

Letter of Comment No. 27 Date Received: 9/30/11



FLORIDA GOVERNMENT FINANCE OFFICERS ASSOCIATION, INC.

P.O. Box 10270 • 301 South Bronough Street, Suite 300 • Tallahassee, Florida 32302-2270 Telephone: (850) 222-9684 • Fax: (850) 222-3806 • Web Page: www.fgfoa.org

2011-2012 **OFFICERS**

President CHRISTOPHER LYONS, CPA, CGFO, CPFO

Finance Director City of Sarasota (941) 954-4185

christopher.lyons@sarasotagov.com

President - Elect MARY ANDERSON PICKLE, CGFO

Deputy Finance Administrator City of Palm Beach Gardens (561) 799-4164 manderson@pbgfl.com

Secretary/Treasurer

DIANE REICHARD, CPA, CGFO, CPFO

Finance Director City of Temple Terrace (813) 506-6410 dreichard@templeterrace.com

DIRECTORS LINDA S. HOWARD, CPA, CTP, MBA

Treasurer Orlando Utilities Commission 407.434.2168 lhoward@ouc.com

SARAH KOSER, CPA, CGFO, CPFO

Finance Director Citrus County - CCC (352) 341-6449 skoser@clerk.citrus.fl.us

JAMES LEWIN

Fiscal Analyst Lee County Budget Services (239) 533-2300 lewinj@leegov.com

KENT OLSON, CGFO

Budget Officer City of Jacksonville (904) 630-1286 kolson@coj.net

MARY-LOU PICKLES, CGFO, CMA

Revenue Accountant St. Johns River Water Management District (386) 329-4279 mpickles@sjrwmd.com

TIM POZZA, CPA, CIA, CMA

Internal Audit Director Okaloosa County - CCC (850) 689-5000, ext. 3421 tpozza@clerkofcourts.cc

GEORGINA RODRIGUEZ, CPA, CGFO

Finance & Budget Director Town of Pembroke Park (954) 966-4600 X232 grodriguez@townofpembrokepark.com

TED SAUERBECK, CPA, CGFO

Deputy Auditor General State of Florida - Office of The Auditor General (850) 487-4468 tedsauerbeck@aud.state.fl.us

JEANNIE GARNER

Executive Director

September 29, 2011

Director of Research and Technical Activities Project No. 34-P Governmental Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

Via email: director@gasb.org

Dear Sir:

On behalf of the Florida Government Finance Officers Association (FGFOA), we are pleased to respond to the Government Accounting Standard Board's (GASB) Invitation to Comment on the exposure draft; Financial Reporting for Pensions Plans, an amendment of GASB Statement No. 25 (the "ED"). These comments were prepared based on a review by the FGFOA members, its Technical Resources Committee, and the Board of Directors.

We have reviewed the ED and are pleased to inform you that we generally concur with the concepts as presented in the ED; primarily, that the changes proposed would improve financial reporting through enhanced note disclosures and schedules of required supplementary information. We further agree with the goal of increasing transparency and improving decision-usefulness of information in plan financial reports.

We note that the Board decided to carry forward, without detailed examination, the basic accounting and financial reporting model for fiduciary activities from Statement 34, Basic Financial Statements-and Management's Discussion and Analysis- for state and Local Governments. We believe that the guidance included in Statement 34 remains appropriate.

We further support the carry forward of guidance from Statement 25 for benefit liability recognition and for fair value reporting of investments.

We agree with the change to Statement 25 with respect to recording a receivable for formal commitments to contribute, and concur with the Board's position that such receivables do not meet the definition of an asset because employers do not have a requirement to make the contributions to the pension plan.

We respectfully request consideration be given regarding the municipal bond rate used in the determination of the discount rate. We would prefer to see the taxable municipal bond index rate utilized rather than a tax-exempt municipal bond index rate. This would better reflect rates that would be paid if pension obligation bonds were to be issued.

Finally, we reviewed the enhanced disclosures for:

- information about the net pension liability of the employer(s)
- information about changes in the net pension liability of the employer(s)
- information about actuarially calculated contributions
- 10-year schedules

We fully support the expanded disclosure requirements and feel that that they meet the primary cost-benefit test of providing useful information for decision-making at minimal cost.

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We would like to thank the GASB for their efforts in preparing ED and for the opportunity to respond. Feel free to contact me at (941) 954-4185 or Christopher.Lyons@Sarasotagov.com

Sincerely,

Christopher H. Lyons

Christopher Lyons FGFOA President