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Certified Public Accountants & Consultants

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Affiliations
Florida Institute of Certified Public Accountants
American Institute of Certified Public Accountants
Private Companies Practice Section
Tax Division

December 5, 2018

David Bean, Director of Research and Technical Activities
Government Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Financial Reporting Model Improvements

We have studied your Preliminary Views, Financial Reporting Model Improvements recently released. As an Auditor with over 31 years' auditing experience as well as experience writing and teaching Governmental training courses for one of the national firms as well as for various associations, I find the suggested changes to be far more confusing and complicated than helpful. Please allow me to explain. The most important user groups are the respective government's management and governing officials and the public. Recently released GAO Yellow Book continues to emphasize the need for the client to understand, be able to prepare and accept responsibility for the financial statements. At the same time, GAO is heightening the requirements for the auditor to remain independent. Most US Governments are still rebounding from the recession with limited resources for administration. The financial statements serve as a vital tool for management, the Board and the public. It is important to remind ourselves that the audit process and resulting financial statements are expensive and time-consuming and should be a useful tool that is understandable to the users and a reflection of actual revenue and expenditures. It is not to be an academic exercise designed at the behest of financial analysts. It is first and foremost imperative the financial statements continue to be prepared on a basis consistent with the respective budget and to serve as a practical and understandable management tool.

The volume of changes recently from the various standard setting groups have overwhelmed most governments and have left the above noted user groups struggling to understand. It is essential that there be a pause in new standards while GASB #75 is implemented.

Consistency is a valuable goal and a requirement of the current standards. The current standards strive for consistency. It is in the application those standards where consistency issues result. As such, changing the standards will not change adherence or application.

I have discussed these proposed changes with my colleagues and clients. We are unanimous in the belief that the standards governing the fund level financial statements should not be changed. Additionally, unanimous was the belief that the Government-wide financial statements are

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becoming less useful as a management tool and that the concept of “deferred inflows and outflows” is foreign and not easily explained to the citizenry.

I ask that you reconsider your direction in this effort and not change the reporting model. I thank for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey M. Tuscan". The signature is written in a cursive, flowing style.

Jeffrey M. Tuscan, CPA
For the Firm