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Mr. David R. Bean
Director of Research and Technical Activities
Government Accounting Standards Board (GASB)
Project No. 24-16ED
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Re: Proposed Implementation Guide No. 201Y-X, *Implementation Guidance Update—201Y*

Dear Mr. Bean,

The Association of Local Government Auditors (ALGA) appreciates the opportunity to respond to GASB's exposure draft of the proposed Implementation Guide No. 201Y-X, *Implementation Guidance Update—201Y*. Our organization represents approximately 300 member organizations comprising 1,700 auditors. This topic is of interest to our members, and we encourage individual audit organizations and members to comment independently should they choose to do so.

We have reviewed the proposed Implementation Guide and appreciate the GASB providing guidance that clarifies, explains, and elaborates on GASB Statements. Overall, we believe the Implementation Guide meets its intended objective. Many of the responses to the questions are very thorough due to the complexity of the subject matter which we agree are necessary for the user's understanding. However, to further enhance the user's understanding, some questions and answers could be simplified or modified as discussed below.

1. Consider deleting the last sentence of the answer to paragraph 4.5, beginning, "However, utilities generally are regulated based on lines of operation...." This sentence does not serve to explain the answer provided. Instead, it suggests that the scenario presented in the question is rare. Even if that is true, it does not serve to elaborate, clarify, or explain Statement No. 62.

2. In paragraphs 5.3 and 5.4, consider restoring the original wording, “The volunteers are not paid a salary. Therefore, there is no covered payroll.” Presumably, these sentences were removed because the information is self-evident (volunteers being unpaid). However, the removed sentences provided a simplistic approach by clearly explaining why the Statement requirements do not apply.
3. Likewise in paragraphs 5.3 and 5.4, consider striking the sentence, “Employer contributions to the pension plan are not based on a measure of pay; as a result, there is no covered payroll.” This information seems to complicate the question and answer, because an employer plan for paid (non-volunteer) members may also make contributions that are a dollar amount per covered member, not an amount based on a measure of pay.

Respectfully submitted,

Nicole Rollins
Chair, Professional Issues Committee

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