Idaho State Controller’s Office

Comments to GASB regarding Invitation to Comment on Financial Reporting Model Improvements – Governmental Funds

March 2, 2017

2.1 – No, we do not believe the governmental fund financial statements should continue to present information that reflects a shorter time perspective than the information which is presented in the government-wide financial statements. We believe the shorter time perspective or differing recognition approaches can create confusion or perhaps a lack of understanding about the governmental fund statements by financial statement users.

2.2 – Yes, we believe that governmental fund financial statements should continue to present information that facilitates comparisons with a government’s budgetary information. This is an important tool to demonstrate accountability and transparency to the citizenry.

2.3 – The short-term recognition approach provides the most relevant information. The short-term approach most accurately represents the financial resources available for meeting a government’s needs in the current operating cycle. Additionally, we believe if governments were to use the near-term approach, the information presented would not be relevant by the time the financial statements are published.

2.4 – We believe the short-term approach to reporting Tax Anticipation Notes (TAN) is most appropriate. It provides transparency to financial statement users regarding the government’s outstanding balances and liabilities by placing TAN on the balance sheet.

2.6 – We believe the short-term approach provides the most valuable information. We do not have any suggestions on how to make the approach more valuable.

2.7 – We believe having the same page reconciliation would make it easier and more efficient for users to identify differences between the governmental and government-wide financial statements. Additionally, the use of specific terminology may be helpful.

3.2 – No, we do not believe a statement of cash flows should be required for governmental funds. Though governmental funds are not reported on a cash basis they are reported with a shorter term perspective. Secondly, we have not received a request or heard any desire from our financial statement users to include a statement of cash flows for governmental funds. Thirdly, it would put an additional strain on financial statement preparers to produce more statements than is currently required by GAAP or desired by stakeholders while still operating within the same time constraints.

3.3 – Difficulties of preparing and presenting a statement of cash flows would include; additional resources and time when preparers are already being pressed to produce financial reports more quickly, incurring programming expenses to update current financial reporting systems, and training personnel.

Thank you for the opportunity to comment.