August 28, 2014

Director of Research and Technical Activities
Project No. 34-1E
Governmental Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Director of Research and Technical Activities,

I am writing on behalf of Washington County, Ohio, a participating employer in the Ohio Public Employees Retirement System. This letter is in response to the invitation from GASB to provide comments on its Exposure Draft, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The proposed standards may work well with single employer and agent multi-employer plans, but they do not accurately reflect the transactions in accordance with the rules that govern these plans as established by the OPERS Board of Trustees and Ohio law.

The changes recommended by the proposed accounting standards will result in reporting data that will harm our county government by providing a misleading picture of our actual liability.

Reporting of OPEB liabilities that are not true due to the actual nature of the plan in Ohio could lead not only to confusion and a lack of trust by the public, but also actual skewed bond ratings which will adversely impact the cost of debt. It is unfair to put that additional burden on the taxpayers as a result of an actual flawed methodology which can be avoided.

I strongly oppose this philosophical shift. The funding of the postemployment benefit plan is ultimately the responsibility of OPERS and the net OPEB liability must be limited on the financial statements of the System.

Respectfully,

[Signature]
William D. McFarland
Washington County Auditor

cc: Ron Feathers, President, Board of County Commissioners