

From: Jeanne Ives
To: GASB Director <director@gasb.org>
Subject: Project No. 3-25

Dear Director Bean,

As a former member of the Illinois House of Representative and gubernatorial candidate, I was proud to represent the constituents in my district. My first priority as a legislator was to stand up for taxpayers. I found that job impossible because of all the bogus accounting that has gone on for decades in Illinois. You have the power to correct this injustice. Public officials have protected their special interests by passing unbalanced budgets in disregard to commonsense accounting standards private citizens and businesses must abide by.

In this letter, I would humbly like to provide the point of view of the taxpayers of Illinois.

Unfortunately, budgeting and accounting gimmicks have made this constitutional requirement a sham. For years elected officials have claimed balanced budgets while accumulating more than \$200 billion in debt. This debt accumulated while accounting standards did not require the state to report its growing retirement liabilities on its balance sheets. I am pleased to see that new standards will require governments to report these liabilities, but more transparency is needed in Illinois' budgeted funds.

To promote a financial reporting model that attempts to mimic the outrageous budgeting practices of governments, like Illinois, is indefensible. I fear the proposed accounting model will be used by unscrupulous politicians to promote bad budgeting practices, such as recording loan proceeds as revenues and inadequate funding of their retirement plans.

Taxpayers deserve the financial information needed to be knowledgeable participants in their government's spending and taxing policies. Without full accrual accounting for the general and other budgeted funds, taxpayers cannot use their government's financial reports to determine if current costs have been passed onto future taxpayers. Taxpayers will not be able to determine if their elected officials have passed deferred tax increases.

I believe one of the reasons the Democratic Party has such a stronghold on the state of Illinois is that for decades Democrats have lulled taxpayers into a false sense of security with claims of balanced budgets. I question whether voters would have re-elected Democrats if taxes had been raised to cover the costs of government, including accruing retirement benefits. Democrats have been able to buy votes of union members while passing the costs of promised retirement benefits onto future taxpayers.

Unfortunately when voters, including taxpayers, reviewed the state's audited financial report the retirement benefits that were accruing were not included in the budgeted funds. Under the proposed financial reporting model, voters and taxpayers would still cannot determine if current costs, including accruing retirement benefits, are being passed onto future taxpayers..

I urge you to have state and local governments include in their financial reports balance sheets for the general and other budgeted funds the governments' pension and other retirement benefits liabilities. Taxpayers need income statements for the general and other budgeted funds that include accruing retirement benefits, not just what elected officials have chosen to pay.

For all of the reasons above I strongly believe taxpayers and voters need a full accrual financial reporting model for the general and other budgeted funds.

Sincerely,

Jeanne Ives

Please contact me if you have any questions or concerns.

Thank you!!