



January 31, 2017

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

Project: 24-16ED

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 Government Accounting Standards Board (GASB) on its November 16, 2016 exposure draft entitled *Implementation Guide No. 201X-Y, Implementation Guidance Update—201X*. The FMSB is comprised of 23 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.

This proposed Statement provides guidance that clarifies, explains, or elaborates on GASB Statements and Interpretations. It is our understanding that the requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer.

We have questions, request for clarifications and suggested changes for the following items:

Question 4.2:

While the answer only deals with specific aspects relating to government hospital and a LLC, we encourage the Board to expand the question and answer to address other factors that may affect the blending of a LLC. These other factors would include, but are not limited to: majority ownership, but not 100% ownership, whether there is a separate board for the LLC, but (in this case,) the hospital still has approval authority over the operating and capital budgets and are responsible for managing the operations.

Questions 4.4 – 4.6 and 4.7-4.11;

We are not sure of the purpose for having separate questions all related to the same issue with variations serves. Several of our members believe it was cumbersome to read each one separately when all the issues could be addressed in one question and answer. Perhaps a table with possible outcomes could add clarity.

Question 4.39:

In the body of the question, we would suggest that information be included about the money market mutual fund being subject to the Securities and Exchange Commission's requirements. This is stipulated in the answer, but we feel it provides more clarity in the question as many preparers are not aware of the Securities and Exchange Commission requirements.

Question 4.40:

We encourage the board to provide additional clarification whether the description used for GASB 54 had to be the same as in the statement of revenues, expenditures, and changes in fund balances and / or statement of activities or whether a different description could be used but at the same level of detail as required by Statement 34.

Question 5.1:

We ask the Board to clarify what are the exceptions referred to in the answer “except for certain component unit presentations subject to Statement 14...” We also note that the question will require further potential amendment upon implementation of GASB Statement No. 84, *Fiduciary Activities*, which at the very least would delete the reference to GASB Statement No. 32 and Question 1.52.1.

Question 5.5 and 5.6

We recommend the Board combine these two questions in the spirit of simplification.

As with all standard setting bodies, we encourage GASB to consider transitioning to a codification similar to the FASB model. We believe this is necessary as the number of standards and amendments continue to increase. Codification makes amendments easier to communicate and administer but also allows for standards to be organized in a logical order rather than evolution.

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

Sincerely,

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

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

cc: Doug Glenn, CPA
AGA National President

Association of Government Accountants
Financial Management Standards Board

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