

Director of Research and Technical Activities,

Thank you for the opportunity to comment.

Sunlight is the best disinfectant. GASB can take the lead and shine a light on the long-term costs incurred by state and local governments, which are often hidden from public view, and consequently benefit powerful special interests.

The proposed standard and accompanying concept statement will establish a basis for financial statements that will continue to mislead citizens and taxpayers. Excluding some of the largest liabilities, and showing inflated net positions that can be advertised as “surpluses” gives false hope. Fiduciaries should not make their funds statements look better in the short run by underfunding necessary pension and other retirement benefit contributions.

It is of great civic importance that state and local governments provide trustworthy financial reporting. Present 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 the "cover" of 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: the present and future generations of our state. We can do better.

Thank you.

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