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November 26, 2003

Ms. Wendy M. Comes, Executive Director
Federal Accounting Standards Advisory Board
Mailstop 6K17V
441 G Street NW, Suite 6814
Washington, DC 20548

Dear Ms. Comes:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft: *Proposed Statement of Federal Financial Accounting Standards – Heritage Assets and Stewardship Land: Reclassification from Required Supplementary Stewardship Information*. This proposed standard would change the classification of information reported for heritage assets and stewardship land from supplementary information unique for Federal financial reporting to basic information except for condition information, which would be classified as required supplementary information.

The FMSB, comprised of 20 members with accounting and auditing backgrounds in federal, state, and local government, academia, and public accounting, 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.

The FMSB would like to offer the following responses to the specific questions included in the Exposure Draft:

- 1. This exposure draft proposes that heritage assets information be reported as basic information, except for condition information, which would be reported as RSI. Do you agree with this proposal? If not, please explain your reasons and the alternative that you would prefer.**

The FMSB generally concurs with the proposal to change the reporting of these assets to basic information, although there is a question whether this is cost beneficial in all circumstances.



2. **This exposure draft proposes that stewardship land information be reported as basic information, except for condition information, which would be reported as RSI. Do you agree with this proposal? If not, please explain your reasons and the alternative that you would prefer.**

The FMSB generally concurs with the proposal to change the reporting of these assets to basic information, although, again, there is a question whether this is cost beneficial in all circumstances.

3. **This exposure draft proposes minor changes to the current disclosure requirements for heritage assets and stewardship land. Specifically, it requires additional reporting disclosures about entity stewardship policies and an explanation of how heritage assets and stewardship land are pertinent to the entity's mission. Do you foresee any problems with this new disclosure requirement?**

While generally supported by the FMSB, these changes, although viewed by the FASAB as minor, raise the auditor's responsibility for the accuracy of this information, which may result in higher costs for the audit; particularly if the audited entity cannot keep their descriptions "brief" and "concise" as provided for in the proposed standard.

4. **This exposure draft proposes an effective date for periods beginning after September 30, 2004. Do you agree with this effective date? If not, what date would be preferable and why?**

The FMSB generally supports the proposed effective dates although there was some support for a one-year delay to allow time to establish more credible opening balances, particularly in light of the accelerated financial statement process and audits.

5. **This exposure draft uses the term "significant" in par. 28 and 44 to describe heritage assets and stewardship land for which an entity should provide the required disclosures. The consensus of the Board was that the preparer should be allowed to exercise professional judgment in determining if the heritage assets and stewardship land are significant. Do you agree? If not, what factors or criteria should be considered to define certain heritage assets and stewardship land as significant?**

The FMSB strongly agrees that only entities with “significant” heritage assets and stewardship land should implement the required disclosures. In making this comment, the FMSB considered the use of the word “significant” the same as the GASB and FASB uses at the end of each their pronouncements, that reads, “The provisions of this Statement need not be applied to immaterial items.”

Again, the FMSB appreciates the opportunity to provide comments on this Exposure Draft. Should you have any questions, or desire further details on the FMSB’s position, please contact me at MurrayC@michigan.gov or (517) 334-8050 or the FASAB facilitator, Barry Snyder, at barry.snyder@frb.gov or (202) 973-5003.

Sincerely,

A handwritten signature in blue ink that reads "Craig M. Murray". The signature is written in a cursive style.

Craig M. Murray, CPA, CIA, Chair
AGA Financial Management Standards Board

cc: Mr. Jullin Renthrope, CGFM
AGA National President