



January 27, 2020

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 – 2020*.

We have the following comments we believe the Board should consider as it finalizes this statement.

*Questions 4.5 and 4.6*

We request that the Board provide additional clarifying language for the relevant factor that creates the difference in the scenarios for these two questions, including what objective criteria within administrative involvement produces the different conclusions and whether the answers to each question would change if the number of activities the student organization engages in were different, or if the school board monitors compliance with its policy (GASB 84, footnote 1(a)).

*Question 4.8*

We believe it would be easier to follow if “electric utility” and “telecommunications company” were used throughout the question and answer instead of shortening to “utility” and “company.”

*Question 4.10*

We suggest that the Board amend its previously published documents concerning GASB 87 to clarify or remove the term “elects to” when it appears, because the currently published terminology can lead to confusion regarding whether “elects to exercise an option” differs in timing from “exercise the option.”

*Question 4.11*

Question 4.19 in the *Leases Implementation Guide No. 2019-3*, says that “Paragraph 16 of Statement 87 states that for a lease that is cancellable by ‘either the lessee or the lessor,’ the maximum possible term is the noncancellable period. The intent of the provision is that the lessee and the lessor *both* have a right to cancel.” We request the Board clarify the answer to Question 4.11 in this ED that **both** the lessee and the lessor have the right to cancel, resulting in the maximum possible term being the 60-day notice period. We believe the use of the word “either” is not clear, and could lead to inconsistent application.

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 (802) 828-3322.

Sincerely,

*Beth Pearce*

Beth Pearce  
President, NASACT  
State Treasurer, Vermont