

From: Gerry Boaz [mailto:Gerry.Boaz@cot.tn.gov]

Sent: Friday, April 26, 2013 9:00 AM

To: 'Poynter, Kinney'; GASB Scope

Cc: Deborah Loveless; Justin Wilson

Subject: RE: FAF Proposes Changes to GASB's Agenda-Setting Process - Your Feedback is requested

Kinney, our comments on the proposed changes are as follows:

1. We believe that for group 2 information covered in categories 4-7 on page 4 that GASB must demonstrate how the information to be included in notes to basic financial statements and RSI are essential for understanding or placing into context the amounts presented in the basic financial statements. If this cannot be demonstrated, we believe the information falls within Group 3 and thus outside of GASB's jurisdiction. Therefore, GASB would have to document why/how items not clearly in Group 1 are within its scope, mission, and/or jurisdiction.
2. On page 7 under Group 2 (#1a), we are concerned that "need" ("...need for issuing guidance on the issue.") is too low of a threshold and too subjective for developing a project proposal. We suggest that the project proposal explicitly demonstrate how the financial accounting and reporting objectives of Concept Statement 1 are met (including cost/benefit) as a way to add some objectivity to the "need" attribute.
3. Also on page 7 under Group 2 (#2) and page 8 under Group 2 (step 3 #2ai), we believe the proposal needs to clarify the additional stakeholder input obtained is from the same groups or is intended to obtain additional feedback from individuals and groups beyond the original attempt.
4. We strongly believe that the FAF Trustees and the Oversight Committee need to establish criteria to use in determining if Group 2 information is outside of GASB's jurisdiction. This criteria should be developed prior to finalizing this proposal. We also believe that any jurisdictional issues raised should be based on specific request by constituents rather than the Trustees initiating such concerns.
5. We agree that the FAF Trustees and the Oversight Committee should exercise their oversight responsibilities; however, we are concerned of the potential to impede GASB's independence as a standard-setting body. We also believe that the governmental FAF Trustees' opinions should carry more weight in this regard (i.e., 2 of the 3 governmental trustees cannot object to a GASB project proposal). This is important to ensure that governmental accounting and financial reporting issues remain in GASB's, not FASB's, jurisdiction.

I think this covers our concerns. If you have questions about our comments, give me a call.

Gerry Boaz, CPA, CGFM

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