



FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

Since 1937

P.O. Box 10270 • 301 South Bronough Street, Suite 300 • Tallahassee, Florida 32302-2270

Telephone: (850) 222-9684 • Fax: (850) 222-3806 • Web Page: www.fgfoa.org

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June 23, 2026

Project No. 3-25

Alan Skelton

Director of Research and Technical Activities

Governmental Accounting Standards Board

801 Main Avenue

P.O. Box 5116

Norwalk, CT 06856-5116 director@gasb.org

Re: Infrastructure Assets

Dear Mr. Skelton:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Government Accounting Standard Board's (GASB) Request for Written Comments on Project No. 3-43, Exposure Draft, *Infrastructure Assets*. The comments provided in our response were prepared based on a review by members of the FGFOA Technical and Legislative Resources Committee and the Board of Directors.

We generally agree with the views of the Board. We have, however, identified some items we believe would benefit from additional clarifications, noted some disagreements, and made some recommendations for your consideration (see Exhibit A of this document).

We thank the GASB for its efforts in preparing the Exposure Draft, *Infrastructure Assets*, and for providing an opportunity to respond. Please feel free to contact me at (941) 263-6416 or Kelly.strickland@sarasotafl.gov regarding the comments above.

Sincerely,

Kelly Strickland, President

Enclosure

Exhibit A: Comments on GASB’s Proposed Exposure Draft on Infrastructure (Project No. 3-43)

Ref.	Excerpt from Exposure Draft	Comment
<p>4.</p> <p>B4.</p>	<p>For purposes of applying this Statement, infrastructure assets are capital assets that are part of a network of assets, as discussed in paragraph 5. Infrastructure assets also are stationary in nature and can be maintained or preserved for a significant number of years. Examples of infrastructure assets include roads, bridges, tunnels, water and sewer, dams, lighting, and communication towers. Buildings that have a primary purpose that is integral to a network of infrastructure assets but are only an ancillary part of that network should be considered infrastructure assets.</p> <p>Definition of infrastructure assets:</p> <p>...In addition, this Statement clarifies that buildings that have a primary purpose that is integral to a network of infrastructure assets but are only an ancillary part of that network should be considered infrastructure assets.</p>	<p>The terms “ancillary” and “integral” help with objectivity; however, we recommend that the Board be more specific with the definitions. For example, for purposes of determining whether an asset is ancillary or integral, we recommend that the GASB clarify whether the cost percentage of the infrastructure capital asset to the overall size of the network be considered.</p>
<p>7.</p> <p>B16.</p>	<p>Governments should perform a periodic review of the estimated useful lives and salvage values used in the measurement of depreciation expense for infrastructure assets being depreciated.</p> <p>Periodic review of estimated useful lives and salvage values:</p> <p>...The Board believes that requiring governments to perform a periodic review of the estimated useful lives and salvage values used in the calculation of infrastructure assets being depreciated will reduce the circumstances in which infrastructure assets that are still being used to provide services are reported as fully depreciated.</p>	<p>A periodic useful life review would require significant time and coordination, if done on an individual asset basis. We request clarity on whether the intention is to review by asset class or by individual assets within asset class.</p> <p>A periodic useful-life review would require significant time and coordination, especially for governments that don’t currently maintain detailed condition data or engineering inputs. Clearer expectations would help governments gauge how robust their review needs to be. It would be helpful for GASB to define what “periodic” means in practice as far as how often the review would have to be performed to be GAAP-compliant. In addition, clarifying whether a qualitative review is acceptable or whether a more quantitative reassessment is intended would also support more consistent implementation.</p>
<p>8.</p>	<p>Paragraph 23 of Statement 34 provides some of the requirements that allow governments to use the modified approach to report infrastructure assets. Those requirements are amended to allow governments that meet the following requirements to report infrastructure assets using the modified approach: ...</p>	<p>We recommend a clarifying addition of “...allow governments that meet all the following requirements...”</p>

<p>11.</p> <p>B29.</p>	<p>In addition to other disclosures related to infrastructure assets, for infrastructure assets that are reported using historical cost net of accumulated depreciation, governments should disclose by network of infrastructure assets the historical cost, accumulated depreciation, and historical-cost weighted-average age of infrastructure assets that have exceeded 80 percent of their estimated useful lives. For this disclosure, a government should separate information for infrastructure assets that have reached 100 percent of their estimated useful lives from infrastructure assets that have exceeded 80 percent of their estimated useful lives but have not yet reached 100 percent of their estimated useful lives.</p> <p>Infrastructure Assets That Have Exceeded 80 Percent of Their Estimated Useful Lives</p> <p>...the Board still believes that the disclosure of infrastructure assets that have exceeded 80 percent of their estimated useful lives provides essential information about infrastructure assets that are <i>nearing</i> the end of their useful lives and, therefore, should be required</p>	<p>The proposed 80% disclosure could unintentionally suggest that infrastructure is in poor condition simply because assets are older, even when they are well maintained. This creates a risk of misinterpretation by bond analysts, rating agencies, elected officials, and the public. The disclosure may end up signaling concern rather than providing meaningful insight into actual asset conditions. Governments could feel pressure to explain or defend assets that are functioning as intended. To support clearer understanding, we recommend that the GASB allow contextual note disclosure narrative that explains how maintenance practices and reinvestment strategies mitigate age-related risk. Providing this context would help ensure more consistent disclosure and aid reader interpretation.</p>
<p>17.</p>	<p>Except for the provisions in paragraphs 6, 7, 9, 11, and 13, changes adopted to conform to the provisions of this Statement should be applied prospectively. The requirements in paragraphs 6, 7, 9, 11, and 13 are effective as follows:</p> <ol style="list-style-type: none"> a. The requirements in paragraph 6 should be applied to infrastructure assets placed into service after the beginning of the reporting period in which this Statement is first implemented. b. The requirements in paragraph 7 should be applied to all infrastructure assets reported by the government at the beginning of the reporting period in which this Statement is first implemented. c. The requirements in paragraphs 9, 11, and 13 should be applied to the beginning of the reporting period in which this Statement is first implemented. 	<p>Considering that the proposed note to financial statements in paragraph 11 would disclose only end-of-period information, it is confusing that the transition guidance states that the proposed requirement should be applied “to the beginning of the reporting period in which this Statement is first implemented.” We recommend that the GASB allow end-of-period implementation or further clarify the benefits in applying the requirement to the beginning of the implementation period.</p>