August 27, 2014

Mr. David R. Bean
Director of Research and Technical Activities, Project No. 34-1E
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Dear Mr. Bean:

In general, we agree with the provisions of the Governmental Accounting Standards Board’s (Board) Exposure Draft (ED) of a proposed statement titled Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. We strongly support the Board’s efforts to treat the accounting and financial reporting for other post-employment benefits (OPEB) similar to pension benefits.

Regarding the specific provisions of the ED, we consider the required note disclosures and required supplementary information as very extensive. We appreciate the provisions in paragraph 93 to allow employers to exclude certain disclosures and instead make reference to an OPEB plan’s stand-alone financial reports or the report of another government that includes the OPEB plan. We encourage this treatment to the greatest extent possible. However, for employers taking advantage of this provision, paragraph 93 establishes an additional burden to disclose the basis used to determine the OPEB plan’s fiduciary net position, a brief description of the OPEB plan’s basis of accounting including policies with respect to benefit payments (including refunds of employee contributions), and the valuation of OPEB plan investments. We suggest that these additional disclosures are not necessary given the ability to refer to the OPEB plan’s publicly available statements. Therefore, we ask the Board to remove the aforementioned requirements. Also, we have reviewed the comments expressed by the National Association of State Auditors, Comptrollers and Treasurers on this ED and support their adoption.

We appreciate the opportunity to provide feedback on this exposure draft. If you have any questions regarding our comments, please contact me or Craig M. Murray, C.P.A., C.I.A., Director of Professional Practice.

Sincerely,

Doug Ringler
Auditor General

Via e-mail