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GASB Requests Input on Infrastructure Assets Proposals.

Norwalk, CT, October 10, 2024 — The Governmental Accounting Standards Board (GASB) has issued a Preliminary Views (PV) for public comment on proposals associated with accounting and financial reporting for infrastructure assets.

The PV, [*Infrastructure Assets*](#), is intended to set forth and seek comments on the Board's current views at a relatively early stage of the project. The objective of the project is to reexamine issues associated with accounting and financial reporting for infrastructure assets and consider improvements to existing guidance. These improvements relate to recognition and measurement, note disclosures, and required supplementary information.

Pre-agenda research showed that financial statement users want better information about the condition of infrastructure assets and how the government is maintaining those assets than what is currently available in financial statements. The PV presents the Board's current thinking on how to provide users with that information.

The Board's Early Views

Under the Board's preliminary views, *infrastructure assets* would be defined as individual assets that may consist of multiple components that are part of a network of long-lived capital assets that are utilized to provide a particular type of public service, that are stationary in nature, and that can be maintained or preserved for a significant number of years. Typical examples include roads, bridges, and tunnels.

The PV proposes to carry forward existing recognition and measurement requirements for infrastructure assets that allow for governments to measure infrastructure using historical cost net of accumulated depreciation unless the government elects to use the modified approach. The document proposes that governments reporting infrastructure assets measured at historical cost net of accumulated depreciation periodically review estimated useful lives and salvage value. The document also proposes that governments separately depreciate each component of an infrastructure asset that is significant to the total cost of the asset if the useful lives of these components are different.

The PV also proposes that governments electing to report infrastructure assets using the modified approach have processes in place to document that the condition of the assets is being preserved at a level established by the government.

The document proposes to remove some of the existing note disclosures related to infrastructure assets. It also proposes to add four new note disclosures, including a disclosure of maintenance or preservation expenses and another disclosure of assets reported using historical cost net of accumulated depreciation that have exceeded 80 percent of their estimated useful lives. A related schedule of maintenance expenses over the past 10 fiscal years is also proposed to be included in required supplementary information.

Share Your Views

Stakeholders are asked to review and provide input on the document by January 17, 2025. Comments may be submitted either through a comment letter or an [electronic input form](#).

A series of public hearings and user forums on the PV has been scheduled to enable stakeholders to share their views with the Board. Additional information on the public hearings and user forums is available in the document.

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