

Dear Director Bean,

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 simply by underfunding necessary pension and other retirement benefit contributions.

I recently moved out of a state with such egregious financial problems that it deserves to fail. But similar problems exist in my new state of residence. The elected officials aren't the problem, they are just following the rules.

GASB can claim that it does not tell governments how to budget or manage their finances, which is true. But confusing concepts you are pushing through, including creating a new definition of accrual accounting, enable elected officials to mislead the public. You are an accomplice, whether you choose to believe it or not.

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 for your time and consideration,

Courtney Fox

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