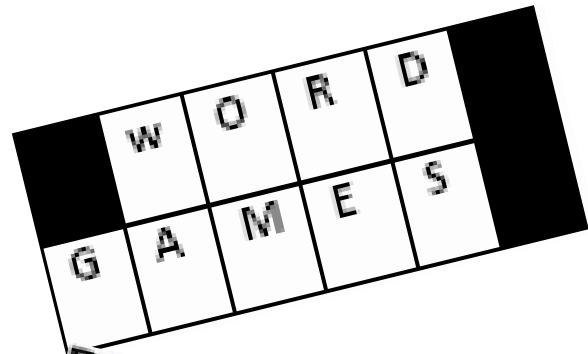
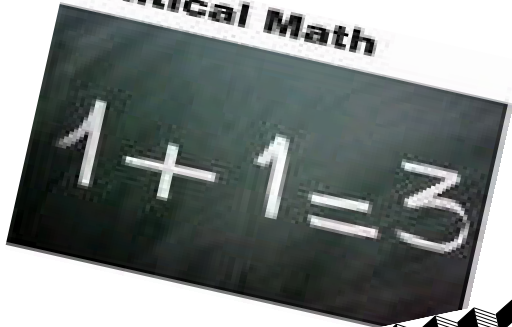


Because of  
The Games  
They Play



Political Math



## Truthful Accounting Changes Behavior

Over the last generation, corporations have been required to adopt more truthful accounting policies. As these changes occurred, managers changed behavior to make sure their finances remained sustainable. When legislators adopt more truthful accounting policies, they will become more accountable, too.

Provided to you by:



The likelihood of a sustained economic downturn will result in demand for even more government benefits and services. Making the public policy decisions necessary to endure this pressure will require an honest assessment of current financial conditions and their likely trajectory. Success in navigating the fiscal shoals requires we be honest with ourselves. Simply put:

It requires *Truth in Accounting*.  
**Institute for Truth in Accounting**  
(847) 835-5200  
[info@truthinaccounting.org](mailto:info@truthinaccounting.org)  
[www.truthinaccounting.org](http://www.truthinaccounting.org)

Your Government's  
Budget Has Been  
**Balanced**  
For Years



Then Why Is It  
Millions and Billions  
of Dollars in **Debt?**

## The Problem: Politicians Use Accounting Tricks!

### Here's How They Do It

	W	O	R	D	
G	A	M	E	S	

- They misidentify loan proceeds as revenue.
- They create revenue by moving money from one fund to another.

## POLITICAL MATH

- Accounting shenanigans are used to overestimate revenues and underestimate expenses.
- Cash budgeting allows them to promise expensive programs without identifying how to pay for them.



- They fail to plan beyond the next election.
- They ignore the full cost of future benefits, especially those promised employees.
- They obligate us to current and future expenses that exceed sustainable resources.

***That means governments' budgets aren't truly balanced like they say they are.***

## The Change Required: Accountability



### Accountability is the New Transparency

Citizens' insistence that governments place all of their issued checks on the internet provides basic transparency and is a giant first step towards the real goal of accountability. Accountability is also the intent of balanced budget requirements.

To be held accountable, elected officials must be limited to spending only the amount taxpayers are willing to fund. Current expenses should not be pushed into the future, and thus on to our children's and grandchildren's heads.

To accurately judge your elected officials' accountability you need to know your government's real revenues and all of its expenses, regardless of when they will actually be paid. The shortsighted budgeting models governments currently use do not provide this vital information.

As governments' missions and commitments expand and become more complex, their budgeting and accounting models must be enhanced to reflect the truth about their finances. This will only happen when citizens demand accountability.

## The Solution

### Accountability Through FACT Based Budgeting

### Full Accrual Calculations and Techniques (FACT) Based Budgeting

- Illuminates the long term effects of current decisions.
- Limits elected officials' ability to expand programs and services by hiding costs.
- Recognizes all costs and all legitimate revenues regardless of when money is paid or received.
- Provides full costing information, including government employees' retirement benefits.
- Supplies information necessary for accurate performance measurements.
- Presents a complete picture of your governments' financial conditions, especially long term commitments.
- Is the type of accounting governments require large corporations to use for their tax returns and investors rely upon.

***Shouldn't governments be held to the same high standards?***