

From: Terri Hall
To: GASB Director <director@gasb.org>
Subject: Project No. 3- 20: Recognition of Elements of Financial Statements

Dear Director of Research and Technical Activities, Project No. 3-20:

My response to the Preliminary Views on the Recognition of Elements of Financial Statements is as follows:

My general feedback is driven primarily from the perspective of the Economic Resources Measurement Focus. I appreciate the direction of the hierarchy approach to start with identifying if an item is an asset or liability, then deferred outflows / inflows of resources, and lastly whether it should be an outflow / inflow of resources. This direction drives home the fundamental importance of basics that accountants learned in accounting "101", "What is an asset, liability, etc.". Furthermore, with the deferred outflows / inflows of resources elements being newer (or in some cases unfamiliar) elements to some preparers, it will help reinforce what all elements represent.

In closing, if we can identify what we are working with first, then, we can better charter the direction by reporting on it and/or appropriately adjusting the balance over time. I like the consistent approach—everyone looking at items recorded in the financial statements in the same pecking order.

Sincerely,
Terri J Hall

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