



November 9, 2011

Via U.S. Mail & Electronic Mail
Director of Research and Technical Activities
Project No. 3-23
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Project No. 3-23

## Dear Director:

On behalf of the nearly 21,000 members of the Pennsylvania Institute of Certified Public Accountants (PICPA), thank you for the opportunity to review and comment on the Exposure Draft, "Reporting Items Previously Recognized as Assets and Liabilities." The PICPA Committee on Local Government Accounting and Auditing, GASB Subcommittee, has reviewed the Exposure Draft and offers the following comments and/or questions.

- 1. It is our understanding that GASB 34 was supposed to provide financial statements that were comparable to business entities so that municipalities could be more easily evaluated. Is that interpretation no longer accurate?
- 2. Please provide additional clarification to paragraph 9, "Imposed Nonexchange Revenue Transactions."
- 3. Please provide an example for paragraph 10, "Government-Mandated Nonexchange Transactions and Voluntary Nonexchange Transactions."
- 4. We are surprised to see that this would also apply to modified accrual/fund statements since deferred taxes and revenue received in advance will still be considered a liability.

Please contact Peter Calcara, CAE, PICPA Vice President of Government Relations, at (717) 232-1821 or <a href="mailto:pcalcara@picpa.org">pcalcara@picpa.org</a> with questions.

Respectfully submitted,

Cynthia Bergvall, CPA, Chair PICPA GASB Subcommittee