



CITY OF FLORISSANT

Honorable Thomas P. Schneider, Mayor

January 13, 2012

Governmental Accounting Standards Board
Director of Research and Technical Activities

Re: Project No. 13-3

Dear Sir:

Thank you for the opportunity to provide comments on your latest proposal to require financial projections in the audit report. Hopefully it is not too late to derail this train before it crashes into the station.

The City of Florissant is an average sized city located in the heartland of this great nation. By local standards we're a big deal. Our population of 52,158 makes us the 10th largest city in the State of Missouri. We have a combined budget of \$30 million with 220 full-time employees. In reality, we are just another small city struggling to get by.

Our Finance Department has a staff of 7, including myself. This is down from 9 a few years ago. There is no chance that we will be adding to that staff any time soon. We all do so much more than we used to its scary. However, I guess the question I would have to ask is whether there is a limit to what we can do and how close are we to that limit. I personally think we are really close.

Section 6.7(7) of the Florissant City Charter, adopted in 1963, states that it shall be the duty of the Director of Finance to, *"Provide for an annual independent audit of all of the financial transactions and accounts of the City to be made at the close of each fiscal year by a certified public accountant which shall be submitted to the Council no later than forty-five (45) days after the close of each fiscal year."*

I have been with the city for over twenty years and for about half that time we were able to comply with our Charter. Fortunately no one on our Council has made it an issue when we didn't. Our fiscal year ends on November 30 and we had the audit report completed, reviewed, proofed, printed, bound, and to the City Council by January 15th. We never missed a deadline.

Then, you guessed it, GASB 34 happened. You know where that took us. This year, our auditors won't even start the field work until January 23rd. I don't expect to have the audit report finished until late March or perhaps even into April. It seems like we're moving in the wrong direction here.

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With each GASB pronouncement, completion of the audit report takes longer and longer. The longer it takes to complete the audit report the less value it has. I'm sure GASB wants to make the audit report better and of more value but, really, the longer it takes to complete the less value it has. Maybe you could focus your attention on ways to simplify the audit report and help us out here rather than just shoveling more and more stuff into the hole we're standing in.

I suggest you start by taking out all the infrastructure and OPEB silliness as it is just a waste of time and resources. The time and effort we have to put into those meaningless numbers is ridiculous.

Now we have another GASB pronouncement coming down the pike that will force us to include a five year forecast in the audit report. Where in the world did this come from?

In all my years in this business I have never once had anyone ask me why we don't have a five year forecast of revenue and expenditures in the audit report. Where do you get this stuff from? If someone wanted such a forecast they sure wouldn't look for it in the audit report.

Why in the world would we want to clutter up the audit report with a five year forecast of revenue and expenditures? Why should we try to make the audit report into something it isn't? A five year forecast is fine in and of itself, if you think it will help you run your city better, but it doesn't belong in the audit report. That's the last place it should be.

Once GASB starts down the path of putting all this extraneous material into the audit report where will it end? Shouldn't there be a thirty year history of revenues and expenditures so those people you so want to please can see where we've been and how we got into this pickle? What about throwing in a requirement for an in-depth explanation of all the numbers, no wait, you already did that.

I guess if I were to boil it all down, it would be that there is no logical reason to put forecasts into the audit report. Let the audit report be what it is and quit trying to make it into something it is not. The audit report should simply be a snapshot of where the city finances are on that one day, nothing more. Why in the world you keep wanting to turn it into something else I'll never understand.

Thank you for taking the time to let me express my thoughts and comments. Now get back in the game and do the right thing.

Sincerely,



Randal J. McDaniel
Director of Finance