

GREENVILLE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

Discretely Presented Component Units

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

The **Greenville Area Development Corporation** (the "Corporation") a discretely presented component unit, was organized in 2001, exclusively for promoting and enhancing the economic growth and development of the County. The Council appoints all board members, approves federal grant requests and is financially accountable for any deficits and as such the County imposes its will on the Corporation. The Corporation has a June 30 year-end. Separate financial statements for the Corporation can be obtained from the Greenville County Administrative Office at 301 University Ridge, Greenville, South Carolina, 29601.

Blended Component Units

The **Greenville County Public Facilities Corporation, Greenville County Tourism Public Facilities Corporation, Greenville County Business Park Public Facilities Corporation, University Ridge Public Facilities Corporation, and Greenville County Redevelopment Corporation** (incorporated as the County Square Redevelopment Corporation) (the "Corporations") are blended component units that were established in 1991, 2008, 2015, 2018, and 2020, respectively, for the purpose of holding title, owning, leasing, constructing, acquiring and operating land, buildings, equipment and facilities functionally related thereto and to perform any other lawful purpose related to the furtherance of the governmental powers of the County. These Corporations have a December 31 year-end, and all of their financial transactions are processed through the County's financial system and are a part of the County's audit. They operate as departments of the County, exist for its benefit, and provide services entirely to the County. County Council appoints the board of directors of each Corporation, which consists of two Greenville County Council members and the Greenville County Administrator for all of the corporations noted previously with the exception of the Greenville County Redevelopment Corporation which is governed by a three-member board appointed by the County Council. Separate financial statements are not prepared for any of the Corporations.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The County reports the following major governmental funds:

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

The **Miscellaneous Other Grants Fund** is used to account for activity related to various grants or other restricted revenues not included under the above funds.

The **Greenville County Redevelopment Corporation Fund** is used to account for the activities associated with the issuance of debt for the acquisition of the County Square administration facilities.

The **Library Fund** is used to account for the operations of library related activities. It is funded primarily through property taxes and monies collected are disbursed to the library.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major business-type funds:

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

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

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

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

The ***Custodial Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and property taxes.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

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

- (a) Obligations of the United States and its agencies.
- (b) General obligations of the State of South Carolina or any of its political units.
- (c) Savings and loan association deposits to the extent they are insured by the Federal Deposit Insurance Corporation (FDIC).
- (d) Certificates of deposit which are collaterally secured by securities of the type described above held by a third party as escrow agent or custodian, or a market value not less than the amount of certificates of deposit so secured, including interest; provided however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (e) Collateralized repurchase agreements which are collateralized by securities as set forth in (a) and (b) above and held by the County, the Authority, or the Library or a third party as escrow agent or custodian.
- (f) South Carolina State Investment Pool established and maintained by the State Treasurer.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

The County considers investments and demand deposits, with maturities of three months or less at the time of purchase, to be cash and cash equivalents.

F. Restricted Resources

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

G. Taxes Receivable

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

H. Allowances for Doubtful Accounts

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

I. Investment in Augusta Grove, LLC

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment in Augusta Grove, LLC (Continued)

For the fiscal year ended June 30, 2025, the County reported an equity investment in the Augusta Grove - Greenville, LLC of \$1,268,813 at the government-wide level. This represents 40 percent of the total land value of \$2,903,786 recorded on the LLC. An equity investment of \$107,299 was recorded at the fund level.

J. Inventories and Prepaid Items

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

K. Capital Assets

Purchased or constructed capital assets and right to use lease assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$7,500 for all asset categories except for infrastructure assets, which has a minimum of \$100,000 and intangible assets, which has a minimum of \$250,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair market value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value at the date of donation.

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

	Years
Buildings	20-50
Improvements	20-50
Infrastructure	50
Furniture and equipment	5-12
Recreation equipment	7-15
Right-to-use lease equipment	7-10
Right-to-use lease vehicles	7-10
Vehicles	4-8

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases

Lessee

The County is a lessee for noncancellable leases of land, equipment, and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Lessor

Greenville County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and deferred inflow of lease receipts in the Governmental Funds Balance Sheet and the government-wide financial statements. The County recognizes lease receivables with an initial, individual value of \$5,000 or more.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Lessor (Continued)

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate as the discount rate. When the interest rate is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the lessee is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred inflows of lease receipts are reported with other deferred inflows related to pension and other post-employment benefits and lease receivables are reported with current assets on the Statement of Net Position.

M. Short-term Interfund Receivables/Payables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-term Obligations

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

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

O. Compensated Absences

It is the County's policy to permit employees to accumulate and carry over earned vacation time, up to a limit of 30 days per year. Earned vacation is paid out upon termination, and a corresponding liability is accrued in the financial statements as these benefits are earned. The County grants sick time benefits to active full-time employees and a corresponding liability is accrued in the financial statements as these benefits are earned. One third of earned sick leave is paid out upon retirement or death.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County has five items that qualify for reporting in this category. The *deferred charge on refunding* is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

The other four (4) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position under the headings "Pension" and "Other postemployment benefits". (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension liabilities and total OPEB liability and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. (3) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (4) Any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. Accordingly, any contributions made by the County to the OPEB plan before year end but subsequent to the measurement date of the County's total OPEB liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has six (6) types of items that qualify for reporting in this category. (1) *Unavailable revenue* is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenue, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. (2) *Deferred inflows from lease receipts* are reported in the Governmental Funds Balance Sheet as well as the government-wide Statement of Net Position. The County reports deferred inflows from lease receipts and amortized into lease revenues over the remaining life of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

The other four (4) items relate to the County's defined benefit pension plans and OPEB plan and are reported in the government-wide and proprietary fund Statements of Net Position, under the heading "Pension" and "Other postemployment benefits". (3) Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience differences are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. (4) Changes in the actuarial assumptions which adjust the total OPEB liability are also recorded as deferred inflows of resources and are amortized into OPEB expense over the expected remaining service lives of plan members. (5) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (6) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows.

Q. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Amounts that are internally constrained by the County's highest level of decision-making authority, County Council. These amounts are committed by County Council ordinance to be used for specified purposes and remain binding unless removed by the same authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

- **Assigned** – Amounts that are constrained by the County's Administrator and/or Deputy County Administrator with the intent to be used for specified purposes. Authorization to assign fund balance is given to these individuals by County Council ordinance. The amounts are neither restricted nor committed.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

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

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

R. Management Estimates

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

S. Capital Contributions

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

The County's 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 (COVID Relief, Local Accommodations Tax, State Accommodations Tax, E-911, Interoperable Communications, Infrastructure Bank, Charity Hospitalization, Hospitality Tax, Road Maintenance Program, Victim's Bill of Rights, Opioid Grants, Parks, Recreation and Tourism, Affordable Housing, and Natural Resources), and the Capital Project Fund and Debt Service Funds (General Obligation Bonds, Certificates of Participation, Revenue Bonds, and Capital Leases) for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them by function and activity. A public hearing is conducted to obtain citizen comments on the proposed budget, which is later legally adopted through passage of an appropriation ordinance by County Council. The legal level of budgetary control is at the department level. The County Administrator is authorized to transfer budgeted amounts within a department, except for the purchase of non-budgeted equipment and hiring of personnel. County Council must approve any revisions which alter the total expenditures of any department.

The County prepares its Fund budgets on a basis of accounting that differs from accounting principles generally accepted in the United States. The actual results of operations are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) for the General Fund and Miscellaneous Other Grants Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between budgetary basis of accounting for the funds and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP). As of June 30, 2025, the County did not have encumbrances in the General Fund and had encumbrances of \$1,353,781 in the Miscellaneous Other Grants Fund.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures over Appropriations

For the year ended June 30, 2025, the following funds had excess of actual expenditures over appropriations, which were funded by available fund balance:

	<u>Excess</u>		<u>Excess</u>
General Fund		Revenue Bonds Fund	
Emergency medical services	\$ 1,951,491	Debt service - fiscal agent fees	\$ 5,618
Law enforcement services	6,301,170	Debt service - interest	194,895
Boards, commissions and others	1,814,343		
Debt service - principal	824,428	General Obligation Bonds Fund	
General services	81,002	Debt service - principal	1,225,000
Public safety	61,169	Debt service - interest	690,239
Judicial services	262,915		
		Natural Resource Fund	
Charity Hospitalization Fund		Community development and planning	372,238
Public safety	781,252		
		Capital Leases Fund	
Parks, Recreation and Tourism Fund		Debt service - principal	222,646
Debt service - principal	161,738	Debt service - interest	128,681
Miscellaneous Other Grants Fund		COVID Relief Fund	
Law enforcement services	990,645	General services	182,633
Infrastructure Bank Fund		Capital Projects Fund	
Community development and planning	46,742	Community development and planning	40,685
		Public safety	199,481
		Capital outlay	21,040,265

C. Deficit Fund Equity

For the year ended June 30, 2025, the Greenville County Redevelopment Corporation Fund, Health and Dental Fund, Capital Projects Fund, General Obligation Bonds Fund, Solid Waste Fund, and the Miscellaneous Other Grants Fund reported deficit fund balances of \$32,814,257, \$14,848,215, \$737,531, \$175,692, \$4,054,296, and \$18,137,337, respectively. These deficits will be eliminated through transfers from other funds, from other future revenues, and, specifically for the Greenville County Redevelopment Corporation Fund, the receipt of land sale proceeds from the University Ridge Redevelopment project.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Total cash, cash equivalents, and investments as of June 30, 2025, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:

Cash and cash equivalents	\$ 47,904,766
Restricted cash and cash equivalents	2,483,960
Investments	112,850,183

Amounts as presented on the Statement of Fiduciary Net Position:

Cash and cash equivalents - Custodial Funds	74,384,645
Investments - Custodial Funds	102,447,024
Total	<u>\$ 340,070,578</u>

Cash and cash equivalents deposited with financial institutions	\$ 76,567,177
Investments held at financial institutions	215,297,207
Investments held by the State of South Carolina	48,206,194
	<u>\$ 340,070,578</u>

As of June 30, 2025, the County held the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating
		Less than 1	1 - 5	
S.C. Local Government Investment Pool	\$ 48,206,194	\$ 48,206,194	\$ -	NR
Certificates of deposit	18,297,720	7,895,341	10,402,379	NR
U.S. Government Treasuries	53,438,484	7,617,061	45,821,423	AA+
U.S. Government Agencies	143,561,003	46,496,856	97,064,147	AA+
Money market funds	2,483,960	2,483,960	-	NR
Total fair value	<u>\$ 265,987,361</u>	<u>\$ 112,699,412</u>	<u>\$ 153,287,949</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

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

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

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets and Level 2 inputs are significant other observable inputs. The County has the following recurring fair value measurements as of June 30, 2025:

Investment	Level 1	Level 2	Fair Value
U.S. Government Treasuries	\$ 53,438,484	\$ -	\$ 53,438,484
U.S. Government Agencies	6,453,000	137,108,003	143,561,003
Total investments measured at fair value	<u>\$ 59,891,484</u>	<u>\$ 137,108,003</u>	196,999,487
Investments not subject to level disclosure:			
S.C. Local Government Investment Pool			48,206,194
Money market funds			2,483,960
Certificates of deposit			18,297,720
Total investments			<u>\$ 265,987,361</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County's investment in US Government Treasury and Agency securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in US Government Agency and municipal debt securities classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no investments classified in Level 3 of the fair value hierarchy. The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The County's investments in certificates of deposit and money market funds are valued at amortized cost, which approximates fair value. As a result, the County's certificates of deposit and money market funds are not disclosed within the fair value hierarchy.

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral that is in the possession of an outside party. The County's deposits and investments, with the exception of treasury bills, are fully collateralized by securities that are either in the County's name or held by their agent in the County's name. The County follows Section 6-5-15, South Carolina Code of Law, 1976 (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the FDIC, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity. As of June 30, 2025, the carrying amount of the County's deposits was \$76,567,177 and the bank balance was \$79,342,151.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2025:

	General	Miscellaneous Other Grants	Library	Nonmajor Governmental Funds
Receivables:				
Taxes	\$ 5,685,158	\$ -	\$ 1,089,203	\$ 2,807,411
Other	1,313,044	300,701	-	1,070,860
Leases	3,610,272	-	-	-
Due from other governments	5,803,796	6,621,493	-	642,150
Gross receivables	16,412,270	6,922,194	1,089,203	4,520,421
Less allowance for uncollectibles	(27,158)	-	(5,203)	(13,411)
Net total receivable	<u>\$ 16,385,112</u>	<u>\$ 6,922,194</u>	<u>\$ 1,084,000</u>	<u>\$ 4,507,010</u>

	Solid Waste	Internal Service Funds	Total
Receivables:			
Taxes	\$ 234,118	\$ -	\$ 9,815,890
Other	797,699	18,945	4,277,427
Leases	-	-	3,610,272
Due from other governments	-	-	13,368,140
Gross receivables	1,031,817	18,945	31,071,729
Less allowance for uncollectibles	(1,118)	-	(33,479)
Net total receivable	<u>\$ 1,030,699</u>	<u>\$ 18,945</u>	<u>\$ 31,038,250</u>

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, 2025, was \$3,514,354,429. The estimated market value was \$68,577,295,957 making the assessed value approximately 5.1% 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, 2025, was 70.3 mills per \$1,000 of assessed valuation.

The County is the lessor in multiple noncancellable leases. The following is a summary of future payments for those leases:

	Principal	Interest	Total
Year ending June 30,			
2026	\$ 678,116	\$ 78,572	\$ 756,688
2027	690,317	63,425	753,742
2028	702,764	48,033	750,797
2029	722,853	32,253	755,106
2030	529,912	12,515	542,427
2031-2034	286,310	24,031	310,341
	<u>\$ 3,610,272</u>	<u>\$ 258,829</u>	<u>\$ 3,869,101</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ending June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 35,604,525	\$ -	\$ (65,500)	\$ -	\$ 35,539,025
Construction in progress	5,505,755	7,474,865	-	(8,204,050)	4,776,570
Software developed or obtained for internal use	2,370,711	2,468,749	-	(80,554)	4,758,906
Right-of-way easements	35,419,771	634,145	-	-	36,053,916
Total capital assets, not being depreciated	78,900,762	10,577,759	(65,500)	(8,284,604)	81,128,417
Capital assets, being depreciated/amortized:					
Buildings	277,569,792	326,831	(162,290)	6,936,191	284,670,524
Improvements	82,484,107	3,209,167	(193,358)	1,372,451	86,872,367
Equipment	55,278,622	3,956,906	(408,422)	80,554	58,907,660
Recreation equipment	7,004,983	219,600	-	(104,592)	7,119,991
Vehicles	47,604,151	3,367,574	(3,478,483)	-	47,493,242
Infrastructure	790,274,416	27,467,732	-	-	817,742,148
Right-to-use lease assets	5,843,999	-	(321,571)	-	5,522,428
Total capital assets, being depreciated/amortized	1,266,060,070	38,547,810	(4,564,124)	8,284,604	1,308,328,360
Less accumulated depreciation/amortization for:					
Buildings	(60,409,304)	(6,265,546)	79,522	(3,488)	(66,598,816)
Improvements	(25,550,005)	(3,602,518)	35,370	-	(29,117,153)
Equipment	(33,715,476)	(4,832,092)	275,928	-	(38,271,640)
Recreation equipment	(3,894,209)	(402,696)	-	3,488	(4,293,417)
Vehicles	(32,631,014)	(6,039,377)	3,428,647	-	(35,241,744)
Infrastructure	(392,436,530)	(15,615,215)	-	-	(408,051,745)
Right-to-use lease assets	(2,775,556)	(826,076)	321,571	-	(3,280,061)
Total accumulated depreciation/amortization	(551,412,094)	(37,583,520)	4,141,038	-	(584,854,576)
Total capital assets, being depreciated/amortized, net	714,647,976	964,290	(423,086)	8,284,604	723,473,784
Governmental activities capital assets, net	\$ 793,548,738	\$ 11,542,049	\$ (488,586)	\$ -	\$ 804,602,201

The above schedule includes the net book value of 347,436 for capital assets related to internal service funds, for the period ending June 30, 2025.

See Note 6 for information relative to right-to-use lease capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Capital asset activity for the County's business-type activities for the period ending June 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 10,702,584	\$ 1,098,000	\$ -	\$ -	\$ 11,800,584
Intangible Software Assets	-	301,012	-	-	301,012
Total capital assets, not being depreciated	10,702,584	1,399,012	-	-	12,101,596
Capital assets, being depreciated:					
Buildings	6,888,990	-	-	-	6,888,990
Improvements	3,636,230	208,871	-	-	3,845,101
Equipment	10,247,908	1,580,348	(187,290)	-	11,640,966
Vehicles	898,917	569,000	-	-	1,467,917
Infrastructure	12,029,377	1,094,493	-	-	13,123,870
Total capital assets, being depreciated	33,701,422	3,452,712	(187,290)	-	36,966,844
Less accumulated depreciation for:					
Buildings	(3,993,464)	(188,657)	-	-	(4,182,121)
Improvements	(2,387,749)	(121,986)	-	-	(2,509,735)
Equipment	(8,518,574)	(523,337)	187,290	-	(8,854,621)
Vehicles	(730,101)	(98,792)	-	-	(828,893)
Infrastructure	(2,143,404)	(242,413)	-	-	(2,385,817)
Total accumulated depreciation	(17,773,292)	(1,175,185)	187,290	-	(18,761,187)
Total capital assets, being depreciated, net	15,928,130	2,277,527	-	-	18,205,657
Business-type activities capital assets, net	\$ 26,630,714	\$ 3,676,539	\$ -	\$ -	\$ 30,307,253

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:

Administrative services	\$ 3,670,964
General services	2,611,955
Community development and planning	19,291,478
Emergency medical services	2,566,134
Parks, recreation and tourism	3,644,797
Public safety	462,769
Judicial services	477,376
Law enforcement services	4,745,571
Boards, commissions, and others	105,192
Fiscal services	7,284
Total depreciation and amortization expense - governmental activities	<u>\$ 37,583,520</u>

Business-type activities:

Solid waste	\$ 723,605
Stormwater	392,018
Parking	59,562
Total depreciation expense - business-type activities	<u>\$ 1,175,185</u>

Appropriations to date of approximately \$315,101,680 exist for County various renovation and construction project. At June 30, 2025, unspent appropriations related to construction contracts approximated \$18,700,886.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASES

The County participates in certain leases for which it is obligated under lease agreements with various parties for the rental of land, vehicles, and office equipment. The incremental borrowing rate for each lease is 2%. As of June 30, 2025, the County reports \$2,874,539 outstanding in lease liabilities payable.

Annual debt service requirements to maturity for the lease liabilities as of June 30, 2025, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 950,506	\$ 48,491	\$ 998,997
2027	884,343	29,834	914,177
2028	476,469	14,719	491,188
2029	141,431	9,960	151,391
2030	146,864	7,089	153,953
2031-2035	274,926	9,675	284,601
	<u>\$ 2,874,539</u>	<u>\$ 119,768</u>	<u>\$ 2,994,307</u>

A summary of lease asset activity for the County for the period ending June 30, 2025, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental activities:					
Lease assets:					
Land	\$ 831,135	\$ -	\$ -	\$ -	\$ 831,135
Office equipment	121,592	-	-	(8,064)	113,528
Buildings	4,891,272	-	-	(313,507)	4,577,765
Total	<u>5,843,999</u>	<u>-</u>	<u>-</u>	<u>(321,571)</u>	<u>5,522,428</u>
Less accumulated amortization for:					
Land	(571,466)	(103,903)	-	-	(675,369)
Office equipment	(103,285)	(13,902)	-	8,064	(109,123)
Buildings	(2,100,805)	(708,271)	-	313,507	(2,495,569)
Total accumulated amortization	<u>(2,775,556)</u>	<u>(826,076)</u>	<u>-</u>	<u>321,571</u>	<u>(3,280,061)</u>
Total lease assets, net	<u>\$ 3,068,443</u>	<u>\$ (826,076)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,242,367</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Remeasurements	Ending Balance	Due within One Year
Governmental activities:						
Special Source Revenue bonds	\$ 103,635,000	\$ -	\$ (6,750,000)	\$ -	\$ 96,885,000	\$ 6,940,000
Recreation System Revenue bonds	3,725,000	-	(744,000)	-	2,981,000	401,000
Installment Purchase Revenue bonds	61,360,000	55,650,000	(2,025,000)	-	114,985,000	2,110,000
Deferred amounts:						
Unamortized premiums	20,145,565	4,831,533	(1,942,730)	-	23,034,368	-
General obligation bonds	64,911,000	2,300,000	(8,390,000)	-	58,821,000	7,446,000
Deferred amounts:						
Unamortized premiums	2,013,380	-	(358,885)	-	1,654,495	-
Total bonds payable	255,789,945	62,781,533	(20,210,615)	-	298,360,863	16,897,000
Financed purchases	21,010,714	7,000,000	(6,731,563)	-	21,279,151	6,699,057
Leases	3,860,705	-	(986,166)	-	2,874,539	950,506
Compensated absences	13,782,890	9,403,948	(9,004,799)	-	14,182,039	1,276,384
Claims IBNR payable	5,800,000	43,350,515	(42,550,515)	-	6,600,000	5,478,000
Net pension liability	263,045,966	34,138,733	(54,464,307)	-	242,720,392	-
Total other postemployment benefit liability	30,949,573	7,708,135	(2,848,188)	-	35,809,520	1,361,433
Governmental activities long-term liabilities	<u>\$ 594,239,793</u>	<u>\$ 164,382,864</u>	<u>\$ (136,796,153)</u>	<u>\$ -</u>	<u>\$ 621,826,504</u>	<u>\$ 32,662,380</u>
Business-type activities:						
Compensated absences	\$ 463,125	\$ 314,736	\$ (291,460)	\$ -	\$ 486,401	\$ 43,776
Net pension liability	7,788,819	830,078	(1,366,590)	-	7,252,307	-
Closure/post-closure liability	13,472,362	2,146,459	(178,060)	-	15,440,761	403,208
Business-type activities long-term liabilities	<u>\$ 21,724,306</u>	<u>\$ 3,291,273</u>	<u>\$ (1,836,110)</u>	<u>\$ -</u>	<u>\$ 23,179,469</u>	<u>\$ 446,984</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Special Source Revenue Bonds

The special source revenue bonds outstanding as of June 30, 2025, are as follows:

	Interest Rate	Balance at June 30, 2025
Special Source Revenue Refunding Bonds, Series 2021A (17)	1.52%	\$ 12,685,000
Special Source Revenue Bonds, Series 2021B (18)	2.20%	3,875,000
Special Source Revenue Bonds, Series 2021 (19)	3.00% to 5.00%	53,980,000
Special Source Revenue Bonds, Series 2023 (20)	4.00% to 5.00%	26,345,000
Add: Unamortized premiums		9,902,060
		<u>\$ 106,787,060</u>

SSRB 17/18

In October 2021, the County issued \$26,160,000 Series 2021A, Special Source Revenue Refunding Bonds, interest at 1.52%. Proceeds of the Series 2021A bonds were used to advance refund a portion of the Series 2014 and 2016, Hospitality Tax Certificates of Participation. The reacquisition price exceeded the net carrying amount of the old debt by \$3,921,346. This amount is being amortized over the life of the new debt. The refunding resulted in an economic gain of \$2,954,571. The interest rate of the Series 2021A refunding bonds are 1.52%. Interest on the Series 2021A Bonds is payable initially on April 1, 2022, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

The County also issued \$4,520,000 Series 2021B, Special Source Revenue Bonds. They have annual principal installments and semi-annual interest payments. The interest rate of the Series 2021B refunding bonds is 2.20%. The proceeds of this issue were used to defray the costs of financing the hospitality tax project and paying certain costs of issuance related thereto.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Special Source Revenue Bonds (Continued)

SSRB 19

In November 2021, the County issued \$60,000,000 Series 2021, Special Source Revenue Refunding Bonds, interest at 3.00 – 5.00%. The proceeds of this issue were used to finance the costs of constructing roads, sidewalks, a parking garage, and such other infrastructure within the County and the costs of issuance of the Series 2021 Bonds. Interest on the Series 2021 Bonds is payable initially on April 1, 2022, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

SSRB 20

In June 2023, the County issued \$27,970,000 Series 2023, Special Source Revenue Refunding Bonds, interest at 4.00 – 5.00%. The proceeds of this issue were used to finance the construction of and to reimburse the County for prior expenditures made by it related to the construction of a five-lane roadway parallel to Woodruff Road, which is a major commercial roadway in the County, and to pay the costs of issuance of the Series 2023 Bonds. Interest on the Series 2023 Bonds is payable initially on April 1, 2024, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

Annual debt service requirements to maturity for the special source revenue bonds as of June 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 6,940,000	\$ 3,812,844	\$ 10,752,844
2027	7,105,000	3,622,204	10,727,204
2028	7,350,000	3,395,518	10,745,518
2029	4,835,000	3,151,518	7,986,518
2030	4,495,000	2,945,103	7,440,103
2031-2035	22,915,000	11,563,265	34,478,265
2036-2040	28,455,000	6,020,302	34,475,302
2041-2044	14,790,000	880,113	15,670,113
	<u>\$ 96,885,000</u>	<u>\$ 35,390,867</u>	<u>\$ 132,275,867</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Recreation System Revenue Bonds

The recreation system revenue bonds outstanding as of June 30, 2025, are as follows:

	Interest Rate	Balance at June 30, 2025
Recreation System Revenue Bonds, Series 2020C (16)	1.98%	\$ 2,981,000

RCRB 16

The County also issued in the original principal amount of \$3,375,000 of the series 2020C Greenville County Recreation System Revenue Bonds on May 6, 2020. They have annual principal installments and semi-annual interest payments. The interest rate of the Series 2020C refunding bonds is 1.98%. The proceeds of this issue were used to defray the costs of construction, renovation, expansion, installation, furnishing and equipping of the Pavilion Recreation Complex and related capital improvements and the acquisition of equipment.

Interest on the 2020A, 2020B, and 2020C bonds is payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2020. The bonds mature on April 1, 2024, April 1, 2025, and April 1, 2032, respectively.

Annual debt service requirements to maturity for the recreation system revenue bonds as of June 30, 2025, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2026	\$ 401,000	\$ 59,024	\$ 460,024
2027	409,000	51,084	460,084
2028	418,000	42,986	460,986
2029	426,000	34,709	460,709
2030	434,000	26,275	460,275
2031-2032	893,000	26,611	919,611
	<u>\$ 2,981,000</u>	<u>\$ 240,689</u>	<u>\$ 3,221,689</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Installment Purchase Revenue Bonds

The installment purchase revenue bonds outstanding as of June 30, 2025, are as follows:

	Interest Rate	Balance at June 30, 2025
County Square Redevelopment Revenue Bonds, Series 2021	2.00%	\$ 31,255,000
County Square Redevelopment Revenue Bonds, Series 2022	5.00%	28,080,000
County Square Redevelopment Revenue Bonds, Series 2025	5.00%	55,650,000
Add: Unamortized premiums		13,132,308
		<u>\$ 128,117,308</u>

IPRB 17

In March 2021, the County issued \$34,555,000 Series 2021, Installment Purchase Revenue Bonds, interest at 2.00%. Proceeds of the Series 2021 bonds were used to refund a portion of the Series 2020 IPRB Bond Anticipation Notes and to pay the costs of issuance of the Series 2021 Bonds. The 2020 IPRB Bond Anticipation notes were currently refunded resulting in no defeased debt. Interest on the Series 2021 Bonds is payable initially on October 1, 2021, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

IPRB 18

In February 2022, the County issued \$29,795,000 Series 2022, Installment Purchase Revenue Bonds, interest at 5.00%. Proceeds of the Series 2022 bonds were used to refund a portion of the Series 2021 IPRB Bond Anticipation Notes and to pay the costs of issuance of the Series 2022 Bonds. The 2021 IPRB Bond Anticipation notes were currently refunded resulting in no defeased debt. Interest on the Series 2022 Bonds is payable initially on October 1, 2022, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

IPRB 24

In April 2025, the County issued \$55,650,000 Series 2025, Installment Purchase Revenue Bonds, interest at 5.00%. Proceeds of the Series 2025 bonds were used to, (1) refund a portion of the Series 2024 IPRB Bond Anticipation Notes, (2) pay the costs of issuance of the Series 2025 Bonds and (3) defraying the cost of certain Ancillary Facilities. Interest on the Series 2025 Bonds is payable initially on October 1, 2025, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Installment Purchase Revenue Bonds (Continued)

Annual debt service requirements to maturity for the installment purchase revenue bonds as of June 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 2,110,000	\$ 5,629,404	\$ 7,739,404
2027	2,200,000	5,110,700	7,310,700
2028	2,315,000	5,000,700	7,315,700
2029	2,430,000	4,884,950	7,314,950
2030	58,200,000	4,763,450	62,963,450
2031-2035	14,690,000	7,961,100	22,651,100
2036-2040	18,220,000	4,434,050	22,654,050
2041-2044	14,820,000	1,013,750	15,833,750
	<u>\$ 114,985,000</u>	<u>\$ 38,798,104</u>	<u>\$ 153,783,104</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds

Special Assessment Debt: Fountain Inn Fire Service Area, General Obligation Refunding Bond Series 2016B, due in annual installments of \$125,000 to \$130,000 through April 2027; interest ranging from 2% to 6%. EE1/BB2	\$ 255,000
Special Assessment Debt: Simpsonville Fire Service Area, General Obligation Bond Series 2015B, due in annual installments of \$180,000 to \$310,000 through April 2030; interest ranging from 3% to 5%. T-2	1,410,000
Special Assessment Debt: Mauldin Fire Service Area, General Obligation Bond Series 2016, due in annual installments of \$85,000 to \$165,000 through April 2028; interest ranging from 2% to 4.35%. EE-1	290,000
Special Assessment Debt: Glassy Mountain Fire Service Area, General Obligation Bond Series 2015A, due in annual installments of \$60,000 to \$240,000 through April 2025; interest ranging from 2% to 2.5%. B-8	300,000
Special Assessment Debt: Glassy Mountain Fire Service Area, General Obligation Bond Series 2023C, due in annual installments of \$37,000 to \$48,000 through April 2033; interest at 4.39%. B-9	329,000
Special Assessment Debt: Canebrake Fire District, General Obligation Bond Series 2018, due in annual installments of \$131,000 to \$135,000 through April 2034; interest rate of 3.67%. GG-1	1,001,000
Special Assessment Debt: Clear Springs Fire and Rescue District, General Obligation Bond Series 2017, due in annual installments of \$160,000 to \$185,000 through April 2027; interest ranging from 2% to 3%. Y-4	2,525,000
Special Assessment Debt: Simpsonville Fire Service Area, General Obligation Bond Series 2019A, due in annual installments of \$330,000 to \$400,000 through April 2039; interest ranging from 2.375% to 5.0%. T3	3,885,000
Special Assessment Debt: Donaldson Fire Service Area, General Obligation Bond Series 2019B, due in annual installments of \$120,000 to \$130,000 through April 2026; interest ranging from 2% to 4%. L-5	130,000
Greenville County Museum of Art, General Obligation Bond Series 2019C, due in annual installments of \$160,000 to \$220,000 through April 2035; interest ranging from 2% to 3%. HH-1	1,995,000
Special Assessment Debt: Mauldin Fire Service Area, General Obligation Bond Series 2020, due in annual installments of \$130,000 to \$210,000 through April 2040; interest ranging from 2% to 3%. X-4	2,655,000

(Continued)

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

Special Assessment Debt: Tigerville Fire District, General Obligation Bond Series 2021B, due in annual installments of \$24,000 to \$91,000 through April 2036; interest rate of 1.88%. I-4	\$ 896,000
Special Assessment Debt: River Falls Fire District, General Obligation Bond Series 2023B, due in annual installments of \$47,000 to \$52,000 through April 2043; interest rate of 4%. Q-5	625,000
Special Assessment Debt: Donaldson Fire Service Area Project, \$3,200,000 2022A General Obligation Bonds, due in annual installments of \$219,000 to \$224,000 through April 1, 2042; interest at 3.45%. L-6A	2,814,000
Special Assessment Debt: Donaldson Fire Service Area Project, \$900,000 (2022B General Obligation Bonds, due in annual installments of \$104,000 to \$106,000 through April 1, 2042; interest at 3.16%) L-6B	651,000
\$7,770,000 (2012 General Obligation Refunding Bonds, Greenville Technical College, due in annual installments of \$685,000 to \$805,000 through April 1, 2026; interest at 2% to 3%) A69	805,000
\$25,000,000 (2014 General Obligation Bonds, Greenville Technical College, due in annual installments of \$1,055,000 to \$1,690,000 through April 1, 2034; interest at 2.75% to 4.00%) A72	13,330,000
\$8,880,000 (2014A General Obligation Refunding Bonds, due in annual installments of \$29,000 to \$950,000 through April 1, 2028; interest at 2% to 4%) A73	2,160,000
\$10,080,000 (2016A General Obligation Refunding Bonds, due in annual installments of \$345,000 to \$1,025,000 through April 1, 2032; interest at 2% to 4%) A74	4,400,000
\$6,000,000 (2023A General Obligation Refunding Bonds, due in annual installments of \$425,000 to \$455,000 through April 1, 2043; interest at 3% to 5%) A75	5,580,000
\$11,500,000 (2024A General Obligation Refunding Bonds, due in annual installments of \$1,105,000 to \$1,295,000 through April 1, 2034; interest at 4%) A76	10,485,000
\$2,300,000 (2024 General Obligation Bonds, Clear Springs, due in annual installments of \$195,000 to \$269,000 through April 1, 2035; interest at 3.63%) Y-5	2,300,000
	\$ 58,821,000

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2025, are as follows:

	Special Assessment General Obligation Bonds		
	Principal	Interest	Total
Year ending June 30,			
2026	\$ 2,006,000	\$ 625,483	\$ 2,631,483
2027	1,922,000	555,476	2,477,476
2028	1,858,000	490,701	2,348,701
2029	1,807,000	426,089	2,233,089
2030	1,664,000	362,072	2,026,072
2031-2035	6,542,000	1,151,390	7,693,390
2036-2040	3,702,000	367,313	4,069,313
2041-2043	565,000	33,515	598,515
	<u>\$ 20,066,000</u>	<u>\$ 4,012,039</u>	<u>\$ 24,078,039</u>

	General Obligation Bonds		
	Principal	Interest	Total
Year ending June 30,			
2026	\$ 5,440,000	\$ 1,305,437	\$ 6,745,437
2027	4,765,000	1,118,187	5,883,187
2028	4,220,000	960,540	5,180,540
2029	3,330,000	821,301	4,151,301
2030	3,435,000	708,763	4,143,763
2031-2035	14,600,000	1,776,477	16,376,477
2036-2040	1,740,000	429,538	2,169,538
2041-2043	1,225,000	99,400	1,324,400
	<u>\$ 38,755,000</u>	<u>\$ 7,219,643</u>	<u>\$ 45,974,643</u>

At June 30, 2025, 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, 2025, the County was within the limits of this requirement. (Refer to the statistical section.)

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Conduit Debt/Industrial Revenue Bonds

The County issues limited-obligation revenue bonds (Industrial Revenue Bonds) to private sector entities for the purpose of providing financing assistance for acquisitions and construction of industrial and/or commercial facilities. The County only extends Industrial Revenue Bonds to private sector entities that are public interest driven. Under no circumstances would the County, the State, or any subdivision be obligated to repay the bonds. All Industrial Revenue Bonds are omitted from the accompanying financial statements. As of June 30, 2025, there were 41 Industrial Revenue Bonds outstanding, with an estimated principal balance of \$2,296,912,737.

Financed Purchases

The County's financed purchases payable are a culmination of various contracts with a broad range for machinery and equipment. In 1997, the County adopted a Master Lease Agreement. A total of twenty-eight (28) contracts have been issued under the Master Lease Agreement, twenty-seven (27) of which were for the acquisition of vehicles and heavy equipment. Of the twenty-eight (28) issues, eight (8) remain outstanding. The following is a schedule of the future minimum payments under these financed purchases, and the present value of the net minimum payments as of June 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 6,699,057	\$ 593,589	\$ 7,292,646
2027	5,676,235	395,340	6,071,575
2028	3,404,207	241,453	3,645,660
2029	2,094,264	158,576	2,252,840
2030	1,601,558	103,860	1,705,418
2031-2032	1,803,830	70,544	1,874,374
	<u>\$ 21,279,151</u>	<u>\$ 1,563,362</u>	<u>\$ 22,842,513</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities

Closure and Post-closure 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 post-closure maintenance for a period of thirty years after closure. The \$15 million liability reported as landfill closure and post-closure represents total costs to date, as of June 30, 2025. Actual cost for closure and post-closure care may vary due to inflation, developments in technology, or changes in laws and regulations. The liability recognized in the current fiscal year for the Twin Chimneys landfills is based on landfill capacity used to date. The following table shows the landfills, which the County owns, and the remaining number of years, out of thirty, each has to be maintained in accordance with the 1991 EPA ruling.

Landfill	Post-closure Years Remaining	Percent Used	Open/Close Year	Closure/ Post-closure Cost
Enoree Phase I	13	100%	2007	\$ 824,200
Enoree Phase II	13	100%	2007	1,146,187
Enoree C&D	13	100%	2007	195,000
Twin Chimneys Class II	30	38%	2007	2,757,499
Twin Chimneys Class III	30	16%	2007	10,517,875
				<u>\$ 15,440,761</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	\$ 612,932
General	Nonmajor Enterprise Funds	51,852
General	Miscellaneous Other Grants	13,856,628
General	Greenville County Redevelopment Corporation	33,108,141
		<u>\$ 47,629,553</u>
(Advance To) Receivable Fund	(Advance From) Payable Fund	Amount
General Fund	Health and Dental Internal Service Fund	\$ 11,169,331
		<u>\$ 11,169,331</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The composition of interfund transfers during the year ended June 30, 2025, were as follows:

Transfer To	Transfer From				
	General	Miscellaneous Other Grants	Greenville Co. Redevelopment Corporation	Library	Capital Projects
General	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects	2,344,855	-	7,957,704	-	-
Miscellaneous Other Grants	76,699	-	-	-	5,625
Nonmajor Governmental Funds	7,223,054	500	-	1,300,420	-
Total	<u>\$ 9,644,608</u>	<u>\$ 500</u>	<u>\$ 7,957,704</u>	<u>\$ 1,300,420</u>	<u>\$ 5,625</u>

Transfer To	Transfer From			
	Stormwater Utility	Nonmajor Governmental Funds	Internal Service Funds	Total
General	\$ -	\$ 13,167,995	\$ 2,250,000	\$ 15,417,995
Capital Projects	-	4,645,498	-	14,948,057
Miscellaneous Other Grants	878,576	150,561	-	1,111,461
Nonmajor Governmental Funds	-	18,907,191	-	27,431,165
Total	<u>\$ 878,576</u>	<u>\$ 36,871,245</u>	<u>\$ 2,250,000</u>	<u>\$ 58,908,678</u>

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

During fiscal year 2025, the County transferred funds requisitioned from bond proceeds to the Capital Projects Fund to cover expenditures related to the Greenville County Administration Complex. The Greenville County Redevelopment Corporation and General Fund transferred \$1.3 million and \$2.3 million to the Capital Projects Fund, respectively. The majority of the remaining transfers were established by the budget ordinance.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS

Overview

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP).

For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Plan Description (Continued)

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

Membership

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

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

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

Benefits

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Benefits (Continued)

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded. For the year ended June 30, 2025, the County contributed \$17,771,752 to the SCRS plan and \$14,369,154 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2025, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended June 30, 2025, are as follows:

South Carolina Retirement System

Employee Class Two	18.41% of earnable compensation
Employee Class Three	18.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	21.04% of earnable compensation
Employee Class Three	21.04% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position.

As of June 30, 2025, (measurement date of June 30, 2024), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%	0.653985%
PORS	\$ 10,177,904,231	\$ 7,178,118,865	\$ 2,999,785,366	70.5%	3.220606%

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024, is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023, and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private equity	9.0%	9.60%	0.86%
Private debt	7.0%	6.90%	0.48%
Real assets	12.0%		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
	100%		
		Total expected real return	5.49%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.74%

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Discount Rate (Continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate				
	1% Decrease	Current	1% Increase	
	(6.00%)	Discount Rate	(8.00%)	
		(7.00%)		
SCRS	\$ 198,739,099	\$ 153,361,441	\$ 111,572,211	
PORS	\$ 139,971,212	\$ 96,611,258	\$ 61,097,209	

Pension Expense

For the year ended June 30, 2025, the County recognized its proportionate share of collective pension expense of \$14,802,481 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$123,808 for a total of \$14,926,289 for the SCRS plan. Additionally, for the year ended June 30, 2025, the County recognized its proportionate share of collective pension expense of \$12,262,716 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$319,773 for a total of \$12,582,489 for the PORS plan. Total pension expense for both plans was \$27,508,778.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,039,999	\$ 190,331
Changes of assumptions	2,703,735	-
Net difference between projected and actual earnings on pension plan investments	-	5,909,058
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	12,450,808	15,473,231
Employer contributions subsequent to the measurement date	17,771,752	-
Total	<u>\$ 37,966,294</u>	<u>\$ 21,572,620</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,073,052	\$ 553,888
Changes of assumptions	2,103,397	-
Net difference between projected and actual earnings on pension plan investments	-	5,416,409
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,684,398	16,050,874
Employer contributions subsequent to the measurement date	14,369,154	-
Total	<u>\$ 35,230,001</u>	<u>\$ 22,021,171</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

County contributions subsequent to the measurement date of \$17,771,752 and \$14,369,154 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2026	\$ 2,107,802	\$ 1,096,564
2027	(668,036)	(33,410)
2028	(1,266,070)	(791,382)
2029	(1,551,774)	(1,432,096)

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Medical/Prescription Drugs

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

Dental

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued)

Required Monthly Contributions

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

Funding Policy

The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2025, the County paid \$1,361,433 toward the cost of retiree health and dental insurance for eligible retired employees. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Membership

At June 30, 2024, (the measurement date), there were 2,681 participants as follows:

Active participants	2,325
Retirees and beneficiaries currently receiving benefits	356
Total	<u>2,681</u>

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.93% as of June 30, 2024
Healthcare cost trend rate:	7.00% - 4.50%, Ultimate Trend by 2034 for Pre-Medicare 5.25% - 4.50%, Ultimate Trend by 2030 for Medicare
Inflation rate:	2.25%
Salary increase:	3.00% - 9.65% for SCRS eligible employees and 3.50% - 11.00% for PORS eligible employees per annum
Participation rate:	30% of all eligible employees and 40% for spouse coverage

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

Mortality rates were based on the PUB-2010 Mortality Table for Employees with a 100% multiplier to better reflect the anticipated experience and provide margin for future improvements. The demographic assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2024 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% as of June 30, 2024. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.93% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2024.

Changes in the Total OPEB Liability

The changes in the total OPEB liability of the County for the year ended June 30, 2025, were as follows:

	Total OPEB Liability
Balances beginning of year	\$ 30,949,573
Changes for the year:	
Service cost	1,317,381
Interest	1,086,440
Difference between actual and expected experience	5,304,314
Assumption changes	(458,562)
Benefit payments and implicit subsidy	(2,389,626)
Net changes	4,859,947
Balances end of year	\$ 35,809,520

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The following presents the total OPEB liability of the County as of June 30, 2025, (June 30, 2024 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease	Current	1% Increase
(2.93%)	Discount Rate	(4.93%)
	(3.93%)	
\$ 39,996,122	\$ 35,809,520	\$ 32,138,213

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

The following presents the total OPEB liability of the County as of June 30, 2025 (June 30, 2024 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease	Current	1% Increase
	Healthcare	
	Cost Trend Rates	
\$ 31,663,939	\$ 35,809,520	\$ 40,786,104

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2024, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2025, the County recognized OPEB expense as follows:

<u>Description</u>		
Service cost (annual cost of current service)	\$	1,317,381
Interest on the total OPEB liability		1,086,440
Recognition of current year amortization - difference between expected and actual experience		598,681
Recognition of current year amortization - assumption changes		(51,756)
Recognition of beginning deferred outflows and inflows or resources as OPEB expense, net		<u>1,063,929</u>
Total aggregate OPEB expense	\$	<u><u>4,014,675</u></u>

At June 30, 2025, the County reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,478,512	\$ 14,937,605
Changes of assumptions	3,414,278	2,939,787
Employer contributions subsequent to the measurement date	1,361,433	-
Total	<u>\$ 18,254,223</u>	<u>\$ 17,877,392</u>

County contributions subsequent to the measurement date of \$1,361,433 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance Plan

Year ended June 30:

2026	\$ 1,610,854
2027	1,539,874
2028	275,417
2029	(726,235)
2030	(1,775,370)
Thereafter	(1,909,142)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

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

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

The County expended \$40,105,635 for medical and dental claims in fiscal year 2025. The basis for estimating claims not reported at year-end is the monthly average paid in claims. The self-insurance fund collects interfund premiums from insured funds and departments and pays claim settlements. Premiums for employees are based on maximum claim level activity and all other premiums in the fund are based on the expected claim level as provided by the actuarial estimate by the reinsurer. Medical claims exceeding \$300,000 per insured are covered through a private insurance carrier.

The self-insurance program for workers' compensation is also accounted for within the activity of the Internal Service Fund. The Workers' Compensation program serves personnel of the County. The County has contracted with a professional firm to administer this fund. Claims paid during the current fiscal year totaled \$2,444,880. Premium increases and decreases for both programs are reviewed and recommended annually by the County's contract administrators.

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

	Workers' Compensation		Health and Dental	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Unpaid claims, beginning of fiscal year	\$ 2,500,000	\$ 2,700,000	\$ 3,300,000	\$ 2,900,000
Incurred claims and changes in estimates	2,944,880	1,775,683	40,405,635	37,861,418
Claim payments	(2,444,880)	(1,975,683)	(40,105,635)	(37,461,418)
Unpaid claims, end of fiscal year	<u>\$ 3,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 3,600,000</u>	<u>\$ 3,300,000</u>
Current portion	<u>\$ 1,950,000</u>	<u>\$ 1,625,000</u>	<u>\$ 3,528,000</u>	<u>\$ 3,234,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

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

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Contingencies

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. TAX ABATEMENTS

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

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

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

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

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

For the fiscal year ended June 30, 2025, the County abated property tax revenues of approximately \$1,096,992 under FILOT agreements entered into by the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. SUBSEQUENT EVENTS

In July 2025, the County issued General Obligation Bonds Series 2025A in the amount of \$3,800,000 related to the Fountain Inn Fire Service Area Project. The County also issued General Obligation Bonds Series 2025B in the amount of \$1,100,000 related to the Glassy Mountain Fire Service Area Project.

NOTE 15. ACCOUNTING CHANGES

Changes within the Financial Reporting Entity

For the year ended June 30, 2025, the County's Miscellaneous Other Grants Fund and Library Fund met the definition of major funds. The previously major COVID Relief Fund and Revenue Bonds Fund met the definition of nonmajor funds. The effect of this change within the County's financial reporting entity is shown in the table below:

	Reporting Units Affected by Adjustments of Beginning Balances				
	Funds				
	Miscellaneous Other Grants	Library	COVID Relief	Revenue Bonds	Nonmajor Governmental Funds
June 30, 2024 fund balance, as previously reported	\$ -	\$ -	\$ 1,932,397	\$ 1,809,037	\$ 86,646,717
Change from major fund to nonmajor fund	-	-	(1,932,397)	(1,809,037)	3,741,434
Change from nonmajor fund to major fund	5,005,163	-	-	-	(5,005,163)
June 30, 2024 fund balance, as adjusted	<u>\$ 5,005,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,382,988</u>