From: Michael Penrod  
Subject: GASB Project No 34-1E

August 26, 2014  
Director of Research and Technical Activities  
Project No. 34-1E  
Governmental Accounting Standards Board  
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To the Director of Research and Technical Activities:

The Wood County District Public Library (WCDPL) is a participating employer in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multi-employer plan with about 3,700 employers. I am writing today regarding the GASB invitation to provide comments on the Exposure Draft, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Exposure Draft addresses changes in how participants account for and report assets and liabilities in their own financial reports. OPERS currently offers post-employment health care to retirees that falls under the scope of the Exposure Draft.

We understand the intent of standardized financial reporting and the need for greater transparency. However, we believe these changes are problematic for WCDPL in relation to how OPERS is established in Ohio statute.

1. As an employer, we have no control over OPERS, no control over the contribution rate allocated to fund health care, and no control over the benefits offered. WCDPL is required by law to participate in OPERS and provide an employer contribution for retirement. To require WCDPL to report retiree health care liabilities does not make sense, as WCDPL is not involved in that area at all. These liabilities should be reported at the OPERS System level only.

2. As small entities, we believe that the liability, if allocated to the employer, would result in significant expense, especially relative to the small audit budget available to us as an employer. Some libraries are so small that they have no employees eligible for health care, yet the exposure draft would require these employers to also carry a portion of the new OPEB liability.
3. The current practice of reporting expenses based on the statutorily required employer contributions allows our government to establish accurate, balanced budgets with limited volatility.

4. WCDPL has always paid its contributions to OPERS on time and managed its budget in an effective manner. Having to report a liability (that we have no jurisdiction over) has the potential of needlessly complicating the goal of increased transparency by having us go from sound financial reports to reporting poor results.

Prudent fiscal management at the local level is not improved by this proposal, but rather harmed by a misleading portrayal of liability. The funding of the postemployment benefit plan is solely the responsibility of OPERS. We respectfully recommend that the net OPED liability be reflected on the financial statements of the OPERS System only.

Respectfully,

Michael Penrod
Director

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