Letter of Comment No. 647 File Reference: 34-E Date Received: 12/20/11

From: Clear, Mike

Sent: Wednesday, December 21, 2011 12:30 PM

To: Director - GASB Subject: GASB 27

To Whom It May Concern at GASB:

We are very concerned about GASB 27 as follows:

- 1. The unfunded pension liability to be included on our balance sheet. This will affect our ability to sell bonds, to issue short-term financing for cash flow purposes and overall solvency in the eyes of those reading our balance sheet.
- 2. The time and cost involved to determine the unfunded liability will be substantial....and we do not have the staff or financial resources to complete this work.
- 3. We do not have all the information of those that currently are receiving a STRS and PERS pension.
- 4. The timelines for CalSTRS and CalPERS to generate the unfunded liability information for Newhall School District, include that information in their audit reports and other reports to distribute to all member agencies/districts and how that affects our audit timelines from the State of California.....please explain how that would work? How are we to comply with GASB27 timelines?
- 5. What are the audit guidelines for our district auditor?
- 6. How will this be recorded in our Balance Sheet?
- 7. How will this affect our Income Statement or P&L and how is this to be reported on the IS OR P&L?
- 8. How does GASB27 work with GASB54?

As you can tell from the questions we are very concerned. Please delay implementation until such time all issues and concerns have been resolved.

Thank you

Newhall School District Michael Clear Assistant Superintendent Business Services 25375 Orchard Village Road Santa Clarita, CA 91355 (661) 291-4166

