



February 22, 2021

David Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
401 Merritt 7  
PO BOX 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean,

This letter is in response to Project 3-20 "Recognition of Elements of Financial Statements", thank you for the opportunity to provide comment on this Government Accounting Standards Board (GASB) Proposal.

I have been involved as a preparer of government financial statements for over twenty years at both the state and local level. Based on that background and experience I would like to submit the following comments related to Project 3-20 "Recognition of Elements of the Financial Statements".

I object to the recognition of transactions in short-term financial resources based on the inception of the transaction rather than on the financial statement period. The proposed change would result in changes to the historical and usual approach to the measurement of a government's financial condition as of the measurement date reported in the financial statements.

Unless the board is going to require governmental funds to report on a true accrual basis, using the term accrual basis in this exposure draft will provide two different definitions for a what is currently a commonly understood term. This would result in preparer, auditor and user confusion and lack of clarity when tried to understand and compare the financial statements to the standard. It is more would be more appropriate for the board to use a term other than accrual basis of accounting when referring to the proposed changes to the basis of accounting for short term transactions of financial transactions.

State and local government financial statements are already long and complex making them difficult for the average citizen to read and understand. Adding additional complexity to the financial statements

which do not align with budgetary accounting or other accounting concepts will make government financial statements more difficult and costly to prepare and audit.

In addition to the comments above I remain concerned by the increasing and continued complexity of the accounting standards by considered by the GASB. During this period of uncertainty due to the public health pandemic caused by COVID-19 now is not the right time to make financial statement preparation more complex, expensive.

Thank you for considering my comments.

Sincerely,



Bret D. Brodersen  
Finance Director