

**From:** Grace Zhang  
**To:** GASB Director <director@gasb.org>  
**Subject:** Project No. 3-25

Dear Director Bean,

I want to start off by thanking the Governmental Accounting Standards Board for the steps it has taken to improve the financial transparency of government finances at the state and local levels. I'm further encouraged to know the Board is in the process of hearing comments on Project No. 3-25.

As a concerned citizen and a taxpayer in IL, a state with mounting financial issues, I believe it is imperative that GASB take the lead and shine a light on the long-term costs that are often obscured from public view.

While I believe one of the proposals in the preliminary views document, the "Statement of Short-Term Financial Resources Flows," is valuable and a step in the right direction, it will be incomplete and misleading without a full-accrual approach. As it stands, this proposal would not paint a complete picture of a state's general fund finances because it does not include the largest expenses: the compensation costs associated with pension and other post-employment benefits. Without knowing the full scope of these costs and accruing long-term liabilities, it's impossible to determine whether a state's general fund is balanced without pushing current costs onto future taxpayers. Such accounting makes it impossible for me to hold my elected officials accountable.

It also allows legislators to validate a budget that includes loan proceeds as revenue and excludes 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: the taxpayers, including future generations of taxpayers.

I strongly believe that in addition to the "Statement of Short-Term Financial Resources Flows," a general fund balance sheet and income statement prepared on a full accrual basis are essential.

Thank you.

Sincerely,

Grace Zhang