

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

This discussion and analysis of Greenville County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements, financial statements, statistical section and single audit section to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2012 are as follows:

- ⇒ The assets of Greenville County primary government exceeded its liabilities at the close of the current fiscal year by \$433,528,514 compared to \$424,601,788 for fiscal year 2011. The net assets in the governmental activities increased from \$400,083,542 in 2011 to \$405,659,366 in 2012. The net assets in the business-type activities increased from \$24,518,246 in 2011 to \$27,869,148 in 2012.
- ⇒ Greenville County's total net assets for the primary government increased by \$8,926,726 due to an increase of \$5,575,824 in net assets in the governmental activities and an increase of \$3,350,902 in the business-type activities. The increase in net assets in the governmental activities is mostly due to an increase in capital related assets. The increase in business-type net assets is more fully described in the business-type activities section on page 16.
- ⇒ As of the close of the current fiscal year, Greenville County's governmental funds reported combined ending fund balances of \$78,610,132 as compared to \$84,244,087 for fiscal year 2011 resulting in a decrease of \$5,633,955. About 1 percent of the total fund balance, or \$496,844 is restricted for future debt service. Outstanding encumbrances reported in assigned fund balance were \$1,052,372, or 1.3 percent of total fund balance. Nonspendable fund balance consists of prepaid items of \$30,741, or 0.04 percent, as well as, long-term receivables of \$106,193, or 0.14 percent of the total fund balance. Approximately 61 percent, or \$47,565,629 is *available for spending* at the discretion of the County (*unassigned fund balance*). However, approximately 3 percent, or \$2,471,848 of the *committed fund balance* has been designated as a contingency to utilize during emergency situations in accordance with the County's current financial policies. Almost 14 percent, or \$11,381,009, of the total combined fund balance is committed for capital projects and 1 percent, or \$1,001,622 is committed as special revenue. Special revenue also makes up the majority of restricted fund balance with \$14,503,277, or 18 percent.
- ⇒ At the end of the current fiscal year, *unassigned fund balance* for Greenville County's General Fund was \$48,557,913 or 39 percent of total general fund expenditures. The *unassigned fund balance* is available for spending at the discretion of the County. Approximately 7 percent of general fund balance, or \$3,661,154, is *nonspendable, committed or assigned*.
- ⇒ Greenville County maintained its triple A bond rating that was assigned in 1999.

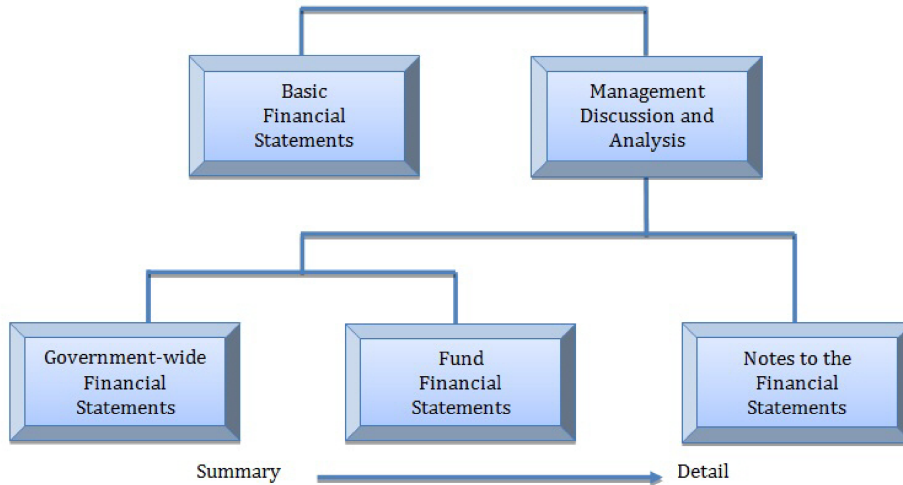
**Overview of the Financial Statements**

This discussion and analysis serves as an introduction to Greenville County's basic financial statements. The County's basic financial statements consist of three components - *government-wide financial statements, fund financial statements, and notes to the financial statements* (see Figure 1). In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Greenville County.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Required Components of Annual Financial Report**

**Figure 1**



**Government-wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of Greenville County’s finances, in a manner similar to a private-sector business.

The focus of the *government-wide financial statements* is on the Primary Government and includes governmental and business-type activities. Financial information for two component units is presented in separate columns in the statement of net assets and the statement of activities. These component units are legally separate organizations for which the County may exercise control and/or may be obligated to provide financial subsidy.

The *statement of net assets* presents information on all of Greenville County’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, accounts payable and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Greenville County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Greenville County include general government, public safety, highways and streets, economic development, judicial services, health and welfare, and culture and recreation. The business type activities include solid waste disposal, storm water quality control and a parking garage.

The government-wide financial statements begin on page 21 of this report.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Greenville County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Greenville County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating Greenville County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of Greenville County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

Greenville County has the following major governmental funds: General Fund and Federal and State Grants Fund. Information for these funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. Information for the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in this report.

As required, Greenville County adopts an annual budget for its General Fund. The budget is a legally adopted document of County services and financing. The budget incorporates input from the citizens of the County, the management of the County, and County Council. It authorizes the County to obtain funds from identified sources to finance current period activities. The budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget ordinance. Additionally, the budget comparison for major federal and state grant funds has been presented as part of the basic financial statements to demonstrate compliance with its legally adopted budgets.

The basic governmental fund financial statements begin on page 25 of this report.

*Proprietary Funds.* Greenville County maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Greenville County uses enterprise funds to account for solid waste, storm water operations and the parking garage. *Internal service funds* are an accounting mechanism used to accumulate and allocate costs internally among the County's various functions. Greenville County uses internal service funds to account for its fleet maintenance, workers' compensation and employee health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, Storm Water and Parking Garage Funds. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources are not available to support the County's operations. Greenville County has one fiduciary fund, an Agency Fund, used to account for tax revenues.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 35 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*, as well as, *required supplementary information* concerning Greenville County's general obligation and overlapping debt, other post-employment benefits and budget to actual schedules. Supplementary information and required supplementary information can be found beginning on page 127 of this report. Additional trend information about Greenville County can be found in the Statistical Section of the report and information about federal grants can be found in the Single Audit Section.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial position. The assets of Greenville County governmental activities exceeded liabilities for the governmental activities by \$405,659,366 at June 30, 2012 and by \$400,083,542 at June 30, 2011.

By far the largest portion, \$405,079,330 or 99 percent of net assets reflects the County's investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles and infrastructure), less any related debt still outstanding that was issued to acquire those items. Greenville County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**Greenville County Net Assets**  
**June 30, 2012**  
**(Recapped)**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 118,041,508	\$ 134,451,785	\$ 12,216,468	\$ 9,180,958	\$ 130,257,976	\$ 143,632,743
Capital assets	461,813,516	449,911,393	21,155,186	20,775,211	482,968,702	470,686,604
<b>Total Assets</b>	<b>579,855,024</b>	<b>584,363,178</b>	<b>33,371,654</b>	<b>29,956,169</b>	<b>613,226,678</b>	<b>614,319,347</b>
Other liabilities	11,552,421	15,705,169	333,154	675,975	11,885,575	16,381,144
Long-term liabilities	162,643,237	168,574,467	5,169,352	4,761,948	167,812,589	173,336,415
<b>Total Liabilities</b>	<b>174,195,658</b>	<b>184,279,636</b>	<b>5,502,506</b>	<b>5,437,923</b>	<b>179,698,164</b>	<b>189,717,559</b>
Net assets						
Invested in Capital Assets, Net of Related Debt	405,079,330	386,739,155	21,155,186	20,775,211	426,234,516	407,514,366
Restricted	15,000,718	20,517,609	-	-	15,000,718	20,517,609
Unrestricted (Deficit)	(14,420,682)	(7,173,222)	6,713,962	3,743,035	(7,706,720)	(3,430,187)
<b>Total Net Assets</b>	<b>\$ 405,659,366</b>	<b>\$ 400,083,542</b>	<b>\$ 27,869,148</b>	<b>\$ 24,518,246</b>	<b>\$ 433,528,514</b>	<b>\$ 424,601,788</b>

At the end of the current fiscal year, Greenville County reports positive balances in two of the three categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The business-type activities reports positive balances in all three categories of net assets.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Greenville County Changes in Net Assets**  
**June 30, 2012**  
**(Recapped)**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 39,741,426	\$ 36,561,065	\$ 12,989,838	\$ 12,198,967	\$ 52,731,264	\$ 48,760,032
Operating grants and contributions	14,317,532	13,487,804	-	-	14,317,532	13,487,804
Capital grants and contributions	13,854,599	15,064,224	-	-	13,854,599	15,064,224
<b>General Revenues:</b>						
Property taxes	85,739,885	90,661,038	3,751,660	4,010,123	89,491,545	94,671,161
Intergovernmental revenues	25,836,482	20,022,633	-	-	25,836,482	20,022,633
Hospitality tax	7,083,066	6,887,767	-	-	7,083,066	6,887,767
Other revenue	3,889,358	11,345,303	-	207,697	3,889,358	11,553,000
Interest and investment income	1,460,085	1,418,117	120,505	116,682	1,580,590	1,534,799
<b>Total revenues</b>	<b>191,922,433</b>	<b>195,447,951</b>	<b>16,862,003</b>	<b>16,533,469</b>	<b>208,784,436</b>	<b>211,981,420</b>
<b>Expenses:</b>						
Administrative services	2,667,770	2,234,779	-	-	2,667,770	2,234,779
General services	13,192,991	12,858,062	-	-	13,192,991	12,858,062
Human resources	2,110,709	2,944,130	-	-	2,110,709	2,944,130
Public safety	43,662,633	41,827,473	-	-	43,662,633	41,827,473
Judicial services	21,376,123	20,693,430	-	-	21,376,123	20,693,430
Public works	32,454,237	34,052,980	-	-	32,454,237	34,052,980
Fiscal services	2,479,827	2,464,053	-	-	2,479,827	2,464,053
Law enforcement services	42,411,530	39,938,588	-	-	42,411,530	39,938,588
Boards, commission & others	12,984,648	14,213,152	-	-	12,984,648	14,213,152
Interest and fiscal charges	7,391,141	6,312,126	-	-	7,391,141	6,312,126
Pass through bond proceeds	5,615,000	14,707,288	-	-	5,615,000	14,707,288
Solid Waste	-	-	6,914,783	6,190,886	6,914,783	6,190,886
Stormwater	-	-	6,471,342	5,936,435	6,471,342	5,936,435
Parking Garage	-	-	124,976	117,579	124,976	117,579
<b>Total expenses</b>	<b>186,346,609</b>	<b>192,246,061</b>	<b>13,511,101</b>	<b>12,244,900</b>	<b>199,857,710</b>	<b>204,490,961</b>
Increase (decrease) in net assets	5,575,824	3,201,890	3,350,902	4,288,569	8,926,726	7,490,459
Net assets - beginning	400,083,542	396,881,652	24,518,246	20,229,677	424,601,788	417,111,329
<b>Net assets - ending</b>	<b>\$ 405,659,366</b>	<b>\$ 400,083,542</b>	<b>\$ 27,869,148</b>	<b>\$ 24,518,246</b>	<b>\$ 433,528,514</b>	<b>\$ 424,601,788</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

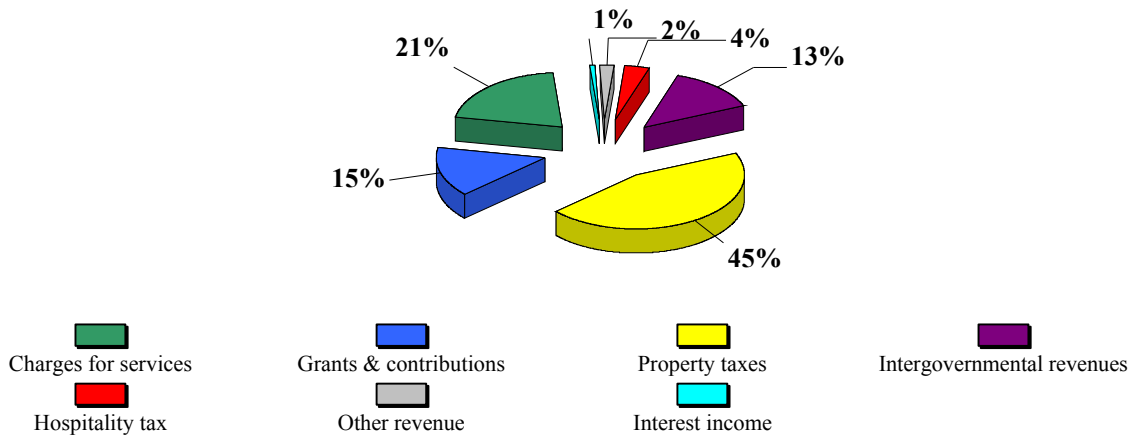
The operations of administrative services and judicial services are the only functions of the governmental activities supported by program revenues. General revenues support all other functions of the governmental activities.

**Governmental activities**

Governmental activities increased the County’s net assets by \$5,575,824 for the fiscal year ending June 30, 2012. Key elements of this increase are as follows:

- ⇒ The increase in net assets in the governmental activities is mostly due to infrastructure additions of approximately \$22 million during fiscal year 2012. These additions included about \$13 million of donated infrastructure. The chart above shows the difference in each revenue and expenditure category year over year while the chart below shows the contribution percentages of each revenue type by major category.

**Revenues by Source - Governmental Activities**



Revenue Type	Amount
Charges for services	\$ 39,741,426
Grants & contributions	28,172,131
Property taxes	85,739,885
Intergovernmental revenues	25,836,482
Hospitality tax	7,083,066
Other revenue	3,889,358
Interest income	1,460,085
<b>Total</b>	<b>\$ 191,922,433</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Business-type activities**

Business-type activities increased Greenville County's net assets by \$3,350,902 for the fiscal year ending June 30, 2012. The increase in the net assets of the business-type activities is mainly due to the increase in infrastructure assets for the Stormwater Division.

**Revenues by Source - Business-Type Activities**



Revenue Type	Amount
Charges for services	\$ 12,989,838
Property taxes	3,751,660
Interest and investment income	120,505
<b>Total</b>	<b>\$ 16,862,003</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

## Financial Analysis of Greenville County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of Greenville County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Greenville County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Greenville County's governmental funds reported combined ending fund balances of \$78,610,132 a decrease of almost 7 percent in comparison with the prior year. The decrease is mostly due to a decline in property taxes receivable. Business personal property values were adjusted downward during the current year by the South Carolina Department of Revenue. During fiscal year 2012, the County recorded \$367,962 in transfers out of the general fund. Of this amount, \$202,500 was transferred to debt service and the remaining \$165,462 was used as matching grant funds.

Approximately 61 percent, or \$47,565,629, of the ending fund balance is *unassigned* and available for future spending. Approximately 1 percent, or \$496,844, is restricted for future debt service. Of the ending fund balance, \$11,381,009 and \$597 is committed and restricted for future capital projects, respectively, and \$1,001,622 and \$14,503,277 is committed and restricted for special revenue, respectively. Two percent of general fund current revenues, or \$2,471,848, is committed for potential uses as defined in the financial policies of the County.

The general fund is the chief operating fund of Greenville County. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$48,557,913 out of total fund balance of \$52,219,067. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance each represent almost 39 percent and 41 percent, respectively, of total general fund expenditures.

Total general fund revenues increased from approximately \$122 million in 2011 to approximately \$124 million in 2012. The general fund reported a decrease of approximately \$(0.1) million in property tax revenues and an increase of approximately \$0.3 million in intergovernmental and county office revenue combined. The county office revenues increased mostly as a result of an increase in construction permits.

General fund expenditures increased from \$123.3 million in 2011 to \$125.9 million in 2012. This increase in expenditures is mostly attributed to an increase in expenditures in Law Enforcement and Public Safety.

The Federal and State Grant Fund has an ending fund balance of \$6,390,802 for 2012 compared to \$5,255,581 for 2011. This slight increase in fund balance resulted from lower E-911 expenditures compared to an increase in fees collected in 2012.

### **Proprietary Funds**

Greenville County's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.



**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

*Enterprise Funds* - Total net assets of the Solid Waste Fund were \$8,266,850 compared to \$6,303,549 for fiscal year 2011. *Unrestricted* net assets of the Solid Waste Fund at the end of the fiscal year amounted to \$(4,498,505), and \$12,765,355 of the total net assets were invested in capital assets (net of related debt). The increase in net assets for the Solid Waste fund can be contributed to the buildup of funds after the construction of new cells at the Twin Chimney's landfill in fiscal year 2010 resulting in a lower amount due to other funds used to cover negative cash balances in the current year. Total net assets of the Stormwater Fund were \$16,697,117 for the current year compared to \$15,324,232 for fiscal year 2011. *Unrestricted* net assets of the Stormwater Fund at the end of the fiscal year amounted to \$10,973,953, and \$5,723,164 of the total net assets were invested in capital assets (net of related debt). Most of the increase in the Stormwater fund can be contributed to the increase in infrastructure capital assets. The Parking Enterprise Fund reported net assets of \$2,570,805 compared to \$2,556,089 for 2011.

*Internal Service Funds* - The Internal Service Fund is presented in a separate column in the *statement of net assets* of the Proprietary Funds. The Internal Service Fund reflects total net assets of \$15,890,802 for the current year compared to \$19,216,789 for fiscal year 2011. The decrease in total net assets can be contributed to an increase in claims payments in the Health and Dental Fund. The Health and Dental Fund reports net assets of \$12,479,032 for 2012 as compared to \$16,205,239 for 2011. The Workers' Compensation Fund currently reports net assets of \$2,344,412 as compared to net assets of \$2,038,080 for 2011. A few years ago, the County began including additional funding in the budget to allow the County to properly account for workers' compensation costs by department thus allowing the fund to become solvent. Total net assets of the Vehicle Service Center were \$1,067,358 for 2012 compared to \$973,470 for 2011. The Vehicle Service Center Fund reports investment in capital assets of \$291,088 and *unrestricted net assets* of \$776,270.

### **General Fund Budgetary Highlights**

During the current fiscal year, revenues trailed the budget estimate by \$(1,814,649) mainly as a result of decreases in property tax revenues. Intergovernmental revenues were over budget by \$1,359,980 and interest and investment income were under budget by \$(325,969). Expenditures were under budget by \$(1,609,583). The County entered the fiscal year 2012 facing recessionary pressures in the overall economy, escalating utility costs, and growing demands for services. Due to these external conditions, the County continued to implement efficiencies for the purpose of reducing costs resulting in lower than projected departmental operating expenses.

### **Capital Asset and Debt Administration**

#### **Capital assets**

Greenville County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totals \$482,968,702 (net of accumulated depreciation). The investment in capital assets for its governmental and business-type activities as of June 30, 2011 was \$470,686,604 (net of accumulated depreciation). The County's assets include buildings, improvements, equipment, vehicles, intangible assets, construction in progress and infrastructure. Additions to the capital assets of the governmental activities are mostly related to increases in infrastructure from the road maintenance program, as well as, a donation of the Bob Jones Museum and Gallery to the County. The Bob Jones Museum and Gallery has a fair market value of \$2,800,000. Construction in progress decreased due to the completion of a renovation project at the Detention Center.

The capital assets of the business-type activities increased by \$379,975 in the current fiscal year. The increases are mostly due to increases in capital assets in the Stormwater fund as a result of the continuation of the Flood Mitigation Project and infrastructure.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Greenville County's Capital Assets**  
**(net of depreciation)**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 10,176,240	\$ 10,176,240	\$ 8,795,260	\$ 8,519,663	\$ 18,971,500	\$ 18,695,903
Construction in progress	1,598,255	1,816,800	-	-	1,598,255	1,816,800
Software	476,335	476,335	-	-	476,335	476,335
Buildings	53,770,618	52,452,425	5,041,859	5,221,812	58,812,477	57,674,237
Improvements	7,822,440	7,728,860	1,837,595	1,940,830	9,660,035	9,669,690
Equipment	4,335,456	4,737,780	1,726,844	2,227,238	6,062,300	6,965,018
Vehicles	2,831,821	2,434,980	303,801	42,575	3,135,622	2,477,555
Infrastructure	380,802,351	370,087,973	3,449,827	2,823,093	384,252,178	372,911,066
<b>Total</b>	<b>\$ 461,813,516</b>	<b>\$ 449,911,393</b>	<b>\$ 21,155,186</b>	<b>\$ 20,775,211</b>	<b>\$ 482,968,702</b>	<b>\$ 470,686,604</b>

Please refer to pages 54 - 56 of the notes to the financial statements (Note II. A.5.) for additional information on the County's capital assets.

**Long-term Debt**

As of June 30, 2012, Greenville County had total bonded debt outstanding of \$151,195,000. Of this amount, \$65,900,000 are general obligation bonds, which are backed by the full faith and credit of the County. Certificates of participation total \$66,935,000 and special source revenue bonds total \$18,360,000. Revenues from various fee-in-lieu-of-tax agreements secure the special source revenue bonds.

**Greenville County's**  
**Outstanding Long-Term Debt**

	Governmental Activities	
	2012	2011
General obligation bonds	\$ 65,900,000	\$ 63,795,000
Certificates of participation	66,935,000	73,670,000
Special source revenue bonds	18,360,000	20,190,000
<b>Total</b>	<b>\$ 151,195,000</b>	<b>\$ 157,655,000</b>

As mentioned in the financial highlights section of this document, Greenville County maintained its Aaa bond rating from Moody's Investor Service, AAA rating from Standard and Poor's Corporation and AAA rating from Fitch Ratings. These bond ratings are a clear indication of the sound financial condition of Greenville County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

South Carolina statutes limit the amount of general obligation debt that a unit of government may issue (without referendum) to 8 percent of the total assessed value of taxable property located within that government's boundaries. The County's debt limit and debt margin were \$143,794,000 and \$70,083,000 respectively, for the fiscal year ending June 30, 2012. Please refer to pages 70 - 85 of the notes to the financial statements (Note II.B.7.) for additional information on the County's long-term debt.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2012**

**Economic Factors**

The unemployment rate for Greenville County at 8.2 percent continues to lag behind the state level of 9.4 percent. Greenville County as a whole was not impervious to national and local recessionary pressures and experienced some of its own declining market conditions with real estate foreclosures and employment layoffs. Fee revenue, related to the housing market, has increased in fiscal year 2012 for building permits. In 2012, 5,199 permits were issued resulting in a 33% increase in residential new construction permits. Additionally, the County's intergovernmental revenues have also increased. Greenville County government has taken steps to mitigate, as much as possible, adverse effects of the downward trend in the economy by limiting and/or suspending certain nonessential expenditures. Despite current economic conditions, the County remains committed to maintaining a strong fund balance while meeting the needs of its citizens.

**Fiscal Year 2013 General Fund Budget**

The 2013 fiscal year budget for Greenville County was prepared as part of the biennium budget process during fiscal year 2011. The budgeted revenues are projected to increase by approximately 0.96 percent and expenditures are projected to increase by 2.69 percent from fiscal year 2012. The budget anticipates the use of \$484,091 of the *unassigned* fund balance. The fiscal year 2013 budget requires no additional tax millage.

**Contact Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Information on the County's two component units, the Greenville County Redevelopment Authority and the Greenville County Library, may be obtained at the Greenville County Finance Office. Questions concerning any of the information found in this report or requests for additional information should be directed to the Financial Operations Division, County of Greenville, 301 University Ridge, Suite 200, Greenville, South Carolina 29601. In addition, this Comprehensive Annual Financial Report may be found on the County's website at <http://www.greenvillecounty.org>.