



VILLAGE OF WINNETKA

Incorporated in 1869

January 31, 2005

Mr. Lawrence W. Smith
Director of Technical Application and
Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 94
File Reference: AICPA ICG

Dear Mr. Smith:

We have learned that the AICPA Investment Companies Expert Panel and Accounting Standards Executive Committee recently provided you with an issues paper requesting guidance on generally accepted accounting principles for valuing fully benefit responsive investment contracts held by non-registered investment companies (commingled stable value funds).

The Village of Winnetka employees utilized the stable value funds and our employees would likely experience increased operating expenses (lower investment returns) should this measure be approved.

We believe that it is imperative to preserve the current commingled stable value fund accounting treatment for fully benefit responsive investment contracts as commingled funds are the only vehicle that will allow small plans to realize the diversification and portfolio efficiency (lower risk and higher return) of large plans.

It is important to note that stable value funds have a history of being an efficient and beneficial investment for defined contribution investors. My understanding is no investor has ever experienced a loss from a stable value investment. There is no reason to change the investment accounting standards for these funds.

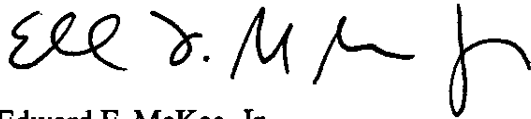
As a public sector employer, we encourage you to consider the impact this measure will have by placing small plans at a competitive disadvantage to large plans.

510 Green Bay Road, Winnetka, Illinois 60093

Administration and Finance (847) 501-6000 Fire (847) 501-6029 Police (847) 501-6034
Public Works (847) 716-3568 Water and Electric (847) 716-3558 www.villageofwinnetka.org

We urge you to continue allowing stable value funds to meet the retirement needs of our employees.

Sincerely,

A handwritten signature in black ink, appearing to read "E. F. McKee, Jr.", with a stylized flourish at the end.

Edward F. McKee, Jr.
Finance Director

EFM;jdm

cc: Fari Ishaq, Benefits Coordinator