



# FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

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February 26, 2021

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

Re: Project No. 3-20, *Recognition of Elements of Financial Statements*

Dear Mr. Skelton:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Governmental Accounting Standards Board's (GASB) Invitation to Comment on the Exposure Draft for Project No. 3-20, *Recognition of Elements of Financial Statements*. The comments below were prepared based on a review by the FGFOA members, its Technical Resources Committee, and the Board of Directors.

We generally concur with the goals of the Exposure Draft; however, our concurrence is conditional and with exception for the following points/questions.

Our overall concurrence with this ED and the other related proposals are based upon their current editions and barred any future changes that cause further divergence from the current-financial resources measurement focus. State and local governments must manage their finances according to the laws mandated to them, which can prescribe required budgeting practices that are not adaptable to changes in financial reporting rules. Moving governmental fund accounting and reporting further away from the budgetary basis already established within the laws and still requiring a comparison of budget-to-actuals in the financial statements may create confusion amongst financial statement users resulting in more operational cost for preparers in requiring lengthier reconciliation schedules.

We question whether the operational costs for implementing this proposal's guidance, if finalized, along with the other related projects' guidance (Projects No. 4-6P and No. 3-25) is worth the conceptual benefits. We recommend GASB performs field studies using volunteers to simulate implementation in an effort to measure the quantifiable associated operations costs prior to going forward with the proposals. Otherwise, GASB should look at modifying current guidance, where possible, to achieve some of the more cost-effective objectives that are trying to be achieved.

There are a few concerns involving the recognition and reporting of long-term transactions in the proposal and how they related to interperiod equity and accountability we would like the GASB to consider. With the current ED and the related *Revenue and Expense Recognition Preliminary Views* (Project No. 4-6P), expenditure reimbursement and purpose-restricted grants that can take longer than 12 months for the transaction to conclude for grant recipients will result in reimbursed expenditures occurring in one period and the reimbursement in another.

1. By not allowing the grant recipients in these situations to record short-term financial statement inflows (receivables and revenues), we are concerned that may not benefit the reporting entity in demonstrating the financial reporting objectives of accountability and compliance.

Letter of Comment No. 091  
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Project No. 3-20  
Date Received: 02/26/2021

2. We are concerned that reporting the inflow (revenue) when it occurs as revenue in the future period may not benefit the future taxpayer in terms of interperiod equity when it related to a prior period expenditure (outflow).

We would like to thank the GASB for its efforts in preparing the Exposure Draft and for the opportunity to respond. Please feel free to contact me at (407) 742-3467 or [Jamie.roberson@osceolaclerk.org](mailto:Jamie.roberson@osceolaclerk.org) regarding the comments above.

Sincerely,

A handwritten signature in black ink that reads "Jamie Roberson". The signature is written in a cursive style and is enclosed within a hand-drawn oval.

Jamie Roberson, CGFO  
President