

February 2021

Mr. David R. Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board

Sent via email: director@gasb.org

Re: Projects 3-20 and 3-25

Dear Director Bean:

I'd like to comment on Project Nos. 3-20 and 3-25.

As a concerned citizen, business owner and taxpayer I believe it is imperative that the Government Accounting Standards Board take the lead in requiring accurate reporting of long-term costs incurred by state and local governments, which are often obscured from public view. Government accounting is a mess and politicians abuse the rules to mislead the public; it is clear to me that such reporting needs change.

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 their 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. This incomplete and misleading information will allow policymakers to continue to make ill-advised financial decisions that will impose dire consequences on current and future generations of our citizens.

Sincerely,

Darrell M. Butler
Managing Director and Founder
Billow Butler & Company, L.L.C.
225 W. Wacker Drive
Suite 1575
Chicago, Illinois 60606
(312) 559-9055
www.billowbutler.com