Letter of Comment No. 284 File Reference: 34-E Date Received: 10/18/11

October 13, 2011

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

To the Director of Research and Technical Activities:

The Galion Public Library Assn. is a participating employer in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multi-employer plan with approximately 3,700 employers. We are responding to the Governmental Accounting Standards Board (GASB) invitation to provide comments on its Exposure Draft, Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 27. This Exposure Draft addresses changes in the way participants in government sponsored pension plans account for and report pension assets and liabilities in their annual financial statements.

We appreciate the process undertaken by the GASB Board to standardize public employer pension plan disclosure information on financial statements. Though these proposed standards may work well with single employer and agent multi-employer plans, they appear to conflict with the purpose of pooling assets and liabilities in a cost sharing multi-employer plan, and with the state statutes that govern these plans. Employer participation in the plan is established by state statute that also dictates employer contribution rates and the benefits to be received by our employees.

We recommend that the net pension liability be reflected on the financial statements of the pension system where the assets for future pension benefits are also reported. Allocation of the liability to the employer is arbitrary and would suggest additional note disclosures on our financial statements and subject us to different accounting standards. We are concerned that the liability, if allocated, would not be reliable and would result in significant expense, relative to the small audit budget available to us as an employer.

The additional work involved in calculating the proportionate shares of pension expense will likely cause a significant delay in obtaining these values from OPERS and therefore causing lag time in issuing our financial statements at the end of the year. This will make it very difficult to establish our annual budget for the coming year in a timely manner as well.

As the financial status of governmental entities changes, bond ratings, which impact the cost of debt service, could be adversely affected.

We appreciate the opportunity to share with you our concerns, and would be happy to answer any questions you might have.

Respectfully,

Galion Public Library Assn. Ruth Ann Crabaugh, Fiscal Officer