

From: Washabaugh Diane W NGA-FMC USA CIV

Sent: Friday, September 16, 2011 11:49 AM

To: Savini, Domenic N

Subject: FASAB: DM&R Draft Exposure Draft Document COMMENTS DUE September 16

Hi Dominic,

NGA's response to the DM&R Draft Exposure is below

Regards,
Diane Washabaugh
NGA
Acting Branch Chief – PP&E Audit Remediation

Q1. The Board proposes to eliminate the requirement to report condition information. Refer to paragraphs 13, 14, and 17 of the proposed standards and paragraph A8 in Appendix A - Basis for Conclusions for a discussion and related explanation. Do you agree or disagree with the Board's proposal to no longer require condition reporting? Please provide the rationale for your answer.

A1. Agree, since there are no federal or community-wide standards for assessing/measuring.

Q2. The proposed standards would require that DM&R estimates for beginning and ending balances be presented with an explanation of significant changes in estimates. Refer to paragraph 14.f. and g. of the proposed standard and paragraph A20 in Appendix A - Basis for Conclusions for a discussion and related explanation.
a. Do you agree or disagree that DM&R estimates for beginning and ending balances should be presented? Please provide the rationale for your answer.

A2a. Depends on the time period. Yes for annual, but no for more frequent, such as quarterly.

b. Do you agree or disagree with the requirement to explain significant DM&R changes? Please provide the rationale for your answer.

A2b. Agree, helps reader understand the changes.

Q3. The proposed standards state that entities should apply reported methods and reporting formats consistently unless management determines that changes are necessary and if changes to methods or formats are necessary, such changes should be explained. Refer to paragraph 11 of the proposed standards and paragraphs A10 and A11 in Appendix A - Basis for Conclusions for a discussion and related explanation.
a. Do you agree or disagree that entities should apply reported methods and reporting formats consistently? Please provide the rationale for your answer.

A3a. Agree, for consistency/comparability.

b. Do you agree or disagree with requiring an explanation if entities change methods or formats? Please provide the rationale for your answer.

A3b. Agree, explanation is required to help reader understand the reason for the method or format change.

Q4. The proposed standards would require entities to provide narrative information describing M&R policies and other non-financial information including any significant changes to policies and other factors from the prior year. Refer to paragraphs 13 and 14, items a. through f. of the proposed standards and paragraphs A11 and A17, respectively in Appendix A - Basis for Conclusions for a discussion and related explanation.

Do you agree or disagree with each of the above referenced requirements? Please provide the rationale for your answer.

A4. Agree, helps reader understand entity's program and aids comparability.

Q5. The proposed standards state that communication with and consideration of input from professionals in diverse disciplines is necessary to effectively compile and report DM&R. Refer to paragraph 11 of the proposed standards and paragraphs A15 and A16 in Appendix A - Basis for Conclusions for a detailed discussion and related explanation. Do you agree or disagree that communication with and consideration of input from professionals in diverse disciplines is necessary to effectively compile and report DM&R? Please provide the rationale for your answer.

A5. Agree, input from diverse disciplines will provide different perspectives.

Q6. The proposed standards would eliminate the option to report a range of DM&R estimates and the distinction between critical and non-critical amounts. The reported amount of DM&R may be disaggregated in a variety of ways without explicit mention in the standards. Refer to paragraph 14 of the proposed standards and to paragraphs A18 and A19 in Appendix A - Basis for Conclusions for a discussion and related explanations.

a. Do you agree or disagree with eliminating the option to report a range of DM&R estimates? Please provide the rationale for your answer.

A6a. Agree, single estimate is more appropriate and aids comparability.

b. Do you agree or disagree with eliminating the distinction between critical and non-critical DM&R estimates? Please provide the rationale for your answer.

A6b. Agree, "critical" definition is not consistent.

Q7. The proposed standards would be effective beginning in fiscal year 2015 with earlier implementation permitted.

Do you agree or disagree with the proposed effective date? Please provide the rationale for your answer.

A7. Agree, allows sufficient time to implement changes.