March 15, 2012

Director of Research and Technical Activities, Project No. 13-3  
Government Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116  

Re: Comment on Preliminary Views Project No. 13-3: Economic Condition Reporting: Financial Projections

Dear Director,

Please accept this response from the Kenai Peninsula Borough School District regarding your request for comments on the above referenced Preliminary Views Project No. 13-3.

While projections of fiscal sustainability are an important tool for entities to use, they do not belong in audited financial statements.

The use of such projections in a financial statement would be misleading at best, as the other information in the document shows the recent actual activity of the entity. The proper place for such projections is in a budget or financial projection used in planning. Additionally, projections that reach five years into the future require too many assumptions and are unreasonable.

We believe that including this information in the financial statement is inappropriate because users could see the projections and have false expectations about future performance. Making it a requirement to produce this information would be an additional burden to the entities. Compilation and reporting of these projections would redirect financial and human resources that are already in short supply in most entities and possibly delay the issuance of the financial statement.

Allowing or supporting projections and related narrative in a separate, supplemental section would be a way to provide entities who wish to include this information a standard way to do so. The choice to make this addition must be voluntary, however, as potential benefits do not justify the additional costs.

We appreciate this opportunity to provide input on the Preliminary Views.

Sincerely,

[Signature]

Dave Jones