



GOVERNMENT FINANCE OFFICERS ASSOCIATION OF TEXAS

March 5, 2018

Director of Technical and Research Activities
Governmental Accounting Standards Board
RE: Project No. 9-5
Via email to director@gasb.org

The Financial Reporting and Regulatory Response Committee of the Government Finance Officers Association of Texas (“GFOAT”) would like to take this opportunity to respond to GASB’s Exposure Draft on “*Accounting for Interest Cost during the Period of Construction.*” The GFOAT is an affiliate the Texas Municipal League, which represents over 1,100 Texas cities and towns. The GFOAT’s over 1,000 members represent all levels of state and local government in Texas. Additionally, GFOAT membership represents associates from the audit profession, the investment community, the underwriting community, and a variety of other private-sector finance professionals.

GFOAT thanks the GASB for the opportunity to provide feedback on this Exposure Draft, and is able to say that we fully support the change in accounting as proposed in the Exposure Draft. We agree that the value of a capital asset doesn’t change based on the financing of the asset, and support aligning the treatment of interest cost across both governmental and business-type funds. Having two existing treatments has caused confusion for preparers and auditors alike, and the GFOAT appreciates this simplified treatment.

GFOAT thanks you for proposing this change, and hopes that it will be swiftly adopted.

Respectfully:
(submitted via email)

Keith Dagen
FRRR Committee Chair
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