



August 22, 2013

*Advancing  
Government  
Accountability*

2208 Mount Vernon Ave.  
Alexandria, VA 22301-1314  
PH 703.684.6931  
TF 800.AGA.7211  
FX 703.548.9367  
www.agacgfm.org

Mr. David R. Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board (GASB)  
401 Merritt 7  
Norwalk, CT 06856-5116

Project No. 25-20

Dear Mr. Bean:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Governmental Accounting Standards Board (GASB or the Board) on the exposure draft entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. (ED). The FMSB is comprised of 25 members (list attached) with accounting and auditing backgrounds in federal, state and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

Under the current standard, a government employer (or nonemployer contributing entity) is required to recognize as a deferred outflow of resources any contributions that it makes to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability that may arise from other types of events. Statement 68 also provides that if, at transition to Statement 68, it is not practical for a government to determine the amounts of all deferred outflows of resources and deferred inflow of resources related to pensions, then the beginning balances for the deferred outflows of resources and deferred inflows of resources related to pensions should not be reported.

It has been pointed out that while it may not be practicable to determine the beginning balances related to all events, information relative to contributions made between the measurement date and the end of the reporting period is available. Concern had been expressed under the current provision, there is the potential for a significant misstatement of a government's beginning net position and subsequent expense by the failure to recognize as a deferred outflow the government's pension contributions made between the measurement date and the government's period end.



We agree with the amendment proposed by the Board and support its adoption. However, we are concerned that in Appendix C, paragraph 14, the Board has stated that this change shall not be incorporated into the Codification of Governmental Accounting and Financial Reporting Standards (Codification). We believe that this should be incorporated into the Codification as this is guidance that is frequently cited in the work of the auditors associated with government financial statements. We encourage the Board to incorporate this matter into the Codification.

We appreciate the opportunity to comment on this document and would be pleased to discuss this letter with you at your convenience. A majority of the FMSB members approved of the issuance of this letter of comments. If there are any questions regarding the comments in this letter, please contact Steven E. Sossei, CPA, and AGA's staff liaison for the FMSB, at [ssossei@agacgfm.org](mailto:ssossei@agacgfm.org) or at 518-522-9968.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric S. Berman', with a long horizontal flourish extending to the right.

Eric S. Berman, CPA,  
Chair- AGA Financial Management Standards Board

cc: Mary Peterman, CGFM, CPA  
AGA National President

**Association of Government Accountants  
Financial Management Standards Board**

**July 2013 – June 2014**

Eric S. Berman, Chair  
Devi Bala  
Frank D. Banda  
Robert L. Childree  
Irwin T. David  
Vanessa Davis  
Jeanne B. Erwin  
Richard Fontenrose  
J. Dwight Hadley  
David R. Hancox  
David C. Horn  
Albert A. Hrabak  
Matthew A. Jadacki  
Drummond Kahn  
Simcha Kuritzky  
Valerie A. Lindsey  
Edward J. Mazur  
Craig M. Murray, Vice Chair  
Suesan R. Patton  
Harriet Richardson  
Roger Von Elm  
Donna J. Walker  
Stephen B. Watson  
Sheila Weinberg  
Brittney Williams-Spross

Relmond P. Van Daniker, Executive Director, AGA (Ex-Officio Member)  
Steven E. Sossei, Staff Liaison, AGA