NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Greenville, South Carolina (the "County") was organized in 1786 and is governed by an elected twelve member council. The County operates under a Council/Administrator form of government as provided in Title 14 of the 1962 Code of Laws of South Carolina as amended (Home Rule Act). As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Blended and discretely presented component units are described below.

The County is governed by a 12-member Council, who serve on a part-time basis and are elected to staggered terms of four years. The Council appoints an Administrator who serves as a full-time administrative officer and is responsible for the daily operations of the County.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present Greenville County, South Carolina and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational or financial relationship with the County.

Discretely Presented Component Units

The **Greenville County Redevelopment Authority** (the “Authority”), a discretely presented component unit, was established in 1969 under the provisions of Act 516 of the South Carolina General Assembly. Its mission is to improve the quality of life for low and moderate-income citizens of the County through improved affordable housing. The Authority is also involved in redevelopment work, including public improvements to streets and rights of way throughout Greenville County. The County Council appoints all board members, approves federal grant requests and is financially accountable for any deficits and as such the County impose its will on the Authority. The Authority has a June 30 year-end. Separate financial statements for the Authority can be obtained from the Greenville County Administrative Office at 301 University Ridge, Greenville, South Carolina, 29601.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The **Greenville County Library System** (the "Library") a discretely presented component unit, was created by County Council in 1979 and has a June 30 year-end. The Library is governed by an eleven member board appointed by the Greenville County Council. The debt of the Library is carried on the County's books, so exclusion of the Library would cause the financial statements for the County to be misleading. Separate financial statements for the Library can be obtained from the Greenville County Administrative Office at 301 University Ridge, Greenville, South Carolina, 29601.

Blended Component Units

The **Greenville County Public Facilities Corporation**, **Greenville County Tourism Public Facilities Corporation**, **Greenville County Business Park Public Facilities Corporation** and **University Ridge Public Facilities Corporation** (the "Corporations") are blended component units that were established in 1991, 2008, 2015 and 2018, respectively, for the purpose of holding title, owning, leasing, constructing, acquiring and operating land, buildings, equipment and facilities functionally related thereto and to perform any other lawful purpose related to the furtherance of the governmental powers of the County. These Corporations have a December 31 year-end and all of their financial transactions are processed through the County's financial system and are a part of the County's audit. They operate as departments of the County, exist for its benefit, and provide services entirely to the County. County Council appoints the board of directors of each Corporation, which consists of two Greenville County Council members and the Greenville County Administrator. Separate financial statements are not prepared for any of the Corporations.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments received from outside the County for participation in the health and dental program and for services of the vehicle service center. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial* resources measurement focus and the *modified accrual* basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenues and fees are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Road Maintenance Programs Fund*** is used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted for road maintenance.

The ***Parks, Recreation & Tourism Fund*** is used to account for the operations of parks, recreation and tourism related activities. It is funded primarily through property taxes and fees charged for the use of facilities.

The ***Capital Projects Fund*** is used to accumulate funds that are set aside for use with specific projects that present a long-term capital investment or that may be related to a future capital expense.

The County reports the following major business-type funds:

The ***Solid Waste Fund*** accounts for the operation, maintenance, and development of various landfills and disposal sites for the citizens on a cost-reimbursement basis.

The ***Stormwater Fund*** accounts for all stormwater related costs and is funded through a stormwater fee.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***debt service funds*** are used to account for the accumulation of resources that are restricted and assigned for the payment of principal and interest on long-term debt.

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets held by the County on behalf of others. The County maintains the following agency funds: the Property Tax Fund, the Family Court Fund, the Master in Equity Fund, the Clerk of Court Fund, the Pre-Trial Intervention Fund, Public Defender, Inmate Fund, and the Special Districts Fund, which accounts for the temporary holding of tax district monies.

The ***internal service funds*** account for the services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's Vehicle Service Fund, Workers' Compensation Fund, and Health and Dental Fund are reported as internal service funds.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

The deposits and investments of the County are invested pursuant to statutes established by the State of South Carolina. The statutes allow for the investment of money in the following investments:

(a) Obligations of the United States and its agencies.

(b) General obligations of the State of South Carolina or any of its political units.

(c) Savings and loan association deposits to the extent they are insured by the Federal Deposit Insurance Corporation (FDIC).

(d) Certificates of deposit which are collaterally secured by securities of the type described above held by a third party as escrow agent or custodian, or a market value not less than the amount of certificates of deposit so secured, including interest; provided however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(e) Collateralized repurchase agreements which are collateralized by securities as set forth in (a) and (b) above and held by the County, the Authority, or the Library or a third party as escrow agent or custodian.

(f) South Carolina State Investment Pool established and maintained by the State Treasurer.

Finally, no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made by the County is limited to obligations of the United States, State of South Carolina, or repurchase agreements collateralized by the aforementioned country or state, and has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned. Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Fixed income securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. The South Carolina State Investment Pool shares are valued at fair value, and net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the County's investment operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

The County considers investments and demand deposits, regardless of maturity dates, to be cash and cash equivalents.

F. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as needed, but County Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

G. Taxes Receivable

The County's property tax is levied each September (except automobiles which are annually assessed on the first day of the month the automobiles were registered) on the assessed value as of the prior December 31 for all real and personal property located in the County. Taxes are due in one payment on or before January 15. A three percent penalty is added on January 16. If taxes remain unpaid on February 2, a seven percent penalty is added to the total of taxes plus penalties. If taxes remain unpaid on the March 17 lien date, an additional five percent penalty is added to the total of taxes and penalties plus a $15 delinquent execution charge. If taxes are not paid prior to the first Monday in November, the property will be sold, at public auction, for taxes due. The County bills and collects its own property taxes and also those for the County School District, seven municipalities and approximately thirty other special taxing authorities and activities which are accounted for in the Property Tax Agency Fund.

H. Allowances for Doubtful Accounts

Management considers all accounts receivable to be fully collectible and accordingly no allowance for doubtful accounts is required. Property tax receivable represents delinquent and unpaid real and personal property taxes for the previous ten years less an allowance for amounts estimated to be uncollectible.

I. Investment in Augusta Grove, LLC

In September 2016, the County transferred the remaining acreage of undeveloped land in a business park known as "The Matrix" to the Greenville County Business Park Public Facilities Corporation (the "Corporation"). The park was renamed and rebranded as "Augusta Grove" and a new entity was created to own and manage it. The role of developer of the park and the Corporation's undeveloped land was transferred to Augusta Grove - Greenville, LLC in exchange for $4 million and a forty percent ownership interest in the LLC. Augusta Grove - Greenville, LLC is a member managed limited liability company comprised of the Corporation, private investors and developers.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment in Augusta Grove, LLC (Continued)

For the fiscal year ended June 30, 2019, the County reported an equity investment in the Augusta Grove - Greenville, LLC of $2,320,142 at the government-wide level. This represents 40 percent of the total land value of $5,776,913 recorded on the LLC. An equity investment of $9,377 was recorded at the fund level.

J. Inventories and Prepaid Items

Inventories are valued at cost using the first in, first out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements for the County. The County uses the consumption method when accounting for these prepaid items.

K. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are $5,000 for all asset categories except for infrastructure assets, which has a minimum of $100,000 and intangible assets, which has a minimum of $250,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair market value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value at the date of donation.

Land, right-of-way easements, certain intangibles, and construction in progress are not depreciated. Other capital assets of the County are depreciated or amortized on a straight-line basis over the following estimated useful lives:

	Years
Buildings	20-50
Improvements	20-50
Infrastructure	50
Furniture and equipment	5-12
Recreation equipment	7-15
Vehicles	4-8

Any interest incurred during the construction phase of business-type activities capital assets is reflected in the capitalized value of the asset constructed. There was no interest capitalized in fiscal year 2019.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on the issue are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

It is the County's policy to vest unused annual leave with its employees up to a maximum number of hours and recognize compensated absences as expenses in the period earned rather than the period such benefit is paid. The balance of earned, vested compensated absences not taken at June 30, 2019, is reported for the governmental and business type activities.

No accrual has been established for accumulated sick leave of employees since it is the Government’s policy to record the cost of sick leave only when it is used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has six items that qualify for reporting in this category. The *deferred charge on refunding* is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other five (5) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position under the headings "Pension" and "Other postemployment benefits". (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension liabilities and total OPEB liability and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. (3) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (4) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (5) Any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability and total OPEB liability are reported as deferred outflows of resources. (6) Any contributions made by the County to the OPEB plan before year end but subsequent to the measurement date of the County's total OPEB liability are reported as deferred outflows of resources.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources (Continued)

The other three items relate to the County's defined benefit pension plans and OPEB plan and are reported in the government-wide and proprietary fund statements of net position, under the heading "Pension" and "Other postemployment benefits". Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience differences are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in the actuarial assumptions which adjust the total OPEB liability are also recorded as deferred inflows of resources and are amortized into OPEB expense over the expected remaining service lives of plan members. The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows.

P. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Amounts that are internally constrained by the County's highest level of decision-making authority, County Council. These amounts are committed by County Council ordinance to be used for specified purposes and remain binding unless removed by the same authority.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

- ***Assigned*** – Amounts that are constrained by the County's Administrator and/or Deputy County Administrator with the intent to be used for specified purposes. Authorization to assign fund balance is given to these individuals by County Council ordinance. The amounts are neither restricted nor committed.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Capital Contributions

The County received donations of land, rights-of-way, roads and bridges and other infrastructure from contractors and private donors. The County accounts for these contributions under GASB Statement No. 33, *Accounting and Financial Reporting for* Non-exchange Transactions(GASB 33).

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

The County's biennium budget provides the financial framework for the programs and services that the government will be undertaking over the next two years. Approximately 60 days prior to June 30, the County Administrator submits to County Council a proposed detailed, line-item operating budget for the General Fund, Special Revenue Funds (Local Accommodations Tax, State Accommodations Tax, E-911, Interoperable Communications, Infrastructure Bank, Charity Hospitalization, Hospitality Tax, Road Maintenance Program and Victim's Bill of Rights, and Parks, Recreation & Tourism), and the Capital Project Fund and Debt Service Funds (General Obligation Bonds, Certificates of Participation, Special Source Revenue Bonds, and Capital Leases) for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them by function and activity. A public hearing is conducted to obtain citizen comments on the proposed budget, which is later legally adopted through passage of an appropriation ordinance by County Council. The legal level of budgetary control is at the department level. The County Administrator is authorized to transfer budgeted amounts within a department, except for the purchase of non-budgeted equipment and hiring of personnel. County Council must approve any revisions which alter the total expenditures of any department.

The County prepares its Fund budgets on a basis of accounting that differs from accounting principles generally accepted in the United States. The actual results of operations are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) for the General Fund, Road Maintenance Programs Fund, and Parks, Recreation and Tourism Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between budgetary basis of accounting for the funds and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

The County disallows the carryforward of open purchase orders for the General Fund and the Parks, Recreation and Tourism Fund operating accounts.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

Adjustments necessary to convert the results of operations from the GAAP basis of accounting to the budgetary basis of accounting are as follows. The Road Maintenance Programs fund reports a budget to GAAP basis adjustment representing encumbrances of $2,173,820.

B. Excess Expenditures Over Appropriations

For the year ended June 30, 2019, the following funds had excess of actual expenditures over appropriations, which were funded by available fund balance:

	Excess
General Fund	
Nondepartmental	$ 2,562,053
Charity Hospitalization	
Public Safety	174,431
Special Source Revenue Bonds	
Fiscal agent fees	7,107
Certificates of Participation	
Fiscal agent fees	4,129
General Obligation Bonds	
Fiscal agent fees	2,001

C. Deficit Fund Equity

For the year ended June 30, 2019, the Capital Projects Fund and the Charity Hospitalization Fund reported deficit fund balances of $6,688,899 and $68,773, respectively. These deficits will be eliminated through transfers from other funds, from other future revenues, and, specifically for the Capital Projects Fund, the issuance of bond anticipation notes in fiscal year 2020. Additionally, the Health and Dental Fund reported deficit net position at June 30, 2019, of $6,965,388. This deficit will be eliminated through transfers from other funds and from other future revenues.

NOTE 3. CASH AND CASH EQUIVALENTS

Total deposits and investments as of June 30, 2019, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	101,454,921
Restricted investments		2,467,471
Amounts as presented on the fiduciary Statement of Net Position:		
Cash and cash equivalents - Agency Funds		74,845,216
Total	$	178,767,608

Cash deposited with financial institutions	$	19,707,497
Investments held at financial institutions		111,423,195
Investments held by the State of South Carolina		47,636,916
	$	178,767,608

As of June 30, 2019, the Government held the following investments (considered cash equivalents):

			Investment Maturities (in Years)				
Investment Type		Fair Value		Less than 1		1 - 5	Rating
S.C. Local Government Investment Pool	$	47,636,916	$	47,636,916	$	-	NR
Certificates of deposit		24,234,416		13,213,340		11,021,076	NR
U.S. Government Treasuries		34,541,464		5,475,194		29,066,270	AAA
U.S. Government Agencies		50,101,076		7,888,312		42,212,764	AAA
Municipal Debt Securities		987,430		-		987,430	AAA
Money Market Mutual Funds		1,558,809		1,558,809		-	NR
Total fair value	$	159,060,111	$	75,772,571	$	83,287,540	

Credit Risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The money market mutual funds and the certificates of deposit were not rated by Standard & Poor's or Moody Investor Services. The South Carolina LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities. The primary objective of the County's investment activities is the preservation of capital and the protection of investment principal by mitigating credit risk. These policies state that credit risk will be mitigated by (a) limiting investments to the safest types of securities, (b) diversifying the investment portfolio in order to minimize losses on individual securities, and (c) doing business with a selected few financial institutions, brokers and dealers.

NOTE 3. CASH AND CASH EQUIVALENTS

Interest Rate Risk. This is the risk that the fair value of securities in the portfolio will fall due to changes in the market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policies allow for building the investment portfolio so that securities mature to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Risk is also minimized by investing in shorter-term securities, generally with maturities of less than five years.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. Government Treasuries	$ 34,541,464	$ -	$ -	$ 34,541,464
U.S. Government Agencies	14,384,700	35,716,376	-	50,101,076
Municipal Debt Securities	-	987,430	-	987,430
Money market mutual funds	1,558,809	-	-	1,558,809
Total investments measured at fair value	$ 50,484,973	$ 36,703,806	$ -	$ 87,188,779
Investments not subject to level disclosure:				
S.C. Local Government Investment Pool				47,636,916
Certicates of deposit				24,234,416
Total investments				$ 159,060,111

The County's investment in money market mutual funds, US Government Treasury and Agency securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in US Government Agency and Municipal Debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The County's investment in equity stocks, mutual funds, governmental bonds, and mortgage backed securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in mortgage backed securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no investments classified in Level 3 of the fair value hierarchy. The South Carolina Local Government Investment Pool (LGIP) is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The County's investments in certificates of deposit are valued at amortized cost, which approximates fair value. As a result, the County's certificates of deposit are not disclosed within the fair value hierarchy.

Concentration of Credit Risk. This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in any one issuer.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral that is in the possession of an outside party. The County's deposits and investments, with the exception of treasury bills, are fully collateralized by securities that are either in the County's name or held by their agent in the County's name. The County follows Section 6-5-15, South Carolina Code of Law, 1976 (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the FDIC, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity. As of June 30, 2019 the carrying amount of the County' s deposits was $19,707,497 and the bank balance was $19,900,465. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2019:

	General	Road Maintenance Program	Parks Recreation & Tourism	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 5,351,702	$ 947,756	$ 561,666	$ 919,191
Other	1,722,841	22,592	4,646	670,266
Due from other governments	4,854,637	-	92,284	6,004,436
Gross receivables	11,929,180	970,348	658,596	7,593,893
Less allowance for uncollectibles	(53,512)	-	(5,616)	(9,191)
Net total receivable	$ 11,875,668	$ 970,348	$ 652,980	$ 7,584,702

	Solid Waste	Stormwater Utility	Nonmajor Enterprise Parking	Internal Service Funds	Total
Receivables:					
Taxes	$ 281,372	$ -	$ -	$ -	$ 8,061,687
Other	562,691	10,209	269	33,571	3,027,085
Due from other governments	-	-	-	-	10,951,357
Gross receivables	844,063	10,209	269	33,571	22,040,129
Less allowance for uncollectibles	(2,814)	-	-	-	(71,133)
Net total receivable	$ 841,249	$ 10,209	$ 269	$ 33,571	$ 21,968,996

Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates between 4 and 10.5 percent of the estimated market value. The assessed value as of June 30, 2019 was $2,430,617,172. The estimated market value was $46,792,558,872 making the assessed value approximately 5.2% of the estimated market value. The County is permitted under the Home Rule Act to levy taxes without limit. The combined tax rate to finance general government services and principal and interest on long-term debt for the year ended June 30, 2019 was 51.9 mills per $1,000 of assessed valuation.

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the Government's governmental activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 25,920,000	$ -	$ (35,225)	$ -	$ 25,884,775
Construction in progress	2,211,085	8,451,507	-	(3,029,761)	7,632,831
Software developed or obtained for internal use	1,853,832	-	-	-	1,853,832
Right-of-way easements	31,832,438	455,472	-	-	32,287,910
Total capital assets, not being depreciated	61,817,355	8,906,979	(35,225)	(3,029,761)	67,659,348
Capital assets, being depreciated:					
Buildings	127,312,332	-	(158,233)	379,417	127,533,516
Improvements	28,496,353	844,786	-	2,650,344	31,991,483
Equipment	26,960,905	4,751,529	(608,227)	-	31,104,207
Recreation equipment	4,368,156	642,242	-	-	5,010,398
Vehicles	22,495,440	3,247,771	(1,209,835)	-	24,533,376
Infrastructure	651,165,109	19,832,614	-	-	670,997,723
Total capital assets, being depreciated	860,798,295	29,318,942	(1,976,295)	3,029,761	891,170,703
Less accumulated depreciation for:					
Buildings	(42,978,810)	(3,146,322)	153,157	-	(45,971,975)
Improvements	(15,248,484)	(1,103,636)	-	-	(16,352,120)
Equipment	(18,252,508)	(2,244,412)	743,621	-	(19,753,299)
Recreation equipment	(1,754,902)	(365,245)	-	-	(2,120,147)
Vehicles	(16,666,738)	(2,974,056)	1,196,282	-	(18,444,512)
Infrastructure	(307,318,931)	(13,056,023)	-	-	(320,374,954)
Total accumulated depreciation	(402,220,373)	(22,889,694)	2,093,060	-	(423,017,007)
Total capital assets, being depreciated, net	458,577,922	6,429,248	116,765	3,029,761	468,153,696
Governmental activities capital assets, net	$ 520,395,277	$ 15,336,227	$ 81,540	$ -	$ 535,813,044

The above schedule includes the net book value of capital assets related to internal service funds as of June 30, 2019, of $190,103.

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Capital asset activity for the Government's business-type activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases and Adjustments	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 9,913,207	$ 264,900	$ -	$ -	$ 10,178,107
Total capital assets, not being depreciated	9,913,207	264,900	-	-	10,178,107
Capital assets, being depreciated:					
Buildings	6,888,990	-	-	-	6,888,990
Improvements	3,187,283	-	-	-	3,187,283
Equipment	11,860,873	92,356	(104,536)	-	11,848,693
Vehicles	1,098,033	190,008	(38,097)	-	1,249,944
Infrastructure	9,316,478	156,136	-	-	9,472,614
Total capital assets, being depreciated	32,351,657	438,500	(142,633)	-	32,647,524
Less accumulated depreciation for:					
Buildings	(2,857,986)	(189,852)	(2)	-	(3,047,840)
Improvements	(1,858,910)	(84,640)	1	-	(1,943,549)
Equipment	(8,617,187)	(546,544)	104,536	-	(9,059,195)
Vehicles	(744,422)	(113,824)	38,098	-	(820,148)
Infrastructure	(888,038)	(186,590)	-	-	(1,074,628)
Total accumulated depreciation	(14,966,543)	(1,121,450)	142,633	-	(15,945,360)
Total capital assets, being depreciated, net	17,385,114	(682,950)	-	-	16,702,164
Business-type activities capital assets, net	$ 27,298,321	$ (418,050)	$ -	$ -	$ 26,880,271

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
Administrative services	$	19,422
General services		88,681
Community development and planning		15,921,587
Emergency medical services		1,203,334
Parks, recreation and tourism		2,547,047
Public safety		321,754
Judicial services		106,890
Law enforcement services		2,589,900
Boards, commissions, and others		83,427
Fiscal services		7,652
Total depreciation expense - governmental activities	$	22,889,694

Business-type activities:		
Solid Waste	$	680,770
Stormwater		400,680
Parking		40,000
Total depreciation expense - business-type activities	$	1,121,450

Appropriations to date of approximately $56,770,881 exist for various renovation and construction projects for the County. At June 30, 2019, unspent appropriations related to construction contracts approximated $8,482,915.

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Special Source Revenue bonds	$ 12,025,000	$ -	$ (2,617,000)	$ 9,408,000	$ 2,257,000
General obligation bonds	65,670,000	-	(6,360,000)	59,310,000	6,530,000
Deferred amounts:					
Unamortized discounts	(16,415)	-	5,239	(11,176)	-
Unamortized premiums	1,747,495	-	(207,108)	1,540,387	-
Total bonds payable	79,426,080	-	(9,178,869)	70,247,211	8,787,000
Certificates of participation	34,520,000	-	(4,905,000)	29,615,000	2,685,000
Deferred amounts:					
Unamortized discounts	(284,106)	-	36,868	(247,238)	-
Unamortized premiums	1,886,072	-	(173,845)	1,712,227	-
Total certificates of participation	36,121,966	-	(5,041,977)	31,079,989	2,685,000
Capital leases	7,584,796	4,000,000	(3,254,338)	8,330,458	2,684,769
Compensated absences	8,230,092	8,781,924	(7,530,289)	9,481,727	853,356
Claims IBNR payable	4,700,000	31,102,119	(30,902,119)	4,900,000	4,043,000
Debt security deposit agreement	231,500	-	(80,570)	150,930	80,570
Net pension liability	228,766,930	19,160,948	(24,446,185)	223,481,693	-
Total other postemployment benefit liability	19,257,204	17,093,858	(1,897,521)	34,453,541	-
Governmental activities long-term liabilities	$ 384,318,568	$ 80,138,849	$ (82,331,868)	$ 382,125,549	$ 19,133,695
Business-type activities:					
Compensated absences	$ 188,190	$ 207,783	$ (172,945)	$ 223,028	$ 20,073
Net pension liability	6,950,635	663,446	(708,906)	6,905,175	-
Closure/postclosure liability	5,181,129	150,712	(126,240)	5,205,601	234,240
Business-type activities long-term liabilities	$ 12,319,954	$ 1,021,941	$ (1,008,091)	$ 12,333,804	$ 254,313

For governmental activities, compensated absences, total OPEB liability, net pension liability are generally liquidated by the General Fund and special revenue funds while the claims IBNR is generally liquidated by the internal service funds. For business-type activities, compensated absences, net pension liability, and landfill closure/post-closure costs are liquidated by the related Proprietary Fund.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

The County issues bonds to provide funds for various projects.

Special Source Revenue Bonds

The special source revenue bonds outstanding as of June 30, 2019, are as follows:

	Interest Rate	Balance at June 30, 2019
Special Source Revenue Refunding Bonds, Series 2007 (8)	3.25%	$ 935,000
Special Source Revenue Refunding Bonds, Series 2012 (10)	2.53%	4,255,000
Recreation System Revenue Refunding Bonds, Series 2015A (12)	2.35%	2,250,000
Recreation System Revenue Bonds, Series 2015B (13)	2.75%	1,968,000
		9,408,000
Less: Unamortized discounts		(11,176)
		$ 9,396,824

SSRB 8

In March 2007, the County issued $7,545,000 of Special Source Revenue Refunding Bonds, Series 2007, interest 3.625% to 4.125%, to refund a portion of the Special Source Revenue Bonds, Series 1999 (Roads Project) and a portion of the Special Source Revenue Bonds, Series 2001 (Roads Improvement Project). The Refunded bonds were issued to finance the costs of constructing roads, bridges and other infrastructure. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2007.

SSRB 12/13

The original principal amount of $5,330,000 of the Series 2011 Greenville County Recreation District (the District) Refunding Revenue Bonds were issued on October 20, 2011. They have annual principal installments and semi-annual interest payments. The interest rate of the Series 2011 refunding bonds is 3.02%. The proceeds of this issue were used to refund the Series 2009 revenue bonds which were issued to build the Pleasant Ridge Camp and Retreat Center and the Staunton Bridge Road Community Center. The Series 2009 bonds were currently refunded resulting in no defeased debt. The County agreed to execute and deliver to the lender a substitute bond with respect to the 2011 Revenue Bond, issued as the Greenville County Recreation System Revenue Bond, Series 2013. The principal amount of $4,685,000 is due in annual principal installments, bears an interest rate of 3.02%, and matures on April 1, 2024. Interest is payable semi-annually.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Special Source Revenue Bonds (Continued)

In September 2015, the County issued $3,733,000 Recreation System Revenue Refunding Bonds, Series 2015A to currently refund all of the Series 2013 (Recreation System Revenue Bonds) and also issued $3,113,000 Series 2015B Recreation System Revenue Bonds for the purpose of defraying the costs of improvements, including operating costs and paying costs and expenses relating to the issuance of the Series 2015B bonds. Interest on the 2015A bonds is 2.35% and interest on the 2015B bonds is 2.75% and is payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2016. The bonds mature on April 1, 2024 and April 1, 2025, respectively.

SSRB 10

In January 2012, the County issued $7,835,000 Series 2012, Special Source Revenue Refunding Bonds, interest at 2.53%. Proceeds of the Series 2012 bonds were used to advance refund a portion of the Series 2003, Special Source Revenue Bonds. The reacquisition price exceeded the net carrying amount of the old debt by $306,612. This amount is being amortized over the life of the new debt. The refunding resulted in an economic gain of $481,824. The interest rate of the Series 2012 refunding bonds are 2.53%. Interest on the Series 2012 Bonds is payable initially on October 1, 2012, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

Annual debt service requirements to maturity for the special source revenue bonds as of June 30, 2019, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2020	$ 2,257,000	$ 252,641	$ 2,509,641
2021	2,303,000	188,924	2,491,924
2022	1,883,000	123,232	2,006,232
2023	1,934,000	75,753	2,009,753
2024	680,000	26,997	706,997
2025	351,000	9,653	360,653
	$ 9,408,000	$ 677,200	$ 10,085,200

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

The special source revenue bonds outstanding as of June 30, 2019, are as follows:

Special Assessment Debt: Fountain Inn Fire Service Area, General Obligation Refunding Bond Series 2016B, General Obligation Bond Series 2010A due in annual installments of $45,000 to $130,000 through April 2027; interest ranging from 2% to 6%. EE1/BB2	$	1,230,000
Special Assessment Debt: Simpsonville Fire Service Area, General Obligation Bond Series 2015B, due in annual installments of $180,000 to $310,000 through April 2030; interest ranging from 3% to 5%. T-2		2,705,000
Special Assessment Debt: Mauldin Fire Service Area, General Obligation Bond Series 2016, due in annual installments of $85,000 to $165,000 through April 2028; interest ranging from 2% to 4.35%. EE-1		1,095,000
$5,615,000 (2011A General Obligation Bonds, Greenville Technical College, due in annual installments of $250,000 to $260,000 through April 1, 2021; interest range from 2% to 4.125%) A67		510,000
$3,950,000 (2011D General Obligation Refunding Bonds, Road Improvements, due in annual installments of $420,000 to $445,000 through April 1, 2022; interest at 2% to 4%) A68		1,300,000
$7,770,000 (2012 General Obligation Refunding Bonds, Greenville Technical College, due in annual installments of $685,000 to $805,000 through April 1, 2026; interest at 2% to 3%) A69		5,210,000
$20,115,000 (2013A General Obligation Refunding Bonds, due in annual installments of $1,265,000 to $1,940,000 through April 1, 2025; interest at 1% to 2.8%) A70		9,825,000
$2,445,000 (2013B General Obligation Refunding Bonds, due in annual installments of $405,000 to $410,000 through April 1, 2021; interest at 1% to 2.25%) A71		815,000
$25,000,000 (2014 General Obligation Bonds, Greenville Technical College, due in annual installments of $1,055,000 to $1,690,000 through April 1, 2034; interest at 2.75% to 4.00%) A72		20,225,000
$8,880,000 (2014A General Obligation Refunding Bonds, due in annual installments of $29,000 to $950,000 through April 1, 2028; interest at 2% to 4%) A73		7,070,000
$10,080,000 (2016A General Obligation Refunding Bonds, due in annual installments of $345,000 to $1.025,000 through April 1, 2032; interest at 2% to 4%) A74		9,325,000
		59,310,000
Add: Unamortized premiums		1,540,387
	$	60,850,387

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2019, are as follows:

Special Assessment General Obligation Bonds

	Principal	Interest	Total
Year ending June 30,			
2020	$ 490,000	$ 175,825	$ 665,825
2021	505,000	159,225	664,225
2022	530,000	140,075	670,075
2023	550,000	119,725	669,725
2024	485,000	98,575	583,575
2025-2029	2,160,000	226,225	2,386,225
2030	310,000	9,300	319,300
	$ 5,030,000	$ 928,950	$ 5,958,950

General Obligation Bonds

	Principal	Interest	Total
Year ending June 30,			
2020	$ 6,040,000	$ 1,653,408	$ 7,693,408
2021	6,230,000	1,464,153	7,694,153
2022	5,515,000	1,283,677	6,798,677
2023	5,240,000	1,097,138	6,337,138
2024	5,395,000	941,101	6,336,101
2025-2029	16,900,000	2,538,357	19,438,357
2030-2034	8,960,000	730,514	9,690,514
	$ 54,280,000	$ 9,708,348	$ 63,988,348

At June 30, 2019, the County was permitted by the South Carolina Constitution to incur general obligation bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property of the County. At June 30, 2019, the County was within the limits of this requirement. (Refer to the statistical section.)

The County also serves as guarantor for various bonds issued by the County on behalf of special taxing fire districts. Please refer to the direct and overlapping governmental activities debt schedule in the statistical section for detailed information.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Certificates of Participation

The certificates of participation outstanding as of June 30, 2019, are as follows:

	Interest Rate		Balance at June 30, 2019
Certificates of participation, series 2010 (10)	2.00% to 4.75%	$	695,000
Certificates of participation, series 2014 (13)	2.00% to 4.00%		20,410,000
Certificates of participation, series 2016 (15)	2.00% to 4.00%		8,510,000
			29,615,000
Less: Unamortized discounts			(247,238)
Add: Unamortized premiums			1,712,227
		$	31,079,989

COPS 11

In October 2010, the County issued $8,290,000 of Refunding Certificates of Participation, Series 2010, to currently refund the Series 1998 Refunding Certificates of Participation (Greenville Technical College Project). The reacquisition price exceeded the net carrying amount of the old debt by $133,300. This amount is being amortized over the life of the new debt. The refunding resulted in an economic gain of $760,503. The interest rate of the Series 2010 refunding bonds is 2.44%. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2011.

COPS 15

In November 2016, the County advance refunded and defeased a portion of the Series 2010 Hospitality Tax Refunding Certificates of Participation. The County issued Series 2016 certificates in the aggregate principal amount of $8,635,000. The Series 2016 certificates are dated as of November 1, 2016 and bear interest at 2.00% to 4.00% payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2017. The issuance of the 2016 refunding bonds resulted in no economic gain or loss.

COPS 13

In July 2014, the Greenville County Tourism Public Facilities Corporation advance refunded and defeased the callable maturities of the Series 2008 Greenville County Tourism Public Facilities Corporation Hospitality Tax Certificates of Participation equaling $23,330,000 which are maturing or subject to mandatory redemption on April 1, 2018 through April 1, 2028. The County issued Series 2014 Certificates in the aggregate principal amount of $24,815,000. The Series 2014 Certificates are dated as of July 8, 2014 and bear interest at 2.00% to 4.00% payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2014.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Certificates of Participation (Continued)

The proceeds of the Series 2014 Certificates will be used to advance refund and defease the Refunded Certificates, to fund the 2014 Reserve Fund through the purchase of a surety bond and to defray the costs of issuance of the Series 2014 Certificates, including a municipal bond insurance premium.

COPS 14

In February 2015, the Greenville County Public Facilities Corporation advance refunded and defeased the callable maturities of the Series 2005 Greenville County Public Facilities Corporation University Center Certificates of Participation equaling $5,890,000 which were maturing on April 1, 2019. The County issued Series 2015 Certificates in the aggregate principal amount of $4,955,000. The Series 2015 Certificates are dated as of February 5, 2015, and bear interest at 1.76% payable semi- annually on April 1 and October 1 of each year, commencing October 1, 2015. The proceeds of the Series 2015 Certificates will be used to advance refund and defease the Refunded Certificates and to defray the costs of issuance.

COPS 10

In August 2010, the County, through Greenville County Tourism Public Facilities Corporation, issued $14,680,000 Series 2010 Certificates of Participation; interest rate ranging from 2% to 4.75%. The Series 2010 Certificates were issued to provide funds to acquire, construct and equip various tourism-related capital improvement projects. Interest on the Series 2010 Certificates is payable on each April 1 and October 1 of each year, commencing April 1, 2011. In November 2016, the County advance refunded and defeased a portion of the Series 2010 Hospitality Tax Refunding Certificates of Participation.

Annual debt service requirements to maturity for the certificates of participation as of June 30, 2019, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2020	$ 2,685,000	$ 1,109,675	$ 3,794,675
2021	2,775,000	1,025,650	3,800,650
2022	2,880,000	922,400	3,802,400
2023	2,975,000	827,800	3,802,800
2024	3,095,000	708,800	3,803,800
2025-2029	14,705,000	1,572,338	16,277,338
2030	500,000	15,000	515,000
	$ 29,615,000	$ 6,181,663	$ 35,796,663

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Defeased Debt

In prior fiscal years, the County defeased several outstanding debt issues by issuing new debt, and has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of these bonds. For financial reporting purposes, the trust account assets and the liabilities for the in-substance defeased bonds are not part of the financial statements. Debt considered defeased consists of the following as of June 30, 2019.

Governmental activities:		
General Obligation Bond, series 2011A, Greenville Technical College (pays 2021)	$	3,555,000
Certificates of Participation, Hospitality Tax 2010 (pays 2020)		8,720,000
Balance of defease debt at June 30, 2019	$	12,275,000

Conduit Debt/Industrial Revenue Bonds

The County issues limited-obligation revenue bonds (Industrial Revenue Bonds) to private sector entities for the purpose of providing financing assistance for acquisitions and construction of industrial and/or commercial facilities. The County only extends Industrial Revenue Bonds to private sector entities that are public interest driven. Under no circumstances would the County, the State, or any subdivision be obligated to repay the bonds. All Industrial Revenue Bonds are omitted from the accompanying financial statements. As of June 30, 2019, there were 20 Industrial Revenue Bonds outstanding, with an estimated principal balance of $1,160,312,594.

Capital Leases

The County's capital leases payable are a culmination of various contracts with a broad range for machinery and equipment. In 1997, the County adopted a Master Lease Agreement. A total of twenty-three leases have been issued under the Master Lease Agreement, twenty-two of which were for the acquisition of vehicles and heavy equipment. Of the twenty-three issues, four remain outstanding. Additionally, the Greenville County Department of Parks, Recreation & Tourism has a total of four outstanding leases which were used for equipment lease financings and real estate lease financings.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Leases (Continued)

The following is an analysis of equity leased under capital leases as of June 30, 2019:

	Governmental Activities
Equipment	$ 29,338,582
Less: Accumulated depreciation	(20,457,016)
	$ 8,881,566

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments as of June 30, 2019:

	Governmental Activities
Fiscal year ending June 30,	
2020	$ 2,842,228
2021	1,801,329
2022	1,352,717
2023	893,617
2024	619,111
2025-2027	1,313,753
Total minimum lease payments	8,822,755
Less amount representing interest	(492,297)
Present value of future minimum lease payments	$ 8,330,458

Debt Security Deposit Agreement

In March 2008, the County entered into a Debt Security Deposit Agreement with certain financial institutions which provides for the County to receive $463,000 from the institutions. In return, the County agrees to deposit, with a trustee, its bond principal and interest payments earlier than the normal due dates over a twenty year period beginning in fiscal year 2010 and ending in 2029. The normal due date for principal is April 1. Interest payments are due April 1 and October 1. According to the agreement, the principal and both interest payments will be made to the trustee on February 1 of each year. In the event the agreement is terminated early, a pro-rated termination amount is to be returned to the institution based upon market rates at that time. The income from this agreement will be recognized using the interest method over the life of the agreement.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Closure and Postclosure Care Costs – Solid Waste Landfills

On October 9, 1991, Federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as postclosure maintenance for a period of thirty years after closure. The $5.2 million liability reported as landfill closure and postclosure represents total costs to date, as of June 30, 2019. Actual cost for closure and postclosure care may vary due to inflation, developments in technology, or changes in laws and regulations. The liability recognized in the current fiscal year for the Twin Chimneys landfills is based on landfill capacity used to date. The following table shows the landfills, which the County owns, and the remaining number of years, out of thirty, each has to be maintained in accordance with the 1991 EPA ruling.

Landfill	Postclosure Years Remaining	Percent Used	Open/Close Year	Closure/ Postclosure Cost
Enoree Phase I	5	100%	1994	$ 200,000
Enoree Phase II	19	100%	2007	850,060
Enoree C&D	20	100%	2007	270,000
Blackberry Valley	1	100%	1987	70,000
Piedmont I & II	1	100%	1979	10,000
Piedmont III	2	100%	1991	56,000
Simpsonville	1	100%	1976	28,000
Twin Chimneys Unit 1	30	98%	2007	3,264,276
Twin Chimneys C&D	30	43%	2007	457,265
				$ 5,205,601

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects Fund	$ 5,842,782
		$ 5,842,782

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Health & Dental Internal Service Fund	$ 4,332,246
		$ 4,332,246

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

The composition of interfund transfers during the year ended June 30, 2019, were as follows:

	Transfer From							
Transfer To	General	Road Maintenance Programs	Parks, Recreation & Tourism	Solid Waste	Stormwater Utility	Nonmajor Governmental Funds	Internal Service Funds	Total
General	$ -	$ -	$ -	$ -	$ -	$ 9,462,923	$ 500,000	$ 9,962,923
Road Maintenance Programs	-	6,600,000	-	-	-	-	-	6,600,000
Parks, Recreation and Tourism	-	-	-	-	-	1,534,784	-	1,534,784
Capital Projects		-	2,660,000	-	-	2,451,898	-	5,111,898
Nonmajor Governmental Funds	2,984,608	-	1,244,506	-	486,050	10,149,252	-	14,864,416
Internal Service Funds	4,826,403	-	337,996	80,475	112,665	22,533	70,818	5,450,890
Total	$ 7,811,011	$ 6,600,000	$ 4,242,502	$ 80,475	$ 598,715	$ 23,621,390	$ 570,818	$ 43,524,911

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. PENSION PLANS

Overview

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

NOTE 8. PENSION PLANS (CONTINUED)

Plan Description (Continued)

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July l, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

NOTE 8. PENSION PLANS (CONTINUED)

Benefits (Continued)

SCRS -A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent.

NOTE 8. PENSION PLANS (CONTINUED)

If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period. The recent pension reform legislation also changes the long-term funded ratio requirement from ninety to eight-five. For the year ended June 30, 2019, the County contributed $10,067,286 to the SCRS plan and $7,237,949 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2019, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2019, are as follows:

South Carolina Retirement System

Employee Class Two	14.41% of earnable compensation
Employee Class Three	14.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	16.84% of earnable compensation
Employee Class Three	16.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTE 8. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2018, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2017, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2018, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2019, (measurement date of June 30, 2018), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	$ 318,161,451	$ 172,139,508	$ 146,021,943	54.1%	0.651680%
PORS	$ 220,443,365	$ 136,078,440	$ 84,364,925	61.7%	2.97737%

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2015, and the next experience study is scheduled to be conducted after the June 30, 2020, annual valuation is complete.

NOTE 8. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2017 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Males multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Males multiplied by 111%

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year.

The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

NOTE 8. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	**47.0%**		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	**10.0%**		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	**13.0%**		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	**18.0%**		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	**12.0%**		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
	100%		
	Total expected real return		5.03%
	Inflation for actuarial purposes		2.25%
	Total expected nominal return		7.28%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

NOTE 8. PENSION PLANS (CONTINUED)

Discount Rate (Continued)

The following table presents the sensitivity of the net pension liabilities to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	$ 186,587,369	$ 146,021,943	$ 120,990,644
PORS	$ 113,734,467	$ 84,364,925	$ 60,308,811

Pension Expense

For the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of $14,214,895 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of ($182,942) for a total of $14,031,953 for the SCRS plan. Additionally, for the year ended June 30, 2019, the County recognized its proportionate share of collective pension expense of $11,020,955 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of ($148,231) for a total of $10,872,724 for the PORS plan. Total pension expense for both plans was $24,904,677.

NOTE 8. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 263,585	$ 859,292
Changes of assumptions	5,793,288	-
Net difference between projected and actual earnings on pension plan investments	2,319,543	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	13,512	533,251
Employer contributions subsequent to the measurement date	10,067,284	-
Total	$ 18,457,212	$ 1,392,543

PORS	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 2,599,420	$ -
Changes of assumptions	5,562,591	-
Net difference between projected and actual earnings on pension plan investments	1,687,096	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	166,411	913,918
Employer contributions subsequent to the measurement date	7,237,949	-
Total	$ 17,253,467	$ 913,918
Totals	$ 35,710,679	$ 2,306,461

NOTE 8. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

County contributions subsequent to the measurement date of $10,067,286 and $7,237,949 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2020	$ 5,483,644	$ 5,018,343
2021	3,462,103	3,390,688
2022	(1,706,917)	597,599
2023	(241,445)	94,970

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County's postemployment benefit plan is a single employer defined benefit plan that is self-funded for medical/prescription drug and fully insured for life insurance to eligible retirees and their dependents. The postemployment medical benefit plan is administered by Planned Administrators Incorporated. The County Administrator has the authority to establish/amend the plan's provisions and contribution requirements. Separate publicly available financial statements are not issued for the OPEB Plan.

Medical/Prescription Drugs

Eligible retirees of the County receive health care coverage through one of three medical PPO plans: Standard, Plus and Premium. Employees who retired prior to January 1, 2004, are eligible to enroll in any of the three plans, while employees who retired on or after January 1, 2004, are only eligible to enroll in the Standard plan. Employees who retired prior to January 1, 2004, are eligible to remain on the County's plan upon reaching Medicare eligibility. Employees who retired on or after January 1, 2004, are eligible for a fully-insured Medicare supplement plan.

Dental

Eligible retired employees have the option to remain on the County's dental insurance plan. The County provides a subsidy to offset some of the cost for this benefit.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Life Insurance

Retiree life insurance is available to retirees until age 65 on a contributory basis. Retirees who choose this benefit receive $40,000 worth of coverage.

Required Monthly Contributions

Contributions are required for both retiree and dependent coverage. Depending on the plan selected, date of retirement, and years of service, the County provides a subsidy to offset the full cost of coverage.

Funding Policy

The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2019, the County paid $2,906,233 toward the cost of retiree health and dental insurance for eligible retired employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Membership

At June 30, 2018, (the measurement date), there were 2,597 participants as follows:

Active participants	2,354
Retirees and beneficiaries currently receiving benefits	243
Total	2,597

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.87% as of June 30, 2018
Healthcare cost trend rate:	7.25% - 4.75%, Ultimate Trend by 2028 for Pre-Medicare
	5.38% - 4.75%, Ultimate Trend by 2022 for Pre-Medicare
Inflation rate:	2.25%
Salary increase:	3.50% - 9.50% for PORS eligible employees
	and 3.00% - 7.00% for SCRS eligible employees per annum
Participation rate:	30.00% of all eligible employees and 50% for spouse coverage

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect the anticipated experience and provide margin for future improvements. The demographic assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% as of June 30, 2018. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.87% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

Changes in the Total OPEB Liability

The changes in the total OPEB liability of the County for the year ended June 30, 2019 were as follows:

	Total OPEB Liability
Balances beginning of year	$ 19,257,204
Changes for the year:	
Service cost	841,099
Interest	652,076
Difference between actual and expected experience	15,332,493
Assumption changes	268,190
Benefit payments and implicit subsidy	(1,897,521)
Net changes	15,196,337
Balances end of year	$ 34,453,541

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County as of June 30, 2019, (June 30, 2018 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
$ 38,587,167	$ 34,453,541	$ 30,818,234

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County as of June 30, 2019 (June 30, 2018 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ 30,227,013	$ 34,453,541	$ 39,552,363

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	$	841,099
Interest on the total OPEB liability		652,076
Recognition of current year amortization - difference between expected and actual experience & assumption changes		1,684,739
Recognition of beginning deferred outflows and inflows or resources as OPEB expense, net		88,730
Total aggregate OPEB expense	$	3,266,644

At June 30, 2019, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,318,945	$ -
Changes of assumptions	239,228	1,003,369
Employer contributions subsequent to the measurement date	2,195,134	-
Total	$ 17,753,307	$ 1,003,369

County contributions subsequent to the measurement date of $2,195,134 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance Plan

Year ended June 30:		
2020	$	1,773,469
2021		1,773,469
2022		1,773,469
2023		1,773,469
2024		1,773,469
Thereafter		5,687,459

NOTE 10. RISK MANAGEMENT

There were no significant reductions of insurance coverage compared to the prior year. Settled claims in the past three years have not exceeded the coverages.

The County operates two separate Internal Service Funds self-insurance programs for health and workers' compensation. Funds are appropriated in the General Fund, the Vehicle Service Fund, the Solid Waste Fund and certain Special Revenue Funds to cover claims, administrative costs and other liabilities. The County's health insurance program is to provide medical and dental coverage to its full-time employees. Full-time employees can select from three self-insured medical plans. Ninety-nine percent of County employees participate in these self-insured medical plans, making them the predominant participants in the plans. Revenues and expenses for the self-insured program for health are accounted for in the Internal Service Funds within the Proprietary Fund types. Coverage in the medical self-insurance program is extended to include various other Greenville County agencies including the Art Museum, Redevelopment Authority, County Library and several fire districts.

The County expended $28,680,715 for medical and dental claims in fiscal year 2019. The basis for estimating claims not reported at year-end is the monthly average paid in claims. The self-insurance fund collects interfund premiums from insured funds and departments and pays claim settlements. Premiums for employees are based on maximum claim level activity and all other premiums in the fund are based on the expected claim level as provided by the actuarial estimate by the reinsurer. Medical claims exceeding $300,000 per insured are covered through a private insurance carrier.

The self-insurance program for workers’ compensation is also accounted for within the activity of the Internal Service Fund. The Workers’ Compensation program serves personnel of the County. The County has contracted with a professional firm to administer this fund. Claims paid during the current fiscal year totaled $2,421,404. Premium increases and decreases for both programs are reviewed and recommended annually by the County's contract administrators.

NOTE 10. RISK MANAGEMENT

Changes in the balances of claims liabilities during the last two years ended June 30, are as follows:

	Workers' Compensation		Health and Dental	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
Unpaid claims, beginning of fiscal year	**$ 2,100,000**	$ 2,600,000	**$ 2,600,000**	$ 2,400,000
Incurred claims and changes in estimates	**2,421,404**	528,052	**28,680,715**	34,330,871
Claim payments	**(2,221,404)**	(1,028,052)	**(28,680,715)**	(34,130,871)
Unpaid claims, end of fiscal year	**$ 2,300,000**	$ 2,100,000	**$ 2,600,000**	$ 2,600,000
Current portion	$ **1,495,000**	$ 1,365,000	$ **2,548,000**	$ 2,548,000

Revenues and expenses for the self-insured plan are accounted for in the internal service fund of the County. The basis for estimating claims not reported at year-end is twice the monthly average paid in claims. The self-insurance fund collects a monthly premium for the Authority and pays claim settlements. Premiums for employees are based on maximum claim level activity and all other premiums in the fund are based on the historical claim level as provided by the actuarial estimate by the reinsurer. Medical claims exceeding $250,000 per insured are covered through a private insurance carrier.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Fiscal Accountability Authority Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Litigation

The County is party to a number of lawsuits arising in the course of operations. It is the opinion of management, in consultation with legal counsel, that it cannot be determined whether resolution of the other pending cases will have a material adverse effect on the financial condition of the County.

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Contingencies

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Commitments Under Operating Leases

The County has commitments for periodic payments under various equipment and office space leases, various landfill leases, equipment maintenance agreements and data processing service contracts and recreational and community centers. All the agreements are cancelable or have remaining terms of less than one year, except for the leases related to recreation and community centers, which have lease terms that range from ten through ninety-nine years. During the current fiscal year, total expenditures under these agreements amounted to $286,009.

NOTE 12. TAX ABATEMENTS

The County provides tax abatement incentives through three programs - Fee in Lieu of Tax, Special Source Revenue Credits, and Multi-County Business Parks:

A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of $2,500,000 within a 5-6 year investment period (beginning with the date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over the term of the FILOT agreement to equalize payments. Repayment of incentive is required by State law if a taxpayer fails to meet statutory minimum investment requirements. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).

A Special Source Revenue Credit (SSRC) is authorized under South Carolina Code Sections 4-29-68, 4-1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. The County manually applies SSRC to reduce applicable property tax bills. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.

NOTE 12. TAX ABATEMENTS (CONTINUED)

A Multi-County Business Park (MCBP) is authorized under Article VIII, Section 13(d) of the Constitution of South Carolina, as amended and South Carolina Title 4, Chapter 1. A MCBP is used to promote the economic welfare of their citizens by inducing businesses to invest in the counties through the offer of benefits available under South Carolina law pursuant to MCBP arrangements. The designation as a MCBP provides that all real and personal property located in the park shall be exempt from all ad valorem taxation. This is typically used in the creation of a FILOT or SSRC, but also has the additional benefit of exemption of property from the rollback taxes when the property was previously taxed as agricultural property.

When agricultural real property is applied to a use other than agricultural, it is subject to additional taxes, referred to as rollback taxes. The amount of the rollback taxes is equal to the sum of the differences, if any, between the taxes paid or payable on the basis of the fair market value for agricultural purposes and the taxes that would have been paid or payable if the real property had been valued, assessed, and taxed as other real property in the taxing district (except the value of standing timber is excluded), for the current tax year (the year of change in use) and each of the immediately preceding five tax years.

For the fiscal year ended June 30, 2019, the County abated property tax revenues of approximately $7,106,684 under FILOT agreements entered into by the County.

NOTE 13. RESTATEMENT FOR ERRORS IN PRIOR YEAR REPORTING

The County determined that restatements to the June 30, 2018, ending net position and fund balance accounts were required to correct certain errors in prior year reporting. The accounts impacted and the restatements are as follows:

1. Net position at the entity-wide level of the Governmental Activities:

	Governmental Activities
Net position, as previously reported	$ 294,792,342
Restatement for the correction of an error	1,625,617
Net position, as restated	$ 296,417,959

2. Fund balance of the Nonmajor Governmental Funds

	Nonmajor Governmental Fund Detention Center Inmate
Fund balance, as previously reported	$ -
Restatement for the correction of an error	1,625,617
Fund balance, as restated	$ 1,625,617

NOTE 13. RESTATEMENT FOR ERRORS IN PRIOR YEAR REPORTING (CONTINUED)

3. Net position of the internal service funds

	Health & Dental Internal Service Fund
Net position, as previously reported	$ (24,525,055)
Restatement for the correction of an error	15,891,154
Net position, as restated	$ (8,633,901)

To further explain the above restatements, the following information is provided:

Restatement Nos. 1 and 2 – Movement of the detention center inmate activity from an agency fund to a special revenue fund. The County operates a detention center which houses inmates. The detention center provided certain services to inmates, such as commissary services, through the use of certain commissary vendors. The County charges a fee for such services which is restricted or committed by County Council to be used on jail projects and improvements. The activities associated with the detention center inmate fund was previously reported by the County as an agency fund. The activity of the detention center relative to the inmate commissary meets the GASB established criteria for reporting as a special revenue fund. As such, the County determined a restatement to increase the beginning fund balance of the nonmajor governmental funds and to increase beginning net position of the County's governmental activities in the amount of $1,625,617 as of July 1, 2018.

Restatement No. 3 – Recording of other postemployment benefits. The County has determined that a restatement to beginning net position of the Health and Dental internal service fund was required to properly report the County other postemployment benefits liability and related items as required under GASB Statement No. 75. Generally accepted accounting principles requires internal service funds be used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. As such, the County determined a restatement to increase beginning net position of the Health and Dental internal service fund in the amount of $15,891,154 as of July 1, 2018, to remove the effect of other postemployment benefits from the fund. There was no restatement to beginning net position for the County's governmental activities as the other postemployment benefits liability and related items was allocated completely to governmental activities in the conversion/elimination process at June 30, 2018.