

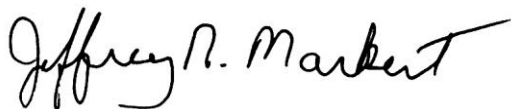


portion of the original PV is now a separate project and that a proposed recognition Concepts Statement will be issued for comment at a later date. In our comment letter on the original PV, we recommended that the Board align the issuance of the next due process document relating to recognition with a future due process document relating to the reexamination of the financial reporting model (i.e., the Statement 34 reexamination). We continue to believe that such an approach will greatly assist constituents in understanding how any proposed recognition concepts would be operationalized. Without such an approach, we continue to be concerned that those commenting on a future recognition ED will do so without truly understanding the Board's intent and the resulting changes in accounting and financial reporting that will have to occur after a Concepts Statement is issued.

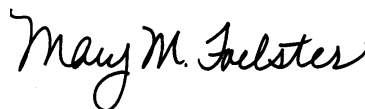
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The AICPA appreciates the opportunity to comment on the ED. This comment letter was prepared by members of the AICPA's State and Local Government Expert Panel and was reviewed by representatives of the Financial Reporting Executive Committee who did not object to its issuance. Representatives of the AICPA would be pleased to discuss these comments with you at your convenience.

Sincerely,



Jeffrey N. Markert  
Chair  
AICPA State and Local Government  
Expert Panel



Mary M. Foelster  
Director  
AICPA Governmental Auditing and  
Accounting

cc: State and Local Government Expert Panel  
Richard Paul  
Dan Noll