

Director of Research and Technical Activities,

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

As an architect, I am concerned that the GASB standards do not give governmental decision-makers and citizens adequate information about governmental liabilities. Each element of the built environment requires upkeep. My career has taught me that deferred maintenance is much more expensive than scheduled maintenance. In order to avoid a cycle of crisis-to-crisis management, it is important to account properly for the life cycle needs of any built element, be it a road, a sewer, or a courthouse. Without proper accounting there cannot be proper planning.

Decisions being made by officials using the current GASB standards tend to push costly problems a short way down the road. As a concerned citizen and taxpayer I believe it is imperative that GASB take the lead and shine a light on these long-term costs incurred by state and local governments, rather than obscure them 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.

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.

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