



# OAG

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Letter of Comment No. 013  
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**Doug A. Ringler, CPA, CIA**  
Auditor General

April 29, 2019

Mr. David R. Bean  
Director of Research and Technical Activities, Project No. 3-24  
Governmental Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

We appreciate the opportunity to respond to the Governmental Accounting Standards Board's exposure draft of a proposed implementation guide entitled *Leases*. We generally agree with the responses in the guide and we expect they will be an invaluable resource for preparers and auditors. The guide does a very good job of indexing the issues by topic and we appreciate the Board's efforts to segregate the guidance from both the lessee and lessor perspectives.

One item that we would request further clarification on is the response to question 4.3. Paragraph 8a of Statement 87 notes that the Statement does not apply to "Leases of intangible assets...." We note that paragraph 1 of Statement 51 states that "Examples of intangible assets include easements...." Therefore, we were not expecting the response to Question 4.3 to include the phrase "An easement is a lease only if it meets the definition of a lease." Since we had considered easements as an intangible asset and therefor categorically excluded from lease accounting, additional guidance on why easements may be subject to lease accounting would be appreciated.

Sincerely,

Doug Ringler  
Auditor General

c: C. Murray, CPA, CIA

Via e-mail