September 8, 2017

Mr. David Bean, Director of Research and Technical Activities
Project Number 3-30
Governmental Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Submitted via email to director@gasb.org

Dear Mr. Bean:

Thank you for the opportunity to provide these comments regarding the proposed statement of the Governmental Accounting Standards Board (GASB, the Board), Certain Debt Disclosures Related to Debt, including Direct Borrowings and Direct Placements (ED, the ED). The Board is to be commended for taking this step toward improving financial reporting relating to certain types of debt. I appreciate this opportunity to respond and my comments reflect my views as a former government finance officer and a current academician responsible for teaching undergraduate and graduate level courses in governmental accounting and auditing.

Generally, I believe the proposed requirements will lead to less diversity in practice and will result in more comparability between governments with respect to direct borrowings and direct placements. In addition, I believe many governments currently provide much, if not all, of the information in the proposed disclosures. As such, governments should not experience significant issues in implementing the disclosure requirements of the proposed statement.

I agree with the definition of debt proposed in the ED and also agree leases and trade accounts payable, while debt, should not be subject to the proposed disclosure requirements. The requirement to present the summarized information separately for (1) direct borrowings/direct placements and (2) other debt will provide more useful information for decision-making than current disclosures. My only suggestion in paragraph 6 would be for the Board to consider parenthetically listing a few examples of direct borrowings/placements and other debt. As many local governments are small, I am not sure management of these entities could deduce what is intended to be disclosed in the proposed debt disclosure categories. Including this explanatory information in the Comprehensive Implementation Guide may not be effective because not all governments have access to this resource.

The proposed effective date is appropriate and will provide state and local governments sufficient lead time to gather the information and fully prepare for implementation of the proposed statement. I agree with the Board’s rationale in paragraph B12 because, in my experience, governments will have easy access to the information required to be disclosed.

As always, thank you for the opportunity to respond to this due process document. Should you have any questions regarding the above, please contact me at (407) 869-9254 or lkmdennis@gmail.com.

Sincerely,

Lynda M. Dennis, CPA, CGFO, PhD