001.

### *Internal Control Environment*

We performed various procedures to assess the internal control environment relating to performance data. While our work disclosed no material internal control weaknesses, we were not required to, and we did not, test the validity or accuracy of performance



data as part of the HTF Financial Statement audit. However, the HTF agencies are facing a significant management challenge to ensure the incoming data are complete. The HTF agencies are relying on third party organizations outside the Federal Government for most of their performance data. Performance data could be coming from hundreds of organizations, such as states; grantees; and transit authorities.

Although not part of the Financial Statement audits, the OIG began performing audits during FY 1999 addressing performance measures and data. More of these audits will be accomplished as part of selected program audits. Although not one of the nine performance measures in the HTF Financial Statements, OIG recently completed a performance audit and found the Safety Status Measurement System (SafeStat) cannot target motor carriers with the worst records because the database is incomplete and inaccurate.

The Department is in the process of implementing a system to further enhance the quality of all performance data.

#### Reporting of Planned Actions

To enhance the usefulness of performance information, OMB Bulletin 97-01 encourages entities to include an explanation of what is planned to improve financial or program performance. The Management Discussion and Analysis overview of the HTF Financial Statements included general comments on how to improve performance; however, specific plans to improve financial performance, by performance measures, were not included. For example, planned actions to improve the pavement quality of the National Highway System was not addressed.

#### **Federal Financial Management Improvement Act of 1996**

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires auditors to report whether agencies' financial management systems comply substantially with Federal financial management system requirements, Federal accounting standards, and the Government's standard general ledger at the transaction level. The HTF agencies were not in compliance because liabilities were not fully accrued at yearend, DAFIS did not provide the data necessary for preparation of the HTF Financial Statements, and a managerial cost accounting system had not been implemented. The HTF agencies made 77 adjustments, totaling \$4.6 billion, outside DAFIS to prepare the Financial Statements. These adjustments were recorded in the financial statements module, a tool used to prepare the annual financial statements, but were not recorded or retained in DAFIS.

On December 29, 1999, the Secretary of Transportation reported that the Department was not in substantial compliance with FFMIA because the existing core accounting

system was not the primary source of information used for preparation of Financial Statements. The Secretary also reported the Department had not fully implemented the requirements of Managerial Cost Accounting Standards, because the Department's accounting system did not have the capability to capture cost by program. The Department is working to correct these conditions by June 30, 2001, when a new, commercial off-the-shelf, FFMLA compliant, accounting system is planned to be fully implemented.

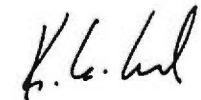
#### **D. PRIOR AUDIT COVERAGE**

Our reports on the FY 1997 and FY 1998 HTF Financial Statements contained no recommendations. However, one recommendation from our FY 1996 report relating to automated data processing controls and safeguards has not been fully implemented. FHWA still needs to prepare adequate security and disaster recovery plans, and perform required certification and accreditation reviews. FHWA officials stated corrective actions would be completed by September 30, 2000.

We issued two reports last year that impact the HTF Financial Statements. On September 27, 1999, we issued Report FE-1999-131 identifying \$672 million of recorded obligations departmentwide that no longer represented valid financial liabilities. We recommended a departmentwide policy requiring at least annual reviews of inactive obligations. On December 28, 1999, the Department issued a policy for annual reviews of obligations. The HTF agencies either deobligated or reprogrammed a total of \$174 million to other active projects.

On February 14, 2000, we issued Report FE-2000-053 identifying 42 duplicate payments totaling \$1.6 million to the State of Georgia. We recommended that FHWA determine whether additional duplicate payments occurred, recover at least \$1.6 million, verify the new accounting system has been reprogrammed, review all disbursements to the State of Georgia, and alert all FHWA Division Financial Managers to review controls in new accounting systems. The duplicate payments were recouped, and FHWA and State of Georgia officials were taking corrective actions.

This report is intended for the information of the HTF agencies and DOT. However, this report is a matter of public record, and its distribution is not limited.



Kenneth M. Mead  
Inspector General

**HIGHWAY TRUST FUND**  
**Consolidated Balance Sheet**  
As of September 30, 1999  
(Dollars in Thousands)

<b>Assets</b> (Note 2)	
<b>Entity Assets:</b>	
Intragovernmental Assets:	
Fund Balance with Treasury (Note 3)	\$ 890,346
Investments (Note 4)	28,082,618
Accounts Receivable Net (Note 5)	2,766
Other Assets (Note 6)	<u>21,683</u>
<b>Total Intragovernmental Assets</b>	<b>\$ 28,997,418</b>
Governmental Assets:	
Accounts Receivable Net (Note 5)	7,940
General Property, Plant and Equipment Net (Note 10)	42,919
Advances to States for Rights of Way (Note 6)	154,956
Other Assets (Note 6)	<u>2,070</u>
<b>Total Assets</b>	<b>\$ 29,205,301</b>
 <b>Liabilities</b> (Note 11)	
Intragovernmental Liabilities:	
Accounts Payable (Note 12)	\$ 38,608
Other Intragovernmental Liabilities (Note 15)	11,800
<b>Total Intragovernmental Liabilities</b>	<b>\$ 50,408</b>
Accounts Payable (Note 12)	137,971
Federal Employee and Veterans' Benefits Payable (Note 15)	13,799
Other Liabilities (Note 15)	<u>1,891,341</u>
<b>Total Liabilities</b>	<b>\$ 2,093,519</b>
 <b>Net Position</b>	
Cumulative Results of Operations (Note 19)	\$ 27,111,782
<b>Total Net Position</b>	<b>\$ 27,111,782</b>
 <b>Total Liabilities and Net Position</b>	 <b>\$ 29,205,301</b>

**Highway Trust Fund**  
**Consolidated Statement of Net Cost**  
For the Period Ended September 30, 1999  
(Dollars in Thousands)

**Program Costs** (Notes 20 & 21)

**Surface Transportation:**

Intragovernmental	\$	62,518
Public Programs:		
Interstate Maintenance		3,558,494
National Highway System		4,044,667
Bridge Programs		2,154,118
Surface Transportation		8,209,297
Congestion Mitigation & Air Quality		807,532
High Priority Projects		183,952
Minimum Guarantee		1,373,203
Mass Transit		1,502,448
Federal Lands Highways		226,120
Planning		193,967
Emergency Relief		455,808
Minimum Allocation		625,042
State Infrastructure Bank		167,331
Research		231,628
Other Highway Programs		3,238,751
Less Earned Revenues		(82,713)
<b>Net Program Costs</b>	<b>\$</b>	<b><u>24,820,162</u></b>

**Cost Not Assigned to Programs** **\$ 57,432**

**Less Earned Revenue Not  
Attributed to Programs** **\$ (1,693)**

**Net Cost of Operations** **\$ 24,875,901**

**Highway Trust Fund**  
**Consolidated Statement of Changes in Net Position**  
For the Period Ended September 30, 1999  
(Dollars in Thousands)

<b>Net Cost of Operations</b>	<b>\$</b>	<b>24,875,901</b>
<b>Financing Sources:</b>		
Taxes (net) (Note 22)		39,292,607
Other Non Exchange Revenue (Note 22)		10,505
Imputed Financing		23,973
Transfers-In		26,481,400
Transfers-Out		(30,717,390)
Other		(1,243)
		0
<b>Net Results of Operations</b>	<b>\$</b>	<b>10,193,951</b>
<b>Prior Period Adjustments (Note 23)</b>	<b>\$</b>	<b>(1,027,279)</b>
		0
<b>Net Change in Cumulative Results of Operations</b>	<b>\$</b>	<b>9,166,672</b>
<b>Increase (Decrease) in Unexpended Appropriations</b>		<b>0</b>
<b>Change in Net Position</b>	<b>\$</b>	<b>9,166,672</b>
<b>Net Position, Beginning of Period</b>		<b>17,945,110</b>
<b>Net Position, End of Period</b>	<b>\$</b>	<b>27,111,782</b>



**Highway Trust Fund**  
**Consolidated Statement of Budgetary Resources**  
 As of September 30, 1999  
 (Dollars in Thousands)

**Budgetary Resources (Note 24):**

Budget Authority (Line 1)	\$ 35,877,119
Unobligated Balances - Beginning of Period (Line 2A)	44,369,795
Spending Authority From Offsetting Collections (line 3)	102,686
Adjustments (Lines 4-6)	<u>(43,711,830)</u>
Total Budgetary Resources (Line 7)	<u>\$ 38,637,850</u>

**Status of Budgetary Resources:**

Obligations Incurred (Line 8)	\$ 31,578,811
Unobligated Balances-Available (Line 9)	5,056,824
Unobligated Balances-Not Available (Line 10)	4,215
Total, Status of Budgetary Resources (Line 11)	<u>\$ 38,637,850</u>

**Outlays:**

Obligations Incurred (Line 8)	\$ 31,578,811
Less: Spending Authority From Offsetting Collections and Adjustments (Lines 3A, B, D & 4A)	(152,882)
Subtotal	31,423,929
Obligated Balance, Net Beginning of Period (Line 12)	38,442,471
Obligated Balance Transferred, Net (Line 13)	0
Less: Obligated Balance, Net - End of Period (Line 14)	<u>(38,057,804)</u>
Total Outlays (Line 15)	<u>\$ 28,908,796</u>

**Note 16. Federal Employee and Veterans Benefits:**

**A. Not Covered by Budgetary Resources:**

<b>1. Other Post-Employment Benefits:</b>	
<b>Federal Employees Compensation Act</b>	
<b>Actuarial Liability</b>	<b>13,799</b>
<b>Total Not Covered by Budgetary Resources</b>	<b>\$ <u>13,799</u></b>
<b>Total Federal Employee and Veterans Benefits</b>	<b>\$ <u>13,799</u></b>

**Note 19. Cumulative Results of Operations**

**A. Cumulative Results**

(Dollars in Thousands)

(1) Unobligated	
a. Available	\$ 45,187
b. Unavailable Program	4,214
c. Unavailable Corpus	21,858,378
(2) Undelivered Orders	<u>5,204,003</u>
Total	<u>\$ 27,111,782</u>

**Unobligated Balances**

**Available**

Federal Aid Highways	\$ 14,668
Other Trust Funds	<u>30,519</u>
	\$ 45,187

**Unavailable**

Federal Aid Highways	\$ 4,214
----------------------	----------

**Total Unobligated**

\$ 49,401

**Funded Obligated Balances**

Federal Aid Highways	\$ 3,394,366
Other Trust Funds	364,675
FTA	1,265,338
NHTSA	174,524
FRA	<u>5,100</u>
	<u>\$ 5,204,003</u>

Corpus Trust Fund Balance of \$21,748,643,000 has not been made available to the program accounts.

Note 20. Gross Cost and Earned Revenue by Budget Functional Classification:

A. Gross Cost and Earned Revenue by Budget Functional Classification:

(Dollars in Thousands)

	<u>Gross Cost</u>	<u>Earned Revenue</u>	<u>Net Cost</u>
Functional Classification:			
050 National Defense	\$ -	\$ -	\$ -
150 International Affairs	-	-	-
300 National Resources and Environment	-	-	-
400 Transportation	24,960,307	84,408	24,875,901
450 Community and Regional Development	-	-	-
800 General Government	-	-	-
Total	<u>\$ 24,960,307</u>	<u>\$ 84,408</u>	<u>\$ 24,875,901</u>

Costs represent surface transportation programs performed by FHWA, FTA, NHTSA and FRA. Costs not assigned to programs are depreciation expenses, uncollectable accounts, receivables, expenses, cash management improvement act payments and benefit program expenses.

Earned revenue is for reimbursable work done for other government agencies.

Note 21 Net Cost by Program:

Program Costs

1. Public

Interstate Maintenance	\$ 3,556,484
National Highway System	4,044,667
Bridge Program	2,154,118
Surface Transportation	6,209,297
Congestion Mitigation & Air Quality	807,532
High Priority Projects	163,952
Minimum Guarantee	1,373,203
Federal Lands Highways	226,120
Planning	193,967
Emergency Relief	455,808
Minimum Allocation	525,042
State Infrastructure Bank	157,331
Research	231,628
Mass Transit	1,502,446
Other Highway Programs	<u>3,238,751</u>
Total Public	\$ 24,840,356

2. Intragovernmental

(20,194)

Total Surface Program Costs

\$ 24,820,162

The present accounting system does not provide identifiable links to strategic goals and performance measures, but identifies costs to major program delivery to the states.



**Note 22. Taxes and Other Non-Exchange Revenue:**

(Dollars in Thousands)

<b>A. Taxes and Other Non-Exchange Revenue:</b>	
1. Gasoline, Fuel, Tires, etc.	\$ 39,292,607
2. Fines and Penalties	6,688
3. Other Non-Exchange Revenue (Describe)	
CMA Interest	1,890
Billed Uncollected Fines and Penalties	1,927
<b>Total Taxes and Other Non-Exchange Revenue</b>	<b>\$ 39,303,112</b>

**Tax Receipts:**

Excise Taxes were collected in the following categories:

Diesel Fuel	\$ 9,165,312
Tires	416,034
Use of Certain Vehicles	813,698
Trucks	2,809,900
Gasoline	25,430,676
Gasohol	2,067,968
<b>Total Taxes</b>	<b>\$ 40,703,588</b>

**Less Transfers:**

Land and Water	\$ (1,000)
Aquatic Resources	(276,658)
<b>Total Transfers</b>	<b>\$ (276,658)</b>

**Gross Tax Revenue** \$ 40,426,930

**Less Reimbursements to the General Fund**

Diesel powered Vehicle	\$ (779)
Gasoline 9.1/14.1	(381,049)
Gasohol 3.1/8.7	(21,869)
Diesel 15.1/20.1	(685,732)
Special Motor Fuel 9.1/14.1	(16,103)
Gas to make Gasohol	(32,962)
Diesel Fuel Bus Use	(35,829)

**Total Reimbursement Tax Receipts** \$ (1,134,323)

**Net Tax Receipts** \$ 39,292,607

Note 23. Prior Period Adjustments:

		(Dollars in Thousands)
A. Prior Period Adjustments:		
(1) Grant Administration Transfers NHTSA	\$	14,990
(2) FY 1998 Accrual Adjustment FHWA		(888,859)
(3) FY 1998 Accrual Adjustment FTA		(155,610)
Total	\$	<u>(1,027,279)</u>

Grant Administration transfers from the Highway Trust Fund to the General Fund for prior periods for NHTSA.

A change in accounting estimates for the unbilled program costs identified that the FY 1998 accrual was understated for both FHWA and FTA. Identification that the change in accounting estimate was needed to more fairly present the financial information contained in these financial statements. FY 1999 costs have been adjusted accordingly. Policy has been developed to recognize actual expenses for the current period.

**Note 24. Statement of Budgetary Resources:**

	(Dollars in Thousands)
A. Net Amount of Budgetary Resources Obligated for Undelivered Orders as of September 30, 1999:	37,095,912
B. Available Contract Authority as of September 30, 1999:	5,005,963
C. Adjustments During FY 1999 to Budgetary Resources Available at the Beginning of the Year:	(8,868)

Provide a Complete Itemization and Explanation of These Adjustments:

Cumulative Authorizations in Excess of Obligation Limitation	\$ -
Rescissions	(441)
Prior Year Recoveries	-
Other Adjustments (Lapses)	<u>(8,427)</u>
<b>Total Adjustments to Budgetary Resources</b>	<b>\$ (8,868)</b>
D. Unfunded Contract Authority	
Unobligated balances program accounts	\$ 20,846,591
Obligated balances, program accounts	<u>38,957,604</u>
Total Budgetary Resource, program accounts	59,804,195
Less: Cash balances program accounts	(945,722)
Less: Unrequistioned liquidating cash	<u>(6,174,402)</u>
Total Unfunded Contract Authority	<u>\$ 52,684,071</u>