

From: [Joyce Dillard](#)
To: [Public-Private Partnerships \(P3\)](#)
Subject: Comments to FASAB TR Implementation Guidance for SFFAS 49, Public-Private Partnerships due 6/30/2025
Date: Monday, June 30, 2025 8:22:58 PM

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QFR 1 Do you generally support the proposed additional guidance, including the proposed general principles contained in this TR? Please also explain any alternatives or additional implementation challenges that you suggest the Committee address and the reasons for your position. Refer to paragraphs 1-9 that discuss this TR's proposed purpose and scope and paragraphs A10-A12 in the basis for conclusions.

COMMENTS

The reality for Citizens and Taxpayers is the sophistication of non disclosure, clouded by techniques to hide wealth through layers of ownership of Nonprofits, Trusts, and Limited Liability Companies LLCs. All is challenging because not all information is publicly recorded or filed with a government agency-local, state or federal.

Who benefits? Who shares risk? Who can gain wealth without the risk?

Please realize that a nonprofit can be owned by a LLC or Trust. LLCs have managers that benefit. LLCs can be owned by Trusts. Trusts do not necessarily have the term "Trust" in their name. These entities stem from State laws, not from Federal laws.

So, does disclosure cover these creative ownership vehicles. Not yet. They cover only the relationship with the named P3, not with the financial relationship behind the P3 partner. Federal departments are in a relationship with ALL owners whether revealed or not.

Federal departments differ in their P3 arrangements. Omitted is guidance when P3 entities are not publicly held.

Does risk sharing really exist on the behalf of the P3 partner without complete ownership/governance disclosure.

QFR 2 Do you generally support the proposed guidance related to applying the risk-based characteristics in SFFAS 49? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the Committee address and the reasons for your position. Refer to paragraphs 10-13, the proposed questions and answers, and paragraph A10 in the basis for conclusions.

COMMENTS

Contractual risks of loss require full and completely disclosure regarding the potential transfer of the contracted entity to the controlling entity with their benefit and/or risk.

Succession is an issue not easily discernible nor are there laws for disclosure.

One sample is the transfer of a Manager of a Limited Liability Company upon death. Not a probate issue, it remains highly unlikely that this information is open to disclosure.

Any entity held in a Trust needs disclosure and analysis as to the applicability of risk involved.

QFR 3 Do you generally support the proposed guidance that clarifies the interrelationship between SFFAS 49 and SFFAS 47, *Reporting Entity*? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the Committee address and the reasons for your position. Refer to paragraphs 14-20, the proposed questions and answers, paragraphs A10-A14 in the basis for conclusions, and appendix B.

COMMENTS

In today's sophisticated world of nonprofits, the IRS allows for profit activity within certain requirements and limitations. These Reporting Entities, if a nonprofit is involved, should be limited to nonprofit defined activity. A P3 relationship could be established for profit activity.

QFR 4 Do you generally support the proposed guidance that clarifies the interrelationship between SFFAS 49 and SFFAS 54, *Leases*? Please also explain any alternative solutions to the proposed answers or additional questions that you suggest the Committee address and the reasons for your position. Refer to paragraphs 21-31, the proposed questions and answers, paragraphs

A10-A14 in the basis for conclusions, and appendix B.

COMMENTS

Is risk assessed on profit capability of a P3 partner, not charitable contributions or government/private grants?

QFR 5 Do you generally support the proposed guidance that coordinates the disclosures when other standards covering long-standing arrangements/transactions also apply? Refer to paragraphs 32-36, the proposed questions and answers, paragraphs A11-A12 in the basis for conclusions, and appendix B.

COMMENTS

Yes, generally.

QFR 6 Do you generally support including (1) the proposed process flowchart that illustrates the applicability of SFFAS 49 to SFFAS 47 and SFFAS 54 and (2) the summary of disclosure requirements? If not, please explain any alternative solutions to the proposed material that you suggest the Committee address and the reasons for your position. Refer to appendix B.

COMMENTS

Not clear who owns an underlying asset, if applicable.

QFR 7 Do you have any comments or suggestions on other aspects of the proposed TR that are not addressed in the above questions? Please note that these proposals may be further modified before a final TR is issued. As such, it is important that you comment on aspects that you favor as well as any that you do not favor.

COMMENTS

This is an extremely difficult task as government operations expand outside of government control and as budgets become reduced or limited. We have seen costs skyrocket out of control; and, hopefully, this is an approach to provide needs with reasonable costs.

On the other hand, opportunists recognize a chance for high profits and increased equity.

More analysis will be needed to see if this incorporation of process results in desired outcomes. Termination of P3 relationships have not been addressed at this point.

