October 31, 2018

Mr. David Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Project No. 26-6

Dear Mr. Bean:

On behalf of the Division of Local Government and School Accountability within the New York State Comptroller’s Office, we appreciate the opportunity to provide comments relative to the Governmental Accounting Standards Board’s exposure draft Conduit Debt Obligations.

We agree that this exposure draft would generally improve the consistency in financial reporting for conduit debt. We expect that the effect on most New York State local governments and school districts would be minimal. We do believe, however, that Industrial Development Agencies (IDAs) in New York State would be affected. In conduit financing arrangements, IDAs currently do not record bond proceeds, the assets acquired, liabilities incurred, or debt service payments in their financial statements. State statutes, however, require disclosure of these transactions in a supplemental schedule to the annual financial statements, which list all bonds and notes, whether or not they are considered to be obligations of the IDA. Thus, if this proposed Statement is implemented, IDAs may need to make minimal changes to the information they already include in supplemental schedules.

Thank you for this opportunity to comment on these issues affecting local governments in New York State. Should you have any questions regarding this response, please contact Dara Disko-McCagg at (518) 474-5505 or DDisko-McCagg@osc.state.ny.us.

Sincerely,

Gabriel F. Deyo
Deputy Comptroller

cc: Dara Disko-McCagg