August 15th 2014

Director of Research and Technical Activities
Governmental Accounting Standards board

Re: Project # 26-5E

The GASB proposals for application of fair values and measurements are hereinto considered. These comments reflect the opinions of the commentator in response to an invitation by the GASB on May 5th 2014.

MAYBE TO THE MAY PROPOSAL

1.) The concept of valuing transactions in a government’s principal market or most advantageous market appears very logical and more importantly understandable and should receive universal acceptance.

2.) The debate over exit prices with or without transaction costs is worthy of further research. I refer the GASB to the deliberations on this topic by the late Professor Raymond J. Chambers of Sydney University¹.

The recommendation to ‘ignore’ transaction costs is rather tenuous, to say the least, if not foolish.

Of course, no suggestion as to what is sufficient data to measure fair value is offered. This opens Pandora’s Box by allowing asset holders who mark their holdings to market to effectively choose the valuation process.

I concur with the proposal for Donated Assets.

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