March 31, 2017

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

Re: Project No. 3-251

Dear Research and Technical Activities Office:

The Texas Association of School Business Officials (TASBO) is respectfully submitting comments on the GASB Invitation to Comment (ITC) for Financial Reporting Model Improvements - Governmental Funds. TASBO surveyed key stakeholders on their perspectives on the ITC.

Texas stakeholders agreed that governmental fund financial statements should continue to present information that reflects a shorter time perspective than the information presented in the government-wide financial statements. They also agreed that governmental fund financial statements should continue to present information that facilitates comparisons with a school district’s budgetary information because the adopted budget (on modified accrual basis) is the primary legal basis for authorization to spend public funds for the legally adopted funds.

There was general disagreement with implementing a statement of cash flows for governmental funds. Stakeholders also expressed overall reservations with all of the three recognition approaches contained in the ITC. A majority of Texas school districts are small governmental entities and there are concerns with the complexities in implementing and explaining changes to the governmental fund statements to the governing boards in the many small school districts in Texas and to other stakeholders.

TASBO appreciates the opportunity to forward feedback on the ITC from Texas school districts. We also greatly appreciate the research efforts by GASB to develop improved reporting models to benefit local governments’ reporting activities to all stakeholders.

Respectfully,

Thomas D. Canby, Jr.
Associate Executive Director
Texas Association of School Business Officials

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