





Mr. David Bean  
September 26, 2011  
Page Three

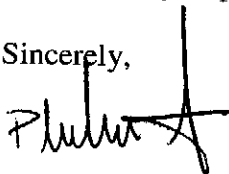
liabilities. We present the total net pension liabilities of these plans in our financial statements. Pursuant to the new standards, we should disclose the aggregate total, not individual, net pension liabilities, pension expense, etc. in the note. It appears that the Board wants the pension information for each pension plan to be combined as well as individually disclosed in the note; and at the same time, it does not want the information disclosed to be unnecessarily duplicative. We would appreciate if the Board could clarify and provide an illustration on how the pension information should be disclosed individually for each plan and also be combined for some of the disclosures of these plans to avoid unnecessary duplication.

**Amortization Period**

The Summary of the ED on GASB 27 states that the effects on the total pension liability of changes in economic and demographic assumptions and of differences between expected and actual experience for active employees should be amortized over the weighted average of the employees' remaining service lives, which generally ranges between 10 and 15 years. In the Illustrations 3, 4, and 5, a 30-year remaining amortization period is used to calculate the contribution rate using the Entry Age Normal Cost Method. Is 30 years still allowed for the maximum amortization period under the new methodology? Since the amortization period can make a significant difference in the calculation of total pension liability and other pension-related rates and figures, please provide clarification on the allowable amortization period for each type of calculation where amortization is required.

Again, we very much appreciate the opportunity to comment on these important financial reporting matters. If you would like to discuss these matters further, please contact me at [phillip.ashley@cpa.state.tx.us](mailto:phillip.ashley@cpa.state.tx.us) or 512-463-4275.

Sincerely,



Phillip Ashley, CPA, CGFM  
Director, Fiscal Management

