



**The School District
of Greenville County**
Board of Trustees

December 13, 2011

Mr. Robert H. Attmore, Chairman
Governmental Accounting Standards Board
Post Office Box 5116
Norwalk, Connecticut 06856-5116

Dear Mr. Attmore:

As duly elected representatives of the Greenville County Schools Board of Trustees, the 50th largest school district in the United States, we ask that you reconsider your proposed amendments to GASB statements 25 and 27 which would require all employer participants in the South Carolina Retirement System (SCRS) to record a proportionate share of SCRS's unfunded pension liability. These amendments represent a significant departure from our current financial reporting and will distort our financial statements and provide our public with a false perception of the financial solvency of our district. These amendments will likely increase our audit costs, which will create an unnecessary expense to our taxpayers.

While GASB has determined that the employment exchange between an employee and employer creates a future obligation for retirement benefits for the employer, South Carolina state law contradicts this premise. In fact, Section 9-1-1690 of the Code of Laws of South Carolina clearly states that the Retirement System itself is solely obligated to members of the System, and the "full faith and credit of this State and of its departments, institutions and political subdivisions and of any other employer is not, and shall not be, pledged or obligated beyond the amounts which may be hereafter annually appropriated by such employers..."

Currently, the funding of our required annual contribution amount is shown as expenditure in our financial statements. The unfunded Actuarially Accrued Liability is reported in the notes on the Retirement System's financial statement, which accurately reflects the financial obligations of both entities as required by our state law. While your proposed amendments undoubtedly conflict with our state law, if adopted, they will result in unfair and inaccurate financial statements for our district.

As elected officials, we depend on accurate financial reporting and auditing to ensure that every taxpayer dollar is being spent wisely, efficiently and within legal guidelines. Changing financial reporting requirements in the manner you recommend will give our public information that is inaccurate and less transparent. For the reasons outlined above, we cannot support these proposed amendments and encourage you to reevaluate your position.

Sincerely,

Roger D. Meek

Cc: Greenville County Legislative Delegation; The Honorable Brian White, Chairman of House Ways and Means Committee; The Honorable Hugh Leatherman, Chairman of Senate Finance Committee; SC Congressional Delegation