



# Association of Local Government Auditors

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Mr. David R. Bean  
Director of Research and Technical Activities  
Government Accounting Standards Board (GASB)  
Project No. 34-1E  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

Re: Proposed Implementation Guide No. 201X-Z, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*

Dear Mr. Bean,

The Association of Local Government Auditors (ALGA) appreciates the opportunity to respond to GASB's exposure draft of the proposed Implementation Guide No. 201X-Z, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*. Our organization represents more than 340 audit organizations and about 2,200 members. This topic is of interest to our members, and we encourage individual audit organizations and members to comment independently should they choose to do so.

We have reviewed the proposed Implementation Guide and appreciate the GASB providing guidance that clarifies, explains, and elaborates on GASB Statements. Overall, we believe the Implementation Guide meets its intended objective. Many of the responses to the questions are very thorough due to the complexity of the subject matter which we agree are necessary for the reader's understanding. However, to enhance understanding, some questions and answers could be simplified or modified as discussed below.

1. In the *Scope and Applicability of This Implementation Guide* section of the Guide, it would be useful to include the specific transition period end date within this section to notify readers at the beginning of the Guide that select Q&A will no longer be applicable after the transition period.

2. To help improve readability and consistency, consider adding a “Yes/No” or “Generally Yes/No” statement to the start of the answers in paragraphs 4.4, 4.95, 4.146, and 4.274. For example, the answer in paragraph 4.4 could start off with “No,” instead of “If the cost-sharing...” Then the additional information supporting the answer would then be secondary.
3. To help improve readability and consistency of the answers, consider adding additional language to the beginning of the responses in paragraphs 4.45, 4.94, 4.108, 4.113, 4.122, 4.147, 4.161, and 4.222 that provides the reader with a clear answer to the question. For example, the following language could be added to the beginning of the answer in paragraph 4.45

*It depends on whether or not the assets are available for the payment of OPEB...*

Instead of starting the answer with

*If, on an ongoing basis, all assets are available for the payment...*

4. To help improve readability and consistency of the answers, consider rearranging the sequence of the sentences in paragraphs 4.27, 4.28, 4.174 and 4.177 so the answer is presented first and then the additional explanatory information would then be secondary. For example, the last sentence in paragraph 4.27 could be moved to the beginning of the answer. The answer then would read

*This is a cost-sharing multiple-employer plan...*

Instead of starting with

*The classification of the plan depends on whether...*

5. To help improve readability, consider
  - a. Omitting the phrases “in this circumstance” and “in this scenario” from answers since the structure of the document makes it clear that each answer addresses the specific circumstance described in the question.
  - b. Revising the second sentence of the answer in paragraph 4.3 to “Statement 75, as amended, applies because the employer has a special funding situation for benefits provided through an OPEB plan that is administered through a trust that has the characteristics identified in paragraph 4 of Statement 75.”
  - c. Shortening the answer in paragraph 4.83 to “The effects are to be included as of the first measurement date at which the ad hoc postemployment benefit change has been granted and the amount is known or reasonably estimable.”
6. If the intent of the answer in paragraph 4.43 is that governments *may choose* to separately display OPEB liabilities on the face of the financial statement instead of *may be required to*, then the second sentence of the answer needs to be clarified. This clarification could be made by adding “therefore” after “which,” or something similar.
7. To provide broader context to paragraph 4.236, consider expanding the question or answer to explain how future employees factor into the employer’s required contributions or provide a reference to the location in the Statement that provides this explanation.

8. To provide broader context to paragraph 4.251, consider expanding the question or answer to explain how the analogy to interest is significant.

Respectfully submitted,

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Chair, Professional Issues Committee

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