

October 13, 2011

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

To the Director of Research and Technical Activities:

The employees of the Adams County Public Library (Ohio) receive retirement income and benefits through the Ohio Public Employees Retirement System (OPERS). We are responding to the Government Accounting Standards Board invitation to provide comments on its Exposure Draft, Accounting and Financial Reporting for Pensions and amendments of GASB Statement No. 27.

Our participation in OPERS is established by state statute that dictates employer contribution rates and the benefits to be received by our employees. As an employer, we have no control over the contribution rates assessed and we don't control the benefits offered or how they are calculated.

Any changes to the existing contribution rates or benefit levels require action by the state legislature. Ultimately if there was a plan termination, default, or some other unlikely event, the state legislature would need to determine the final dispensation of any unfunded liability.

Thus, we believe that the assignment of this liability to the Adams County Public Library (Ohio) on its financial statements is misleading given the statutes of our state. We think that it would be more appropriate for the net pension liability to be reflected on the financial statements of the OPERS pension system where the assets for future pension benefits are also reported.

Most of our employees are not lifelong employees of the library; they come to us as second careers, either from the public or private sector. Therefore, we believe that using the "proportionate" share of net pension liability would overstate our liability and would negatively affect the perception of our financial condition. Furthermore, since our annual budget is relatively small, an overstated liability would seriously hamper our ability to prepare a realistic spending plan.

If "proportional" liability must be shown on our financial statements, we do not believe that it should be included in the actual liabilities of our agency. Rather, it should be entered as a note, making it clear that it is an actual liability of the OPERS pension fund.

We appreciate the opportunity to share our concerns with you.

Sincerely,

Harold Showalter, Executive Director  
Glenda J. Jones, Fiscal Officer

Adams County Public Library  
157 High Street  
Peebles, Ohio 45660