

From: Masami Higa
Sent: Thursday, March 08, 2012 4:40 PM
To: Director - GASB
Subject: Project No. 13-3

Dear Director of Research and Technical Activities,

I would like to provide my written comment but do not intend to participate in the public hearing to be held on March 29, 2012. As a personal observer, not representing any organization that I work for, I agree with the Board's view in all material respects. Without the "User" as defined in GASB Concept Statement 3 paragraph 21 being able to understand the basic financial statements in an operational and economic context, the "User" will continue to struggle to make "Uses of Financial Reports" as defined in GASB Concept Statement 1 paragraph 32.

Sincerely,

Masami Higa, CPA

From: Masami Higa
Sent: Wednesday, March 14, 2012 5:26 PM
To: Director - GASB
Subject: Re: Project No. 13-3

Dear Patti,

My main interest stems from my belief that the average taxpayer and elected officials do not have the level of accounting knowledge to decipher the message currently being disclosed under GAAP.

Cash flow projections may become the best common denominator for all interested party to comprehend a government's financial health.

Preventive medicine is better than curing an illness even for financial health but if the voters cannot understand the diagnoses currently being presented in CAFR's, cash flow projections may be the best alternative solution which elected and appointed officials usually resort to in their budget practices. The concept of reporting interperiod equity, as it was the intent of GASB34, may be too complicated for the average user because even some accountants that I have worked with have a hard time distinguishing between cash basis, modified accrual basis, and full accrual basis.

Sincerely,

Masami Higa