Greenville County, South Carolina
Notes to the Financial Statements
June 30, 2014

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

1. Reporting Entity

The County of Greenville, South Carolina 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 discussed below.

On June 18, 2013, Greenville County Council adopted a resolution to merge the legally separate Greenville County Recreation District (the District) operations into the County. Greenville County assumed the assets and liabilities of the District including all debts and obligations. The District was a special purpose district created by the South Carolina General Assembly to provide recreational services only and had the same boundary as Greenville County.

An ordinance providing for the merger by Greenville County of certain indebtedness of the District, and other matters related thereto, was enacted by the County Council on September 3, 2013. The merger was effective as of July 1, 2013. The dissolution and merger of the District operations into the County was in the best interest of the citizens and visitors of Greenville County. The merger allows Recreation facilities and programs to continue by ensuring more efficient use of financial resources via economies of scale and avoidance of duplication of services, and by providing mechanisms for future growth.

No consideration was given in this transaction. The County's current financial statements recognize the carrying values of the former Distict's assets and liabilities, deferred inflows and outflows and the inflow of resources for the net position received. Further information related to this merger is disclosed later in the notes to the financial statements.

2. Component Units

The Greenville County Public Facilities Corporation and Greenville County Tourism Public Facilities Corporation are blended component units that were established in 1991 and 2008, 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 Greenville 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 and exist for its benefit. Neither entity had any activity during fiscal year 2014.

The Greenville County Redevelopment Authority (the Authority) a discreetly 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 Greenville 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 Greenville County Council appoints all board members, approves federal grant requests and is financially accountable for any deficits. The Authority has a June 30 year-end.

The Greenville County Library System (the Library) a discreetly 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.

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A. REPORTING ENTITY

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Greenville County Public Facilities Corporation	Blended	The Board of Directors of the Corporation consists of the Greenville County Council members and the Greenville County Administrator.	None issued
Greenville County Tourism Public Facilities Corporation	Blended	The Board of Directors of the Corporation consists of two Greenville County Council members and the Greenville County Administrator.	None Issued
Greenville County Redevelopment Authority	Discretely Presented	The Redevelopment Authority is governed by a twelve-member board appointed by the Greenville County Council.	Greenville County Administrative Office
Greenville County Library	Discretely Presented	The Library is governed by an eleven-member board appointed by the Greenville County Council.	Greenville County Administrative Office

B. BASIS OF PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

1. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. 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. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. BASIS OF PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

1. Basis of Presentation

principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This fund is the County's primary operating fund. It accounts for all financial resources except those accounted for in another fund.

Special Revenue Fund - Federal and State Grants. This fund is used to account for the proceeds of specific federal and state revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

Special Revenue Fund - Parks, Recreation & Tourism. This fund is used to account for the operations of parks, recreation and tourism related activities.

Agencies - Greenville Technical College Capital Project Fund. This fund is used to account for financial resources to be used for the acquisition or construction projects for Greenville Technical College.

The County reports the following major enterprise funds:

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

Stormwater Fund. This fund accounts for all storm-water related costs and is funded through a stormwater fee.

Additionally, the County reports the following fund types:

Internal Service Funds. The County has a Vehicle Service Fund, Workers' Compensation Fund, and Health and Dental Fund. These funds are used to account for the services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

Agency Funds. The County's only Fiduciary Fund type is its Agency Funds. 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, which accounts for tax collections accumulated and distributed for the County schools, tax districts and various municipalities; the Special District Debt Service Fund, which accounts for the accumulation of funds (primarily tax receipts to pay principal and interest on bond issues); the Family Court Fund, which accounts for the processing of court settlement claims; the Master in Equity Fund, which accounts for settlement claims due to others; the Clerk of Court Fund, which accounts for bond postings and restitution payments; the Pre-Trial Intervention Fund, which accounts for repayments to victims; and the Special Districts Fund, which accounts for the temporary holding of tax district monies.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
C. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of $354,557,049 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on governmental activities column).	$ 840,133,328
Less accumulated depreciation	(328,263,305)
Net capital assets (Net of Internal Service Funds of $241,282)	511,870,023
Internal service funds are used by management to charge the costs of the vehicle service center, worker's compensation, and health and dental costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (Includes compensated absences of $101,341)	8,617,822
Deferred inflows for unearned tax revenues recorded in the fund statements.	6,057,000
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Long-term debt	(166,060,779)
Deferred outflows	2,594,502
Compensated absences (Net of Internal Service Fund $101,341)	(7,129,665)
Accrued interest payable	(1,391,854)
Subtotal	(171,987,796)
Total Adjustment	$ 354,557,049

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
C. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. Elements of that total adjustment of $(25,606,353) are as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	$ 6,817,027
Donations of capital assets that increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	5,296,464
Depreciation expense, the allocation of those assets over their useful lives, which is recorded on the statement of activities but not in the fund statements.	(18,562,172)
Gain (loss) on disposal of assets	237,878
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	(388,832)
Difference in long-term debt and related items.	(13,779,880)
The internal service fund is used by management to charge the cost of the vehicle service center, worker's compensation, and health and dental cost.	(4,463,838)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Increase (decrease) in accrued taxes receivable for year ended June 30, 2014	(763,000)
Total Adjustment	$ (25,606,353)

3. Measurement Focus and Basis of Accounting

In accordance with South Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The agency funds, which are fiduciary funds, have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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, including special assessments.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
C. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

3. Measurement Focus and Basis of Accounting
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 non-operating 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 County enterprise funds are fees to customers for services. Expenses for enterprise funds include the cost of goods to provide services, administrative expenses, operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recorded when due, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property tax revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes". This interpretation states that property tax revenue is recorded when it becomes available. "Available" means when due, or past due and receivable within the current period or expected to be collected soon enough thereafter, not to exceed 60 days, to be used to pay liabilities of the current period. Net receivables estimated to be collectible in more than 60 days subsequent to June 30, 2014 are reported as deferred inflows of resources.

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.

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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989 unless those pronouncements conflict with GASB pronouncements. The County has elected not to apply the standards issued after November 30, 1989 for enterprise funds, as allowed by GAAP.

D. BUDGETARY DATA

1. Budgetary Data

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

Greenville 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 (Accommodations Tax, E-911, Infrastructure Bank, Charity Hospitalizations, Hospitality Tax, Road Maintenance Program and Victim's Bill of Rights and Parks, Recreation & Tourism), Capital Project Funds (Information Technology, Ortho Photography) and Debt Service Funds (General Obligation Bonds, Certificates of Participation , Special Source Revenue Bonds, 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

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. BUDGETARY DATA

1. Budgetary Data

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. Unencumbered budget amounts lapse at the end of each year.

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) – Major Governmental Funds 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).

Adjustments necessary to convert the results of operations from the GAAP basis of accounting to the budgetary basis of accounting are as follows.

General Fund	Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		
Net change in fund balances - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP basis)		$	1,374,763
Prior period encumbrances paid in FY2014			722,895
Outstanding FY2014 encumbrances	(1,287,739)		
Outstanding prior period encumbrances	516,447		
			(771,292)
Net change in fund balances – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Funds (Budgetary basis)		$	1,326,366

Of the outstanding encumbrances as of June 30, 2014, the majority are related to public safety and community development and planning.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. BUDGETARY DATA

1. Budgetary Data

The Federal and State Grant subfunds with legally adopted budgets are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Subfunds of Federal and State Grant Fund with Legally Adopted Budgets. There are additional subfunds within this fund which do not have legally adopted budgets. The reconciliation for the entity difference is as follows:

Fund balance - ending - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - Subfunds of Federal and State Grant Fund with Legally Adopted Budgets - E-911	$	4,045,416
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Subfunds of Federal and State Grant Fund with Legally Adopted Budgets – Accommodations Tax		502,609
Fund balance - ending - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - Subfunds of Federal and State Grant Fund with Legally Adopted Budgets - Victim's Bill of Rights		236,657
Fund balance - ending of Federal and State Grants without legally adopted budgets		4,086,469
Fund balance- ending - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Federal and State Grant Fund	$	8,871,151

The Capital Projects funds with legally adopted budgets are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets. There are additional funds within this fund which do not have legally adopted budgets. The reconciliation for the entity difference is as follows:

Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets – Information Technology	$	(1,116,764)
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets – Parks, Recreation & Tourism		901,194
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets – Ortho Photography		365,869
Fund balance – ending – Capital Projects Funds without legally adopted budgets		5,170,191
Fund balance - ending - Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	$	5,320,490

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY

1. Deposits and Investments

The deposits and investments of the County, the Authority and the Library 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.

(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 Pooled Investment Fund 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. Investments are stated at cost.

2. Cash and Cash Equivalents

The Library and the Authority consider demand deposits and investments purchased with an original maturity of three months or less which are not limited as to use, to be cash and cash equivalents. The County, however, considers investments and demand deposits, regardless of maturity dates, to be cash and cash equivalents.

3. Restricted Assets

All funds in the Debt Service Fund are shown as restricted, as well as, special revenue funds and federal and state grant funds restricted to a specified purpose.

4. Ad Valorem 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

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY

4. Ad Valorem Taxes Receivable

municipalities and approximately thirty other special taxing authorities and activities which are accounted for in the Property Tax Agency Fund.

5. Rehabilitation Loans and Advances Receivable

Loans for the Authority are recorded at the principal receivable and are repaid by the recipients in equal monthly installments. Loan terms are for five to thirty years at interest rates ranging from zero to ten percent. Advances do not bear interest and become payable upon the recipients' death or upon the sale or transfer of the property. There is a concentration of credit risk on the rehabilitation loans made by the Authority. The loans have been made primarily to lower and moderate income level individuals in the non-incorporated, economically deprived areas of Greenville County.

6. 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 proceeding ten years less an allowance for amounts estimated to be uncollectible.

7. Inventories and Prepaid Items

Inventory is valued at the lower of cost or market (first in, first out) and consists of expendable supplies held for consumption. The cost of inventory is recorded as an expense at the time individual inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements for the County, the Authority, and the Library.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY
8. 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 are recorded at estimated fair market value at the date of donation.

Land 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
Software	3

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 2014.

Capital assets for the Authority are defined as assets with an initial, individual cost of more than $1,000, and an estimated useful life in excess of two years. Equipment and vehicles of the Authority are depreciated using the straight-line method over their estimated useful lives of three to seven years.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY
8. Capital Assets

Capital assets of the Library are defined as assets with an initial cost of at least $5,000 and are depreciated on a straight-line basis over the following estimated useful lives:

	Years
Buildings	30-50
Land Improvements	15-30
Furniture, equipment and vehicles	2-10
Library materials	5
Signs	7

9. Real Property Held for Programs

Real property is stated at the lower of cost or estimated net realizable value and is comprised of properties acquired for the purpose of rehabilitation and subsequent resale or rental at fair market or nominal values.

10. Long-term Obligations

In the government-wide financial statements and in the 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

11. 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 expenditures in the period earned rather than the period such benefit is paid. The balance of earned, vested compensated absences not taken at June 30, 2014 was $7,416,231 for the governmental and business type funds.

Library employees earn vacation in varying amounts. In the event of resignation or retirement, an employee is reimbursed for accumulated vacation up to 225 hours. All vacation pay is accrued when earned in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

12. Net Position and Fund Balances

Net Position and Policies

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY

12. Net Position and Fund Balances
Deferred Outflows and Inflows of Resources

The statement of net position must report deferred outflows of resources following the assets section and deferred inflows of resources following the liabilities section. Deferred outflows of resources represents a consumption of net postion that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

Fund Balances and Policies

In the governmental fund financial statements fund balance represents amounts that are not appropriable, are legally segregated for a specific purpose or are available for use. Classifications of fund balance represent constraints by which the County is obligated for specified purposes and comprise five categories as follows:

Nonspendable – Amounts that cannot be spent because they are either (1) nonspendable in form, such as inventories, prepaid items or long-term receivables or (2) legally or contractually required to remain intact.

Restricted – Amounts that are externally constrained by third-parties, enabling legislation, or by law through constitutional provisions. These amounts are restricted in use to their specified purpose as defined by law, legislation, contract or constitution. These are the same restrictions used to determine restricted net position in the government-wide and proprietary fund financial statements.

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.

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 – Amounts that are not reported as nonspendable, restricted, committed or assigned.

The County considers restricted amounts spent first when both restricted and unrestricted fund balance is available unless legally/contractually prohibited. Of the unrestricted fund balance, the County uses committed, then assigned, and lastly unassigned amounts when expenditures are made.

Contingency Plan – The general fund budget shall provide for a contingency equivalent to two percent of estimated annual operating revenues. This contingency shall only be used when one of the following conditions arises and shall be restored in full within the next two fiscal years.

1. To mitigate damage caused by a natural disaster
2. To address an urgent event that jeopardizes the safety of the public

Minimum Fund Balance – To maintain an AAA County credit rating and meet seasonal cash flow shortfalls, the general fund budget shall provide for an anticipated undesignated fund balance between twenty-five and thirty-five percent of estimated annual revenues. This policy is an integral part of the County's plan to maintain service levels and eliminate the need for tax increases during periods of revenue decline. In the event the general fund balance falls below the required minimum, the County will rebuild the balance within one year.

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY
13. Capital Contributions

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

14. Accounting Estimates

The preparation of the basic 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. New Pronouncements

The GASB issued *Statement No. 65, "Items Previously Reported as Assets and Liabilities*." This Statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. This Statement was implemented during the current fiscal year.

The GASB issued *Statement No. 66, "Technical Corrections - 2012; an amendment of GASB Statements No. 10 and No. 62*" which was also implemented during the current fiscal year.

The GASB issued *Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. It is effective for financial statements for fiscal years beginning afer June 15, 2014.

The GASB issued *Statement No. 69, "Government Combinations and Disposals of Government Operations."* This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the Statement is encouraged.

The GASB issued *Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees."* This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013.

16. Merger of Greenville County Recreation District (the District) with the County of Greenville

As of July 1, 2013, under an Ordinance providing for the merger of operations, assets, liabilities and deferred outlows and inflows from the Greenville County Recreation District, the County recognized the following carrying value opening balances of assets, deferred outflows, liabilities, deferred inflows and net position as reported in the separate financial statements of the District as of June 30, 2013:

Note I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
E. ASSETS, LIABILITIES, AND FUND EQUITY

16. Merger of Greenville County Recreation District (the District) with the County of Greenville

	Carrying Values
Assets	
Current assets	$ 4,617,313
Capital assets, net	56,294,088
Total assets	60,911,401
Liabilities	
Current liabilities	188,635
Noncurrent liabilities	8,594,392
Total liabilities	$ 8,783,027
Net Position	
Net investment in capital assets	56,294,088
Unrestricted	(4,165,714)
Total net position	$ 52,128,374

Additionally, the County recognized a beginning fund balance of the District as of July 1, 2013 in the amount of $4,428,678 which was comprised of current assets, $4,617,313 and current liabilities of $188,635. The fund balance differed from the amount reported in the District's financial statements as of June 30, 2013 by ($33,894) due to the elimination of related party balances.

17. Subsequent Events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through October 22, 2014, the date the financial statements were available for issuance. Please refer to footnote II.H for a discussion of subsequent events.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

1. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in the County's name. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agents in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agents in the County's name.

At June 30, 2014, the County's deposits had a carrying value of $36,538,789 and a bank balance of $48,316,636. Of the bank balance, $900,921 was covered by federal depository insurance while $47,415,715 was covered by collateral held under the Dedicated Method.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

1. Deposits

Deposits for the Authority

The State of South Carolina General Statutes permit the Authority to invest in certain types of financial instruments. Cash may be maintained in demand deposits or savings accounts, certificates of deposit, repurchase agreements, or U.S. Government Securities. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the Authority's policies.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it fully. The Authority's policy is that all deposits in excess of federal insurance amounts must be collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. At June 30, 2014, the Authority's carrying amount of deposits was $1,515,802 and the bank balance was $1,664,661, of which $1,390,523 was not covered by federal depository insurance. However, these deposits were collateralized.

Deposits for the Library

Of the bank balance, $250,000 was covered by federal depository insurance while the remainder of Library deposits were covered by collateral held by the Library's or County's agents in the Library's or County's name. As of June 30, 2014, cash on hand was $1,135.

2. Investments

As of June 30, 2014 the County had the following investments and maturities:

Instrument Type	Fair Value	Less than six months	6-12 months	1-3 years	More than 3 years
Money Markets	$ 1,396,827	$ 1,396,827	$ -	$ -	$ -
Revenue Bonds	843,256	843,256	-	-	-
U.S Government Treasuries	23,460,565	2,511,386	3,551,289	6,016,912	11,380,978
U.S. Government Agencies	47,127,825	5,960,809	4,068,226	21,212,262	15,886,528
SC State Investment Pool	85,051,741	85,051,741	-	-	-
Total	$157,880,214	$ 95,764,019	$ 7,619,515	$ 27,229,174	$ 27,267,506

The Treasurer of Greenville County implements investment policies which are included as a section of the County's Financial Policies. These policies enhance the guidelines provided by the State of South Carolina and incorporate the Government Finance Officers Association's recommendation on treatment of Collateralized Mortgage Obligations. While operating under adopted financial policies, the County can, if necessary to prevent a loss, hold all investments until their maturity. The fair value of the South Carolina pooled investment is the same as the value of the pooled shares. Regulatory oversight is provided by the

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

2. Investments
South Carolina State Treasurer.

Interest Rate Risk. As a means of limiting it's 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 on going 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.

Credit Risk. Included in the County's investment policies are policies relating to the credit risk of investments. 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/dealers.

In accordance with the investment policies of the County, all investment instruments used by the Treasurer are those authorized by current State statute, or any permissible investment as redefined by the State legislature. The County's investments in US Agencies including Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. As of June 30, 2014, Greenville County owned $47,127,826 government sponsored agency debt securities. These bonds are the direct obligation of FNMA, FHLMC, FHLB, and FFCB which are rated AA+ or higher by all rating agencies. The investments are either directly or indirectly guaranteed by the US Treasury. The South Carolina Local Government Investment Pool is classified as risk category "A". All money market accounts are rated AAA.

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 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 Federal Deposit Insurance Corporation, 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.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

2. Investments

Following are the components of the County's book and fair values for cash and investments at June 30, 2014:

Cash and Investments	Fair and Carrying Value
Cash	$ 21,293
Deposits:	
Demand deposits	7,226,089
Certificates of deposits	29,312,700
Investments:	
Government securities	157,880,214
	$ 194,440,296

A reconciliation of cash and investments for the County as shown in the statement of net position is as follows:

Carrying amount of deposits	$ 36,538,789
Cash on hand	21,293
Fair value of investments	157,880,214
	$ 194,440,296

Statement of Net Position:	
Cash and cash equivalents (governmental activities)	$ 124,063,380
Restricted assets – Investments (governmental activities)	1,396,827
Cash and cash equivalents (business type activities)	15,502,912
Statement of Fiduciary Net Position:	
Cash and equivalents (all fiduciary funds)	53,477,177
Total cash and investments	$ 194,440,296

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

2. Investments

Investments for the Library

As of June 30, 2014, the Library has the following investments and maturities:

Investment Type	Fair Value	Less than six months	6-12 months	1-3 years
Money Market	$ 6,253,659	$ 6,253,659	$ -	$ -
Totals	$ 6,253,659	$ 6,253,659	$ -	$ -

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Library maintains short-term securities with maturities of six months or less.

Credit Risk: All investment instruments used are those authorized by the current State statute, or any permissible investment as redefined by the State legislature. The credit quality of the money market fund is unrated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral that is in the possession of an outside party. All of the Library's investments are uninsured and unregistered investments for which the securities were held by the counterparty's trust department or agent in the Library's name.

Concentration of Credit Risk: The investment policy of the Library places no limit on the amount that the Library may invest in any one issuer. All of the Library's investments are in Money Markets, which are collaterally secured, at one financial institution.

A detail of cash and investments as shown on the statement of net position follows:

Carrying amount of deposits	$ 11,056,622
Cash on hand	1,135
Fair value of investments	6,253,659
Cash and Investments	$ 17,311,416

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS
3. Property Tax

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, 2014 was $2,029,290,872. The estimated market value was $38,722,251,452 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, 2014 was 51.9 mills per $1,000 of assessed valuation which includes the addition of Parks, Recreation and Tourism. The combined tax rate to finance general services and principal and interest on long-term debt for the Library for the year ended June 30, 2014 was 7.4 mills per $1,000 of assessed valuation.

4. Receivables

	General Fund	Federal and State Grant Fund	Enterprise Funds	Parks, Recreation & Tourism	Agencies - Greenville Technical College	Nonmajor Funds	Total
Receivables							
Taxes receivable	$ 5,763,523	$ -	$ 324,441	$ 573,851	$ -	$ 824,320	$ 7,486,135
Other receivables	1,552,769	446,959	660,290	209,076	-	568,374	3,437,468
Due from other governmental units	3,893,130	2,105,215	-	66,542	-	-	6,064,887
Total Receivables	$ 11,209,422	$ 2,552,174	$ 984,731	$ 849,469	$ -	$ 1,392,694	$ 16,988,490

	Adjustments to Full-Accrual	Total
Receivables		
Taxes receivable	$ -	$ 7,486,135
Other receivables	50,244	3,487,712
Due from other governmental units	53,956	6,118,843
Total Receivables	$ 104,200	$ 17,092,690

Adjustments to full-accrual include $104,200 related to amounts recorded for the internal service funds. Internal service funds predominately serve the governmental funds, but are included in both the governmental and business-type activities on the accompanying government-wide financial statements. The Fiduciary fund financial statements include $41,100,753 in taxes receivable and $9,516 in other receivables recorded in the agency funds. These amounts are excluded from the forgoing schedule and represent the amount of receivables held in a custody relationship for other governments and individuals.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

4. Receivables
Receivables for the Library at the government-wide level at June 30, 2014 were as follows:

	Due from other Governments	Property Taxes	Accrued Fines	Other	Total
Governmental activities					
General	$ 162,226	$ 734,328	$ 1,138,898	$ 2,000	$ 2,037,452
Capital Projects	34,426	156,496	-	18,853	209,775
Total receivable	196,652	890,824	1,138,898	20,853	2,247,227
Allowance for doubtful accounts	-	(17,816)	(843,582)	-	(861,398)
Total governmental activities	$ 196,652	$ 873,008	$ 295,316	$ 20,853	$ 1,385,829

The Authority has $13,713,335 rehabilitation loans, $425,579 other accounts receivable and $658,249 grants receivable at June 30, 2014.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2014 was as follows:

	Beginning Balances	Parks, Recreation & Tourism Beginning Balances	Increases	Disposals and Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated					
Land	$ 10,176,240	$ 10,978,070	$ 61,230	$ -	$ 21,215,540
Construction in progress	3,856,792	1,079,081	351,960	(5,287,833)	-
Software developed or obtained for internal use	476,335	-	-	-	476,335
Total capital assets not being depreciated	14,509,367	12,057,151	413,190	(5,287,833)	21,691,875
Capital assets being depreciated:					
Buildings	81,198,746	32,190,775	138,330	5,019,539	118,547,390
Improvements	17,551,802	8,318,670	-	268,294	26,138,766
Equipment	18,434,956	431,440	396,094	(300,645)	18,961,845
Recreation equipment	-	3,035,677	17,697	-	3,053,374
Vehicles	15,908,883	260,375	2,408,655	(1,266,403)	17,311,510
Infrastructure	626,539,694	-	8,960,895	-	635,500,589
Total capital assets being depreciated	759,634,081	44,236,937	11,921,671	3,720,785	819,513,474
Less accumulated depreciation for:					
Buildings	28,809,288	-	2,870,054	-	31,679,342
Improvements	10,158,563	-	974,647	-	11,133,210
Equipment	14,288,637	-	872,419	(300,645)	14,860,411
Recreation equipment	-	-	365,996	-	365,996
Vehicles	13,069,307	-	1,508,511	(1,282,911)	13,294,907
Infrastructure	245,764,704	-	11,995,474	-	257,760,178
Total accumulated depreciation	312,090,499	$ -	$ 18,587,101	$ (1,583,556)	329,094,044
Total capital assets depreciated, net	447,543,582				490,419,430
Governmental activities capital assets, net	$ 462,052,949				$512,111,305

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets
Primary Government

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

Administrative Services	$ 10,590
General Services	78,106
Community Development and Planning	14,187,889
Emergency Medical Services	321,732
Parks, Recreation & Tourism	2,270,209
Public Safety	193,187
Judicial Services	31,458
Fiscal Services	2,958
Law Enforcement Services	1,425,324
Boards, Commissions, & Others	65,648
Total Depreciation Expense	$ 18,587,101

Construction contracts of approximately $233,091,733 exist for various renovation and construction projects for the County. At June 30, 2014, the remaining commitment on these contracts approximated $10,151,929.

Governmental activities donated assets for fiscal year 2014 included infrastructure additions of approximately $5,296,464, as well as the Blythe Hagood House and other miscellaneous assets valued at approximately $221,360.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets

Capital asset activity for the business-type activities for the year ended June 30, 2014 was as follows:

Solid Waste Enterprise Fund:	Beginning Balances	Increases	Disposals and Adjustments	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	$ 5,980,755	$ -	$ -	$ -	$ 5,980,755
Total capital assets not being depreciated	5,980,755	-	-	-	5,980,755
Capital assets being depreciated:					
Buildings	4,746,431	-	-	-	4,746,431
Improvements	2,899,969	-	-	-	2,899,969
Equipment	8,784,579	27,104	(134,909)	-	8,676,774
Vehicles	1,134,927	23,366	(61,698)	-	1,096,595
Total capital assets being depreciated	17,565,906	50,470	(196,607)	-	17,419,769
Less accumulated depreciation for:					
Buildings	1,461,815	150,576	-	-	1,612,391
Improvements	1,341,534	85,105	-	-	1,426,639
Equipment	7,109,992	370,388	(134,909)	-	7,345,471
Vehicles	851,456	34,697	(61,698)	-	824,455
Total accumulated depreciation	10,764,797	$ 640,766	$ (196,607)	$ -	11,208,956
Total capital assets depreciated, net	6,801,109				6,210,813
Business-type activities capital assets, net	$ 12,781,864				$ 12,191,568

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets

Parking Enterprise Fund:	Beginning Balances	Increases	Disposals and Adjustments	Transfers	Ending Balances
Capital assets, not being depreciated:					
Land	$ 1,060,000	$ -	$ -	$ -	$ 1,060,000
Total capital assets not being depreciated	1,060,000	-	-	-	1,060,000
Capital assets, being depreciated:					
Buildings	2,000,000	-	-	-	2,000,000
Total capital assets being depreciated	2,000,000	-	-	-	2,000,000
Less accumulated depreciation for:					
Buildings	433,333	40,000	-	-	473,333
Total accumulated depreciation	433,333	$ 40,000	$ -	$ -	473,333
Total capital assets depreciated, net	1,566,667				1,526,667
Business-type activities capital assets, net	$ 2,626,667				$ 2,586,667

Stormwater Enterprise Fund:	Beginning Balances	Increases	Disposals and Adjustments	Transfers	Ending Balances
Capital assets, not being depreciated:					
Land	$ 1,889,402	$ 151,450	$ (45,760)	$ -	$ 1,995,092
Total capital assets not being depreciated	1,889,402	151,450	(45,760)	-	1,995,092
Capital assets being depreciated:					
Buildings	96,403	-	-	-	96,403
Improvements	228,296	-	-	-	228,296
Equipment	721,068	176,373	-	-	897,441
Vehicles	364,138	-	(17,331)	-	346,807
Infrastructure	4,457,080	1,453,852	-	-	5,910,932
Total capital assets being depreciated	5,866,985	1,630,225	(17,331)	-	7,479,879
Less accumulated depreciation for:					
Buildings	161	1,928	-	-	2,089
Improvements	49,460	15,219	-	-	64,679
Equipment	152,934	81,053	-	-	233,987
Vehicles	182,942	23,325	(17,331)	-	188,936
Infrastructure	215,950	91,564	-	-	307,514
Total accumulated depreciation	601,447	$ 213,089	$ (17,331)	$ -	797,205
Total capital assets being depreciated, net	5,265,538				6,682,674
Business-type activities capital assets, net	$ 7,154,940				$ 8,677,766

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets
Discretely Presented Component Units

Capital asset activity for the Greenville County Redevelopment Authority for the year ended June 30, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment and vehicles	$ 418,395	$ 16,908	$ (26,470)	$ 408,833
Total capital assets being depreciated	418,395	16,908	(26,470)	408,833
Less accumulated depreciation for:				
Equipment and vehicles	171,307	22,287	(16,923)	176,671
Total accumulated depreciation	171,307	$ 22,287	$ (16,923)	176,671
Total capital assets being depreciated, net	$ 247,088			$ 232,162

The Authority is committed under various construction contracts for the completion of various ongoing projects in the amount of $1,431,654.

Note II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

5. Capital Assets

Capital asset activity for the Greenville County Library for the year ended June 30, 2014, was as follows:

	Beginning Balances	Additions	Disposals	Transfers/ Adjustments	Ending Balances
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 2,521,278	$ 911,016	$ -	$ -	$ 3,432,294
Art Collection	231,342	-	-	-	231,342
Total capital assets not being depreciated	2,752,620	911,016	-	-	3,663,636
Capital assets, being depreciated:					
Land improvements	516,867	-	-	-	516,867
Buildings	33,156,141	-	-	-	33,156,141
Furniture, equipment, and vehicles	1,736,928	335,264	(121,127)	-	1,951,065
Library materials	7,624,506	1,004,318	(1,174,374)	-	7,454,450
Signs	171,796	-	-	-	171,796
Total capital assets being depreciated	43,206,238	1,339,582	(1,295,501)	-	43,250,319
Less accumulated depreciation for:					
Land improvements	394,482	22,302	-	-	416,784
Buildings	8,951,792	778,733	-	-	9,730,525
Furniture and equipment	1,167,706	267,955	(121,127)	-	1,314,534
Library materials	4,327,858	1,055,017	(1,174,374)	-	4,208,501
Signs	171,796	-	-	-	171,796
Total accumulated depreciation:	15,013,634	$ 2,124,007	$ (1,295,501)	$ -	15,842,140
Total capital assets being depreciated, net	28,192,604				27,408,179
Capital assets, net	$ 30,945,224				$ 31,071,815

Depreciation expense for the Library for the year ended June 30, 2014 was $2,124,007.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES

1. Payables

Payables at the government-wide level at June 30, 2014 were as follows:

	Government-wide Financial Statements								
	Fund Financial Statements								
	General Fund	Federal and State Grant Fund	Parks, Recreation & Tourism	Agencies - Greenville Technical College	Nonmajor Governmental Funds	Proprietary Funds	Total	Adjustments to Full-Accrual	Total
Payables:									
Accounts payable	$ 853,786	$ 184,819	$ 349,450	$ -	$ 130,186	$ 830,413	$ 2,348,654	$ 317,434	$ 2,666,088
Due to others	-	-	-	2,207,005	-	-	2,207,005	-	2,207,005
Accrued liabilities	3,478,704	165,356	200,317	-	59,663	64,947	3,968,987	22,021	3,991,008
Accrued interest	-	-	-	-	-	-	-	1,391,854	1,391,854
Other liabilities	838,737	2,039	145,305	-	-	74,555	1,060,636	3,358,000	4,418,636
Total accounts payable and accrued liabilities	$ 5,171,227	$ 352,214	$ 695,072	$ 2,207,005	$ 189,849	$ 969,915	$ 9,585,282	$ 5,089,309	$ 14,674,591

Adjustments to Full-Accrual include $3,697,455 related to recording internal service funds and $1,391,854 related to recording accrued interest on long-term debt. Internal service funds predominately serve the governmental funds, but are included in both the governmental and business-type activities on the accompanying government-wide financial statements.

Finally, the Fiduciary fund financial statements include $2,880,576 due to others and $9,516 in matured interest payable. These amounts are excluded from the foregoing schedule.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

All full-time Greenville County employees participate in the South Carolina Retirement System (SCRS) or the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing multiple employer defined benefit pension plans administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Both retirement systems offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The SCRS plan provides a life-time monthly retirement annuity benefit to members, as well as, disability, survivor options, annual benefit adjustments, death benefits and incidental benefits to eligible employees and retired members. The PORS is available to all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire. This plan provides lifetime monthly annuity benefits, as well as, disability, survivor benefits and incidental benefits to eligible employees and retirees. Participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benfit available to the beneficiary.

The payroll for employees covered by the SCRS totaled $59,429,599 and $53,116,377 for the year ended June 30, 2014 and 2013, while the payroll for PORS covered employees totaled $36,156,297 and $34,384,562, respectively. The County's total payroll, which includes some part-time employees not covered under either retirement system, was $98,542,745. Total employee salaries for the Library for the period ended June 30, 2014 were $6,472,201 of which $6,426,810 was for employees covered by SCRS.

All full time employees are required to participate in the SCRS or PORS and make contributions as a condition of employment. All SCRS participants receive a monthly pension benefit that is payable to eligible employees at age 65 or upon attaining 28 years of credited service for Class II participants or 30 years of credited service for Class III participants, regardless of age. A reduced pension benefit is payable as early as age 55 for Class II participants or 60 for Class III participants. All PORS participants receive a monthly retirement benefit that is payable to eligible employees at age 55 or upon attaining 25 years of credited service for Class II participants or 27 years of credited service for Class III participants, regardless of age. A reduced pension benefit is payable as early as age 50 for both Class II and Class III participants..

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system.

As of January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees who are active members participating in SCRS, and are eligible for service retirement, to participate in the Teacher and Employee Retention Incentive (TERI) program. The TERI program allows employees to retire and begin accumulating their retirement benefit on a deferred basis without terminating employment. This option is available to all SCRS employees at the time of retirement and may defer receipt of retirement benefits for up to sixty months. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. The TERI program will end effective June 30, 2018.

Employees and the County, the Authority, and the Library are required to contribute to the plans at rates established under authority of Title 9 of the Code of Laws. Employee required contributions to the SCRS are 7.50% of salary. The employee required contributions to PORS Class II is 7.84% of salary. Greenville County is required to contribute to the SCRS at the rate of 10.60% of salaries and the PORS Class II at the rate of 12.84%. In addition to the above rates, participating employers of the SCRS contribute 0.15% of payroll to provide a group life insurance benefit for their participants. Participating employers under the PORS also contribute 0.20% of payroll to provide a group life insurance benefit and 0.20% of payroll to provide an accidental death benefit for their participants. The above percentages apply to the three years discussed below.

The County’s contributions to SCRS and PORS are summarized as follows:

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

	Employer			Employee		
Year Ended	Percent	SCRS	PORS	Percent	SCRS	PORS
June 30, 2014	100 %	$ 6,299,538	$ 4,642,469	100 %	$ 4,457,220	$ 2,806,632
June 30, 2013	100 %	5,630,336	4,229,301	100 %	3,718,147	2,406,920
June 30, 2012	100 %	5,044,001	3,962,086	100 %	3,438,491	2,189,370

The Authority's contributions to SCRS are summarized as follows:

	SCRS	
	Employer	Employee
June 30, 2014	$ 81,298	$ 57,502
June 30, 2013	77,879	51,430
June 30, 2012	87,231	58,963

The Library's contributions to the SCRS for employer and employee portions expressed as a dollar amount and as a percentage of covered payrolls in 2014 were $691,741 and 10.45% and $496,465 and 7.5%, respectively, and the Library's contributions to PORS for employer and employee portions expressed as a dollar amount and as a percentage of covered payrolls in 2014 were $3,673 and 12.44% and $2,315 and 7.84%, respectively.

The Library's contributions to SCRS are summarized as follows:

	SCRS	
	Employer	Employee
June 30, 2014	$ 691,741	$ 496,465
June 30, 2013	668,622	447,881
June 30, 2012	583,464	404,104

The Library's contributions to the SCRS and PORS provide a group life insurance benefit for their participants. The contribution expressed as a dollar amount and as a percentage of covered payroll was $9,929 and 0.15% of annual earnings.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

The State of South Carolina also provides an optional retirement plan (State ORP). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the Internal Revenue Code. The State ORP is a defined contribution plan that provides retirement and survivor benefits for newly hired teachers and certain administrative positions which allows them to participate. As an alternative to the South Carolina Retirement System, employees eligible for the State ORP may choose between the State ORP and the SCRS.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS is issued and publicly available by writing the South Carolina Public Employee Benefit Authority, Retirement Systems Finance, P.O. Box 11960, Columbia, South Carolina 29211-1960.

b. Post Employment Benefits Other Than Pensions

Greenville County administers a retiree insurance program. The County Administrator has the authority to establish/amend the plan's provisions and contribution requirements.

Medical/Prescription Drug

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.

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.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations
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. The County's contribution (subsidy) will remain constant in the future and is summarized in the following chart:

		Medical Benefit		
Retired Date	Years of Service	<65	65+	Dental
Prior to 2004	<20	$ 138.56	$ 213.56	$ 3.17
Prior to 2004	20+	$ 213.56	$ 288.56	$ 3.17
2004 and after	<20	$ 138.56	$ 75.00	$ 3.17
2004 and after	20+	$ 213.56	$ 75.00	$ 3.17

Plan Descriptions: 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. There is no separate audited GAAP basis post-employment benefit plan report.

Funding Policy: The required contribution is based on pay-as-you-go financing requirements.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

Annual OPEB Cost and Net OPEB Obligation: The County's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes on the County's net OPEB obligation to the postemployment benefit plan:

Normal Cost	$ 507,644
Interest on normal cost	23,920
Amortization payment	395,548
Interest on amortization payment	17,800
Annual Required Contribution	944,912
Interest on Net OPEB Obligation	101,324
Adjustment to Annual Required Contribution	(86,817)
Annual OPEB cost (expense)	959,419
Contributions and payments made	(640,734)
Increase in net OPEB Obligation	318,685
Net OPEB Obligation - July 1, 2013	2,251,650
Net OPEB Obligation - June 30, 2014	$ 2,570,335

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	$ 1,117,748	75 %	$ 1,965,124
June 30, 2013	925,620	69 %	2,251,650
June 30, 2014	959,419	67 %	2,570,335

Funded Status and Funding Progress: As of July 1, 2012, the plan was 0% funded. The actuarial accrued liability for benefits was $10,357,917 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $10,357,917.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

OPEB Funding Status and Progress:

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Payroll (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
June 30, 2012	July 1, 2010	$ -	$ 13,871,810	$ 13,871,810	- %	$ 86,582,472	16.0 %
June 30, 2013	July 1, 2012	-	10,357,917	10,357,917	- %	87,500,939	11.8 %
June 30, 2014	July 1, 2012	-	10,357,917	10,357,917	- %	98,542,745	10.5 %

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation (the most recent valuation), projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return which is based on the expected long term investment return of the employer’s own investments used to pay plan benefits and an annual healthcare cost trend rate of 9.5% reduced by decrements of .5% to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of thirty years and the underlying inflation rate is 3%.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
2. Pension Plan Obligations

The Library's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of applicable accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Library's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes on the Library's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	$ 111,630
Interest on Net OPEB Obligation	5,162
Adjustment to Annual Required Contribution	107
Annual OPEB Cost (Expense)	116,899
Contributions and payments made	(101,250)
Increase in Net OPEB Obligation	15,649
Net OPEB Obligation - July 1, 2013	103,239
Net OPEB Obligation - June 30, 2014	$ 118,888

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	$ 116,899	87 %	$ 118,888
June 30, 2013	111,838	87 %	103,239
June 30, 2012	88,029	78 %	88,174

Funded Status and Funding Progress: As of July 1, 2012, the most recent valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $1,296,301, and the actuarial value of assets is zero resulting in an unfunded actuarial liability (UAAL) of $1,296,301. Covered payroll was $5,807,506 and UAAL as a percentage of covered payroll was 22.3%.

3. 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 $5.3 million liability reported as landfill closure and postclosure represents total costs to date, as of June 30, 2014. Actual cost for closure and postclosure care may vary due to inflation, developments in technology, or changes in laws and regulations. The following table shows the landfills, which Greenville County owns, and the remaining number of years, out of thirty, each has to be maintained in accordance with the 1991 EPA ruling.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES

3. Closure and Postclosure Care Costs - Solid Waste Landfills

Landfill	Postclosure Years Remaining	% Used	Open/Close Year	Closure/Postclosure Costs
Enoree Phase I	10	100	1994	$ 320,000
Enoree Phase II	24	100	2007	1,134,009
Enoree C & D	25	100	2007	337,500
Blackberry Valley	3	100	1987	267,000
Piedmont I & II	1	100	1979	10,000
Piedmont III	7	100	1991	196,000
Simpsonville	1	100	1976	28,000
Twin Chimneys Unit 1	30	50	2007	2,865,000
Twin Chimneys C & D	30	14	2007	149,800
				$ 5,307,309

4. Deferred Inflows of Resources/Unearned Revenues

The balance in deferred inflows of resources on the governmental fund financial statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

Primary Government

	Deferred Inflows of Resources	Unearned Revenue
Taxes receivable, net (General)	$ 4,992,000	$ -
Taxes receivable, net (Special Revenue)	723,000	-
Taxes receivable and deposits received, net (Debt Service)	342,000	-
Unearned revenue (Special Revenue)	-	620,702
Total	$ 6,057,000	$ 620,702

Greenville County Redevelopment Authority

	Deferred Inflows of Resources	Unearned Revenue
Greenville County Redevelopment Authority	$ -	$ 300,000

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES

4. Deferred Inflows of Resources/Unearned Revenues

Greenville County Library System

	Deferred Inflows of Resources	Unearned Revenue
Property taxes/Grant revenue - General fund	$ 474,448	$ -
Property taxes - Capital projects fund	108,366	-
Total	$ 582,814	$ -

5. Risk Management

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 expenditures for the self-insured program for health are accounted for in the Internal Service Fund 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 $25,923,561 for medical and dental claims in fiscal year 2014. 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 Greenville County. The County has contracted with a professional firm to administer this fund. Claims paid during fiscal year 2014 totaled $2,301,829. Premium increases and decreases for both programs are reviewed and recommended annually by the County's contract administrators.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES

5. Risk Management
The table below shows the reconciliation of unpaid claims for fiscal year ended June 30, 2014:

	Workers' Compensation		Health and Dental	
	Year Ended June 30, 2014	Year Ended June 30, 2013	Year Ended June 30, 2014	Year Ended June 30, 2013
Unpaid claims, beginning of year	$ 1,250,000	$ 1,080,000	$ 1,900,000	$ 1,900,000
Claim payments	(2,301,829)	(1,714,027)	(25,923,561)	(23,751,816)
Incurred claims (including IBNR)	3,051,829	1,884,027	26,123,561	23,751,816
Unpaid claims, end of year	$ 2,000,000	$ 1,250,000	$ 2,100,000	$ 1,900,000
Current Portion	$ 1,300,000	$ 812,500	$ 2,058,000	$ 1,862,000

The Authority participates in the self-insurance fund of Greenville County for health insurance. The health insurance program provides medical and dental coverage to full-time employees who can select from these medical plans: Blue Cross Premium Plan, Blue Cross Plus Plan or Blue Cross Standard Plan.

Revenues and expenditures for the self-insured plan are accounted for in the internal service fund of Greenville 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 Library participates in the County's health insurance program to provide medical and dental coverage to its full-time employees. Payments are remitted to the County on a monthly basis based on the number of employees participating. In 2014, $1,340,182 was remitted to the County. The Library also has a purchased workers' compensation policy that is handled by a third-party administrator for a fee based on the salaries of employees employed during the year.

6. Contingent Liabilities

There are many tort claims against the County that are insured by the Insurance Trust Fund. None of the cases are expected to exceed the limits of the fund. The cases for which the Insurance Trust Fund has denied coverage will have little impact on the County financially.

The Authority must apply for renewals of contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractors and some agreements call for termination by either party contingent upon certain conditions. Expenditures recorded under various contracts and grants are subject to further examination by the contractors, with reimbursements being requested for questioned costs.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

a. Changes in Long-term Obligations

The following is a summary of the changes in the County's long-term obligations as of June 30, 2014:

	General Obligation Bonds	Certificates of Participation	Special Source Revenue Bonds	Debt Security Deposit Agreement	Unamortized Premium/ Discount	Capital Lease Payable	Compensated Absences Payable	Total
Governmental Activities								
Balance at June 30, 2013	$ 62,870,000	$ 61,635,000	$ 16,725,000	$ 634,350	$ -	$ 2,239,285	$ 6,338,570	$150,442,205
Additions	25,000,000	-	-	-	25,521	2,000,000	5,048,887	32,074,408
Adjustments	1,019,550	-	4,685,000	-	533,675	2,872,675	-	9,110,900
Retirements	(4,855,516)	(5,470,000)	(2,120,000)	(80,570)	(61,975)	(1,591,216)	(4,156,451)	(18,335,728)
Balance at June 30, 2014	$ 84,034,034	$ 56,165,000	$ 19,290,000	$ 553,780	$ 497,221	$ 5,520,744	$ 7,231,006	$173,291,785
Current Portion of Long-term Obligations	$ 5,808,670	$ 5,655,000	$ 2,215,000	$ 80,570	$ 62,000	$ 1,584,754	$ 650,790	$ 16,056,784

The general fund and special revenue funds have typically been used in prior periods to liquidate compensated absences.

	Accrued Closure and Postclosure Costs	Compensated Absences Payable	Total
Business-type Activities:			
Balance at June 30, 2013	$ 5,370,049	$ 174,464	$ 5,544,513
Additions	146,500	138,134	284,634
Retirements	(209,240)	(127,373)	(336,613)
Balance at June 30, 2014	$ 5,307,309	$ 185,225	$ 5,492,534
Current Portion of Long-term Obligations	$ 247,240	$ 16,670	$ 263,910

In prior 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, 2014:

Governmental Activities:	
General obligation bond, series 2005, Greenville Tech (pays 2016)	$ 8,144,362
General Obligation bond, series 2005B, Roads and Bridges (pays 2015)	2,517,600
General Obligation bond, series 2005A, Greenville Tech (pays 2015)	4,599,288
Balance at June 30, 2014	$ 15,261,250

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

b. General Obligation Bonds

General obligation bonds payable at June 30, 2014 are comprised of the following individual issues:

$549,000 (2013D Greenville County General Obligation Bond due in annual installments of $30,000 to $182,000 through April 1, 2017; interest at 4.06%)	$ 385,000
$470,550 (2013C Greenville County General Obligation Bond due in annual installments of $12,360 to $48,076 through April 2025; interest at 4.52% to 4%)	439,034
$7,430,000 (2005A General Obligation Bonds, Greenville Technical College, due in annual installments of $615,000 through April 1, 2015; interest at 4.00%) A62	615,000
$5,065,000 (2005B General Obligation Bonds, Road Improvements; due in annual installments of $345,000 through April 1, 2015; interest at 3.75% to 4.00%) A63	345,000
$10,085,000 (2006 General Obligation Bonds, Road Improvements; due in annual installments of $445,000 to $715,000 through April 1, 2027; interest at 4% to 5%) A64	7,370,000
$4,200,000 (2007 General Obligation Bonds, Greenville Technical College Building Project; due in annual installments of $180,000 to $300,000 through April 1, 2028; interest at 4% to 4.5%) A65	3,265,000
$10,000,000 (2008C General Obligation Bonds, Road Improvements, due in annual installments of $420,000 to $715,000 through April 1, 2028; interest at 3% to 5%) A66	7,710,000
$5,615,000 (2011A General Obligation Bonds, Greenville Technical College, due in annual installments of $215,000 to $380,000 through April 1, 2032; interest at 2.5% to 4.125%) A67	5,210,000
$3,950,000 (2011D General Obligation Refunding Bonds, due in annual installments of $380,000 to $445,000 through April 1, 2022; interest at 2% to 4%) A68	3,250,000
$7,770,000 (2012 General Obligation Refunding Bonds, due in annual installments of $620,000 to $805,000 through April 1, 2026; interest at 2% to 3%) A69	7,770,000
$20,115,000 (2013A General Obligation Refunding Bonds due in annual installments of $1,535,000 to $2,165,000 through April 1, 2025; interest at 1.0% to 2.8%) A70	19,740,000
$2,445,000 (2013B General Obligation Refunding Bonds, due in annual installments of $40,000 to $410,000 through April 1, 2021; interest at 1% to 2025%) A71	2,405,000
$25,000,000 (2014 General Obligation Bonds, Greenville Technical College, due in annual installments of $890,000 to $1,690,000 through April 2034; interest at 2.75% to 4.00%) A72	25,000,000
$11,565,000 (2005 General Obligation Refunding Bonds, due in annual installments of $530,000 through April 1, 2015; interest at 3.5% to 4.00%) A61	530,000
	$ 84,034,034

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

On June 18, 2013, Greenville County Council adopted a Resolution to merge the legally separate Greenville County Recreation District (the District) operations and assume the assets and liabilities of the District including all debts and obligations. The transition for the merger of the District operations began on July 1, 2013, with the final County acceptance of all District assets and liabilities, and dissolution of the District to be effective as of September 30, 2013. The outstanding indebtedness of the District consisted of General Obligation Bonds, Revenue Bonds and various lease financings. The District has represented that all payments are current and that no default exists with respect to any of the District obligations. The holders of the District obligations have confirmed such representation.

The General Obligation indebtedness consisted of the original principal amount of $1,800,000 Series 2003 issued August 21, 2003 with an outstanding principal balance remaining as of July 1, 2013 in the amount of $549,000 and the original principal amount of $649,188, Series 2005, dated October 25, 2005 with an outstanding principal balance remaining as of July 1, 2013 in the amount of $470,550. The County agreed to execute and deliver to the Lender a substitute bond with respect to the the 2005 General Obligation Bond, issued as the Greenville County General Obligation Bond, Series 2013D and with respect to the 2003 General Obligation Bond, issued as the Greenville County General Obligation Bond, Series 2013C. Additional details regarding the payment schedule can be found in Supplemental Data and additional details regarding the revenue bond and the lease financings can be found in the notes below.

In February 2014, the County issued $25,000,000, series 2014 General Obligation Bonds, Greenville Technical College, to finance the costs of the acquisition, construction, installation, renovation and equipping of certain public facilities to be used by the Greenville Technical College Area Commission, an agency of the County. The bonds will mature in successive annual installments beginning October 2014 through April 2034. Interest is payable semiannually in April and October beginning October 2014.

The annual requirements to amortize the General Obligation Bonds mentioned above can be found in the Supplementary Data section of the Comprehensive Annual Financial Report. Information on the amount of defeased debt deposited with escrow agents in an irrevocable trust can be found in the notes to the financial statements.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
The total of all General Obligation Bonds is summarized as follows:

Year Ending June 30	Governmental Activities Principal	Interest	Total
2015	$ 5,808,670	$ 2,649,328	$ 8,457,998
2016	5,959,082	2,438,826	8,397,908
2017	5,938,556	2,300,111	8,238,667
2018	6,045,098	2,158,739	8,203,837
2019	5,856,712	1,979,999	7,836,711
2020	6,008,399	1,802,835	7,811,234
2021	6,195,165	1,614,614	7,809,779
2022	5,507,011	1,419,593	6,926,604
2023	5,228,942	1,234,950	6,463,892
2024	5,405,963	1,057,680	6,463,643
2025	5,203,076	870,164	6,073,240
2026	4,032,360	682,164	4,714,524
2027	3,340,000	539,343	3,879,343
2028	2,730,000	415,383	3,145,383
2029	1,770,000	314,914	2,084,914
2030	1,830,000	261,926	2,091,926
2031	1,895,000	207,164	2,102,164
2032	1,960,000	150,426	2,110,426
2033	1,630,000	91,300	1,721,300
2034	1,690,000	46,476	1,736,476
	$ 84,034,034	$ 22,235,935	$ 106,269,969

At June 30, 2014, 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, 2014, the County was within the limits of this requirement. (Refer to the statistical section.)

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
c. Certificates of Participation

The total of all Certificates of Participation is summarized as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2015	$ 5,655,000	$ 2,348,234	$ 8,003,234
2016	5,850,000	2,151,134	8,001,134
2017	6,065,000	1,940,842	8,005,842
2018	4,555,000	1,728,610	6,283,610
2019	4,730,000	1,565,723	6,295,723
2020	2,520,000	1,375,275	3,895,275
2021	2,630,000	1,268,825	3,898,825
2022	2,740,000	1,155,875	3,895,875
2023	2,860,000	1,033,807	3,893,807
2024	2,990,000	903,769	3,893,769
2025	3,140,000	756,281	3,896,281
2026	3,295,000	601,394	3,896,394
2027	3,450,000	442,175	3,892,175
2028	3,625,000	274,275	3,899,275
2029	1,005,000	97,850	1,102,850
2030	1,055,000	50,113	1,105,113
	$ 56,165,000	$ 17,694,182	$ 73,859,182

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
Individual Issuances

COPS #11

In October 2010, Greenville 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 are 2.44%. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2011. The annual requirements to amortize the County's series 2010 Refunding Certificates of Participation are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 930,000	$ 119,072	$ 1,049,072
2016	950,000	96,380	1,046,380
2017	975,000	73,200	1,048,200
2018	1,000,000	49,410	1,049,410
2019	1,025,000	25,010	1,050,010
	$ 4,880,000	$ 363,072	$ 5,243,072

COPS #12

In January 2011, Greenville County issued $9,300,000 of Junior Lien Refunding Certificates of Participation, series 2011 to currently refund the series 2001 Refunding Certificates of Participation (Courthouse Project). The reacquisition price exceeded the net carrying amount of the old debt by $225,200. This amount is being amortized over the life of the new debt. The refunding resulted in an economic gain of $356,935. The interest rate of the series 2011 refunding bonds are 2.76%. Interest is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2011. The annual requirements to amortize the County's series 2011 Refunding Certificates of Participation are as follows:

	Principal	Interest	Total
2015	$ 1,580,000	$ 134,412	$ 1,714,412
2016	1,620,000	90,804	1,710,804
2017	1,670,000	46,092	1,716,092
	$ 4,870,000	$ 271,308	$ 5,141,308

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
COPS #5

In February 2005, the County issued $11,740,000 Series 2005 Refunding Certificates of Participation (University Center Project), interest rate 2.5% to 5%, to advance refund a portion of the 1999A Certificates of Participation and a portion of the 1999B Certificates of Participation. The Series 1999 Certificates were issued to provide funds to acquire, construct and equip certain classroom and laboratory facilities for the University Center (an association of institutions of higher learning). Interest on the Series 2005 Certificates is payable on each April 1 and October 1 commencing October 1, 2005. The annual requirements to amortize the County’s 2005 University Center refunding series COPS are as follows:

	Principal	Interest	Total
2015	$ 1,075,000	$ 268,375	$ 1,343,375
2016	1,120,000	225,375	1,345,375
2017	1,180,000	169,375	1,349,375
2018	1,230,000	110,375	1,340,375
2019	1,285,000	64,250	1,349,250
	$ 5,890,000	$ 837,750	$ 6,727,750

COPS #9

In March 2008, the County, through Greenville County Tourism Public Facilities Corporation, issued $35,710,000 Series 2008 Certificates of Participation; interest rate 4% to 5%. The Series 2008 Certificates were issued to provide funds to acquire, construct and equip various tourism-related capital improvement projects (collectively, the “2008 Project”). Interest on the Series 2008 Certificates is payable on each April 1 and October 1 commencing October 1, 2008. The annual requirements to amortize the County’s 2008 Hospitality Tax series COPS are as follows:

	Principal	Interest	Total
2015	$ 1,490,000	$ 1,300,769	$ 2,790,769
2016	1,555,000	1,236,169	2,791,169
2017	1,615,000	1,173,969	2,788,969
2018	1,680,000	1,109,369	2,789,369
2019	1,755,000	1,037,969	2,792,969
2020	1,825,000	963,381	2,788,381
2021	1,910,000	881,256	2,791,256
2022	1,995,000	795,306	2,790,306
2023	2,085,000	703,038	2,788,038
2024	2,185,000	604,000	2,789,000
2025	2,295,000	494,750	2,789,750
2026	2,410,000	380,000	2,790,000
2027	2,530,000	259,500	2,789,500
2028	2,660,000	133,000	2,793,000
	$ 27,990,000	$ 11,072,476	$ 39,062,476

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

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 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 commencing April 1, 2011. The annual requirements to amortize the County's 2010 Hospitality Tax series COPS are as follows:

	Principal	Interest	Total
2015	$ 580,000	$ 525,606	$ 1,105,606
2016	605,000	502,406	1,107,406
2017	625,000	478,206	1,103,206
2018	645,000	459,456	1,104,456
2019	665,000	438,494	1,103,494
2020	695,000	411,894	1,106,894
2021	720,000	387,569	1,107,569
2022	745,000	360,569	1,105,569
2023	775,000	330,769	1,105,769
2024	805,000	299,769	1,104,769
2025	845,000	261,531	1,106,531
2026	885,000	221,394	1,106,394
2027	920,000	182,675	1,102,675
2028	965,000	141,275	1,106,275
2029	1,005,000	97,850	1,102,850
2030	1,055,000	50,113	1,105,113
	$ 12,535,000	$ 5,149,576	$ 17,684,576

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
d. Special Source Revenue Bonds

The annual requirements to amortize the County's Special Source Revenue Bonds are as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2015	$ 2,215,000	$ 569,852	$ 2,784,852
2016	2,330,000	505,526	2,835,526
2017	2,435,000	437,061	2,872,061
2018	2,435,000	364,641	2,799,641
2019	2,300,000	290,146	2,590,146
2020	1,935,000	217,673	2,152,673
2021	1,975,000	159,799	2,134,799
2022	1,550,000	100,026	1,650,026
2023	1,595,000	58,483	1,653,483
2024	520,000	15,704	535,704
	$ 19,290,000	$ 2,718,911	$ 22,008,911

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
Individual Issuances

SSRB #8

In March 2007, Greenville 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. The annual requirements to amortize the County's series 2007 Special Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 715,000	$ 186,506	$ 901,506
2016	740,000	160,588	900,588
2017	765,000	132,838	897,838
2018	800,000	103,194	903,194
2019	830,000	71,194	901,194
2020	460,000	37,994	497,994
2021	475,000	19,594	494,594
	$ 4,785,000	$ 711,908	$ 5,496,908

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

SSRB #11

The original principal amount of $5,330,000 of the Series 2011 Greenville County Recreation District (the District) Refunding Revenue Bonds were issued October 20, 2011 due in annual principal installments and semi-annual interest payments. On June 18, 2013 the Council adopted a resolution accepting the transfer of all assets and liabilities of the District to the County to be effective on September 30, 2013. The outstanding principal as of July 1, 2013 was $4,685,000. The interest rate of the series 2011 refunding bonds are 3.02%. The proceeds of this issue were used to refund the Series 2009 revenue bond which was 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. Principal amount of $4,685,000 due in annual principal installments and with an interest rate of 3.02% maturing on April 1, 2024. Interest payable semi-annually.

	Principal	Interest	Total
2015	$ 360,000	$ 131,068	$ 491,068
2016	375,000	120,196	495,196
2017	390,000	108,871	498,871
2018	405,000	97,093	502,093
2019	425,000	84,862	509,862
2020	440,000	72,027	512,027
2021	455,000	58,739	513,739
2022	475,000	44,998	519,998
2023	495,000	30,653	525,653
2024	520,000	15,704	535,704
	$ 4,340,000	$ 764,211	$ 5,104,211

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

SSRB #10

In January 2012, Greenville County issued $7,835,000 Series 2012 Special Source Revenue Refunding Bonds, interest 2.53%. Proceeds of the Series 2012 Bonds are issued to advance refund a portion of the Series 2003, Special Source Revenue Bonds. The requisition 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. The annual requirements to amortize the County's series 2010 Refunding Special Source Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 415,000	$ 188,358	$ 603,358
2016	465,000	177,860	642,860
2017	510,000	166,094	676,094
2018	755,000	153,192	908,192
2019	1,045,000	134,090	1,179,090
2020	1,035,000	107,652	1,142,652
2021	1,045,000	81,466	1,126,466
2022	1,075,000	55,028	1,130,028
2023	1,100,000	27,830	1,127,830
	$ 7,445,000	$ 1,091,570	$ 8,536,570

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
SSRB #9

In October 2010, Greenville County issued $6,770,000 of Refunding Special Source Revenue Bonds, series 2010 to currently refund the series 1996, 1997 and 1998 Special Source Revenue Bonds. The reacquisition price exceeded the net carrying amount of the old debt by $86,200. This amount is being amortized over the life of the new debt. The refunding resulted in an economic gain of $541,949. The interest rate of the series 2010 refunding bonds is 2.35%. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2011. The annual requirements to amortize the County's series 2010 Refunding Special Source Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 725,000	$ 63,920	$ 788,920
2016	750,000	46,882	796,882
2017	770,000	29,258	799,258
2018	475,000	11,162	486,162
	$ 2,720,000	$ 151,222	$ 2,871,222

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
e. Capital Lease Payable

Greenville 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 eighteen leases have been issued under the Master Lease agreement, seventeen of which were for the acquisition of vehicles and heavy equipment. Of the seventeen issues, seven remain outstanding. Additionally, on June 18, 2013 the Council adopted a resolution accepting the transfer of all assets and liabilities of the Greenville County Recreation District (the District) to the County to be effective on July 1, 2013. The outstanding indebtedness of the District included several equipment lease financings and real estate lease financings as described below.

The outstanding principal amount of the $193,500 original principal amount Equipment Lease Agreement between the District and Branch Banking and Trust Company dated March 11, 2011. The outstanding principal amount was $119,100 as of July 1, 2013.

The outstanding principal amount of the $1,148,556 original principal amount Equipment Lease Agreement between the District and Branch Banking and Trust Company dated October 20, 2011. The outstanding principal amount was $646,519 as of July 1, 2013.

The outstanding principal amount of the $926,750 original principal amount Equipment Lease Agreement between the District and Branch Banking and Trust Company dated March 14, 2013. The outstanding principal amount was $926,750 as of July 1, 2013.

The outstanding principal amount of the $549,738 original principal amount Second Supplement to Lease Agreement (Real Estate Lease Financing) between the District and Branch Banking and Trust Company dated October 20, 2011. The outstanding principal amount was $427,909 as of July 1, 2013.

The outstanding principal amount of the $774,461 original principal amount First Supplement to Lease Agreement (Real Estate Lease Financing) between the District and Branch Banking and Trust Company dated October 20, 2011. The outstanding principal amount was $651,515 as of July 1, 2013.

The outstanding principal amount of the $163,043 original principal amount First Supplement to Lease Agreement (Real Estate Lease Financing) between the District and Branch Banking and Trust Company dated October 20, 2011. The outstanding principal amount was $118,051 as of July 1, 2013.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

The annual requirements to amortize the lease agreements outstanding as of June 30, 2014 are as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2015	$ 1,584,754	$ 93,583	$ 1,678,337
2016	1,352,954	67,399	1,420,353
2017	1,071,320	46,440	1,117,760
2018	663,470	30,904	694,374
2019	343,992	20,890	364,882
2020-2024	504,254	25,626	529,880
	$ 5,520,744	$ 284,842	$ 5,805,586

Assets acquired under capital leases recorded in the accompanying government-wide statement of net position at June 30, 2014 were as follows: Vehicles and Equipment $19,892,331. Accumulated depreciation associated with these assets is approximately $15,660,273 resulting in net book value of approximately $4,232,058.

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations
f. Debt Security Deposit Agreement

In July 1998 and March 2008, the County entered into a Debt Security Deposit Agreement with certain financial institutions which provides for the County to receive $1,148,400 and $463,000, respectively, 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 years 1999 and 2010 and ending in 2018 and 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.

g. Industrial Revenue Bonds

Greenville 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 Greenville 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, 2014, there were 18 Industrial Revenue Bonds outstanding, with an estimated principal payable of $403,230,280 .

h. Long-term Obligations (The Library)

The following is a summary of changes in long-term obligations at the government-wide level for the year ended June 30, 2014:

Long-term Obligations	Accrued General Leave
Balance at July 1, 2013	$ 282,737
Additions to general leave	449,119
Retirements	(282,737)
	449,119
Less: current portion	(169,691)
Balance at June 30, 2014	$ 279,428

Note II. DETAILED NOTES ON ALL FUNDS
B. LIABILITIES
7. Long-Term Obligations

i. Long-Term Obligations (The Authority)

The following is a summary of the changes in long-term obligations at the government-wide level for the year ended June 30, 2014, which are included in accrued liabilities in the financial statements.

	Accrued General Leave
Balance at July 1, 2013	$ 32,697
Net change in compensated absences	(2,722)
Balance at June 30, 2014	$ 29,975
Current Portion of Long-term Obligations	$ 2,314

C. Interfund Balances and Activity

	Payable Fund		
Receivable Fund	Proprietary Funds	Nonmajor Governmental Funds	Total
General Fund	$ 40,357	$ 1,356,921	$ 1,397,278
Nonmajor Governmental Funds	-	1,625,986	1,625,986
	$ 40,357	$ 2,982,907	$ 3,023,264

Loans made from the general fund to the parking enterprise fund and two debt service funds to cover negative cash balances resulted in a balance of $1,397,278. Also, negative cash in three capital project funds of $1,625,986 was covered by the capital project reserve fund.

Note II. DETAILED NOTES ON ALL FUNDS

C. Interfund Balances and Activity

	Transfers In:					
Transfers Out:	General Fund	Federal and State Grant Fund	Parks, Recreation & Tourism	Agencies - Greenville Technical College	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 76,257	$ 2,500	$ -	$ 1,189,077	$ 1,267,834
Parks, Recreation & Tourism	-	-	-	-	2,108,952	2,108,952
Nonmajor Governmental	5,565,294	-	1,334,784	24,800,000	10,493,116	42,193,194
Enterprise Funds	1,000,000	-	-	-	-	1,000,000
	$ 6,565,294	$ 76,257	$ 1,337,284	$ 24,800,000	$ 13,791,145	$ 46,569,980

The total $1,267,834 general fund transfers out are (1) $1,189,077 to debt service for capital lease debt service payments and (2) $78,756.91 to cover matching grants. Transfers out of Parks, Recreation and Tourism totalling $2,108,952 were made to cover debt service payments and capital projects. Transfers out of nonmajor governmental funds totalling $42,193,194 include: $3,500,000 from Infrastructure Bank to Road Maintenance, $3,890,775 from Hospitality Tax to cover hospitality tax certificates of participation debt service payments, $1,565,294 from Hospitality Tax to General Fund to cover tourism related public safety expenses, $500,000 from Charity Hospitalization to General Fund, $3,500,000 from Road Maintenance to General Fund, $2,265,824 from Infrastructure Bank to cover debt service, $310,591 from Capital Projects to cover debt service, $525,926 from Parks, Recreation and Tourism Capital Projects to cover capital leases, $1,334,784 from Hospitality Tax to Parks, Recreation and Tourism for quarterly operating expenses and $24,800,000 transfered out of Debt Service for Greenville Technical College bond. Also, $1,000,000 was transfered from the Worker's Compensation fund to the General Fund.

D. Fund Deficits

The financial statements reflect negative fund balances as follows: Certificates of Participation in Debt Service ($9,732), Information Technology in Capital Projects ($1,116,764), Capital Leases in Capital Projects ($460,370) and Facilities Projects in Capital Projects ($81,087). The County is developing a plan to make these funds solvent in the future.

Note II. DETAILED NOTES ON ALL FUNDS

E. 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 year ended June 30, 2014, total expenditures under these agreements amounted to $279,741.

The Authority leases office space and certain equipment under noncancelable operating leases. The Authority renewed its lease agreement for office space through June 2014. Lease expense under noncancelable leases for the year ended June 30, 2014 was $80,498.

F. Economic Dependency

Greenville County Redevelopment Authority's revenues are derived primarily from various federal, state and local governmental agencies.

G. Contingent Liabilities

Federal and State Assisted Programs

The County and the Authority have received proceeds from several federal and state grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Expenditures recorded under various contracts and grants are subject to further examination in the form of financial and compliance audits by the contractors, with reimbursements being requested for questioned costs. Management anticipates that no material liabilities will result from any compliance or financial audits.

H. GASB Statement No. 65 Implementation

Changes were made to reflect the effect of implementing GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities. This statement requires that bond issue costs be shown as current-period outflows of resources (expenditures). The beginning net position of Governmental Activities was decreased by $1,512,750 as a result of this change in accounting principle.

GASB Statement No. 65 also requires the excess of the reacquisition price of refunded debt over the carrying amount to be recognized as a deferred outflow of resources and amortized to interest expense in a systematic and reational manner over a period of time that is the shorter of the remaining life of the old debt or the life of the new debt. The total excess for the County's bonds is $2,594,502 as of June 30, 2014.

Note II. DETAILED NOTES ON ALL FUNDS

I. Subsequent Events

In July of 2014, the County advance refunded and defeased the callable maturities of the Series 2008 Hospitality Tax Certificates of Participation equaling $23,330,000 which are maturing or subject to mandatory redemption on April 1, 2018 through 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 semiannually on April 1 or October of each year, commencing October 1, 2014. 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. The scheduled payment of principal and interest on the Series 2014 Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2014 Certificates by Build America Mutual Assurance Company.

At June 30, 2014, outstanding encumbrances were $282,281 for the federal and state grant fund, $320,757 for Parks, Recreation & Tourism, $29,950 for nonmajor debt service, $1,154,856 for nonmajor capital projects and $1,642,040 for nonmajor special revenue funds. Outstanding encumbrances for the General Fund can be found in Note I. D. 1.