



Village of Inverness

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Letter of Comment No: 52
File Reference: AICPA ICG

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

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RE: Commingled Stable Value Funds

Dear Mr. Smith:

We understand 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. Our plan would like you to consider the impact that your decision will have on thousands of small and medium plan investors nationwide, who are only able to realize the full benefits of stable value investing through commingled stable value funds. Stable value funds are an integral component of our retirement programs for our employees.

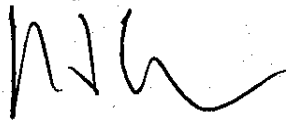
Stable value continues to be a popular investment option for our plan participants as it provides them with returns that are similar to an intermediate bond fund with risk levels comparable to a money market fund. These funds provide an essential balance against risk of equity funds in long-term portfolios. Stable value's attractiveness as an investment option stems from returns that average 2-4% greater than money market instruments, without a corresponding increase in risk. Currently, our plan's stable value assets are invested in the VantageTrust PLUS Fund managed by the ICMA Retirement Corporation.

We believe that it is important to preserve the current commingled stable value accounting treatment for fully benefit responsive investment contracts as commingled funds are the only vehicle that will allow small plans to realize the diversification efficiency of large plans. In our opinion, an unfavorable decision by the Financial Accounting Standards Board would have a disparate impact on small and large defined contribution plans. The expected differences would be reflected by unequal performance, risk and cost profiles for large and small plans.

It is important to note that stable value funds have a history of being an efficient and beneficial investment for defined contribution investors. No investor has ever experienced a loss from a stable investment. There is no reason to change the investment accounting standards for these funds. As a public sector employer, we encourage the FASB to consider the public policy and social impacts of their decision. An unfavorable ruling will place small and mid-sized plans at a competitive disadvantage to large plans. It will also lower the retirement investment returns of thousands of employees serving small towns, counties and other public sector entities.

We urge you to allow stable value funds to continue meeting the retirement needs of our employees. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt Carver', with a stylized, cursive flourish at the end.

Curt Carver
Village Administrator