

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

Blended Component Units

The Greenville County Public Facilities Corporation and Greenville County Tourism Public Facilities Corporation were established in 1991 and 2008, respectively, for the purpose of holding title, owning, leasing, constructing, acquiring and operating land, buildings, equipment and facilities functionally related thereto and to perform any other lawful purpose related to the furtherance of the governmental powers of Greenville County. Greenville County Economic Development Corporation was established in 1999 for the purpose of owning, leasing, constructing, acquiring and operating buildings, equipment, public utilities, and transportation services and facilities functionally related to the promotion of the economic development of Greenville County and in furtherance of the governmental powers of Greenville County. These Corporations have a December 31 year-end and all of their financial transactions are processed through the County's financial system and are a part of the County's audit. They operate as departments of the County and exist for its benefit.

Discretely Presented Component Units

The Greenville County Redevelopment Authority (the Authority) was established in 1969 under the provisions of Act 516 of the South Carolina General Assembly. Its mission is to improve the quality of life for low and moderate-income citizens of Greenville County through improved affordable housing. The Authority is also involved in redevelopment work, including public improvements to streets and rights of way throughout Greenville County. The Greenville County Council appoints all board members, approves federal grant requests and is financially accountable for any deficits. The Authority has a June 30 year-end.

The Greenville County Library System (the Library) was created by County Council in 1979 and has a June 30 year-end. The Library is governed by an eleven member board appointed by the Greenville County council. The debt of the Library is carried on the County's books, so exclusion of the Library would cause the financial statements for the County to be misleading. Complete financial statements for each of the individual component units may be obtained at the County's administrative offices.

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Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Greenville County Public Facilities Corporation	Blended	The Board of Directors of the Corporation consists of the Greenville County Council members and the Greenville County Administrator.	None issued
Greenville County Tourism Public Facilities Corporation	Blended	The Board of Directors of the Corporation consists of two Greenville County Council members and the Greenville County Administrator.	None issued
Greenville County Economic Development Corporation	Blended	The Corporation is governed by a Board of Directors that consists of three Greenville County Council members and two individuals from the community. They are appointed to staggered terms by the Greenville County Council.	None issued
Greenville County Redevelopment Authority	Discretely Presented	The Redevelopment Authority is governed by a twelve-member board appointed by the Greenville County Council.	Greenville County Administrative Office
Greenville County Library	Discretely Presented	The Library is governed by an eleven-member board appointed by the Greenville County Council.	Greenville County Administrative Office

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

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments received from outside the County for participation in the health and dental program and for services of the vehicle service center. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The County reports the following major governmental funds:

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

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

Special Revenue Fund - Road Maintenance Program. This is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for road maintenance.

Capital Projects Fund – Agencies (Greenville Technical College). This is used to account for transactions between the County and various outside agencies.

Debt Service Fund – Capital Leases. This is used to account for the County's leases of machinery and equipment.

The County reports the following major enterprise funds:

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

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

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Additionally, the County reports the following fund types:

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

Agency Funds. The County's only Fiduciary Fund type is its Agency Funds. Agency Funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets held by the County on behalf of others. The County maintains the following agency funds: the Property Tax Fund, which accounts for tax collections accumulated and distributed for the County schools, tax districts and various municipalities; the Special District Debt Service Fund, which accounts for the accumulation of funds (primarily tax receipts to pay principal and interest on bond issues); the Family Court Fund, which accounts for the processing of court settlement claims; the Master in Equity Fund, which accounts for settlement claims due to others; the Clerk of Court Fund, which accounts for bond postings and restitution payments; the Pre-Trial Intervention Fund, which accounts for repayments to victims; and the Special Districts Fund, which accounts for the temporary holding of tax district monies.

C. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$272,000,990 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on governmental activities column).	\$ 656,911,645
Less accumulated depreciation	<u>(240,207,013)</u>
Net capital assets	<u>416,704,632</u>
Internal service funds are used by management to charge the costs of the vehicle service center, worker's compensation, and health and dental costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	18,224,125
Liabilities for earned but deferred tax revenues recorded in the fund statements.	9,354,000
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Long-term debt	(171,633,949)
Deferred charges	5,836,917
Compensated absences	(4,824,725)
Accrued interest payable	<u>(1,660,010)</u>
Sub total	<u>(172,281,767)</u>
Total adjustment	<u>\$ 272,000,990</u>

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Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. Elements of that total adjustment of (\$10,681,218) are as follows:

Reconciliation of Government-wide and Fund Financial Statements, continued

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 27,104,577
Depreciation expense, the allocation of those assets over their useful lives, which is recorded on the statement of activities but not in the fund statements.	(15,942,103)
Gain on disposal of assets	(148,728)
Sub total	<u>11,013,746</u>
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	(153,540)
Difference in long-term debt and related items.	(26,575,495)
The internal service fund is used by management to charge the cost of the vehicle service center, worker's compensation, and health and dental cost.	3,934,071
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Decrease in accrued taxes receivable for year ended June 30, 2008	1,100,000
Total adjustment	<u>\$ (10,681,218)</u>

Measurement Focus and Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The agency funds, which are fiduciary funds, have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are

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recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Property tax revenue is recognized in compliance with the National Council on Governmental Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes". This interpretation states that property tax revenue is recorded when it becomes available. "Available" means when due, or past due and receivable within the current period or expected to be collected soon enough thereafter, not to exceed 60 days, to be used to pay liabilities of the current period. Net receivables estimated to be collectible in more than 60 days subsequent to June 30, 2008 are reported as deferred revenues.

Intergovernmental revenues and fees are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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D. BUDGETARY DATA

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

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

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

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

	Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses
Net change in fund balances – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (GAAP basis)	\$ 6,945,638
Prior period encumbrances paid in FY08	561,038
Outstanding FY08 encumbrances	(1,022,275)
Outstanding prior period encumbrances	<u>402,575</u>
Net change in fund balances – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Funds (Budgetary basis)	<u>\$ 6,886,976</u>

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

Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Major Funds with Legally Adopted Budgets – E-911	\$ 339,103
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Major Funds with Legally Adopted Budgets – Accommodations Tax	463,426
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Major Funds with Legally Adopted Budgets – Home Incarceration	1
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Major Funds with Legally Adopted Budgets – Victim’s Bill of Rights	263,954
Fund balance – ending of Federal and State Grants without legally adopted budgets	<u>4,180,226</u>
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – Federal and State Grant Fund	<u>\$ 5,246,710</u>

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

Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets – Information Technology	\$ 323,128
Fund balance – ending – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budget Basis) – Nonmajor Funds with Legally Adopted Budgets – Ortho Photography	823,752
Fund balance – ending of Capital Projects Funds without legally adopted budgets	<u>10,629,168</u>
Fund balance – ending – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	<u>\$ 11,776,048</u>

E. ASSETS, LIABILITIES AND FUND EQUITY

1. Deposits and Investments

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

- a) Obligations of the United States and its agencies.
- b) General obligations of the State of South Carolina or any of its political units.

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

Finally, no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made by the County is limited to obligations of the United States, State of South Carolina, or repurchase agreements collateralized by the aforementioned country or state, and has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method. Investments are stated at cost.

2. Cash and Cash Equivalents

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

3. Restricted Assets

A portion of the proceeds of the Certificates of Participation and Special Source Revenue Bonds, plus interest, held by escrow agents are shown as restricted in the Debt Service Fund. These funds are designated for interest payments on the Certificates of Participation and Special Source Revenue bond issues.

4. Ad Valorem Taxes Receivable

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

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5. Rehabilitation Loans and Advances Receivable

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

6. Allowances for Doubtful Accounts

Management considers all accounts receivable to be fully collectible and accordingly no allowance for doubtful accounts is required.

7. Inventories and Prepaid Items

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

8. Capital Assets

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

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements	50
Infrastructure	50
Furniture and equipment	5
Vehicles	4

Any interest incurred during the construction phase of business-type activities capital assets is reflected in the capitalized value of the asset constructed. There was no interest capitalized in 2008.

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

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

	<u>Years</u>
Buildings	30-50
Improvements	15-30
Furniture and equipment	2-10
Library materials	5
Signs	7

9. Real Property Held for Programs

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

10. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

11. Compensated Absences

It is the County's policy to vest unused annual leave with its employees up to a maximum number of hours and recognize compensated absences as expenditures in the period earned rather than the period such benefit is paid. Payments anticipated to be made for the governmental and business type funds in the fiscal year ending June 30, 2009, aggregate \$545,776. The balance of earned, vested compensated absences not taken at June 30, 2008 was \$5,370,503 for the governmental and business type funds.

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

12. Net Assets and Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt, restricted, and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

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Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The governmental fund types classify fund balances as follows:

Reserved

Encumbrances - portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

Prepaid items - portion of fund balance not available for expenditure.

Debt Service - portion of fund balance available to pay long-term debt payments.

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation that has been designated for the adopted 2008 - 2009 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

13. Capital Contributions

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

14. Accounting Estimates

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

15. New Pronouncements

In June 2004, the Governmental Accounting Standards Board issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to pensions, many state and local governmental employers provide other postemployment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

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Greenville County is a phase 1 government, so this Statement was implemented prospectively for the fiscal year ending June 30, 2008.

The Governmental Accounting Standards Board has issued Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged or sold. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2006.

The Governmental Accounting Standards Board has issued Statement No. 49 *Accounting and Financial Reporting for Pollution Remediation Obligations* which provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2007.

The Governmental Accounting Standards Board has issued Statement No. 50 *Pension Disclosures*. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2007 except for the requirement for plans that use the aggregate actuarial cost method to present a schedule of funding progress using the entry age actuarial cost method which is effective for the actuarial valuations as of June 15, 2007.

The Governmental Accounting Standards Board has issued Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009.

II. DETAILED NOTES ON ALL FUNDS

A. ASSETS

1. Deposits

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

At June 30, 2008, the County of Greenville's deposits had a carrying value of \$57,992,222 and a bank balance of \$55,286,157. Of the bank balance, \$1,400,000 was covered by federal depository insurance while \$53,886,157 was covered by collateral held under the Dedicated Method.

Deposits for the Authority

The State of South Carolina General Statutes permit the Authority to invest in certain types of financial instruments. Cash may be maintained in demand deposits or savings accounts, certificates of deposits, repurchase agreements, or U.S. Government Securities.

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There were no deposit or investment transactions during the year that were in violation of either the state statutes or the Authority's policies.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it fully. The Authority's policy is that all deposits in excess of federal insurance amounts must be collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. At June 30, 2008, the Authority's carrying amount of deposits was \$3,282,509 and the bank balance was \$4,028,493, of which \$3,694,748 was not covered by federal depository insurance. However, all deposits were fully collateralized.

Deposits for the Library

At June 30, 2008, the Library's deposits have a carrying value of \$11,191,269 and a bank balance of \$11,561,070. Of the bank balance, \$419,671 was covered by federal depository insurance while the remainder of Library deposits were covered by collateral held by the Library's or County's agents in the Library's or County's name. As of June 30, 2008, cash on hand was \$960.

2. Investments

As of June 30, 2008 the County of Greenville had the following investments and maturities.

<u>Instrument Type</u>	<u>Fair Value</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-3 years</u>	<u>More than 3 years</u>
Money Markets	\$ 1,630,434	\$ 1,630,434	\$ -	\$ -	\$ -
US Government Treasuries	3,007,371	-	-	3,007,371	-
US Government Agencies	58,537,949	11,031,026	5,015,086	19,438,614	23,053,223
SC State Investment Pool	48,145,371	48,145,371	-	-	-
Totals	<u>\$ 111,321,125</u>	<u>\$ 60,806,831</u>	<u>\$ 5,015,086</u>	<u>\$ 22,445,985</u>	<u>\$ 23,053,223</u>

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

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

Credit Risk. In accordance with the investment policies of the County of Greenville, all investment instruments used by the Treasurer are those authorized by current State statute, or any permissible investment as redefined by the State legislature. The County's investments in US Agencies including Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation, are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. As of June 30, 2008, Greenville County South Carolina owned \$60,015,000 government sponsored agency debt securities. These bonds are the direct obligation of FNMA, FHLMC, FHLB, and FFCB which are rated AAA or the equivalent by all rating agencies. The GSE's are either directly or indirectly guaranteed by the US Treasury. The South Carolina Local Government Investment Pool is classified as risk category "A".

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

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

Following are the components of the County's book and fair values for cash and investments at June 30, 2008:

Cash and Investments	Fair and Carrying Value
Cash	\$ 11,537
Deposit:	
Demand deposits	8,005,454
Certificates of deposits	49,975,231
Investments:	
Government securities	<u>111,321,125</u>
	<u>\$ 169,313,347</u>

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

Carrying amount of deposits	\$ 57,992,222
Fair value of investments	<u>111,321,125</u>
	<u>\$ 169,313,347</u>
Statement of Net Assets:	
Cash and cash equivalents (governmental activities)	\$ 116,390,891
Investments (governmental activities)	-
Restricted assets – Investments (governmental activities)	1,629,336
Cash and cash equivalents (business type activities)	10,615,134
Statement of Fiduciary Net Assets:	
Cash and equivalents (all fiduciary funds)	<u>40,677,986</u>
Total cash and investments	<u>\$ 169,313,347</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

Investments for the Library

As of June 30, 2008, the Library has the following investments and maturities:

<u>Instrument Type</u>	<u>Fair Value</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-3 years</u>
Certificates of deposit	\$ 1,555,680	\$ 1,555,680	\$ -	\$ -
Money Market	<u>1,591,407</u>	<u>1,591,407</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 3,147,087</u>	<u>\$ 3,147,087</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

A reconciliation of cash and investments as shown on the statement of net assets follows:

Carrying amount of deposits	\$ 8,044,182
Cash on hand	960
Fair value of investments	<u>3,147,087</u>
Cash and investments	\$ <u>11,192,229</u>

3. Property Tax

Assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates between 4 and 10.5 percent of the estimated market value. The assessed value as of June 30, 2008 was \$1,736,662,333. The estimated market value was \$32,316,131,452, making the assessed value approximately 5.4 percent 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, 2008 was 47.6 mills per \$1,000 of assessed valuation. The combined tax rate to finance general services and principal and interest on long-term debt for the Library for the year ended June 30, 2008 was 7.0 mills per \$1,000 of assessed valuation.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

4. Receivables

Government-wide Financial Statements
Fund Financial Statements

	<u>General Fund</u>	<u>Federal and State Grants Fund</u>	<u>Road Maintenance</u>	<u>Capital Leases</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Adjustments to Full- Accrual</u>	<u>Total</u>
Receivables:									
Other	\$ 13,102,981	\$ 415,561	\$ 623,007	\$ -	\$ 851,060	\$ 1,966,315	\$ 16,958,924	\$ 279,875	\$ 17,238,799
Due from other governments	<u>6,014,594</u>	<u>2,006,142</u>	<u>-</u>	<u>820,050</u>	<u>-</u>	<u>-</u>	<u>8,840,786</u>	<u>-</u>	<u>8,840,786</u>
Total receivables	\$ <u>19,117,575</u>	\$ <u>2,421,703</u>	\$ <u>623,007</u>	\$ <u>820,050</u>	\$ <u>851,060</u>	\$ <u>1,966,315</u>	\$ <u>25,799,710</u>	\$ <u>279,875</u>	\$ <u>26,079,585</u>

Adjustments to full-accrual include \$279,875 related to amounts recorded for the internal service funds. Internal Service funds predominately serve the governmental funds, but are included in both the governmental and business-type activities on the accompanying government-wide financial statements.

Finally, the Fiduciary fund financial statements include \$59,344,022 in taxes receivable and \$9,516 in other receivables recorded in the agency funds. These amounts are excluded from the forgoing schedule and represent the amount of receivables held in a custody relationship for other governments and individuals.

Receivables for the Library at the government-wide level at June 30, 2008 were as follows:

	<u>Due from other Governments</u>	<u>Property Taxes</u>	<u>Accrued Fines</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities					
General	\$ 511,841	\$ 1,122,546	\$ 1,212,337	\$ -	\$ 2,846,724
Capital Projects	<u>26,136</u>	<u>239,231</u>	<u>-</u>	<u>38,789</u>	<u>304,156</u>
Total receivable	537,977	1,361,777	1,212,337	38,789	3,150,880
Allowance for doubtful accounts	<u>-</u>	<u>(66,999)</u>	<u>(848,636)</u>	<u>-</u>	<u>(915,635)</u>
Total governmental activities	\$ <u>537,977</u>	\$ <u>1,294,778</u>	\$ <u>363,701</u>	\$ <u>38,789</u>	\$ <u>2,235,245</u>

The GCRA has \$11,556,143 in rehabilitation loans, \$298,745 in other accounts receivable and \$502,715 in grants receivable at June 30, 2008.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

5. Capital Assets
Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2008 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Disposals and Adjustments</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$9,638,240	\$538,000	-	-	\$10,176,240
Construction in progress	14,010,939	719,873	223,148	(13,495,282)	1,458,678
Total capital assets not being depreciated	<u>23,649,179</u>	<u>1,257,873</u>	<u>223,148</u>	<u>(13,495,282)</u>	<u>11,634,918</u>
Capital assets being depreciated:					
Buildings	61,190,413	1,164,895	-	13,495,282	75,850,590
Improvements	16,532,482	43,444	(5,310)	-	16,570,616
Equipment	33,703,970	1,210,958	(1,508,879)	(14,839,794)	18,566,255
Vehicles	-	1,822,101	(2,000,864)	14,863,044	14,684,281
Infrastructure	499,781,072	21,648,075	(1,014,097)	-	520,415,050
Total capital assets being depreciated	<u>611,207,937</u>	<u>25,889,473</u>	<u>(4,529,150)</u>	<u>13,518,532</u>	<u>646,086,792</u>
Less accumulated depreciation for:					
Buildings	19,600,698	1,379,021	-	-	20,979,719
Improvements	6,854,747	565,268	(5,310)	-	7,414,705
Equipment	20,489,692	1,565,210	(1,477,050)	(9,512,605)	11,065,247
Vehicles	-	2,088,988	(1,839,012)	9,535,855	9,785,831
Infrastructure	181,903,343	9,543,264	(1,689)	-	191,444,918
Total accumulated depreciation	<u>228,848,480</u>	<u>\$15,141,751</u>	<u>\$(3,323,061)</u>	<u>\$23,250</u>	<u>240,690,420</u>
Total capital assets depreciated, net	<u>382,359,457</u>				<u>405,396,372</u>
Governmental activities Capital assets, net	<u>\$406,008,636</u>				<u>\$417,031,290</u>

Primary Government

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

Administrative Services	\$ 9,594
General Services	296,275
Public Works	11,877,559
Public Safety	955,849
Judicial Services	33,229
Fiscal Services	26,134
Law Enforcement Services	1,924,170
Boards, Commissions, & Others	18,941
Human Resources	-
Total Depreciation Expense	<u>\$ 15,141,751</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

Construction contracts of approximately \$171,467,245 exist for various renovation and construction projects for the County. At June 30, 2008, the remaining commitment on these contracts approximated \$10,121,320. During 2008, the County completed construction of the new Greenville County Adult Detention Center. Total construction costs for the detention center approximated \$13,495,282. Governmental activities donated infrastructure additions for fiscal year 2008 approximated \$9,635,000.

Capital asset activity for the business-type activities for the year ended June 30, 2008 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Disposals and Adjustments</u>	<u>Transfers</u>	<u>Ending Balances</u>
Solid Waste					
Capital assets not being depreciated:					
Land	\$ 5,880,113	\$ -	\$ -	\$ -	\$ 5,880,113
Total capital assets not being depreciated	<u>5,880,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,880,113</u>
Capital assets being depreciated:					
Buildings	4,812,081	-	(76,100)	-	4,735,981
Improvements	2,908,656	-	(35,402)	-	2,873,254
Equipment	9,032,486	209,397	(117,077)	(934,852)	8,189,954
Vehicles	-	-	(23,611)	911,602	887,991
Total capital assets being depreciated	<u>16,753,223</u>	<u>209,397</u>	<u>(252,190)</u>	<u>(23,250)</u>	<u>16,687,180</u>
Less accumulated depreciation for:					
Buildings	588,976	156,307	(50,580)	-	694,703
Improvements	796,958	114,507	(29,944)	-	881,521
Equipment	4,888,595	726,499	(119,327)	(825,246)	4,670,521
Vehicles	-	46,070	(31,998)	801,996	816,068
Total accumulated depreciation	<u>6,274,529</u>	<u>\$ 1,043,383</u>	<u>\$ (231,849)</u>	<u>\$ (23,250)</u>	<u>7,062,813</u>
Total capital assets depreciated, net	<u>10,478,694</u>				<u>9,624,367</u>
Business-type activities capital assets, net	\$ <u>16,358,807</u>				\$ <u>15,504,480</u>
Parking Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 1,060,000	\$ -	\$ -	\$ -	\$ 1,060,000
Total capital assets not being depreciated	<u>1,060,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060,000</u>
Capital assets being depreciated:					
Buildings	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Total capital assets being depreciated	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
Less accumulated depreciation for:					
Buildings	<u>193,333</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>233,333</u>
Total accumulated depreciation	<u>193,333</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>233,333</u>
Total capital assets depreciated, net	<u>1,806,667</u>				<u>1,766,667</u>
Business-type activities capital assets, net	\$ <u>2,866,667</u>				\$ <u>2,826,667</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

The cost basis and corresponding accumulated depreciation for Vehicles were reclassified from the Equipment classification to a Vehicles classification. Vehicles are generally depreciated over four years using straight line depreciation.

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Disposals and Adjustments</u>	<u>Transfers</u>	<u>Ending Balances</u>
Stormwater Fund					
Capital assets not being depreciated:					
Land	\$ 110,450	\$ 342,163	\$ -	\$ -	\$ 452,613
Total capital assets not being depreciated	<u>110,450</u>	<u>342,163</u>	<u>-</u>	<u>-</u>	<u>452,613</u>
Capital assets being depreciated:					
Equipment	170,147	-	-	(152,475)	17,672
Vehicles	-	-	-	152,475	152,475
Infrastructure	-	1,089,367	-	-	1,089,367
Total capital assets being depreciated	<u>170,147</u>	<u>1,089,367</u>	<u>-</u>	<u>-</u>	<u>1,259,514</u>
Less accumulated depreciation for:					
Equipment	87,013	1,767	-	(77,193)	11,587
Vehicles	-	21,834	-	77,193	99,027
Infrastructure	-	1,816	-	-	1,816
Total accumulated depreciation	<u>87,013</u>	<u>25,417</u>	<u>-</u>	<u>-</u>	<u>112,430</u>
Total capital assets depreciated, net	<u>83,134</u>				<u>1,147,084</u>
Business-type activities capital assets, net	\$ <u>193,584</u>				\$ <u>1,599,697</u>

Discretely Presented Component Units

Capital asset activity for the Greenville County Redevelopment Authority for the year ended June 30, 2008 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment and vehicles	\$ 194,106	\$ -	\$ -	\$ 194,106
Total capital assets being depreciated	<u>194,106</u>	<u>-</u>	<u>-</u>	<u>194,106</u>
Less accumulated depreciation for:				
Equipment and vehicles	177,512	8,804	-	186,316
Total accumulated depreciation	<u>177,512</u>	<u>8,804</u>	<u>-</u>	<u>186,316</u>
Total capital assets being depreciated, net	\$ <u>16,594</u>			\$ <u>7,790</u>

The Authority is committed under various construction contracts for the completion of various ongoing projects in the amount of \$1,538,084.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

Capital asset activity for the Greenville County Library for the year ended June 30, 2008, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balances</u>
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 2,521,278	\$ -	\$ -	\$ -	\$ 2,521,278
Art collections	231,342	-	-	-	231,342
Construction in progress	-	-	-	-	-
Total capital assets not depreciated	<u>2,752,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,752,620</u>
Capital assets being depreciated:					
Land improvements	516,867	-	-	-	516,867
Buildings	33,065,949	80,478	-	-	33,146,426
Furniture and equipment	1,261,941	71,048	-	-	1,332,989
Library materials	11,504,161	1,173,062	-	-	12,677,223
Signs	171,796	-	-	-	171,796
Total capital assets being depreciated	<u>46,520,714</u>	<u>1,324,588</u>	<u>-</u>	<u>-</u>	<u>47,845,301</u>
Less accumulated depreciation for:					
Land improvements	216,943	31,573	-	-	248,516
Buildings	4,276,202	779,739	-	-	5,055,941
Furniture and equipment	1,009,929	63,279	-	-	1,073,208
Library materials	7,772,110	1,253,495	-	-	9,025,605
Signs	148,576	6,991	-	-	155,567
Total accumulated depreciation	<u>13,423,760</u>	<u>\$ 2,135,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,558,837</u>
Total capital assets being depreciated, net	<u>33,096,954</u>				<u>32,286,464</u>
Capital assets, net	<u>\$ 35,849,574</u>				<u>\$ 35,039,084</u>

Depreciation expense for the Library for the year ended June 30, 2008 was \$2,135,077.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

B. LIABILITIES

1. Payables

Payables at the government-wide level at June 30, 2008 were as follows:

	Governmental-wide Financial Statements								
	Fund Financial Statements							Adjustments to Full- Accrual	Total
	General Fund	Federal and State Grants	Road Maintenance	Agencies- Greenville Tech	Nonmajor Governmental Funds	Total Enterprise Funds	Total		
Payables:									
Accounts and vouchers	\$ 952,870	\$ 400,176	\$ 1,403,719	\$ -	\$ 503,074	\$ 1,042,087	\$ 4,301,926	\$ 231,107	\$ 4,533,033
Due to others	-	-	-	4,200,000	27,235	-	4,227,235	-	4,227,235
Accrued payroll and related liabilities	4,429,888	216,122	-	-	80,948	80,832	4,807,790	34,964	4,842,754
Accrued interest	-	-	-	-	-	-	-	1,660,010	1,660,010
Other	1,537,273	-	-	-	-	276,133	1,813,406	3,220,000	5,033,406
Total accounts payable and accrued liabilities	\$ 6,920,031	\$ 616,298	\$ 1,403,719	\$ 4,200,000	\$ 611,257	\$ 1,399,052	\$ 15,150,357	\$ 5,146,081	\$ 20,296,438

Adjustments to Full-Accrual include \$3,486,071 related to recording internal service funds and \$1,660,010 related to recording accrued interest on long-term debt. Internal service funds predominately serve the governmental funds, but are included in both the governmental and business-type activities on the accompanying government-wide financial statements.

Finally, the Fiduciary fund financial statements include \$3,551,123 due to others and \$9,516 in matured interest payable. These amounts are excluded from the foregoing schedule.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

All full-time Greenville County employees participate in the South Carolina Retirement System (SCRS) or the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing multiple employer public employee retirement systems. Both retirement systems offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

The payroll for employees covered by the SCRS totaled \$45,411,389 for the year ended June 30, 2008, while the payroll for PORS covered employees totaled \$29,611,006. The County's total payroll, which includes some part-time employees not covered under either retirement system, was \$76,907,467. Total employee salaries for the Library for the period ended June 30, 2008 were \$5,359,582 of which \$5,076,036 was for employees covered by SCRS.

All full-time employees are required to participate in the SCRS or PORS and make contributions as a condition of employment. For SCRS participants, a monthly pension benefit is payable to eligible employees at age 65 or upon attaining 28 years of credited service regardless of age, with reduced pension benefits payable as early as age 55. For PORS participants, monthly pension benefits are payable at age 55 with a minimum 5 years service or 25 years credited service regardless of age, with reduced pension benefits payable as early as age 50. Both SCRS and PORS participants are vested for a deferred annuity after 5 years of service.

Employees and the County, the Authority, and the Library are required to contribute to the plans at rates established under authority of Title 9 of the Code of Laws. Employee required contributions to the SCRS are 6.5% of salary. The employee required contributions to PORS Class I is \$21.00 per month of salary and PORS Class II is 6.5% of salary. Greenville County is required to contribute to the SCRS at the rate of 9.06% of salaries and the PORS Class II at the rate of 10.3%. In addition to the above rates, participating employers of the SCRS contribute 0.15% of payroll to provide a group life insurance benefit for their participants. Participating employers under the PORS also contribute 0.2% of payroll to provide a group life insurance benefit and 0.2% of payroll to provide an accidental death benefit for their participants. The above percentages apply to the three years discussed below.

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

Year ended	Employer		Employee	
	SCRS	PORS	SCRS	PORS
June 30, 2008	\$ 4,182,389	\$ 3,168,378	\$ 2,904,299	\$ 1,924,715
June 30, 2007	3,422,955	2,981,100	2,633,235	1,810,947
June 30, 2006	3,036,588	2,763,559	2,457,553	1,672,532

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements June 30, 2008

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

	SCRS	
	Employer	Employee
June 30, 2008	\$ 68,889	61,442
June 30, 2007	62,102	50,402
June 30, 2006	47,898	40,989

The Library's contributions to the SCRS for employer, employee, and PORS portions expressed as a dollar amount and as a percentage of covered payroll in 2008 were \$484,158 and 9.06% and 10.30%, \$341,386 and 6.50%, and \$305 and 6.50%, respectively.

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

	SCRS	
	Employer	Employee
June 30, 2008	\$ 484,158	341,386
June 30, 2007	432,528	336,823
June 30, 2006	391,733	318,248

The Library's contributions to the SCRS provide a group life insurance benefit for their participants expressed as a dollar amount and as a percentage of covered payroll were \$8,008 and .15% of annual earnings.

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

b. Post Employment Benefits Other Than Pensions

Medical/Prescription Drug

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

Dental

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

Life Insurance

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

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

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 of Greenville provides a subsidy to offset the full cost of coverage. The County of Greenville's contribution (subsidy) will remain constant in the future and is summarized in the following chart.

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

Plan Descriptions: The County of Greenville postemployment benefit plan is a single employer defined plan that is self funded for medical / prescription drug and fully insured for life insurance to eligible retirees and their dependents.

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

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

Annual Required Contribution	\$737,000
Interest on Net OPEB Obligation	\$0
Adjustment to Annual Required Contribution	\$0
Annual OPEB Cost (Expense)	\$737,000
Contributions and payments made	\$272,000
Increase in Net OPEB Obligation	\$465,000
Net OPEB Obligation – July 1, 2007	\$0
Net OPEB Obligation – June 30, 2008	\$465,000

The County of Greenville's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2006	\$0	0%	\$0
June 30, 2007	\$0	0%	\$0
June 30, 2008	\$737,000	29%	\$465,000

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

Funded Status and Funding Progress: As of July 1, 2007, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$8,458,000, and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$8,458,000.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

In the July 1, 2007 actuarial valuation, projected unit credit method was used. The actuarial assumptions included a 5% investment rate of return which is based on the expected long term investment return of the employer's own investments used to pay plan benefits and an annual healthcare cost trend rate of 11% reduced by decrements of .5% to an ultimate rate of 6%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of thirty years.

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

Annual Required Contribution	\$89,000
Interest on Net OPEB Obligation	\$0
Adjustment to Annual Required Contribution	\$0
Annual OPEB Cost (Expense)	\$89,000
Contributions and payments made	\$57,000
Increase in Net OPEB Obligation	\$32,000
Net OPEB Obligation – July 1, 2007	\$0
Net OPEB Obligation – June 30, 2008	\$32,000

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2006	\$0	0%	\$0
June 30, 2007	\$0	0%	\$0
June 30, 2008	\$89,000	36%	\$32,000

Funded Status and Funding Progress: As of July, 1, 2007, the most recent valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,080,000, and the actuarial value of assets is \$0 resulting in an unfunded actuarial liability (UAAL) of \$1,080,000.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

3. Closure and Postclosure Care Costs – Solid Waste Landfills

The Enoree Phase II landfill closed in March 2007 and the Enoree C & D landfill closed in February 2007. The newly constructed Twin Chimneys landfill opened in early 2007. The Twin Chimneys landfill permit is comprised of seven units totaling 450 acres of usable landfill space with an estimated capacity of thirty to fifty years.

On October 9, 1991, Federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as postclosure maintenance for a period of thirty years after closure. The \$6.2 million liability reported as landfill closure and postclosure represents total costs to date, as of June 30, 2008, based on 100 percent use of all landfills. Actual cost for closure and postclosure care may vary due to inflation, developments in technology, or changes in laws and regulations. The following table shows the landfills, which Greenville County owns, and the remaining number of years, out of thirty, each has to be maintained in accordance with the 1991 EPA ruling.

Landfill	Postclosure Years Remaining	% Used	Open/ Close Year	Closure/ Postclosure Costs
Enoree Phase I	16	100	1994	\$ 1,262,000
Enoree Phase II	29	100	2007	1,308,228
Enoree C & D	29	100	2007	319,000
Blackberry Valley	9	100	1987	1,134,000
Piedmont I & II	1	100	1979	763,000
Piedmont III	13	100	1991	286,000
Simpsonville	1	100	1976	28,000
Twin Chimneys Unit 1	30	10	2007	1,084,000
Twin Chimneys C & D	30	2	2007	21,400
				\$ 6,205,628

4. Deferred / Unearned Revenues

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

Primary Government

	Deferred Revenue	Unearned Revenue
Taxes receivable, net (General)	\$ 8,009,000	\$ -
Taxes receivable, net (Special Revenue)	525,000	-
Taxes receivable and deposits received, net (Debt Service)	1,283,000	463,000
Grants received, unspent (Special Revenue)	170,370	170,370
Total	\$ 9,987,370	\$ 633,370

Greenville County Redevelopment Authority

	Deferred Revenue	Unearned Revenue
Greenville County Redevelopment Authority	\$ -	\$ 300,000
Total	\$ -	\$ 300,000

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

5. Risk Management

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

The County expended \$16,484,505 for medical and dental claims in fiscal year 2008. 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 \$200,000 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. In contrast to the medical self-insurance program, the Workers' Compensation program serves personnel of Greenville County and the Greenville County Redevelopment Authority. The County has contracted with a professional firm to administer this fund. Claims paid during fiscal year 2008 totaled \$1,512,290. IBNR (Incurred But Not Reported) at year-end was shown to be \$1,820,000, according to an actuarial analysis of the fund. Premium increases and decreases for both programs are reviewed and recommended annually by the County's contract administrators.

The table below shows the reconciliation of unpaid claims for fiscal year ended June 30, 2008:

	Workers' Compensation		Health and Dental	
	Year Ended June 30, 2008	Year Ended June 30, 2007	Year Ended June 30, 2008	Year Ended June 30, 2007
Unpaid claims, beginning of year	\$ 1,725,000	\$ 1,517,062	\$ 1,400,000	\$ 1,400,000
Claim payments	(1,512,290)	(1,759,425)	(16,484,505)	(14,883,426)
Incurred claims (including IBNR)	1,607,290	1,967,363	16,484,505	14,883,426
Unpaid claims, end of year	\$ 1,820,000	\$ 1,725,000	\$ 1,400,000	\$ 1,400,000
Current Portion	\$ 1,183,000	\$ 1,121,250	\$ 1,372,000	\$ 1,372,000

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

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
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Revenues and expenditures for the self-insured plan are accounted for in the internal service fund of Greenville County. The basis for estimating claims not reported at year-end is twice the monthly average paid in claims. The self-insurance fund collects a monthly premium for the Authority and pays claim settlements. Premiums for employees are based on maximum claim level activity and all other premiums in the fund are based on the historical claim level as provided by the actuarial estimate by the reinsurer. Medical claims exceeding \$100,000 per insured are covered through a private insurance carrier.

The Library participates in the County's health insurance program to provide medical and dental coverage to its full-time employees. Payments are remitted to the County on a monthly basis based on the number of employees participating. In 2008, \$1,172,595 was remitted to the County. The Library also has a purchased workers' compensation policy that is handled by a third-party administrator for a fee based on the salaries of employees employed during the year.

6. Contingent Liabilities

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

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

The Authority has guaranteed an \$800,000 line of credit borrowed by a related party. In the event the party should default, the Authority will receive all of the assets of the related entity.

7. Long-Term Obligations

a. Changes in Long-term Obligations

The following is a summary of the changes in the County's long-term obligations as of June 30, 2008:

Governmental Activities:	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Special Source Revenue Bonds</u>	<u>Debt Security Deposit Agreement</u>	<u>Capital Lease Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance at June 30, 2007	\$ 65,435,000	\$ 44,760,000	\$ 28,565,000	\$ 631,620	\$ 4,849,066	\$ 5,188,811	\$ 149,429,497
Additions	4,200,000	35,710,000	-	483,000	1,500,000	3,885,449	45,778,449
Adjustments	-	-	-	-	(104,483)		(104,483)
Retirements	<u>(3,520,000)</u>	<u>(4,120,000)</u>	<u>(1,825,000)</u>	<u>(57,420)</u>	<u>(4,872,836)</u>	<u>(3,797,012)</u>	<u>(18,192,268)</u>
Balance at June 30, 2008	<u>\$ 66,115,000</u>	<u>\$ 76,350,000</u>	<u>\$ 26,740,000</u>	<u>\$ 1,057,200</u>	<u>\$ 1,371,747</u>	<u>\$ 5,277,248</u>	<u>\$ 176,911,195</u>
Current Portion of Long-term Obligations	<u>\$ 3,605,000</u>	<u>\$ 5,350,000</u>	<u>\$ 1,925,000</u>	<u>\$ 81,570</u>	<u>\$ 290,005</u>	<u>\$ 452,521</u>	<u>\$ 11,704,096</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
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The general fund and special revenue fund have typically been used in prior periods to liquidate compensated absences.

	<u>Accrued Closure and Postclosure Costs</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Business-type activities:			
Balance at June 30, 2007	\$ 15,964,960	\$ 87,685	\$ 16,052,645
Additions	561,900	74,834	636,734
Retirements	(10,321,232)	(69,264)	(10,390,496)
Balance at June 30, 2008	<u>\$ 6,205,628</u>	<u>\$ 93,255</u>	<u>\$ 6,298,883</u>
 Current portion of Long-term Obligations	 <u>\$ 343,182</u>	 <u>\$ 93,255</u>	 <u>\$ 436,437</u>

In prior years, the County defeased several outstanding debt issues by issuing new debt, and has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of these bonds. For financial reporting purposes, the trust account assets and the liabilities for the in-substance defeased bonds are not part of the financial statements. Debt considered defeased consists of the following as of June 30, 2008:

Governmental activities:	
General obligation bond, series 2002, Library	\$ 14,755,000
General obligation bond, series 2002, Greenville Tech	3,980,000
General obligation bond, series 2001, Infrastructure	3,670,000
Certificates of Participation, series 1999A, University Center	6,570,000
Special Source Revenue Bond, series 1999, Roads Project	3,065,000
Special Source Revenue Bond, series 2001, Roads Project	3,865,000
Balance at June 30, 2008	<u><u>\$ 35,905,000</u></u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements June 30, 2008

b. General Obligation Bonds

General obligation bonds payable at June 30, 2008 are comprised of the following individual issues:

\$6,915,000 (1999 General Purpose serial bonds, Greenville County Facilities; due in annual installments of \$465,000 to \$515,000 through April 1, 2011; interest at 4.8% to 5.00%) A54	\$ 1,470,000
\$6,100,000 (2001 General Purpose serial bonds, Roads, Bridges and other Infrastructure Improvements; due in annual installments of \$265,000 to \$285,000 through April 1, 2011; interest at 4.5% to 4.7%; partially refunded with GOB, Series 2004A) A56	825,000
\$7,935,000 (2002 General Purpose serial bonds partially refunded with 2005A GOB; Greenville Technical College; payments due through April 1, 2012; interest at 3.75% to 4.00%) A57	920,000
\$7,570,000 (2003 General Purpose serial bonds, Road Improvements; due in annual installments of \$355,000 to \$480,000 through April 1, 2022; interest at 3.00% to 4.63%) A58	5,565,000
\$16,660,000 (2004 General Purpose serial bonds, Library, due in annual installments of \$150,000 to \$1,350,000 through April 1, 2025; interest at 2.75% to 4.5%) A59	15,805,000
\$19,620,000 (2002 General Purpose serial bonds, Library, partially refunded; interest at 5.25%; due in annual installments of \$615,000 to \$645,000) A55	1,260,000
\$4,000,000 (2004A General Obligation Refunding Bonds, Roads, due in annual installments of \$30,000 to \$445,000 through April 1, 2021; interest at 3% to 4%) A60	3,900,000
\$11,565,000 (2005 General Obligation Bonds, Greenville Technical College, due in annual installments of \$445,000 to \$805,000 through April 1, 2026; interest at 4% to 4.4%) A61	10,705,000
\$7,430,000 (2005A General Obligation Bonds, Greenville Technical College, due in annual installments of \$280,000 to \$410,000 through April 1, 2024; interest at 3% to 4.125%) A62	7,210,000
\$5,065,000 (2005B General Obligation Bonds, Road Improvements; due in annual installments of \$285,000 to \$425,000 through April 1, 2021; interest at 3.75% to 4.125%) A63	4,520,000
\$10,085,000 (2006 General Obligation Bonds, Road Improvements; due in annual installments of \$360,000 to \$715,000 through April 1, 2027; interest at 4% to 5.5%) A64	9,735,000
\$4,200,000 (2007 General Obligation Bonds, Greenville Technical College Building Project; due in annual installments of \$140,000 to \$300,000 through April 1, 2028; interest at 4.0% to 4.5%) A65	<u>4,200,000</u>
	\$ <u>66,115,000</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

In October 2007, Greenville County issued \$4,200,000 of general obligation bonds, series 2007 to provide funding for the Greenville Technical College Building Project.

The total of all General Obligation Bonds is summarized as follows:

Year ending June 30,	Principal	Interest	Totals
2009	\$ 3,605,000	\$ 2,720,959	\$ 6,325,959
2010	3,745,000	2,570,848	6,315,848
2011	3,870,000	2,411,567	6,281,567
2012	3,455,000	2,263,315	5,718,315
2013-2017	18,740,000	9,266,198	28,006,198
2018-2022	20,065,000	5,250,223	25,315,223
2023-2028	12,635,000	1,426,997	14,061,997
	<u>\$ 66,115,000</u>	<u>\$ 25,910,107</u>	<u>\$ 92,025,107</u>

At June 30, 2008, 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, 2008, the County was within the limits of this requirement. (Refer to the statistical section.)

c. Certificates of Participation

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Totals
2009	\$ 5,350,000	\$ 3,475,012	\$ 8,825,012
2010	5,640,000	3,184,447	8,824,447
2011	5,860,000	2,948,302	8,808,302
2012	6,110,000	2,700,692	8,810,692
2013-2017	25,320,000	10,200,693	35,520,693
2018-2022	13,905,000	5,121,744	19,026,744
2023-2028	14,165,000	2,574,288	16,739,288
	<u>\$ 76,350,000</u>	<u>\$ 30,205,178</u>	<u>\$ 106,555,178</u>

Individual Issuances

COPS #5-a

In July 1999, the County issued \$10,385,000 of Certificates of Participation, interest rate 3.75% to 5.00%, for Greenville Technical College's new satellite campus located at McAlister Square. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2000 until the 1999 Certificates mature. The annual requirements to amortize the County's 1999A Non-Taxable Certificates of Participation are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 490,000	\$ 23,520	\$ 513,520
	<u>\$ 490,000</u>	<u>\$ 23,520</u>	<u>\$ 513,520</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

COPS #4

In February 1999, the County issued \$12,575,000 Series 1998 Refunding Certificates of Participation (Greenville Technical College Project), interest rate 4.15% to 5.03%, to partially refund 1995 Certificates of Participation. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 1999. The annual requirements to amortize the County's series 1998 Certificates of Participation are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 725,000	\$ 467,765	\$ 1,192,765
2010	755,000	437,315	1,192,315
2011	785,000	404,850	1,189,850
2012	820,000	370,310	1,190,310
2013	860,000	333,410	1,193,410
2014	895,000	293,850	1,188,850
2015	940,000	251,337	1,191,337
2016	985,000	206,688	1,191,688
2017	1,035,000	157,438	1,192,438
2018	1,085,000	105,688	1,190,688
2019	1,140,000	54,150	1,194,150
	<u>\$ 10,025,000</u>	<u>\$ 3,082,801</u>	<u>\$ 13,107,801</u>

COPS #6

In April 2001, the County issued \$13,380,000 Series 2001 Refunding Certificates of Participation (Courthouse Project), interest 4.10% to 5.00%, to advance refund a portion of the 1995 Certificates of Participation. Interest is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2001 until the 2001 Certificates mature. The annual requirements to amortize the County's 2001 refunding series COPS are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 1,200,000	\$ 588,790	\$ 1,788,790
2010	1,240,000	539,590	1,779,590
2011	1,290,000	487,510	1,777,510
2012	1,345,000	432,040	1,777,040
2013	1,405,000	371,515	1,776,515
2014	1,475,000	306,885	1,781,885
2015	1,540,000	237,560	1,777,560
2016	1,610,000	163,640	1,773,640
2017	1,695,000	84,750	1,779,750
	<u>\$ 12,800,000</u>	<u>\$ 3,212,280</u>	<u>\$ 16,012,280</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

COPS #8

In January 2005, Greenville County issued \$13,290,000 Series 2005 Refunding Certificates of Participation (Courthouse Project and Detention Center Facilities Project), interest 3.00% to 3.5%, to refund the outstanding 1995 Certificates of Participation. The proceeds of the 2005 Certificates will be used to refund all of the outstanding 1995 Certificates, except for those due on April 1, 2005. The 1995 Certificates of Participation were used to refund a portion of the Certificates of Participation Series 1991 which were issued to pay for the costs of certain detention facilities and to provide funds to renovate the County's courthouse facilities. The annual requirements to amortize the County's 2005 refunding series COPS are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 1,455,000	\$ 253,785	\$ 1,708,785
2010	1,500,000	210,135	1,710,135
2011	1,565,000	135,135	1,700,135
2012	1,650,000	56,885	1,706,885
	<u>\$ 6,170,000</u>	<u>\$ 655,940</u>	<u>\$ 6,825,940</u>

COPS #5-b

In February 2005, the County issued \$11,740,000 Series 2005 Refunding Certificates of Participation (University Center Project), interest rate 2.5% to 5.00%, to advance refund a portion of the 1999A Certificates of Participation and a portion of the 1999B Certificates of Participation. The Series 1999 Certificates were issued to provide funds to acquire, construct and equip certain classroom and laboratory facilities for the University Center (an association of institutions of higher learning). Interest on the Series 2005 Certificates is payable on each April 1 and October 1 commencing October 1, 2005. The annual requirements to amortize the County's 2005 University Center refunding series COPS are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 390,000	\$ 442,163	\$ 832,163
2010	920,000	431,438	1,351,438
2011	945,000	403,838	1,348,838
2012	970,000	375,488	1,345,488
2013	1,000,000	345,175	1,345,175
2014	1,040,000	303,475	1,343,475
2015	1,075,000	268,375	1,343,375
2016	1,120,000	225,375	1,345,375
2017	1,180,000	169,375	1,349,375
2018	1,230,000	110,375	1,340,375
2019	1,285,000	64,250	1,349,250
	<u>\$ 11,155,000</u>	<u>\$ 3,139,327</u>	<u>\$ 14,294,327</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

COPS #9

In March 2008, the County, through Greenville County Tourism Public Facilities Corporation, issued \$35,710,000 Series 2008 Certificates of Participation; interest rate 4.0% to 5.00%. The Series 2008 Certificates were issued to provide funds to acquire construct and equip various tourism-related capital improvement projects (collectively, the “2008 Project”). Interest on the Series 2008 Certificates is payable on each April 1 and October 1 commencing October 1, 2008. The annual requirements to amortize the County’s 2008 Hospitality Tax series COPS are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 1,090,000	\$ 1,698,989	\$ 2,788,989
2010	1,225,000	1,565,969	2,790,969
2011	1,275,000	1,516,969	2,791,969
2012	1,325,000	1,465,969	2,790,969
2013	1,375,000	1,412,969	2,787,969
2014	1,430,000	1,357,969	2,787,969
2015	1,490,000	1,300,769	2,790,769
2016	1,555,000	1,236,169	2,791,169
2017	1,615,000	1,173,969	2,788,969
2018	1,680,000	1,109,369	2,789,369
2019	1,755,000	1,037,969	2,792,969
2020	1,825,000	963,381	2,788,381
2021	1,910,000	881,256	2,791,256
2022	1,995,000	795,306	2,790,306
2023	2,085,000	703,038	2,788,038
2024	2,185,000	604,000	2,789,000
2025	2,295,000	494,750	2,789,750
2026	2,410,000	380,000	2,790,000
2027	2,530,000	259,500	2,789,500
2028	2,660,000	133,000	2,793,000
	\$ 35,710,000	\$ 20,091,310	\$ 55,801,310

d. Special Source Revenue Bonds

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2009	\$ 1,925,000	\$ 1,166,057	\$ 3,091,057
2010	2,015,000	1,079,733	3,094,733
2011	2,100,000	989,634	3,089,634
2012	2,210,000	894,989	3,104,989
2013-2017	9,355,000	3,225,782	12,580,782
2018-2022	8,005,000	1,184,731	9,189,731
2023	1,130,000	50,850	1,180,850
	\$ 26,740,000	\$ 8,591,776	\$ 35,331,776

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

Individual Issuances

SSRB #8

In March 2007, Greenville County issued \$7,545,000 of Special Source Revenue Refunding Bonds, Series 2007 to refund a portion of the Special Source Revenue Bonds, Series 1999 (Roads Project) and a portion of the Special Source Revenue Bonds, Series 2001(Roads Improvement Project). The Refunded bonds were issued to finance the costs of constructing roads, bridges and other infrastructure. The reacquisition price exceeded the net carrying amount of the old debt by \$541,668. This amount is being netted against the new debt and amortized over the old debt's life, which is shorter than the refunding debt. Interest is payable semi-annually on April 1 and October 1 of each year commencing October 1, 2007. The annual requirements to amortize the County's series 2007 Special Revenue Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 70,000	\$ 286,769	\$ 356,769
2010	310,000	284,144	594,144
2011	320,000	272,519	592,519
2012	640,000	261,319	901,319
2013	665,000	237,319	902,319
2014	690,000	212,381	902,381
2015	715,000	186,506	901,506
2016	740,000	160,588	900,588
2017	765,000	132,838	897,838
2018	800,000	103,194	903,194
2019	830,000	71,194	901,194
2020	460,000	37,994	497,994
2021	475,000	19,594	494,594
	<u>\$ 7,480,000</u>	<u>\$ 2,266,359</u>	<u>\$ 9,746,359</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

SSRB #7

In October 2003, Greenville County issued \$8,990,000 Series 2003 Special Source Revenue Bonds, interest 2.00% to 4.50%. Proceeds of the Series 2003 Bonds are issued to finance the costs of constructing certain roads, bridges and such other infrastructure as permitted. Interest on the Series 2003 Bonds is payable initially on April 1, 2004, and semi-annually on each April 1 and October 1 thereafter until maturity or early redemption. The annual requirements to amortize the 2003 Special Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 160,000	\$ 347,160	\$ 507,160
2010	170,000	343,160	513,160
2011	175,000	338,060	513,060
2012	195,000	332,460	527,460
2013	250,000	325,830	575,830
2014	300,000	317,080	617,080
2015	350,000	306,205	656,205
2016	400,000	292,905	692,905
2017	450,000	276,905	726,905
2018	700,000	258,905	958,905
2019	1,000,000	230,205	1,230,205
2020	1,005,000	188,205	1,193,205
2021	1,035,000	144,990	1,179,990
2022	1,080,000	99,450	1,179,450
2023	1,130,000	50,850	1,180,850
	<u>\$ 8,400,000</u>	<u>\$ 3,852,370</u>	<u>\$ 12,252,370</u>

SSRB #5

In October 2001, the County issued \$6,265,000 in Special Source Revenue Bonds Series 2001, interest 3.00% to 5.50%, to provide funding for the construction of certain roads, bridges and such other infrastructure as permitted (Roads Improvement Project). Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2002, until the Series 2001 Bonds mature. The annual requirements to amortize the 2001 Special Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 270,000	\$ 34,946	\$ 304,946
2010	285,000	24,146	309,146
2011	295,000	12,390	307,390
	<u>\$ 850,000</u>	<u>\$ 71,482</u>	<u>\$ 921,482</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

SSRB #4

In October 1999, the County issued \$4,850,000 Series 1999 Special Source Revenue Bonds, interest rate 3.75% to 5.30%, to finance the costs of constructing certain county roads, bridges and such other infrastructure as permitted (Roads Project). Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 2000, until the 1999 bonds mature. The annual requirements to amortize the County's 1999 Special Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 230,000	\$ 11,500	\$ 241,500
	\$ <u>230,000</u>	\$ <u>11,500</u>	\$ <u>241,500</u>

SSRB #3

In July 1998, the County issued \$8,315,000 in Special Source Revenue Bonds, interest 4.00% to 5.00%, to provide funding for construction of county roads and bridges, completion of the County's radio communication system, the extension of and improvements to the Donaldson Industrial Park's runways and taxiways and such other infrastructure as permitted. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 1999, until the Bonds mature. The annual requirements to amortize the County's series 1998 Special Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 410,000	\$ 245,495	\$ 655,495
2010	425,000	227,045	652,045
2011	445,000	207,495	652,495
2012	465,000	186,580	651,580
2013	490,000	164,260	654,260
2014	510,000	140,740	650,740
2015	535,000	115,750	650,750
2016	565,000	89,000	654,000
2017	595,000	60,750	655,750
2018	620,000	31,000	651,000
	\$ <u>5,060,000</u>	\$ <u>1,468,115</u>	\$ <u>6,528,115</u>

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

SSRB #2

In September 1997, the County issued \$3,860,000 Series 1997 Special Source Revenue Bonds, interest rate 3.75% to 5.00%, to provide funding for the construction of certain county roads, bridges and such other infrastructure as permitted. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 1998, until the 1997 Bonds mature. The annual requirements to amortize the County's series 1997 Special Source Revenue Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 200,000	\$ 109,345	\$ 309,345
2010	210,000	99,645	309,645
2011	220,000	89,250	309,250
2012	230,000	78,250	308,250
2013	240,000	66,750	306,750
2014	255,000	54,750	309,750
2015	265,000	42,000	307,000
2016	280,000	28,750	308,750
2017	295,000	14,475	309,475
	\$ 2,195,000	\$ 583,215	\$ 2,778,215

SSRB #1

In December 1996, the County issued \$7,805,000 Series 1996 Special Source Revenue Bonds, interest 3.60% to 5.35%, to provide funding for the constructing and equipping of certain parking facilities of the County in downtown Greenville, South Carolina, and acquiring a communications system to enhance public safety services in all areas of the County. Interest is payable semi-annually on April 1 and October 1 of each year commencing April 1, 1997, until the 1996 Bonds mature. The annual requirements to amortize the County's series 1996 Special Source Revenue Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 585,000	\$ 130,842	\$ 715,842
2010	615,000	101,593	716,593
2011	645,000	69,920	714,920
2012	680,000	36,380	716,380
	\$ 2,525,000	\$ 338,735	\$ 2,863,735

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

e. Capital Lease Payable

Greenville County's capital leases payable are a culmination of various contracts with a broad range of terms for machinery and equipment. In 1997, the County adopted a Master Lease Agreement. A total of eleven leases have been issued under the Master Lease Agreement, nine of which are for the acquisition of vehicles and equipment. Of the eleven issued, one remains outstanding. One lease agreement was for E-911 related equipment. The annual requirements to amortize capital lease agreements outstanding as of June 30, 2008 are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2009	\$ 290,005	\$ 53,832	\$ 343,837
2010	302,481	41,357	343,838
2011	315,493	28,344	343,837
2012	206,283	15,413	221,696
2013	89,827	9,729	99,556
2014 - 2016	167,658	9,402	177,060
	<u>\$ 1,371,747</u>	<u>\$ 158,077</u>	<u>\$ 1,529,824</u>

Assets acquired under capital leases recorded in the accompanying government-wide statement of net assets at June 30, 2008 were as follows: Vehicles and Equipment \$21,491,538. Accumulated depreciation associated with these assets is \$7,182,891, resulting in net assets of approximately \$14,308,647.

f. Debt Security Deposit Agreement

In July 1998 and March 2008, the County entered into a Debt Security Deposit Agreement with certain financial institutions which provides for the County to receive \$1,148,400 and \$483,000, respectively, from the institutions. In return, the County agrees to deposit, with a trustee, its Bond principal and interest payments earlier than the normal due dates over a twenty year period beginning in fiscal years 1999 and 2009 and ending in 2018 and 2029. The normal due date for principal is April 1. Interest payments are due April 1 and October 1. According to the agreement, the principal and both interest payments will be made to the trustee on February 1 of each year. In the event the agreement is terminated early, a pro-rated termination amount is to be returned to the institution based upon market rates at that time. The income from this agreement will be recognized using the interest method over the life of the agreement.

g. Industrial Revenue Bonds

Greenville County issues limited-obligation revenue bonds (Industrial Revenue Bonds) to private sector entities for the purpose of providing financing assistance for acquisitions and construction of industrial and/or commercial facilities. The County only extends Industrial Revenue Bonds to private sector entities that are public interest driven. Upon full repayment of the bonds, Greenville County transfers ownership of the facilities to the designated private sector entity. Under no circumstances would Greenville County, the state, or any subdivision be obligated to repay the bonds. All Industrial Revenue Bonds are omitted from the accompanying financial statements. As of June 30, 2008, there were 19 Industrial Revenue Bonds outstanding, with an estimated principal payable of \$295,527,000.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

h. Long-term Obligations (The Library)

The following is a summary of changes in long-term obligations at the government-wide level for the year ended June 30, 2008:

<u>Long-term Obligations</u>	<u>Accrued General Leave</u>
Balance at July 1, 2007	\$ 186,545
Additions to general leave	378,400
Retirements	<u>(204,925)</u>
	360,020
Less: current portion	<u>(128,375)</u>
Balance at June 30, 2008	<u>\$ 231,645</u>

i. Long-Term Obligations (The Authority)

The following is a summary of the changes in long-term obligations at the government-wide level for the year ended June 30, 2008:

	<u>Accrued General Leave</u>
Balance at July 1, 2007	\$ 41,172
Net change in compensated absences	<u>2,663</u>
Balance at June 30, 2008	<u>43,835</u>
Current portion of long-term obligation	<u>\$ 20,773</u>

C. Interfund Balances and Activity

	<u>Payable Fund</u>			<u>Total</u>
	<u>Federal and State Grants</u>	<u>Capital Leases</u>	<u>Non-major Governmental Funds</u>	
<u>Receivable Fund</u>				
General Fund	\$ 7,852	\$ -	\$ -	7,852
Nonmajor Governmental	<u>-</u>	<u>4,535,155</u>	<u>976,282</u>	<u>5,511,437</u>
	<u>\$ 7,852</u>	<u>\$ 4,535,155</u>	<u>\$ 976,282</u>	<u>\$ 5,519,289</u>

All balances result from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

	Transfers In:					Total
	General Fund	Federal and State Grants Fund	Capital Leases	Nonmajor Governmental Funds	Road Maintenance Funds	
<u>Transfers out:</u>						
General fund	\$ -	\$612,269	\$430,050	\$ 800,000	\$ -	\$ 1,842,319
Road maintenance program	2,000,000	-	-	-	-	2,000,000
Nonmajor governmental	1,200,000	-	-	5,306,229	1,500,000	8,006,229
	<u>\$3,200,000</u>	<u>\$612,269</u>	<u>\$430,050</u>	<u>\$6,106,229</u>	<u>\$1,500,000</u>	<u>\$ 11,848,548</u>

Interfund transfers are used to properly allocate costs and revenue for services to the various funds.

D. Fund Deficits

The Workers' Compensation (Internal Service fund) currently has a deficit balance of \$623,600. The County's biennium budget for fiscal years 2008 and 2009 includes additional funding to allow the County to properly account for workers' compensation costs by department. The Workers' Compensation fund is projected to become solvent by fiscal year 2010. The financial statements also reflect negative fund balances as follows: Capital Leases (\$3,715,105), Agencies (\$341,005) and Capital Projects – Capital Leases (\$908,371). The County is developing a plan to make these funds solvent in the future.

E. Commitments Under Operating Leases

The County has commitments for periodic payments under various equipment and office space leases, various landfill leases, equipment maintenance agreements and data processing service contracts. All the agreements are cancelable or have remaining terms of less than one year. During the year ended June 30, 2008, total expenditures under these agreements amounted to \$3,547,429.

The Authority leases office space and certain equipment under noncancelable operating leases. The Authority renewed its lease agreement beginning in October, 2004 through June, 2009, for office space. Lease expense under noncancelable leases for the year ended June 30, 2008 was \$72,324.

F. Designation of Fund Balance

Financial policy - These funds are set aside, in the general fund, as a contingency to utilize during short periods of economic decline and to meet emergency conditions and to secure and maintain the "AAA" County credit rating and to meet seasonal cash flow shortfalls. The County's financial policy sets the designated funds to be 2% of the general fund current revenues.

G. Subsequent Events

In September, 2008 the County issued \$10,000,000 in general obligation bonds, series 2008C to provide funding for road improvements throughout the County.

GREENVILLE COUNTY, SOUTH CAROLINA

Notes to the Financial Statements
June 30, 2008

H. Economic Dependency

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

I. Contingent Liabilities

Federal and State Assisted Programs

The County and the Authority have received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial.