Letter of Comment No. 187 File Reference: 34-E Date Received: 10/12/11



Midpeninsula Regional Open Space District

Stephen E. Abbors

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October 11, 2011

Director of Research and Technical Activities, Project No. 34-E Governmental Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

To Whom It May Concern:

The Midpeninsula Regional Open Space District (District) has serious concerns with the recent GASB proposed changes to pension accounting and financial reporting for state and local governments.

While the District supports transparency in government, it is important to balance the costs of increased transparency with the benefits. GASB's proposed changes would add significant costs to local governments including both direct costs to hire an independent actuary as well as significant increases in staff time required to meet the proposed accounting standards and reporting requirements. Due to flat or declining revenues resulting from the current economic downturn, the proposed GASB requirements would take funding away from direct services to the community.

A second concern is the proposed implementation date of fiscal year 2012-13. Such a significant change in requirements will entail considerable preparation by government agencies and many agencies will be unable to comply with the new requirements in such a short timeframe. Non-compliance could impact agencies' ability to issue bonds which would further impact the ability to complete critical capital projects for the community.

Over the past few years, more stringent and costly reporting requirements and public scrutiny have substantially increased the workload and cost of public agencies to research, compile, and provide this information. The proposed GASB changes to pension accounting and financial reporting will only add to this burden and, as stated above, will divert limited funds away from direct services to the community in order to comply with the new requirements. During these challenging economic times when governments are facing significant reductions in revenue, it does not seem prudent to implement reporting requirements that would further reduce the funds available for direct services.

Sincerely,

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## **Steve Abbors**

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