August 11, 2014

David R. Bean, Director of Research and Technical Activities
Governmental Accounting Standards Board
Project No. 26-5E
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Exposure Draft-Fair Value Measurement and Application, Project No. 26-5E

Dear Mr. Bean:

The following is the response of the Government Accounting and Auditing Committee of the Washington Society of Certified Public Accountants (WSCPA). The views expressed are the views of the Committee and not necessarily the views of the individual members or the WSCPA as a whole. We are pleased to have the opportunity to respond to the Governmental Accounting Standards Board’s (GASB) Exposure Draft (ED) Fair Value Measurement and Application.

We support the mission of GASB, to establish and improve standards of state and local governmental accounting and financial reporting.

Overview of Our Response:

We support this ED because it doesn’t change existing Generally Accepted Accounting Principles (GAAP) for almost all assets and liabilities and it provides a consistent framework for measuring fair value. However, we suggest some minor modifications that will provide preparers, auditors and users with a clear indication of how this proposed statement will affect the application of existing GAAP.

General ED Comments:

It wasn’t until our reviewers read the basis for conclusions in Appendix B paragraph B3 and read prior concept statements that the scope of this statement related only to investments, defined as assets held for generation of income or cash (paraphrased). While the examples provided in Appendix C Illustration 4 does provide some guidance, we believe that this statement will be much more useful if it is very clear in paragraphs 1, 2, 4...
or a possible paragraph 5 addition to clearly state that this statement does not apply to asset or liabilities not currently required to be measured at fair value.

We believe that this proposed statement will be improved with a series of statements at or near the beginning of the document to define “an investment” that is subject to this statement’s requirements and a statement that this standard does not change any requirements for fair value of assets or liabilities not required by previous standards. To the extent that this proposed statement does change existing GAAP then we would recommend a full listing of the impacts of the changes as opposed to just amendments to previously issued statements. Possible statements to include in the proposed statement would include that capital assets used for government programs and long-term debt of a government used to acquire program capital assets are **NOT** required to be remeasured at market value.

In summary, we believe that his statement would be improved by a much more clear indication of how this statement changes existing GAAP at or near the beginning of this statement.

Thank you for the opportunity to respond. If you have any questions or need additional information regarding this response, please contact Olga Darlington at (425) 551-5712.

Sincerely,

**SENT VIA E-MAIL** to director@gasb.org

Olga Darlington, CPA  
Chair, Government Accounting and Auditing Committee  
Washington Society of Certified Public Accountants