



February 15, 2019

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

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

Dear Mr. Bean:

The Technical Accounting and Review Committee (TARC) of the Illinois Government Finance Officers Association (IGFOA) has reviewed the Preliminary Views (PV) on Recognition of Elements of Financial Statements. TARC would like to thank the Board for the opportunity to comment on this PV.

TARC appreciates the desire of the Board to create a conceptual framework. However, TARC feels that it is important that the Board review this letter in conjunction with its comment letter on the Preliminary Views on the Financial Reporting Model. There are several comments in that letter which communicate TARC's concerns on the short-term measurement focus and the use of the term "normal". Therefore, I will not reiterate those comments in this letter.

In reviewing this Preliminary Views, TARC thought the Board should move towards a conceptual application of classifying items as deferred inflows and deferred outflows. Paragraph 16 of the Preliminary Views indicates that, "...an item should be evaluated to determine whether it meets the definition of a deferred outflow of resources or a deferred inflow of resources." While a definition of deferred outflows/inflows does exist, the current standards also only list specified items which would be a deferred inflow or deferred outflow. If the Board is moving towards a conceptual framework, the Board should consider conceptual application of determining which items are deferred inflows and deferred outflows.

Again, TARC appreciates the opportunity to provide feedback to the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina Coyle", is written in a cursive style.

Christina Coyle, CPA
Chair, Technical Accounting Review Committee
Illinois Government Finance Officers Association