Oct. 24, 2016

Director of Research and Technical Activities
Project No. 19-25E
Governmental Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Submitted via email to director@gasb.org

**Re: Certain Debt Extinguishment Issues (Project No. 19-25E)**

Dear Director of Research and Technical Activities:

The Virginia Society of CPAs’ (VSCPA) Accounting & Auditing Advisory Committee (the Committee) has reviewed the proposed Exposure Draft, *Certain Debt Extinguishment Issues*, issued by the Governmental Accounting Standards Board (the Board). The VSCPA is a leading professional association with more than 12,000 individual members dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism and advocating members’ interests. We appreciate the work the Board has undertaken on this effort, and the opportunity to respond to this Exposure Draft.

The Committee supports the Board’s objective to improve consistency in accounting and financial reporting for transactions in which only existing resources — those other than the proceeds of refunding debt — are placed in trust for the sole purpose of extinguishing debt. The Committee further supports the Board’s objective to improve accounting and financial reporting for prepaid insurance on debt that is extinguished, and notes to the financial statements for debt that is defeased in substance. Overall, we agree with the requirements of the Exposure Draft.

Again, the VSCPA Committee appreciates the opportunity to respond to this Exposure Draft.

Sincerely,

Charles M. Valadez, CPA, CGMA, CITP
Chair

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*2016–2017 VSCPA Accounting & Auditing Advisory Committee*

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