



Jodi Cox
Plan Advisor & Member Services Director

March 15, 2012

BOARD OF TRUSTEES

MARCY ALEXANDER
STILLWATER
DISTRICT 5

DONNA DOOLEN
ADA
DISTRICT 3

JAY HEINRICH
BROKEN ARROW
DISTRICT 1

LEROY LAGE
WATONGA
DISTRICT 8

JIM LUCKETT JR
EL RENO
At-Large

ROBERT PARK
SALLISAW
DISTRICT 2

JOHN SHUGART
BETHANY
DISTRICT 6

GEORGE WILKINSON
WEATHERFORD
DISTRICT 7

BERTHA ANN YOUNG
SHAWNEE
DISTRICT 4

Director of Research and Technical Activities
Project No. 13-3
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Madam/Sir:

On behalf of the Oklahoma Municipal Retirement Fund ("OMRF"), we sincerely appreciate GASB allowing pension plans this opportunity to provide comments on the Preliminary Views related to Economic Condition Reporting: Financial Projections. OMRF is a voluntary system that was established with the purpose of providing sound retirement plans for non-uniformed municipal employees. We offer a selection of plan types that each Employer is responsible for funding; yet, they have a means to pool the assets into a single fund for investment purposes. This method provides member-specific retirement programs in a cost-effective manner.

First off, I applaud all of the work and effort that GASB is doing to improve accountability and decision-usefulness for public pensions.

In my current position with OMRF, as Member Services Director, and previously an external auditor for an independent accounting firm, the following are some areas as presented in the PV that are a bit concerning and seem to mislead the ultimate reader of the financial statements which should be the Independent Audit Report's objective:

Concern #1

Short-term projections are not applicable to pension plans because a pension fund is measured by the funding progress of future obligations over perpetual career lifetimes (periods in excess of 50 to 75 years). A 5-year projection of cash inflows/outflows is not indicative to maintaining a sound pension plan.

Concern #2

Short-term projections can be misleading, misinterpreted, and lead to inappropriate reactions.

Concern #3

Placing projections in the financial statements as required supplementary information (RSI) is not appropriate. Financial statements are historical documents on past and "as of" events. It would be misleading to the reader to include both historical and forward-looking information prepared on a different basis in the same basic financial statements.

Again, we thank GASB for this opportunity to respond to the PV. If you have questions regarding this letter, please contact us.

Sincerely,