March 5, 2018

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

Project No. 9-5

Dear Sir:

We appreciate the opportunity to comment on the Exposure Draft, *Accounting for Interest Cost during the Period of Construction*. Based upon our review of the proposed changes, we agree with the Board’s proposed standard that interest cost should not be capitalized as part of the historical cost of a capital asset. We believe the implementation of the standard will provide users of financial statements a more accurate view of a government’s current operations.

We ask the Board to address the inclusion or exclusion of financing costs related to certain financing options, such as bond debt, for acquiring capital assets. For example, how will interest associated with bond debt be handled, expensed or amortized separately? Clarification in this area would be helpful.

Thank you for the opportunity to participate in the standard-setting process.

Sincerely,

Brenda Morris, CPA
Financial Services Director

Cc: Roberta Broeker - do