Letter of Comment No. 72 File Reference: 34-E Date Received: 10/3/11

From: Angela Agosta

Sent: Friday, September 30, 2011 3:31 PM

To: Director - GASB

Subject: GASB Statement 25 & 27 Amendments

To Whom It May Concern:

It is with regards to the proposed GASB changes to pension accounting and financial reporting, that I am writing. As a public employer under the OPERS system, I attended a webinar provided by OPERS regarding such pension reporting changes. I found the exposure drafts on the GASB web site and scanned through them. I believe I have the overall idea of the proposed reporting changes.

I am very concerned about the reporting changes to individual employer financial statements that GASB is proposing. Like many smaller public libraries and I am sure other small public employers in Ohio, we report on a cash basis of accounting. In our library's case, I do report in the OCBOA format established for public libraries in Ohio, but it is more of a re-statement of our cash basis, as far as I am concerned. The OCBOA format has, in itself, significantly increased the amount of time for reporting financial information to state auditors.

Public entities are not for-profit companies. In many public libraries, there are only one or two staff members in the Fiscal Office. Fiscal Officers are usually juggling the workload of two or three people and a major change in financial reporting would be burdensome. Many of us earn less than \$40,000/year and are not qualified to calculate net pension liability. We are public employers required to participate in a state pension plan. Why are these reporting requirements not being reserved for OPERS that uses actuaries to calculate such information and then that information be reported to GASB via OPERS financial statements? I guess I am saying that many of us just do not have the resources to accomplish what is being asked. We will have to spend money we do not have to hire CPAs to probably convert our financials to accrual accounting. Moving completely to accrual-based accounting will make us subject to other accrual reporting requirements, such as depreciation. This will add even more time and dollars that we do not have.

I understand the importance of disclosure, and cash-basis entities expense their pension liabilities as they are paid. I do believe reporting beyond this should be the responsibility of the pension plan, in Ohio's case, OPERS.

Thank you.

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