



January 31, 2019

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

Dear Mr. Bean:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers, we appreciate the opportunity to respond to the Governmental Accounting Standards Board's Exposure Draft (ED), *Implementation Guidance Update – 2019*.

We generally agree with the provisions of the ED. However, we have the following specific comments that we believe the Board should consider as it finalizes this guidance.

Question 4.4

We believe that the first sentence of the answer adds unnecessary complexity. We suggest eliminating that sentence, resulting in an answer similar to that for questions 4.5 and 4.6.

Question 4.13

We suggest expanding the response to discuss required disclosure when also applying paragraph 8(b) of Statement 77. Paragraphs 7(b) and 8(b) both appear applicable to the question posed.

Question 4.9

The answer states that insurance recoveries that are "realized or realizable" in the same year as the associated expenditures should be netted against those expenditures in governmental funds. However, "realized or realizable" does not match the "measurable and available" revenue recognition criteria for governmental funds. For example, the insurance recovery has been acknowledged but is not received (or expected to be received) until after the government's defined availability period for revenue recognition in the current period governmental funds. Based on the ED, it appears that the Board would consider it appropriate to net that recovery against the expenditure in that period. However, based on the current financial resources measurement focus criteria of measurable and available, it seems like it would not be appropriate for the government to net against those expenditures of the current period if an insurance recovery is received after the government's availability period. We request that the Board provide additional clarification.

Question 4.12

We concur with the use of deferred inflows of resources instead of fund balance. Since GASB Statement 54 was issued before GASB Statement 65, we believe that statement would supersede GASB Statement 54, paragraph 6. Please clarify if this means that guidance for paragraph 6 is no longer viable moving forward.

National Association of State
**Auditors, Comptrollers
and Treasurers**



We appreciate the opportunity to provide our comments. Should you have any questions or need additional information regarding our response, please contact Kim O’Ryan of NASACT at (859) 276-1147 or me at (602) 542-5405.

Sincerely,

A handwritten signature in black ink that reads "D. Clark Partridge". The signature is written in a cursive, flowing style.

D. Clark Partridge
President, NASACT
State Comptroller, Arizona