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.

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 June 30 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.

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.

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. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Hospitality Tax Fund*** is used to account for the collection and allocation of the County's two percent tax on prepared foods and beverages.

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 non-operating items. Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Revenues or expenses that otherwise would be classified as nonoperating in most proprietary fund financial statements should be classified as operating revenues or operating expenses if those transactions constitute the proprietary fund's principal ongoing operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

The County considers investments and demand deposits, 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 taxes receivable represents delinquent and unpaid real and personal property taxes for the previous ten years less an allowance for amounts estimated to be uncollectible.

I. Investment in Augusta Grove, LLC

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investment in Augusta Grove, LLC (Continued)

For the fiscal year ended June 30, 2026, the County reported an equity investment in the Augusta Grove - Greenville, LLC of $1,212,389 at the government-wide level. This represents 40 percent of the total land value of $2,933,955 recorded on the LLC. An equity investment of $38,807 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 land	7-10
Right-to-use lease buildings	7-10
Right-to-use subscriptions	7-10
Vehicles	4-8

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.

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.

Subscription-Based Information Technology Arrangements (SBITAs)

The County has noncancellable SBITAs of various IT software. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of $30,000 or more. At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

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

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the subscription 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 SBITA and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-term Obligations (Continued)

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. The other four 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

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 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, which are amortized into lease revenues over the remaining life of the lease.

The other four 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

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.

- ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

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).*

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County's budget provides the financial framework for the programs and services that the government will be undertaking over the next year. 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, 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.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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, Hospitality Tax 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, 2026, the County did not have encumbrances in the General Fund and in the Hospitality Tax Fund. The Miscellaneous Other Grants Fund had encumbrances of $1,921,440.

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

B. Excess Expenditures over Appropriations

For the year ended June 30, 2026, expenditures exceeded appropriations in various departments of the General Fund, Victim's Bill of Rights Fund, E911 Fund, Miscellaneous Other Grants Fund, Affordable Housing Fund, Parks, Recreation and Tourism Fund, General Obligation Bonds Fund, Natural Resource Fund, Revenue Bonds Fund, and Capital Projects Fund. These over-expenditures were funded by (1) greater than anticipated revenues and/or (2) the use of available fund balance.

C. Deficit Fund Equity

For the year ended June 30, 2026, the Greenville County Redevelopment Corporation Fund, Road Maintenance Fund, Health and Dental Fund, and the Miscellaneous Other Grants Fund reported deficit fund balances of $20,894,020, $1,413,891, $17,340,289, and $27,620,787, 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.

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Total cash, cash equivalents, and investments as of June 30, 2026, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	39,351,379
Restricted cash and cash equivalents		2,284,167
Investments		110,789,934
Restricted investments		303,990
Amounts as presented on the Statement of Fiduciary Net Position:		
Cash and cash equivalents - Custodial Funds		76,577,002
Investments - Custodial Funds		93,425,457
Total	$	322,731,929
Cash and cash equivalents deposited with financial institutions	$	92,484,520
Investments held at financial institutions		204,215,391
Investments held by the State of South Carolina		26,032,018
	$	322,731,929

As of June 30, 2026, the County held the following investments:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10
S.C. Local Government Investment Pool	$ 26,032,018	$ 26,032,018	$ -	$ -
Certificates of deposit	9,164,171	-	9,164,171	-
U.S. Government Treasuries	56,986,500	8,186,631	48,799,869	-
U.S. Government Agencies	130,104,867	20,320,815	109,784,052	-
U.S. Municipal Bonds	7,959,853	441,437	7,518,416	-
Total fair value	$ 230,247,409	$ 54,980,901	$ 175,266,508	$ -

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's 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, 2026:

Investment	Level 1	Level 2	Fair Value
U.S. Government Treasuries	$ 56,986,500	$ -	$ 56,986,500
U.S. Municipal Bonds	-	7,959,853	7,959,853
U.S. Government Agencies	5,841,660	124,263,207	130,104,867
Total investments measured at fair value	$ 62,828,160	$ 132,223,060	195,051,220
Investments not subject to level disclosure:			
S.C. Local Government Investment Pool			26,032,018
Certificates of deposit			9,164,171
Total investments			$ 230,247,409

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, 2026, the carrying amount of the County's deposits was $92,484,520 and the bank balance was $101,696,289.

NOTE 4. RECEIVABLES

Receivables consisted of the following at June 30, 2026:

	General	Hospitality Tax Fund	Miscellaneous Other Grants	Library
Receivables:				
Taxes	$ 5,860,109	$ -	$ -	$ 1,082,671
Other	1,470,220	674,961	588,426	-
Leases	2,953,081	-	-	-
Due from other governments	5,653,559	-	26,099,414	-
Total receivables	15,936,969	674,961	26,687,840	1,082,671
Less allowance for uncollectibles	(36,109)	-	-	(6,671)
Net total receivable	$ 15,900,860	$ 674,961	$ 26,687,840	$ 1,076,000

	Nonmajor Governmental Funds	Solid Waste	Internal Service Funds	Total
Receivables:				
Taxes	$ 2,639,263	$ 235,451	$ -	$ 9,817,494
Other	530	845,621	32,591	3,612,349
Leases	-	-	-	2,953,081
Due from other governments	592,768	-	-	32,345,741
Total receivables	3,232,561	1,081,072	32,591	48,728,665
Less allowance for uncollectibles	(16,263)	(1,451)	-	(60,494)
Net total receivable	$ 3,216,298	$ 1,079,621	$ 32,591	$ 48,668,171

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, 2026, was $4,050,374,094. The estimated market value was $79,545,184,225 making the assessed value approximately 5.0% 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, 2026, was 60.1 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,			
2027	$ 712,894	$ 52,825	$ 765,719
2028	725,406	38,239	763,645
2029	715,081	23,764	738,845
2030	530,985	9,774	540,759
2031	76,236	4,678	80,914
2032-2034	192,479	5,093	197,572
	$ 2,953,081	$ 134,373	$ 3,087,454

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ending June 30, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 35,539,025	$ -	$ (688,744)	$ -	$ 34,850,281
Construction in progress	4,776,570	8,681,486	-	(4,124,156)	9,333,900
Software developed or obtained for internal use	4,758,906	573,061	-	-	5,331,967
Right-of-way easements	36,053,916	758,100	-	11,789,206	48,601,222
Total capital assets, not being depreciated	81,128,417	10,012,647	(688,744)	7,665,050	98,117,370
Capital assets, being depreciated/amortized:					
Buildings	284,670,524	372,010	(2,378,280)	-	282,664,254
Improvements	86,872,367	3,698,798	(359,850)	4,124,156	94,335,471
Equipment	58,907,660	6,043,976	(613,164)	-	64,338,472
Recreation equipment	7,119,991	18,659	(529,462)	-	6,609,188
Vehicles	47,493,242	4,144,829	(2,355,007)	-	49,283,064
Infrastructure	817,742,148	36,325,458	-	(11,789,206)	842,278,400
Right-to-use subscription assets	-	24,465,044	-	-	24,465,044
Right-to-use lease assets	5,522,428	1,404,316	(504,083)	113,409	6,536,070
Total capital assets, being depreciated/amortized	1,308,328,360	76,473,090	(6,739,846)	(7,551,641)	1,370,509,963
Less accumulated depreciation/amortization for:					
Buildings	(66,598,816)	(6,477,786)	860,455	-	(72,216,147)
Improvements	(29,117,153)	(3,798,148)	140,417	-	(32,774,884)
Equipment	(38,271,640)	(5,566,206)	613,164	-	(43,224,682)
Recreation equipment	(4,293,417)	(282,234)	193,415	-	(4,382,236)
Vehicles	(35,241,744)	(5,849,435)	2,330,919	-	(38,760,260)
Infrastructure	(408,051,745)	(16,179,333)	-	-	(424,231,078)
Right-to-use subscription assets	-	(2,136,274)	-	-	(2,136,274)
Right-to-use lease assets	(3,280,061)	(1,022,795)	504,083	(113,409)	(3,912,182)
Total accumulated depreciation/amortization	(584,854,576)	(41,312,211)	4,642,453	(113,409)	(621,637,743)
Total capital assets, being depreciated/amortized, net	723,473,784	35,160,879	(2,097,393)	(7,665,050)	748,872,220
Governmental activities capital assets, net	$ 804,602,201	$ 45,173,526	$ (2,786,137)	$ -	$ 846,989,590

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

The schedule on the previous page includes the net book value of $368,511 for capital assets related to internal service funds, for the period ending June 30, 2026.

See Note 6 for information related to right-to-use lease capital assets and Note 7 for information related to right-to-use subscription assets.

Capital asset activity for the County's business-type activities for the period ending June 30, 2026, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 11,800,584	$ 78,500	$ -	$ -	$ 11,879,084
Construction in progress	-	50,808	-	(50,808)	-
Intangible Software Assets	301,012	110,032	-	-	411,044
Total capital assets, not being depreciated	12,101,596	239,340	-	(50,808)	12,290,128
Capital assets, being depreciated:					
Buildings	6,888,990	-	-	-	6,888,990
Improvements	3,845,101	93,006	-	37,097	3,975,204
Equipment	11,640,966	203,780	(1,236,104)	-	10,608,642
Vehicles	1,467,917	-	(17,246)	13,711	1,464,382
Infrastructure	13,123,870	1,252,647	-	-	14,376,517
Total capital assets, being depreciated	36,966,844	1,549,433	(1,253,350)	50,808	37,313,735
Less accumulated depreciation for:					
Buildings	(4,182,121)	(184,351)	-	-	(4,366,472)
Improvements	(2,509,735)	(133,370)	-	-	(2,643,105)
Equipment	(8,854,621)	(519,345)	1,236,104	-	(8,137,862)
Vehicles	(828,893)	(122,941)	17,246	-	(934,588)
Infrastructure	(2,385,817)	(264,990)	-	-	(2,650,807)
Total accumulated depreciation	(18,761,187)	(1,224,997)	1,253,350	-	(18,732,834)
Total capital assets, being depreciated, net	18,205,657	324,436	-	50,808	18,580,901
Business-type activities capital assets, net	$ 30,307,253	$ 563,776	$ -	$ -	$ 30,871,029

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	$	3,674,123
General services		5,229,452
Community development and planning		19,941,431
Emergency medical services		2,372,468
Parks, recreation and tourism		3,625,441
Public safety		763,482
Judicial services		471,645
Law enforcement services		5,101,007
Boards, commissions, and others		126,921
Fiscal services		6,241
Total depreciation and amortization expense - governmental activities	$	41,312,211
Business-type Activities:		
Solid waste	$	736,532
Stormwater		410,894
Parking		77,571
Total depreciation expense - business-type activities	$	1,224,997

Appropriations to date of approximately $285,160,397 exist for various County renovation and construction projects. At June 30, 2026, unspent appropriations related to construction contracts approximated to $35,076,642.

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, 2026, the County reports $2,849,134 outstanding in lease liabilities payable.

Annual debt service requirements to maturity for the lease liabilities as of June 30, 2026, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2027	$ 1,359,832	$ 55,029	$ 1,414,861
2028	767,244	29,117	796,361
2029	162,680	16,791	179,471
2030	168,996	13,036	182,032
2031	122,739	9,411	132,150
2032-2036	267,643	16,304	283,947
	$ 2,849,134	$ 139,688	$ 2,988,822

A summary of lease asset activity for the County for the period ending June 30, 2026, is as follows:

	Beginning Balance	Additions	Deductions	Remeasurement	Ending Balance
Governmental Activities:					
Right-to-use lease assets:					
Land	$ 831,135	$ -	$ -	$ 113,409	$ 944,544
Office equipment	113,528	1,002,331	(113,528)	-	1,002,331
Buildings	4,577,765	401,985	(390,555)	-	4,589,195
Total	5,522,428	1,404,316	(504,083)	113,409	6,536,070
Less accumulated amortization for:					
Land	(675,369)	(61,079)	-	(113,409)	(849,857)
Office equipment	(109,123)	(240,456)	113,528	-	(236,051)
Buildings	(2,495,569)	(721,260)	390,555	-	(2,826,274)
Total accumulated amortization	(3,280,061)	(1,022,795)	504,083	(113,409)	(3,912,182)
Total right-to-use lease assets, net	$ 2,242,367	$ 381,521	$ -	$ -	$ 2,623,888

NOTE 7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The County has entered into multiple noncancelable SBITAs as the lessee for various right-to-use subscriptions. The incremental borrowing rate varies from 2.416% to 3.242%. As of June 30, 2026, the County has $21,879,978 outstanding in subscriptions payable.

The annual requirements to amortize all subscriptions payable as of June 30, 2026, including interest payments are as follows:

	Principal	Interest	Total
Year ending June 30,			
2027	$ 1,991,720	$ 698,709	$ 2,690,429
2028	2,062,790	638,683	2,701,473
2029	2,138,788	574,186	2,712,974
2030	2,215,834	507,294	2,723,128
2031	2,502,334	438,032	2,940,366
2032-2036	10,968,512	908,480	11,876,992
	$ 21,879,978	$ 3,765,384	$ 25,645,362

A summary of governmental subscription asset activity for the County for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities:				
Right-to-use subscription assets:				
Subscription assets	$ -	$ 24,465,044	$ -	$ 24,465,044
Less accumulated amortization for:				
Subscription assets	-	(2,136,274)	-	(2,136,274)
Total right-to-use subscription assets, net	$ -	$ 22,328,770	$ -	$ 22,328,770

NOTE 8. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2026:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Special Source Revenue bonds	$ 96,885,000	$ -	$ (6,940,000)	$ 89,945,000	$ 7,105,000
Recreation System Revenue bonds	2,981,000	-	(401,000)	2,580,000	409,000
Installment Purchase Revenue bonds	114,985,000	-	(2,110,000)	112,875,000	2,200,000
Deferred amounts:					
Unamortized premiums	23,034,368	-	(2,954,639)	20,079,729	-
General obligation bonds	58,821,000	17,800,000	(9,077,000)	67,544,000	7,814,000
Deferred amounts:					
Unamortized premiums	1,654,495	631,309	(356,714)	1,929,090	-
Total bonds payable	298,360,863	18,431,309	(21,839,353)	294,952,819	17,528,000
Financed purchases	21,279,151	7,000,000	(7,284,790)	20,994,361	6,985,614
Leases	2,874,539	1,404,316	(1,429,721)	2,849,134	1,359,832
Subscription liabilities	-	24,447,044	(2,567,066)	21,879,978	1,991,720
Compensated absences	14,182,039	9,900,791	(9,596,360)	14,486,470	1,303,782
Claims IBNR payable	6,600,000	45,701,316	(44,901,316)	7,400,000	6,163,000
Net pension liability	242,720,392	25,719,532	(45,248,334)	223,191,590	-
Total other postemployment benefit liability	35,809,520	6,304,841	(4,862,211)	37,252,150	3,046,496
Governmental activities long-term liabilities	$ 621,826,504	$ 138,909,149	$ (137,729,151)	$ 623,006,502	$ 38,378,444
Business-type Activities:					
Compensated absences	$ 486,401	$ 242,261	$ (261,246)	$ 467,416	$ 42,067
Net pension liability	7,252,307	657,796	(1,264,285)	6,645,818	-
Closure/post-closure liability	15,440,761	958,464	(175,685)	16,223,540	405,589
Business-type activities long-term liabilities	$ 23,179,469	$ 1,858,521	$ (1,701,216)	$ 23,336,774	$ 447,656

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.

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Special Source Revenue Bonds

The special source revenue bonds outstanding as of June 30, 2026, are as follows:

	Interest Rate	Balance at June 30, 2026
Special Source Revenue Refunding Bonds, Series 2021A (17)	1.52%	$ 9,035,000
Special Source Revenue Bonds, Series 2021B (18)	2.20%	3,695,000
Special Source Revenue Bonds, Series 2021 (19)	3.00% to 5.00%	51,810,000
Special Source Revenue Bonds, Series 2023 (20)	4.00% to 5.00%	25,405,000
Add: Unamortized premiums		8,861,237
		$ 98,806,237

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.

NOTE 8. 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, 2026, are as follows:

	Principal	Interest	Total
Year ending June 30,			
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	4,160,000	2,738,663	6,898,663
2032-2036	23,980,000	10,494,065	34,474,065
2037-2041	29,620,000	4,853,152	34,473,152
2042-2043	8,400,000	377,800	8,777,800
	$ 89,945,000	$ 31,578,023	$ 121,523,023

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Recreation System Revenue Bonds

The recreation system revenue bonds outstanding as of June 30, 2026, are as follows:

	Interest Rate	Balance at June 30, 2026
Recreation System Revenue Bonds, Series 2020C (16)	1.98%	$ 2,580,000

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 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, 2032.

Annual debt service requirements to maturity for the recreation system revenue bonds as of June 30, 2026, are as follows:

Year ending June 30,	Principal	Interest	Total
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	442,000	17,681	459,681
2032	451,000	8,930	459,930
	$ 2,580,000	$ 181,665	$ 2,761,665

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Installment Purchase Revenue Bonds

The installment purchase revenue bonds outstanding as of June 30, 2026, are as follows:

	Interest Rate	Balance at June 30, 2026
County Square Redevelopment Revenue Bonds, Series 2021	2.00%	$ 30,065,000
County Square Redevelopment Revenue Bonds, Series 2022	5.00%	27,160,000
County Square Redevelopment Revenue Bonds, Series 2025	5.00%	55,650,000
Add: Unamortized premiums		11,218,492
		$ 124,093,492

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) defray 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.

NOTE 8. 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, 2026, are as follows:

	Principal	Interest	Total
Year ending June 30,			
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	2,675,000	1,853,450	4,528,450
2032-2036	15,360,000	7,293,550	22,653,550
2037-2041	18,950,000	3,705,150	22,655,150
2042-2044	10,745,000	556,750	11,301,750
	$ 112,875,000	$ 33,168,700	$ 146,043,700

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NOTE 8. 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	$ 130,000
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	1,155,000
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	195,000
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 2030; interest ranging from 2% to 2.5%. B-8	240,000
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	294,000
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	905,000
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 2037; interest ranging from 2% to 3%. Y-4	2,340,000
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	3,505,000
Special Assessment Debt 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	1,815,000
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	2,510,000

(Continued)

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

General Obligation Bonds

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	$ 823,000
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	600,000
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	2,691,000
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	567,000
Special Assessment Debt: Donaldson Center, General Obligation Bond Series 2026B, due in annual installments of $67,000 to $180,000 through May 2041; interest at 4.34%. L-7	2,000,000
Special Assessment Debt: Glassy Mountain, General Obligation Bond Series 2025B, due in annual installments of $84,000 to $132,000 through July 2041; interest at 4.09%. B-10	1,016,000
Special Assessment Debt: Fountain Inn Fire Service Area, General Obligation Bond Series 2025A, due in annual installments of $97,000 to $278,000 through July 2045; interest at 4.24%. J-2	3,703,000
Special Assessment Debt: Simpsonville Fire Service Area, General Obligation Bond Series 2026A, due in annual installments of $30,000 to $81,000 through May 2041; interest at 4.34%. T-4	900,000
Special Assessment Debt: Clear Springs Fire and Rescue District, $2,300,000, General Obligation Bonds Series 2024, due in annual installments of $195,000 to $269,000 through April 1, 2035; interest at 3.63%) Y-5	2,105,000
$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	12,040,000
$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	1,240,000
$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	3,420,000
$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	5,360,000
$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	9,440,000
$10,000,000 (2025C General Obligation Bonds, due in annual installments of $805,000 to $1,450,000 through November 2035; interest at 4%) A77	8,550,000
	$ 67,544,000

NOTE 8. 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, 2026, are as follows:

Special Assessment General Obligation Bonds

	Principal	Interest	Total
Year ending June 30,			
2027	$ 2,429,000	$ 969,817	$ 3,398,817
2028	2,431,000	838,956	3,269,956
2029	2,402,000	752,275	3,154,275
2030	2,276,000	665,298	2,941,298
2031	1,974,000	589,225	2,563,225
2032-2036	9,356,000	1,990,667	11,346,667
2037-2041	5,271,000	765,655	6,036,655
2042-2045	1,355,000	126,249	1,481,249
	$ 27,494,000	$ 6,698,141	$ 34,192,141

General Obligation Bonds

	Principal	Interest	Total
Year ending June 30,			
2027	$ 5,385,000	$ 1,413,962	$ 6,798,962
2028	4,870,000	1,229,665	6,099,665
2029	4,005,000	1,062,526	5,067,526
2030	4,145,000	921,038	5,066,038
2031	4,285,000	774,576	5,059,576
2032-2036	14,715,000	1,673,214	16,388,214
2037-2041	1,810,000	371,850	2,181,850
2042-2043	835,000	50,400	885,400
	$ 40,050,000	$ 7,497,228	$ 47,547,228

At June 30, 2026, 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, 2026, the County was within the limits of this requirement. (Refer to the statistical section.)

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

NOTE 8. 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, 2026, there were 52 Industrial Revenue Bonds outstanding, with an estimated principal balance of $2,489,389,816.

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 29 contracts have been issued under the Master Lease Agreement, 28 of which were for the acquisition of vehicles and heavy equipment. Of the 29 issues, eight 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, 2026:

	Principal	Interest	Total
Year ending June 30,			
2027	$ 6,985,614	$ 608,358	$ 7,593,972
2028	4,759,168	408,889	5,168,057
2029	3,496,395	278,742	3,775,137
2030	2,157,713	182,803	2,340,516
2031	1,752,319	112,801	1,865,120
2032-2033	1,843,152	71,393	1,914,545
	$ 20,994,361	$ 1,662,986	$ 22,657,347

NOTE 8. 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 $16 million liability reported as landfill closure and post-closure represents total costs to date, as of June 30, 2026. 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	12	100%	2007	$ 760,800
Enoree Phase II	12	100%	2007	1,048,903
Enoree C&D	12	100%	2007	180,000
Twin Chimneys Class III	30	41%	2007	11,580,149
Twin Chimneys Class II	30	17%	2007	2,653,688
				$ 16,223,540

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2026, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Funds	$ 643,786
Capital Projects Fund	Greenville County Redevelopment Corporation	2,676,486
General	Miscellaneous Other Grants	34,741,909
General	Greenville County Redevelopment Corporation	18,529,814
		$ 56,591,995

Advances to/from other funds:

(Advance To) Receivable Fund	(Advance From) Payable Fund	Amount
General Fund	Health and Dental Internal Service Fund	$ 10,786,871
		$ 10,786,871

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.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

The composition of interfund transfers during the year ended June 30, 2026, were as follows:

	Transfer From				
Transfer To	General	Capital Projects	Hospitality Tax Fund	Solid Waste Fund	Stormwater Utility
General	$ -	$ -	$ 2,162,116	$ -	$ -
Capital Projects	-	-	-	-	-
Miscellaneous Other Grants	109,982	490,834	-	-	283,678
Greenville Co. Redev. Corp.	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-
Nonmajor Governmental Funds	8,302,046	-	10,302,628	3,054,400	-
Total	$ 8,412,028	$ 490,834	$ 12,464,744	$ 3,054,400	$ 283,678

	Transfer From			
Transfer To	Nonmajor Governmental Funds	Internal Service Funds	Miscellaneous Other Grants Fund	Total
General	$ 16,969,194	$ 2,500,000	$ -	$ 21,631,310
Capital Projects	15,750,000	-	-	15,750,000
Miscellaneous Other Grants	42,409	-	-	926,903
Greenville Co. Redev. Corp.	15,739,404	-	-	15,739,404
Solid Waste Fund	10,000,000	-	-	10,000,000
Nonmajor Governmental Funds	11,257,762	-	125	32,916,961
Total	$ 69,758,769	$ 2,500,000	$ 125	$ 96,964,578

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 2026, the County issued a $10M general obligation bond. The bond was issued to defray the costs of improvements and the addition of a new cell at the county landfill. Bond proceeds of $10M were moved to the Solid Waste Fund to cover these expenditures. The remaining transfers were established by the budget ordinance.

NOTE 10. 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.

NOTE 10. 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.

NOTE 10. 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.

NOTE 10. 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, 2026, the County contributed $18,829,848 to the SCRS plan and $15,300,653 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2026, 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

NOTE 10. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended June 30, 2026, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

Employer Class Two	21.04% of earnable compensation
Employer 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, 2026, (measurement date of June 30, 2025), 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	$ 63,956,318,760	$ 42,347,352,061	$ 21,608,966,699	66.2%	0.650361%
PORS	$ 10,857,734,777	$ 8,092,430,248	$ 2,765,304,529	74.5%	3.229342%

NOTE 10. 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, 2025, is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, 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, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 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, 2025.

	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 11.25% (varies by service)	3.5% to 11.0% (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%

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The long-term expected rate of return on pension plan investments is based upon 30-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 2025 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%**	5.87%	2.70%
Bonds	**26.0%**	3.20%	0.83%
Private equity	**9.0%**	8.50%	0.77%
Private debt	**7.0%**	7.40%	0.52%
Real assets	**12.0%**		
Real Estate	9.0%	5.00%	0.45%
Infrastructure	3.0%	7.70%	0.23%
	100%		
	Total expected real return		5.50%
	Inflation for actuarial purposes		2.25%
	Total expected nominal return		7.75%

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.

NOTE 10. 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 189,912,652	$ 140,536,273	$ 99,447,692
PORS	$ 135,920,298	$ 89,301,135	$ 51,054,712

Pension Expense

For the year ended June 30, 2026, the County recognized its proportionate share of collective pension expense of $8,198,324 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 $3,967,820 for a total of $12,166,144 for the SCRS plan. Additionally, for the year ended June 30, 2026, the County recognized its proportionate share of collective pension expense of $8,904,052 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 $1,598,297 for a total of $10,502,349 for the PORS plan. Total pension expense for both plans was $22,668,493.

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NOTE 10. PENSION PLANS (CONTINUED)

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

At June 30, 2026, 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	$ 6,593,645	$ -
Changes of assumptions	1,660,943	-
Net difference between projected and actual earnings on pension plan investments	-	9,022,950
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	7,858,043
Employer contributions subsequent to the measurement date	18,829,848	-
Total	$ 27,084,436	$ 16,880,993

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,484,022	$ -
Changes of assumptions	1,186,752	-
Net difference between projected and actual earnings on pension plan investments	-	8,410,081
Changes in proportion and differences between employer contributions and proportionate share of contributions	98,075	7,927,080
Employer contributions subsequent to the measurement date	15,300,653	-
Total	$ 27,069,502	$ 16,337,161
Totals	$ 54,153,938	$ 33,218,154

NOTE 10. PENSION PLANS (CONTINUED)

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

County contributions subsequent to the measurement date of $18,829,848 and $15,300,653 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, 2027. 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
2027	$ (1,461,855)	$ 118,588
2028	(2,028,545)	(654,567)
2029	(3,055,835)	(2,117,106)
2030	(2,080,170)	(1,915,227)

NOTE 11. 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: PPO 500, PPO 1000, and HRA. 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 HRA 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. Retirees are required to pay the full premium for dental coverage.

Life Insurance

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

NOTE 11. 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, 2026, the County paid $3,046,496 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, 2025, (the measurement date), there were 2,687 participants as follows:

Active participants	2,304
Retirees and beneficiaries currently receiving benefits	383
Total	2,687

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	4.82% as of June 30, 2025
Healthcare cost trend rate:	7.00% - 4.50%, Ultimate Trend by 2035 for Pre-Medicare
	6.00% - 4.50%, Ultimate Trend by 2035 for Medicare
Inflation rate:	3.50%
Salary increase:	3.50%
Participation rate:	30% of all eligible employees and 40% for spouse coverage

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates for active employees were based on the PubG.H-2010 Employee Mortality Table for SCRS members and the PubS.H-2010 Employee Mortality Table for PORS members, with generational mortality improvement using Projection Scale MP-2021. Mortality rates for retirees and disabled participants were based on the corresponding PubG.H-2010 and PubS.H-2010 Healthy Retiree and Disabled Retiree Mortality Tables, with generational mortality improvement using Projection Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.82% as of June 30, 2025. 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 4.82% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2025.

Changes in the Total OPEB Liability

The changes in the total OPEB liability of the County for the year ended June 30, 2026, were as follows:

	Total OPEB Liability
Balances beginning of year	**$** 35,809,520
Changes for the year:	
Service cost	1,363,489
Interest	1,434,147
Difference between actual and expected experience	3,507,205
Assumption changes	(3,500,778)
Benefit payments and implicit subsidy	(1,361,433)
Net changes	1,442,630
Balances end of year	**$** 37,252,150

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

NOTE 11. 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, 2026, (June 30, 2025 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 (3.82%) or 1-percentage-point higher (5.82%) than the current discount rate:

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

1% Decrease (3.82%)	Current Discount Rate (4.82%)	1% Increase (5.82%)
$ 41,218,916	$ 37,252,150	$ 33,757,239

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, 2026 (June 30, 2025 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ 33,248,998	$ 37,252,150	$ 42,013,954

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, 2025, and the current sharing pattern of costs between employer and inactive employees.

NOTE 11. 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, 2026, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	$	1,363,489
Interest on the total OPEB liability		1,434,147
Recognition of current year amortization - difference between expected and actual experience		1,825,210
Recognition of current year amortization - assumption changes		(213,284)
Total aggregate OPEB expense	$	4,409,562

At June 30, 2026, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,869,461	$ 12,646,562
Changes of assumptions	2,493,069	5,306,075
Employer contributions subsequent to the measurement date	3,046,496	-
Total	$ 18,409,026	$ 17,952,637

County contributions subsequent to the measurement date of $3,046,496 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2027. 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:	
2027	$ 1,540,941
2028	276,488
2029	(725,170)
2030	(1,774,291)
2031	(1,871,025)
Thereafter	(37,050)

NOTE 12. 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 $42,878,134 for medical and dental claims in fiscal year 2026. 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 $2,823,182. 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, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
Unpaid claims, beginning of fiscal year	**$ 3,000,000**	$ 2,500,000	**$ 3,600,000**	$ 3,300,000
Incurred claims and changes in estimates	**3,123,182**	2,944,880	**43,378,134**	40,405,635
Claim payments	**(2,823,182)**	(2,444,880)	**(42,878,134)**	(40,105,635)
Unpaid claims, end of fiscal year	**$ 3,300,000**	$ 3,000,000	**$ 4,100,000**	$ 3,600,000
Current portion	$ **2,145,000**	$ 1,950,000	$ **4,018,000**	$ 3,528,000

NOTE 12. RISK MANAGEMENT (CONTINUED)

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 13. 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 these lawsuits 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.

NOTE 14. 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, 2026, the County abated property tax revenues of approximately $663,031 under FILOT agreements entered into by the County.

NOTE 15. ACCOUNTING CHANGES

Changes within the Financial Reporting Entity

For the year ended June 30, 2026, the County's Hospitality Tax Fund met the definition of a major fund. 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	
	Hospitality Tax Fund	Nonmajor Governmental Funds
June 30, 2025 fund balance, as previously reported	**$ -**	**$ 102,150,993**
Change from nonmajor fund to major fund	21,638,607	(21,638,607)
June 30, 2025 fund balance, as adjusted	**$ 21,638,607**	**$ 80,512,386**

NOTE 16. SUBSEQUENT EVENTS

On October 15, 2026, the County issued Hospitality Tax Revenue Bonds, Series 2026, in the principal amount of $100,000,000, to finance improvements to the Greenville Arena District arena complex and to pay costs of issuance. The bonds are secured by pledged hospitality tax revenues of the County and mature through April 1, 2056.