



CLA (CliftonLarsonAllen LLP)  
220 South Sixth Street, Suite 300  
Minneapolis, MN 55402-1436  
612-376-4500 | fax 612-376-4850  
CLAconnect.com

Letter of Comment No. 067  
File Reference: REC  
Project No. 3-20  
Date Received: 02/26/2021

February 23, 2021

Mr. David Bean  
Director of Research and Technical Activities, Project No. 3-20  
Governmental Accounting Standards Board  
Norwalk, CT

Via email: [director@gasb.org](mailto:director@gasb.org)

Dear Mr. Bean:

On behalf of the professionals serving governmental entities at CliftonLarsonAllen LLP (CLA), we appreciate the opportunity to comment on the Exposure Draft (ED), *Recognition of Elements of Financial Statements*, Project No. 3-20.

We agree with the hierarchy of recognition that is proposed in this ED. It makes sense and adds structure to the recognition process that is lacking in current guidance.

As we apply the concepts for the short-term financial resources measurement focus and accrual basis of accounting proposed in this ED to the *Financial Reporting Model Improvements* exposure draft, we are concerned there are too many issues in their application. As a result, we are unable to fully comment on this ED. Our concerns related to the application of these concepts are set forth in our separate comment letter that addresses the Exposure Draft, *Financial Reporting Model Improvements*, Project No. 3-25.

We thank the Board for the opportunity to comment.

Respectfully submitted by,

**CliftonLarsonAllen LLP**