

**From:** Scott Dowell  
**Sent:** Tuesday, September 27, 2011 1:39 PM  
**To:** Director - GASB  
**Subject:** GASB proposed changes to Pension Plan Accounting

Dear Director,

I work for a park and recreation special district in Northern California with a budget of \$6 million. We are enrolled in the CalPERS retirement system. I have just read the Pension Accounting and Financial Report (Plain-Language Supplement) and have a few comments and observations:

- While I agree the proposed changes may be technically correct, I question whether they are practical for application. Do all agencies really need to incorporate these changes? Does a small recreation and park district really need to utilize all the time and money to make these changes? Will it educate our readers who are few and far between?
- Pension accounting is based on many assumptions. The assumptions change frequently. Is it reasonable to place such importance on a valuation once a year that may change the day after the financial statements are released?
- In today's economic climate, I believe these financial changes could have devastating consequences. Many agencies are barely able to function financially now, if you require additional liabilities be booked will that result in loan and bond covenant defaults?
- The costs of these changes will be large. Pension plans with their actuaries will have increased costs of compliance of which we the agencies will have to pay for. Right now it really is about the economy and how to pay for things. Additional costs to our agencies is not reasonable.
- Many times audited financial statements are delayed in issuance because of disclosure delays. I see these pension plan proposals as adding additional time and delays in completing and issuing financial statements in a reasonable fashion.
- The average citizen does not understand pension accounting and the work that actuaries provide. By adding a volume of information at the end of the financials, who will understand them?
- Has GASB considered a threshold like agencies with under \$100 million in assets would be exempt from the new requirements?

I understand that my comments are based on my observations which are based in a real world example. I believe there are more agencies like mine than there are those who would reap the benefits of the changes you are proposing. Please do not adopt these new guidelines!

**Scott Dowell, CPA** | *Have You PLAYed Today?*

Business Manager

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