January 19, 2021

Director of Research and Technical Activities  
Governmental Accounting Standards Board  
401 Merritt 7, P O Box 5116  
Norwalk, CT 06856-5116  
director@gasb.org

Project No. 4-6P

Dear Sir:

Thank you for the opportunity to comment on the Preliminary Views, Revenue and Expense Recognition.

We agree the proposed revenue and expense recognition model would be an improvement to the current model. The proposed model would improve the consistency and comparability of information on revenue and expenses throughout governmental entities.

We believe the proposed categorization methodology for revenue and expense transactions provides clarity on transactions that do not fall under the traditional determination of whether a transaction is exchange, exchange-like or nonexchange based on an assessment of equal value.

We agree with the proposed asset and liability recognition for Category A and Category B revenue and expense transactions and believe governments will produce more comparable statements for users of the financial statements.

We believe the implementation of the proposed changes will be overall beneficial to the financial reporting process of governments; however, we do have concerns of the time and resources needed to implement the changes. We ask the Board to provide further guidance on the measurement component of the proposed model so we can more accurately determine the impacts on the governmental fund financial statements and government-wide financial statements. Specifically, we need more guidance on how the transaction amount should be determined and how to allocate that transaction amount to the ultimate performance obligation.

Thank you again for allowing us to participate in the standard-setting process.

Sincerely,

Brenda Morris, CPA  
Chief Financial Officer