



February 22, 2021

Director of Research and Technical Activities  
Project No. 3-20  
Governmental Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Dear Director Skelton,

Please accept the following response from our appointed Accounting Standards Review Committee as official comment from the Oregon Governmental Finance Officers Association (OGFOA).

We are responding to the Government Accounting Standards Board's (GASB) request for written comments to Exposure Draft Project No. 3-20 Recognition of Elements of Financial Statements.

We appreciate the Board's commitment to improving the conceptual framework that governmental accounting rests on. There are too many areas where we don't yet have a solid base and we need to continue to improve.

We are in concurrence with the Board's definition and recognition concepts for the Economic Resources Measurement Focus and Accrual Basis of Accounting.

As we state in our response to the Reporting Model exposure draft we don't agree with the implementation of the Short-Term Financial Resources Measurement Focus and Accrual Basis of Accounting.

As we have stated in the past we would prefer that Governmental Funds be presented using the Economic Resources Measurement Focus and Accrual Basis of Accounting.

If that is not an option, we believe that a solid conceptual framework should be developed for the Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting.

If that also is not an option, we believe that what you are proposing here actually be the Accrual Basis of Accounting. E.g., short-term portions of bonds payable, short-term portion of accrued interest, short-

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term portion of compensated absences, etc. be included here. This should be the short-term portion of the government-wide financial statements.

We suspect that the Board tried to modify accrual accounting in a way that might create a basis of accounting that governments would use for their budgetary basis of accounting. We don't believe many governments will use this for their budgets. We suspect that governments will continue to use the Current Financial Resources Measurement Focus and Modified Accrual basis of accounting for budgeting.

We don't see any internal uses for this new Short-Term Financial Resources Measurement Focus and "Accrual" Basis of Accounting, and we're not convinced that there are external users who are going to use it. Internally, most will continue to refer to the budgetary schedules in the CAFR. We suspect that most external users will continue to use the government-wide statements and the budgetary schedules.

Maybe it doesn't need to be said, but, to be clear, we feel that GASB should continue to refrain from attempting to set standards for the budgetary basis of accounting.

We appreciate the opportunity to provide input on this exposure draft.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Harker", with a long horizontal flourish extending to the right.

Ron Harker  
Oregon Government Finance Officer Association President