

From: Scott Boyes
Sent: Monday, September 19, 2011 4:05 PM
To: Director - GASB
Subject: GASB 27 Proposed Changes

Director:

My concerns/questions over GASB 27 are as follows:

- Although OPERS is apparently considered cost-sharing plan, there is no decision making authority on plan design at the individual municipality level. What is implied by this assumption is that each individual employer is expected to make up the short fall in funding. With the average short-fall in Ohio equaling \$5,000,000 (\$16,000,000,000 overall), that is an unrealistic expectation that any municipality can absorb this. I believe this will harm municipal entities ability to sell bonds.
- Proposed GASB 27 would be similar to making every non-public employer, who participates in the cost-sharing plan called Social Security, record their share of the actuarially determined short-fall on Social Security. Is FASB considering something similar?
- Will GASB 27 move more and more municipalities to cash basis accounting even if GASB 27 is a required footnote disclosure?

Unfunded state pension plans is a real issue that obviously has been ignored for quite some time. This suggested accounting of the liability for the unfunded obligation is a must at the plan level (where they make the decisions) and forcing communication between the plan and the plan members (employed and retired) regarding the fact that promises have been made for which there may not be money to pay for these promises is valid and important issue. I'm not sure it provides any value at the municipal entity level if it doesn't change plan design at the state plan level.

Wooster Community Hospital is a business-type entity of the City of Wooster.

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