August 31, 2015

Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: Project No. 3-29E

To Whom it May Concern:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the Government Accounting Standards Board’s (the “Board’s”) Exposure Draft, Accounting and financial reporting for certain external investment pools.

We are supportive of the Board’s decision to remove the direct linkage between the existing standards and the Investment Company Act of 1940 Rule 2a-7 and instead develop specific criteria for determining whether it is appropriate for an investment pool to measure its investments at amortized cost. We believe the proposed criteria, which are primarily focused on ensuring that an external investment pool’s assets consist of high credit quality, short duration debt instruments, are consistent with the limited exception for this class of entities from reporting investments at fair value.

We also are supportive of the Board’s efforts to develop guidance to assist preparers in assessing whether an investment pool meets the criteria. However, we suggest that the discussion in paragraphs 5-10 be characterized as indicators of when amortized cost accounting may no longer be appropriate, rather than as a prescriptive list of conditions used to assess whether significant noncompliance has occurred. We believe a preparer should have the flexibility to make a judgment considering the context of the users of a particular external investment pool’s financial statements.

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If you have any questions regarding our comments, please contact Patrick Durbin at (973) 236-5152 or Christopher May at (973) 236-5729.

Very truly yours,

PricewaterhouseCoopers LLP

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