

Director of Research and Technical Activities,

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

As a concerned citizen and taxpayer I believe it is imperative that GASB take the lead and shine a light on the long-term costs incurred by state and local governments, which are often obscured from public view.

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, not only by underfunding necessary pension and other retirement benefit contributions, but by ignoring ongoing infrastructure-maintenance liabilities, leaving future generations with a double whammy of crumbling infrastructure and no available tax revenue to fund its replacement.

This crisis is only magnified by the profligate usage of public incentives to fund indeterminate economic "growth", instead of concrete additions that contribute meaningfully to local tax bases. The result? Cities and towns across the country that paint rosy pictures in financial statements, yet are forced to cut basic services to their citizens due to a "lack of funding."

At a time when it is vital that state and local governments provide reliable financial reporting, GASB's proposals will paint woefully incomplete and inaccurate 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 life-altering repercussions for those who ultimately will be responsible for the bill when it comes due: constituents like me, as well as future generations.

For the sake of our country, and its residents, both now and in the future, this shell game must die, before it kills us all.

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