



October 4, 2019

Mr. David R. Bean, Director of Research and Technical Activities  
Project No. 37-1  
Governmental Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

VIA Email: [director@gasb.org](mailto:director@gasb.org)

Dear Mr. Bean:

On behalf of the AGA, the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Government Accounting Standards Board (GASB/Board) on its Exposure Draft, *Omnibus 20XX* and is respectfully providing feedback on the Board's views.

The FMSB is comprised of 19 members (list attached) with accounting and auditing backgrounds in federal, state and local government, and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA and the local AGA chapters and individual members are also encouraged to comment separately.

**Effective date of Statement 87** – We agree and have no comments.

**Intra-Entity Transfers of Assets** – We appreciate the Board providing additional guidance regarding intra-entity transfers of assets. However, we noted a couple of concerns as a result of the proposed guidance. First, we recommend the Board provide guidance on the effect the nonfinancial contribution would have or not have on the discount rate used by the pension/OPEB plan. Second, we recommend the Board address the issue of the proper treatment of the contribution related to whether to include or exclude the amount from the allocation calculation of net pension liability for cost sharing plans.

**Reporting Assets Accumulated for Defined Benefit Postemployment Benefits Provided through Plans That Are Not Administered through Trusts That Meet Specified Criteria** – We were confused as to the course of action a preparer or auditor is to follow in order to apply this paragraph. We recommend the Board include the actual changes to Statements 84, 73 and 74, in this paragraph as presented in the Basis for Conclusion. We believe this clarification is necessary to explicitly state the paragraph's intention without the reader having to go the Basis for Conclusion or other Standards. We recommend the following sentences be added and modified as needed to the current paragraph:

*the Board concluded that the language affected by Statement 84 should be further modified. Therefore, this Statement clarifies the applicability of the requirements of Statements 73 and 74.*

*the requirements in paragraph 21 of Statement 84 should be applied in the circumstances addressed in paragraph 116 of Statement 73 and paragraph 59 of Statement 74, as amended. Therefore, this*

*Statement modifies the requirements of Statements 73 and 74 to remove the liability recognition provisions.*

*the requirements in paragraphs 22 and 25 of Statement 84 should be limited to defined benefit plans.*

**Exception to Acquisition Value in a Government Acquisition** – We agree and have no comments.

**Reinsurance Recoveries** – We agree with the Board’s decision to clarify the inconsistency within paragraph 37 of GASB Statement No. 10. However, members of the FMSB discussed whether the Board should have concluded one or the another instead of providing options to the preparer. Allowing options does not provide consistency amongst reports. Members also wondered if the treatment of netting is consistent throughout the GASB Pronouncements. We did a search and found netting is used in derivative instruments (due to master netting agreements,) in addition to insurance, pollution remediation and other elements of GAAP contained in GASB Statement No. 62. This is an area we believe GASB should consider addressing to have more consistency across the standards.

**Nonrecurring Fair Value Measurements** - We agree and have no comments.

**Terminology Used to Refer to Derivative Instruments** – We agree and have no comments.

We appreciate the opportunity to comment on this document and will be pleased to discuss this letter with you at your convenience. If there are any questions regarding the comments in this letter, please contact me at (208)383-4756 or [Lmiller@eidebailly.com](mailto:Lmiller@eidebailly.com).

Sincerely,

A handwritten signature in cursive script that reads "Lealan Miller".

Lealan Miller, CGFM, CPA  
Chair- AGA Financial Management Standards Board

cc: Ernest A. Almonte, CGFM, CPA, AGA National President

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