

June 25, 2020

Director of Research and Technical Activities  
Project No. 3-34  
director@gasb.org

RE: Proposed Exposure Draft - Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements

Dear GASB:

The views expressed herein are written on behalf of the Professional Standards Committee of the Texas Society of CPAs. The Professional Standards Committee has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our comments below on the above-referenced exposure draft.

In general, the committee agreed with the changes and reporting instructions as provided in this exposure draft. However, there is a concern about paragraph B14 on page ten of the exposure draft. This paragraph addresses information that is deemed not appropriate (paragraph ten on page three) for inclusion in the notes to the financial statements. Historically, auditors review the notes to the financial statements to ensure that the notes are complete; i.e., all required information is included. The Board's concern that additional information included by the client "may add unnecessary volume and complexity" to the notes has placed auditors in the position of editing client information beyond the necessary requirements.

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

Sincerely,



Lyle C. Joiner, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants