

Missouri Department of Transportation
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September 12, 2013

Letter of Comment No. 4
File Reference: 26-5P
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Governmental Accounting Standards Board
Attn: Director of Research and Technical Activities
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Project No. 26-5P, Preliminary Views of the Governmental Accounting Standards Board on major issues relate to Fair Value Measurement and Application

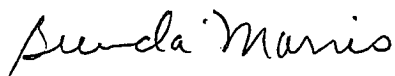
The Missouri Department of Transportation (MoDOT) appreciates the opportunity to be included in the discussion of the *Fair Value Measurement and Application* Preliminary Views. After reviewing the proposal, the Department agrees with the proposed change to the definition of "fair value" to describe the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The redefinition of "investments" is also agreeable; maintaining that it should be a security or other asset that a government holds primarily for the purpose of income or profit, and its present service capacity is based solely on its ability to generate cash, to be sold to generate cash, or to procure services for the citizenry. We also believe that GASB's assessment of transaction costs being reported as an expense or expenditure in the period that the investment is incurred is more apt to provide clarity to the true value of the governmental investments.

We agree that the financial statements would benefit from disclosures noting the valuation approaches and the inputs that were used to measure the fair value of the assets and liabilities; however, feel it is not essential to disclose the hierarchy of inputs. The disclosure of the input hierarchy would result in less clarity of the financial statements, causing users' confusion in interpreting the statements.

Thank you for the opportunity to participate in the standard-setting process.

Sincerely,



Brenda Morris, CPA
Financial Services Director