



February 13, 2019

Via electronic mail

Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: Recognition of Elements of Financial Statements, Project No. 3-20

Thank you for the opportunity to comment on the Governmental Accounting Standards Board's (GASB) Recognition of Elements of Financial Statements, Project No. 3-20. The Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates GASB's continual efforts to listen to the feedback of preparers and interested stakeholders to provide consistent and relevant financial reporting for our governmental agencies.

We appreciate this project accompanying Project No. 3-25 Financial Report Model Improvements. These proposed views provide guidance on evaluating elements especially when the classification may be difficult to determine. However, we concurred with the alternate views set forth in Chapter 4.

The more complex a statement is to apply, the more likely that there will be varying degrees of application and reduced consistency between statements. This decreases the reliability and the completeness of the statements.

Additionally, at a time with the new Yellow Book coming out, when local governments should be less dependent on their auditors, adding complexity does not advance this goal.

Once again, on behalf of the PICPA, we would like to thank the GASB for its efforts in preparing this Invitation to Comment and for the opportunity to offer comments. Please feel free to contact us if you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "Cynthia L. Bergvall".

Cynthia Bergvall, CPA, Chair
PICPA GASB Subcommittee
Committee on Local Auditing and Accounting