

From: MUELLER, WAYLAND

To: GASB Director <director@gasb.org>

Subject: Project No. 3-25 - Comment on Preliminary Views of Financial Reporting Model Improvements

Director of Research and Technical Activities, Project No. 3-25:

My comments relate to *Chapter 5 – Budgetary Comparison Information*. A poor budgetary practice I noticed when I was in public practice was for governing bodies to approve a final budget that matched the final actual results for the fiscal year. Presenting a final budget that matches actual results should be expressly disallowed in the new financial reporting model. The practice of “approving the final budget to actual results” causes the final to actual budget variances to be \$0, and provides no useful information to users. Also, the final budget amendments should be required to be approved prior to the end of the fiscal year. For a final budget to be meaningful, it should represent the final budget that a government was operating under as of the last date of the fiscal year. Waiting for final year-end entries to be made, and then approving a final budget after the end of the fiscal year is merely an exercise to show a final budget that closely matches actual results. This method of approving a final budget does not provide any relevant information.

Thank you for considering my comments.

Wayland Mueller

Internal Auditor

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