

memo

University of Illinois

To: Director of Research and Technical Activities
From: McCarthy, Phillip, Director of Financial Reporting and Administrative Accounting
CC: Ford, Janet; Rasmus, Brent; Englehardt, Courtney
Date: 2/14/18
Re: Written Comments – Recognition of Elements of Financial Statements, Project No. 3-20

Comments: Since the University of Illinois reports as a business-type activity using the economic resources measurement focus, my comments are focused on the sections of the Preliminary Views that would be most applicable and impactful – Chapters 1 & 3.

Chapter 1 – Objectives, Background, and Hierarchy of Recognition

The Preliminary View of the hierarchy of recognition as described in paragraphs 15 & 16 of Chapter 1 makes sense and would be easy to implement.

Chapter 3 – Recognition Concepts: Economic Resources Measurement Focus

Paragraphs 2 & 3, definition – Although I don't agree that GASB should have added the elements of Deferred Outflows of Resources and Deferred Inflows of Resources to the financial statements when it wrote Concept Statement no. 4, it is useful to users and preparers to know that the economic resources measurement focus incorporates all the elements as established in Concept Statement no. 4.

Paragraph 4 & 5, recognition concepts – the Board's preliminary view related to recognition concepts is adequate.