

June 19, 2007

Governmental Accounting Standards Board

Attention: Director of Research and Technical Activities

director@gasb.org

Reference: Project No. 3-21

Please accept the following comments on the Exposure Draft(ED) of the proposed Statement of Governmental Accounting Standards regarding Land and Other Real Estate Held as Investments. In general, the Technical Accounting Review Committee (TARC) of the Illinois Government Finance Officers Association (IGFOA) is in concurrence with the proposed statement. We respectfully request that consideration be given to a laddered approach in implementation of the new accounting standard, as well as allowing for less than annual valuations. The Governmental Accounting Standards Board has taken a laddered approach in implementation of new accounting standards in the past to mediate the cost of implementation. The expense to calculate fair values of land and real estate on an annual basis may be overwhelming for smaller governmental agencies. Therefore, we have two suggestions:

1. Create a tiered approach to implementations similar to that of GASB Statement 34 and Statement 45. This will allow governments a chance to plan for its implementation and determine the best method for implementation.
2. Similar to the necessity for actuarial assessments on GASB Statement No. 45, we recommend that a threshold be created for smaller governments to have valuations done once every two or three years as opposed to every year.

The IGFOA appreciates the opportunity to comment on the ED. We would be happy to discuss this concern with you at your convenience. Please contact me at 847-968-3223 or bmcleod@co.lake.il.us. Thank you.

Sincerely,

Bonnie M. McLeod
Chair, Technical Accounting Review Committee
Illinois Government Finance Officers Association