

From: auditor@marcello-cpa.com
Sent: Thursday, July 21, 2011 7:27 PM
To: gasbnews
Subject: Exposure draft for pension benefits reporting - comment

July 21, 2011

Dear GASB - I could not find a link to comment on the proposed acct & fin reporting for pension benefits exposure draft.

We audit 10 to 15 small California cities & districts each year.

1. For cost-sharing plans, it is almost impossible to determine the proportional share of each participant currently as the cities do not know the specifics of each participating member of the plan. It would be an educated guess at best.
2. The exposure draft is 176 pages. Who has time to read that many pages. It would take 8 to 10+ hours to read and understand it, assuming you could stay awake.
3. The plain English supplement is too many pages ago. You would have to condense it down to 4 or 5 pages for city council members to read such a document.
4. Can we please have one year without new GASB requirements ?
5. Can we have a "little GASB" for cities with fewer than 10,000 citizens or total revenues under \$25m or total assets under \$10m ?
6. We would definitely want to qualify our audit opinion if there was a large liability on the books, and we were depending upon an expert or consultant to provide that amount, for example, with \$10m in assets on the books and \$50m in liabilities on the books, the negative \$40m fund equity is too unreasonable. We could never state that those amounts are "fairly stated" when we know the liability for unfunded pension obligations is merely an estimate that changes annually, and often by large variances.

Respectfully submitted,

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