

Proposed statement of cash flows:

We do not support the alternative view for cash flows. As stated on page 44, paragraph B25 we appreciate the GASB's recognition that the perceived value of the cash flow statements does not justify the cost to prepare and audit the information.

Small government considerations:

In Colorado, governments with annual revenues or expenditures that do not exceed \$750,000 per year are allowed to request an exemption from audit. Governments are not required to provide GAAP financial statements and instead provide basic financial information in their request and as such, there are already provisions in place for Colorado smaller local governments. We agree with the Board's consideration that there should not be GAAP specific to smaller governments. However, we do not agree with the board's statement that once changes to statement and element titles are made in the first year of implementation, they would not have to be made again. While conceptually that is true, the average financial statement user at a smaller local government will not understand removing the terms "revenues" and "expenditures" and that will, therefore, cause continuous explanations year after year.

If you need additional information regarding our comments, please contact Crystal Dorsey via phone at (303) 869-3002 or via email at crystal.dorsey@state.co.us.