August 27, 2014

Director of Research & Technical Activities
Project No. 34-1E
Government Accounting Standards Board
401 Merritt 7 - P.O. Box 5116
Norwalk, CT 06856-5116

To the Director of Research & Technical Activities:

As County Auditor of Sandusky County, Ohio, which participates in the Ohio Public Employees Retirement System (OPERS), I would like to express my concerns with the Exposure Draft, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

Health care in Ohio under OPERS is not a statutorily guaranteed benefit. While the proposed standards modify the accounting requirements for financial reporting, the responsibility for funding the health care liability has not changed and remains with the Ohio Public Employees Retirement System and not at the County level. The proposed standards will make the County’s financial report be unrealistic and very misleading because of the allocation of this OPEB liability to an employer with no legal obligation for the benefit.

Please consider only requiring those government entities that have a statutorily guaranteed benefit to place the full liability of future retirement and OPEB with the reporting requirement. It is important that the financial statement reflect the true liabilities of a government entity and not that of other entities. Ohio law makes the retirement as well as the health care benefit a responsibility of the OPERS with no additional funding from County for future liabilities for these benefits.

I am sure that you will agree that if an entity does not have a legal obligation it should not be reporting liabilities that is not truly that entity responsibility. This purposed standard as well as GASB 68 makes Ohio governments’ financial report mislead its readers with imaginary liabilities.

Sincerely,

William L. Farrell,
Sandusky County Auditor