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I apologize for the late transmittal. Between taxes and deadlines in our agency's budgetary process, last week was a difficult time (well, actually it's been rather hectic for some time, but I'm preaching to the choir as I'm certain your job takes up much more than 8 hours of your day, as well). However, if it's possible, I'd like to offer a few comments concerning selected questions.

Q: Which obligating event to you believe creates a liability and expense that should be recognized?

A: I believe the obligating event which creates the liability and expense which should be recognized is when the participant becomes fully insured under the terms of the program. The economic reality is that the only reason a fully insured participant would NOT receive some benefit would be death prior to qualifying age leaving no spouse nor dependent children. This uncertainty can be actuarially determined with great accuracy. Since there is no way a participant can voluntarily or involuntarily separate from the Social Security system after becoming fully insured (such as with a private pension plan), that establishes the timing of the rights and obligations for these benefits.

Q: Do you believe that the Social Security and Medicare obligations are measurable for purposes of recording a liability after 40 quarters or equivalent work?

A: Thousands of state and local government and private defined benefit plans are able to actuarially determine liabilities to be reported under FASB and GASB standards with even shorter vesting provisions. GASB 45 is a prime example.

Q: Do you believe that a statement of fiscal sustainability should be presented in the consolidated Financial Report of the United States Government?

A: YES! The primary purpose of financial statements is to provide timely, accurate, and useful information for management and policy short AND LONG-TERM decisions. Sustainability projections are vital for federal administrators, elected officials, citizens, and holders of US Treasury debt, especially evaluating long-term fiscal impacts of the Social Security system and holding appropriate officials accountable for their decisions. As a citizen and parent, I believe intergenerational equity is of the highest importance. Whether in terms of environment, finance, or other key issues, I believe it is the duty, responsibility, and gift of each generation to try to leave the country a little better for our children and grandchildren. The financial future of our nation is too valuable to compromise for short-term political gain.

A statement of fiscal sustainability should provide valid information for all stakeholders to develop a rational and acceptable strategy for managing fiscal responsibilities equitably and with the least detriment to all concerned.

Thank you for this opportunity to participate.

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