Letter of Comment No. 22
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Director of Research and Technical Activities
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Project No. 3-20

Re: Preliminary Views on Recognition of Elements of Financial Statements and Measurement Approaches

Comments submitted by: Accounting and Auditing Standards Committee—Society of Louisiana Certified Public Accountants

Our committee members had differing interpretations on this Preliminary View and I am offering their suggestions/concerns as follows:

- There was some confusion as to exactly how this standard would impact the government financial statements and we would like the preliminary view to include **more guidance and examples** of how the ending statement would tentatively impact the look of the future financial statements of governments.
- There was some concern as to how this standard would affect small entities that have employees that lack the accounting expertise to implement the standard. I feel that some entities will have a hard time grasping this concept.
- There was some discussion on who the end users of this new information would be and how this would benefit these users. Some of the committee believe this standard could potentially be a disservice to financial statement users that won't understand the concept.
- The additional costs involved with implementing the standard could be more harm than benefit to small entities. Many may have to outsource the costs of capturing the changes that would be required for this standard.

We also felt that if some of the issues above were addressed that this standard could be beneficial to governmental accountability.

Sincerely,

Barbara A. Watts, Chairman

Society of Louisiana CPAs Accounting and Auditing Standards Committee