November 17, 2011

Mr. David R. 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

Dear Mr. Bean:

We have read the Governmental Accounting Standards Board’s (Board) Exposure Draft (ED) of a proposed statement titled Reporting Items Previously Recognized as Assets and Liabilities and agree with its provisions. We also agree with the Board's process in which it evaluated various accounting transactions and determined whether the resulting accounting treatment should be considered an asset, a liability, a deferred inflow of resources, a deferred outflow of resources, an inflow of resources (i.e. revenue), or an outflow of resources (i.e. an expense). We viewed the Board's consideration of existing accounting treatments identified in paragraphs 5 through 30 as comprehensive and we offer no other situations to consider. Finally, we agree with the proposed implementation date of June 15, 2012 as governments need the guidance in this exposure draft to comply with GASB Concept Statement 4, which limits the recognition of deferred inflows of resources and deferred outflows of resources to those instances identified by the Board in authoritative pronouncements.

We appreciate the opportunity to provide feedback on this exposure draft. If you have any questions regarding our comments, please contact me or Craig M. Murray, C.P.A., Director of Professional Practice.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

Via e-mail