Invitation to Comment  Financial Reporting Model Improvements-Governmental Funds

2.1 I believe that governmental fund financial statements should continue to present information that reflects a shorter time perspective than the information presented in the government-wide financial statements. The fund financial statements show a short-term picture that aligns with the annual budget.

2.2 I believe that the governmental fund financial statements should continue to present information that facilitates comparisons with our budgetary information. Our Village Council believes that the budget process and approval of the Village's budget is one of the most important things that they do. Village Staff prepares a detailed budget document, along with a presentation to highlight important areas of the budget. Discussions are held during a series of meetings to gather public input. It is important to the Village to be able to see the actual results compared to the budget in order to be transparent to our residents. Additionally, compliance with the budget has legal significance in the State of Illinois which is important to communicate in our annual financial statements.

2.3 I think that a near-term approach would provide the most relevant information for assessing fiscal accountability as the approach more closely aligns to the budget.

2.4 No comment, not applicable to the Village.

2.5 The definition of financial resources that provides the most valuable information is the "items that are consumable in lieu of financial resources". Having a prepaid asset or inventory on hand prevents the need to purchase financial resources in a future period. These items match expenses to the period in which it is consumed, rather than the period it was purchased.

2.6 I agree with the hybrid approach proposed by the Technical Accounting and Review Committee (TARC) of the Illinois Government Finance Officers Association (IGFOA).

2.7 A same page reconciliation would not be feasible due to space limitations.

3.1 I strongly prefer the existing format and believe the current and long-term activity format would be too confusing to users of the financial statements. Much time would need to be spent educating Village Management/Council on these changes and the statements may become so difficult to understand that they are meaningless. I also believe the terms revenues and expenses should be retained. They are easy to understand for all users.

3.2 There is little new information provided by the proposed governmental statement of cash flows that doesn't already exist on the statement of revenues, expenditures and changes in fund balances for governmental funds. Any incremental value gained by preparing the statements would be more than offset by the additional time and cost to prepare them.

3.3 As stated in 3.2 above, the cash flow statements would take more time to prepare, add cost, and provide minimal value.

3.4 As noted above, I believe the cash flow statement is unnecessary.