GASB GOVERNMENTAL ACCOUNTING STANDARDS BOARD

TENTATIVE BOARD DECISIONS TO DATE: INFRASTRUCTURE ASSETS

Last updated on November 10, 2025

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The Board tentatively decided the following:

Definition:
- The term *network* in the proposed definition of infrastructure assets should be modified to include that a network of assets is composed of all assets that provide a service for a government.
- The characteristic of being stationary in nature should continue to be in the proposed definition of infrastructure assets.
    - The characteristic of being able to be maintained or preserved over a significant number of years should continue to be in the definition of infrastructure assets.
- Communication networks should continue to be provided as an example of a network of infrastructure assets.
- The definition of infrastructure assets should not exclude assets of public power utilities.
- The following should not be included as examples of infrastructure assets:
    - Stadiums
    - Ports
    - Airports
    - Mass transit systems
    - Natural systems
    - Other capital assets used in operations and management of infrastructure assets.

Recognition and Measurement:
- Infrastructure assets should be recognized in financial statements.
- Infrastructure assets should be measured using the historical cost net of accumulated depreciation approach unless the government elects to use the modified approach.
- Category A of generally accepted accounting principles should require governments that measure infrastructure assets using the historical cost net of accumulated depreciation approach to periodically reevaluate the estimated useful lives and salvage values of infrastructure assets.
    - The scope of the project should not be expanded to include a requirement to periodically reevaluate the estimated useful lives and salvage values of other capital assets.
    - The time frame to perform periodic reviews of estimated useful lives and estimated salvage values should not be defined.
    - The method to account for changes in estimated useful lives and salvage values should not be specified as part of this project.

- Each component of an infrastructure asset with a cost that is significant in relation to the total cost of the infrastructure asset should be depreciated separately if the estimated useful lives of those components are substantially different.
  - Additional language to describe components of infrastructure assets should be developed.
  - Policies used to identify and depreciate significant components of infrastructure assets should not be required to be disclosed in the summary of significant accounting policies.
  - Infrastructure assets may continue to be depreciated with the composite method.

Modified Approach:

- To use the modified approach, governments should have processes in place to:
  (a) Maintain an up-to-date inventory of infrastructure assets
  (b) Perform and summarize condition assessments on those infrastructure assets
  (c) Estimate annual amounts to preserve infrastructure assets at the condition levels the government establishes and presents as required supplementary information (RSI)
- Neither a standardized condition assessment process nor a minimum condition level of infrastructure assets should be described
- Neither a description of circumstances in which a condition level change is appropriate nor a prohibition on such changes should be described
- Governments should perform complete condition assessments at least every three years
- Governments that no longer meet the criteria to use the modified approach should report infrastructure assets at historical cost net of accumulated depreciation in subsequent periods

Notes to Financial Statements:

- Governments should continue to disclose currently required information related to infrastructure assets except for the following:
  - Governments should no longer be required to disclose a description of the modified approach in their summary of significant accounting policies.
  - Governments that did not and were not required to retroactively report major general infrastructure assets do not need to include that decision in its summary of significant accounting policies.
- Governments should separate disclosures related to infrastructure assets by network.
  - Examples of networks will correspond to those provided in the definition of infrastructure assets.
- Governments should not disclose changes in their policies for capitalizing infrastructure assets or estimating the useful lives of infrastructure assets.
- Governments that use historical cost net of accumulated depreciation should disclose the historical cost, accumulated depreciation, and weighted-average age of infrastructure assets by network that have exceeded 80 percent of their estimated useful lives, separating that same information for infrastructure assets that have exceeded their estimated useful

lives from those that have exceeded 80 percent of their estimated useful lives but have not yet exceeded their estimated useful lives.

- Governments should not be required to disclose maintenance or preservation expenses related to infrastructure assets.
- Governments should disclose their policy for monitoring and maintaining or preserving infrastructure assets within their summary of significant accounting policies.
  - Governments should not be required to provide a negative disclosure if they do not have a policy for monitoring and maintaining or preserving infrastructure assets within their summary of significant accounting policies.

Required Supplementary Information and Supplementary Information:

- Governments that do not use the modified approach should no longer be encouraged to present as SI the same information related to infrastructure assets that governments that report infrastructure assets using the modified approach report as RSI.
- Governments that report infrastructure assets using historical cost net of accumulated depreciation should not be required to report the annual amount or the estimate of maintenance expense for those assets for each of the past 10 fiscal years.
- Governments should present as RSI the assessed condition of infrastructure assets reported using the modified approach for the three most recent complete condition assessments.
- Governments should present as RSI the estimated annual amount to maintain and preserve infrastructure assets at or above the condition level established and disclosed by the government compared to the amounts actually expensed for infrastructure assets reported using the modified approach for each of the past 10 fiscal years.
- Governments should continue to disclose in notes to the schedules presented as RSI:
  - The basis for the condition measurement and the measurement scale used to assess and report the condition for infrastructure assets reported using the modified approach
  - The condition level at which the government intends to preserve infrastructure assets reported using the modified approach
  - Factors significantly affecting trends in the information reported as RSI, whether impacting infrastructure assets reported under the modified approach or historical cost net of accumulated depreciation.
- Governments should disclose the reason for a change in an established condition level in notes to RSI.

Effective Date and Transition:

- The proposals to be provided in the next due process document should be effective for fiscal years beginning after June 15, 2028, and all reporting periods thereafter.
- Earlier application of the proposals should be encouraged.
- Identification of components of infrastructure assets with a cost that is significant in relation to the total cost of the infrastructure asset and their separate depreciation when the estimated useful lives of those components are substantially different should apply

prospectively only to acquisitions of infrastructure assets in fiscal years beginning after June 15, 2028.

- The requirement to conduct periodic reviews of estimated useful lives and estimated salvage values for infrastructure assets reported using historical cost net of accumulated depreciation should apply prospectively to all assets in service as of fiscal years beginning after June 15, 2028.
- The disaggregation of note disclosures related to separation of infrastructure assets by network should be applied retroactively.
- Schedules and notes to schedules presented as RSI should be implemented prospectively and to the extent information is available during the transition period.
- Governments that present comparative financial statements should not be required to adjust information presented for prior fiscal years in the year of implementation.