February 6, 2018

Director of Research and Technical Activities, Project No. 24-16ED
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
director@gasb.org

Re: Exposure Draft
Implementation Guide No. 201Y-X, Implementation Guidance Update -201Y (Project No. 24-16ED)

Dear Sir:

The Michigan Government Finance Officers Association (MGFOA) has reviewed the Invitation to Comment of the Governmental Accounting Standards Board on the Proposed Implementation Guide of the Governmental Accounting Standards Board (Project No. 24-16ED), dated November 20, 2017. We offer the following responses to your specific questions:

General Comment – While reviewing the Q&A section of the exposure draft, we found it cumbersome to look up previous versions of the Implementation Guide that were being referenced. We would like to recommend that language from previous guides be quoted in the body of future updates for ease of review. Additionally, we feel that the Implementation Guide is becoming difficult to use and make reference to, because there is no single consistent numbering system. For example, question 4.6 references Guide 2017-1 in the question, and Guide 2016-1 in the answer. We recommend that the board either return to a single, comprehensive implementation guide numbering format, or alternatively, use only the codification for reference purposes.

Question 4.4
The last sentence of this question states: “If the utility elects to apply the regulated operations guidance in paragraphs 476-500 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, should those qualifying costs be reported as a regulatory asset rather than as expenses?”

We recommend clarifying the scope of the question earlier by making last sentence of Question 4.4 the first. We believe that the phrase “if the utility elects to apply...” is key, and if it were included as the first sentence, it will reduce confusion by readers who have not made the referenced election.

Question 5.1
We would like to thank the GASB for providing marked-up changes to the Amendments to Previously Issued Questions and Answers in Appendix B. This made for a quick and easy review of the changes.
These comments represent the consensus opinion of the Accounting Standards Committee and have been approved by our Board of Directors. Thank you for your consideration and the opportunity to express our points of view.

Very truly yours,

Tamar Lewis, President
Michigan Government Finance Officers Association