

#1

Mitch Laine

Non-Federal - Other

>>> On 12/16/2008 at 8:04 PM, <mitchlaine@comcast.net> wrote:  
hi wendy - happy holidays

below is my comment to fasab regarding the ppe ed:

in response to the PPE ed, i think that fasab should rescind sffas 23 and acknowledge that it is not useful to spend a significant amount of time and effort to require national defense assets to be included on the balance sheet - an alternative treatment is to expense them and simply consider them the cost of defense readiness

capitalizing these assets provides no useful information to financial statement readers - what ever happened to the cost benefit test?

and i assume that the dept of defense tracks these assets for operating purposes and doesnt need to put them on the balance sheet to assure proper control (if they dont track them we really are in bad shape!)

the time and effort spent on capitalizing these assets should be used to clean up the real major accounting issues that preclude defense from getting out reliable statements

mitch laine