

Director of Research and Technical Activities,

Thank you for the opportunity to comment on Project Nos. 3-20 and 3-25.

Ten Years ago, I wrote a paper called GAAP for Government. If our SEC insists that investors must be told the truth about the financial condition of companies that our citizens can choose to invest in - why do we not demand the same level of transparency from our government entities - that we are forced to finance?

Unfortunately, your proposed standard and accompanying concept statement will establish a basis for financial statements that will continue to mislead citizens and taxpayers.

Governmental funds statements will continue to exclude some of the largest liabilities, and thereby show inflated net positions that can be advertised as "surpluses." Governments may choose to make their funds statements look better in the short run simply by under-funding necessary pension and other retirement benefit contributions.

At a time when it is vital that state and local governments provide reliable financial reporting, GASB's proposals will paint incomplete pictures of government finances. Your proposals will allow state legislators and local government officials to validate budgets that include loan proceeds as revenue and exclude costs that weren't paid in the respective year. With incomplete and misleading information, policymakers will continue to make ill-advised financial decisions that have major repercussions for those who ultimately will be responsible for the bill when it comes due: constituents like me, as well as future generations.

Thank you.

James Miller

Columbia University Graduate School of Business Class of 1984

JAMES MILLER

[jamesfmiller@verizon.net](mailto:jamesfmiller@verizon.net)

34 TANTUMORANTUM RD. ---

LYME, Connecticut 06371