



November 18, 2011

Mr. David Bean, 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: Reporting Items Previously Recognized as Assets and Liabilities**

Dear Mr. Bean:

We appreciate the opportunity to respond to the GASB's Exposure Draft (ED) on *Reporting Items Previously Recognized as Assets and Liabilities*.

We consider the objective of this proposed statement, to examine the classification of certain items previously reported as assets or liabilities to determine any required reclassifications, to be both valid and necessary in light of the provision of paragraph 38 of GASB Concept Statement NO. 4.

We concur that the proposed amendment in the application of the criteria for determining major funds is the most practical approach. Also, we agree that limiting the use of the term deferred to deferred inflows of resources and deferred outflows of resources will reduce confusion for financial statement users.

The items identified in the ED for classification as deferred inflows of resources and deferred outflows of resources appear to be consistent with the definition as established in the Concept Statement. Further, we have not encountered any additional items that would appear to meet the criteria for reclassification. However, we are not certain that the implementation of the proposed provisions will not reveal inconsistencies or unexpected consequences, when provided time for analysis of specific transactions.

Although the nature and complexity of this proposed statement is more technical than theoretical, and less voluminous than others, the comment deadline still presented a challenge to us as a financial statement preparer during a busy and critical time of the year. We reiterate an observation from our comments to a previous document, mentioning that we would greatly appreciate the Board's consideration in establishing the timing of comment deadlines.

If you have questions or need additional information regarding this response, please contact Rich Schoeppner at (515) 281-4064.

Sincerely,

*Calvin McKelvogue*

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