

From: Dag Detter
To: GASB Director <director@gasb.org>
Subject: Project Nos. 3-20 and 3-25

Dear Director of Research and Technical Activities,

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

America's state and local governments are mismanaged: resources are wasted and obligations are hidden. There are many reasons for this, but the official guidance published by the Governmental Accounting Standards Board deserves much of the blame. These were the opening lines by [Matthew Klein in the Financial Times 2017](#).

Not much has changed since then and not much will change with your proposed standard and accompanying concept statement to establish a basis for financial statements that will continue to mislead investors, as well as citizens and taxpayers.

From the founding fathers to Silicon Valley, the U.S. has a long tradition of borrowing the best ideas from around the globe. There is a gold standard for [public sector accounting and that is New Zealand](#). A more complete view of a country's fiscal health can help governments build public trust, generate revenues and even save lives.

There is also a gold standard when it comes to managing public assets that will pay for investments and other public investments. In fact, the proper use of public commercial assets has been a core component of Singapore's strategy to move the economy [from developing to developed status in a single generation](#).

[The US will need cash to survive the fallout from COVID-19](#). State and local governments will need even more funds to handle the investment needs to manage climate change. By tapping the hidden value in their balance sheets, they can exit the crisis faster and more sustainably in order to address the even bigger risk the changing climate is posing to communities. But success depends on strong political will. A political will that can be drawn from a more truthful understanding of the fiscal health at all levels of government. Then perhaps, the politically impossible could become the politically inevitable.

Best regards,

Dag Detter

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'Public wealth – without taxes, or wholesale privatisations'