February 15, 2019

Mr. David Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
Project No. 3-251  
401 Merritt 7  
Norwalk, CT 06856-5116

Dear Mr. Bean:

Thank you for the opportunity to comment on the Board’s Preliminary Views (PV) in relation to the Financial Reporting Model project. We appreciate the GASB’s efforts to provide consistency to government financial statements.

Reporting Approach

We strongly believe that any benefit from the majority view is minor and that the current model with some tweaks, or the near-term model as proposed in the ITC best shows whether a government has sufficient financial resources to cover upcoming costs and relates better to the state’s budget.

In regards to the short-term approach favored by the majority of board members, we have concerns about the use of the term “normally.” Transactions that are normal for the State of Oklahoma may not be normal for a different government and presenting an element as short-term or long-term based on the treatment by other governments could mislead users of the financial statements.

Wording on Financial Statements

Explicitly stating that the presentation is different from the government-wide financial statements seems redundant and unnecessary and takes up room on the sheet that is already in short supply. This information is discussed in the Summary of Significant Accounting Policies and shown in the reconciliations.

Schedule of Entity-Wide Expenses by Natural Classification

We are opposed to adding this schedule in RSI but not opposed to allowing it in Other Supplementary Information on a voluntary basis. The report will require agencies to categorize balances of their payables and other liabilities, which will be a new process that may require system modifications and could increase the use of estimates. There are concerns about the amount of time...
this requirement could add to the preparation and audit of the CAFR, especially if it is RSI. We already struggle to issue the CAFR by December 31.

We appreciate the GASB’s efforts and the opportunity to provide input to the decisions that affect us. Thank you for your consideration of our comments.

Sincerely,

Lynne Bajema, CPA
State Comptroller
State of Oklahoma