

From: Daniel Morris  
To: GASB Director <director@gasb.org>  
Subject: Project No. 3-25

Dear Director Bean,

This morning it came to my attention that the Board is hearing comments on Project 3-25. Let me start by thanking you and the GASB for your work to improve the transparency of governmental finances. This is important work, and I fully support efforts to improve the amount and quality of information available to the citizens of our republic.

As a former budget analyst for the National Park Service, and a citizen and taxpayer in Louisiana, I believe that the true picture of our situation is rarely understood, and I think that it is important to illuminate the true long-term costs to the public. These, I believe, are rarely noticed and not well understood.

I believe, however, believe the “Statement of Short-Term Financial Resources Flows” fails to fully suffice. It certainly moves in the right direction, but it omits the largest expense: compensation costs associated with post-employment benefits and pensions. Unless these costs are fully published, it is impossible to see whether a general fund is truly balanced, or if it hides the long-term accruals and shifts them onto future taxpayers. Also, the incomplete and misleading picture provided by those omissions allows for the validation of budgets which include loans as revenues, and excludes non-current-year costs. In short, these make current budgets appear more attractive than they really are, supporting incomplete and ill-advised financial decisions to propagate, to the detriment of all.

Please hear my strong recommendation to include a general fund balance sheet and income statement prepared on a full accrual basis to the plan in addition to the other worthwhile proposals contained in the “Statement of Short-Term Financial Resources Flows.” These are essential to improving the financial transparency at all levels, and will all that citizens, policymakers, and taxpayers can fully understand the actions taken in their name, and for which they—we—will ultimately bear the full burden, to every jot and tittle. Thank you for your service and your time.

Most sincerely,

Daniel Morris