

INTRODUCTORY SECTION



Joseph M. Kernell
County Administrator
jkernell@greenvillecounty.org
(864) 467-7105
www.greenvillecounty.org

October 7, 2021

To the Honorable Chairman, Members of County Council, and Citizens of Greenville County:

We are pleased to present this Comprehensive Annual Financial Report for Greenville County, South Carolina (the “County”). The South Carolina Code of Laws along with the Federal Single Audit Act of 1984 requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

Management of the County assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for that purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Mauldin & Jenkins, LLC has issued an unmodified (“clean”) opinion on Greenville County’s financial statements for the fiscal year ended June 30, 2021. Their report is presented as the first component in the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Profile of Greenville County

The County, located in the “Upstate” of South Carolina, is a progressive, high-growth area for high technology manufacturing, corporate headquarters and international business investment. Greenville County, the largest county in South Carolina, occupies a land area of approximately 789 square miles and serves a population currently estimated at 525,534. The County is empowered to levy real and personal property taxes to support government operations for the citizens it serves.

The South Carolina General Assembly established Greenville County in 1786 and County Council in 1967. In 1973, a County Executive was appointed to oversee the daily operation of delivering county government services. In 1976, the County adopted the Council-Administrator form of government in accordance with the “Home Rule Act.”

The County Council consists of twelve members elected for four-year staggered terms and is the legislative, policy-making body. The County Council appoints the County Attorney, Clerk to Council and County Administrator. The County Administrator is responsible for day-to-day operations, implementation of County Council policy and appointment of senior level County staff. The following seven officials are elected: Auditor, Treasurer, Register of Deeds, Clerk of Court, Sheriff, Coroner and Probate Judge.

The County provides a full range of government services including law enforcement, judicial system, recreation, health services, social services, emergency medical transport, construction, infrastructure maintenance and comprehensive planning. A five-member Soil and Water Commission also serves Greenville County.

In addition to the various operational departments of the County, five blended component units are included within the financial information presented for the primary government. These include the Greenville County Public Facilities Corporation established in 1991, the Greenville County Tourism Public Facilities Corporation established in 2008, the Greenville County Business Park Public Facilities Corporation established in 2015, the University Ridge Public Facilities Corporation established in 2018 and the Greenville County Redevelopment Corporation (incorporated as the County Square Redevelopment Corporation) established in 2020. Financial transactions are processed through the County's financial system and are a part of the County's audit.

The County also includes separate financial information for the following three discretely presented component units:

The Greenville County Redevelopment Authority (the "Authority") was created in 1969 under the provisions of Act 516 of the South Carolina General Assembly. The Authority's mission is to improve the quality of life for low and moderate-income citizens of the County through improved affordable housing. The County Council appoints all board members, approves federal grant requests and is financially accountable for any deficits. The Authority issues separate audited financial statements which are available at the Authority's offices located at County Square.

The Greenville County Library System (the "Library") was created by County Council in 1979. The Library board consists of eleven members appointed by County Council. The Library issues separate audited financial statements which are available at the main Library.

The Greenville Area Development Corporation ("GADC") was organized in 2001, exclusively for promoting and enhancing the economic growth and development of the County. The County Council appoints all board members, approves federal grant requests and is financially accountable for any deficits. GADC issues separate audited financial statements which are available at the Greenville County Administrative Office at 301 University Ridge, Greenville, South Carolina 29601.

State law requires that all political subdivisions of the State adopt balanced budgets. Further, each county council is required to adopt annually and prior to the beginning of the fiscal year, operating and capital budgets for the operation of county government. The County's biennium budget serves as the foundation for the County's financial planning and control. Although the level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund, budgetary controls are exercised at lower levels of detail as well. The County Administrator is authorized to transfer budgeted amounts within a department. County Council must approve any revisions that alter the total budget of any department. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered budget amounts lapse at the end of each year, except those established for capital projects or grants that carry over to the next fiscal year.

Economic Condition of Greenville County

Local economy

Greenville County is the centerpiece of the region considered to be the "economic engine of South Carolina." Situated in the northwestern corner of the State, Greenville County is part of one of the nation's fastest growing areas, "The I-85 Corridor." Greenville is located between Atlanta, Georgia and Charlotte, North Carolina on I-85. The Atlantic Ocean and Port of Charleston are 200 miles to the Southeast down I-26, and the Blue Ridge Mountains are just 15 minutes away. The Greenville-Spartanburg International Airport is the busiest in the State and is served by most major airlines.

Greenville has what it takes to attract coveted new jobs and investment: skilled worker availability, exceptional quality of life, top ten Technical College, Blue Ribbon K-12 schools, low cost of living, low cost of doing business, excellent interstate access and numerous colleges and universities. With these competitive advantages, it is easy to understand why an impressive and diverse collection of international and domestic firms have selected the region for their businesses. From disaster recovery software to polymer technology, biomedical engineering to molecular diagnostics, Greenville is home to a burgeoning tech ecosystem.

Under the accounting policy, *GASB Statement No. 77, Tax Abatement Disclosures* (GASB 77), that became effective during fiscal year 2017, the County was required to disclose about \$6.8 million in abated property tax revenues for the fiscal year ended June 30, 2021. These tax abatements allow the County to aggressively pursue new businesses. Despite the impact of the coronavirus pandemic, economic development activity has not stopped in Greenville County. The county announced 2020 capital investment of \$631.5 million, along with 1,422 new jobs and 25 new projects.

Greenville County is the most populous county in the State of South Carolina. Below is a trend analysis showing the population growth.

<u>Greenville County Population</u>	
2020 (Census)	525,534
2010	451,428
2000	379,616
1990	320,167
1980	287,913

Source: US Census Bureau

Unemployment rates for Greenville County have consistently remained lower than those of the State of South Carolina and the United States. As a result of the coronavirus pandemic, many employees were temporarily furloughed. Due to the resiliency of our local economy, unemployment rates in Greenville County quickly recovered. Please refer to the chart of national, state and county unemployment rates for the last five years below.

<u>Unemployment Rates</u>					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Greenville County	3.7	3.3	3.3	8.4	3.9
South Carolina	4.0	3.8	3.5	8.6	4.5
United States	4.4	4.2	3.7	11.1	5.9

Source: South Carolina Department of Employment and Workforce

Long-term financial planning

The County’s capital improvement program is designed to identify major, infrequent and nonrecurring projects, which should be financed over a period of years. The fiscal year 2022 through fiscal year 2026 capital improvement program totals about \$239 million in the areas of technological improvements, equipment, recreation projects, facilities, infrastructure, and storm water. The capital improvement program budget totals about \$89 million for fiscal year 2022, \$93 million for fiscal year 2023, \$20 million for fiscal year 2024 and \$18.5 million each year for fiscal years 2025 and 2026. Budgeted facility improvements include the construction of a new County facility in fiscal years 2022 and 2023.

Relevant financial policies

Greenville County policy requires the County to aggressively pursue all grant opportunities after considering all current and future implications of both accepting and rejecting the grant. Total operating grants for the current fiscal year were approximately \$111 million compared to \$32 million for the prior fiscal year. This increase was mainly due to the receipt of Cares Act funding used to lessen the impact of the Covid-19 pandemic. Also, there were increases in law enforcement, judicial and emergency medical services grants.

One of Greenville County’s revenue policies states that the County shall strive to achieve a current property tax collection rate of not less than 98 percent. During the current year, property taxes collected as a percentage of the total levy was 99.1 percent.

Major initiatives

County Council established a list of long-term priorities related to public safety, fiscal responsibility, planning and infrastructure, economic development, community development and public transit.

- Provide a safe community for citizens. Support progressive procedures and enhanced processes that would better serve the citizens of Greenville County. Support the Sheriff's office through hiring and retaining additional deputies.
- Maintain triple A bond ratings; maintain fiscally responsible framework, review service levels and services provided by County departments, their current levels, any mandated levels, and opportunities for streamlining.
- Appraise the County's current infrastructure (roads/bridges/water/sewer) to prioritize projects aimed at stemming congestion and expanding utility services into underserved areas. Support infrastructure to meet the community's traffic and growth.
- Encourage location of prospects to certain areas of the County linked to transportation needs, job training initiatives, and possible use of vacant buildings. Continue to support the economic development arm of the County, the Greenville Area Development Corporation; increase ties with other key stakeholders in economic development.
- Build sustainable communities, address the lack of affordable housing, and create incentives to promote industry interest in filling this gap.
- Study public transportation system to determine the need and location for expanded transportation services.
- Create a plan for developing and enhancing connectors to the Swamp Rabbit Trail and improve trail safety.

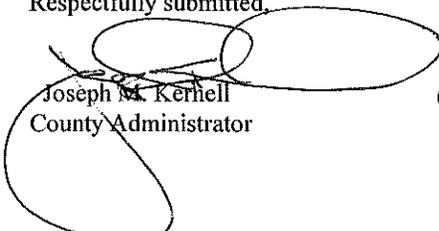
Awards and Acknowledgements

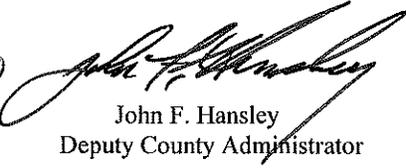
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 30th consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the GFOA gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understanding and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the professional and dedicated services of the entire staff of the Financial Operations Division. We would like to express our appreciation to all members of the Division who assisted and contributed to the preparation of this report. We thank the employees of various other County divisions for their assistance in collecting and assimilating data. We also express our appreciation to the County Council for their support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,


Joseph M. Kerhell
County Administrator


John F. Hansley
Deputy County Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Greenville
South Carolina**

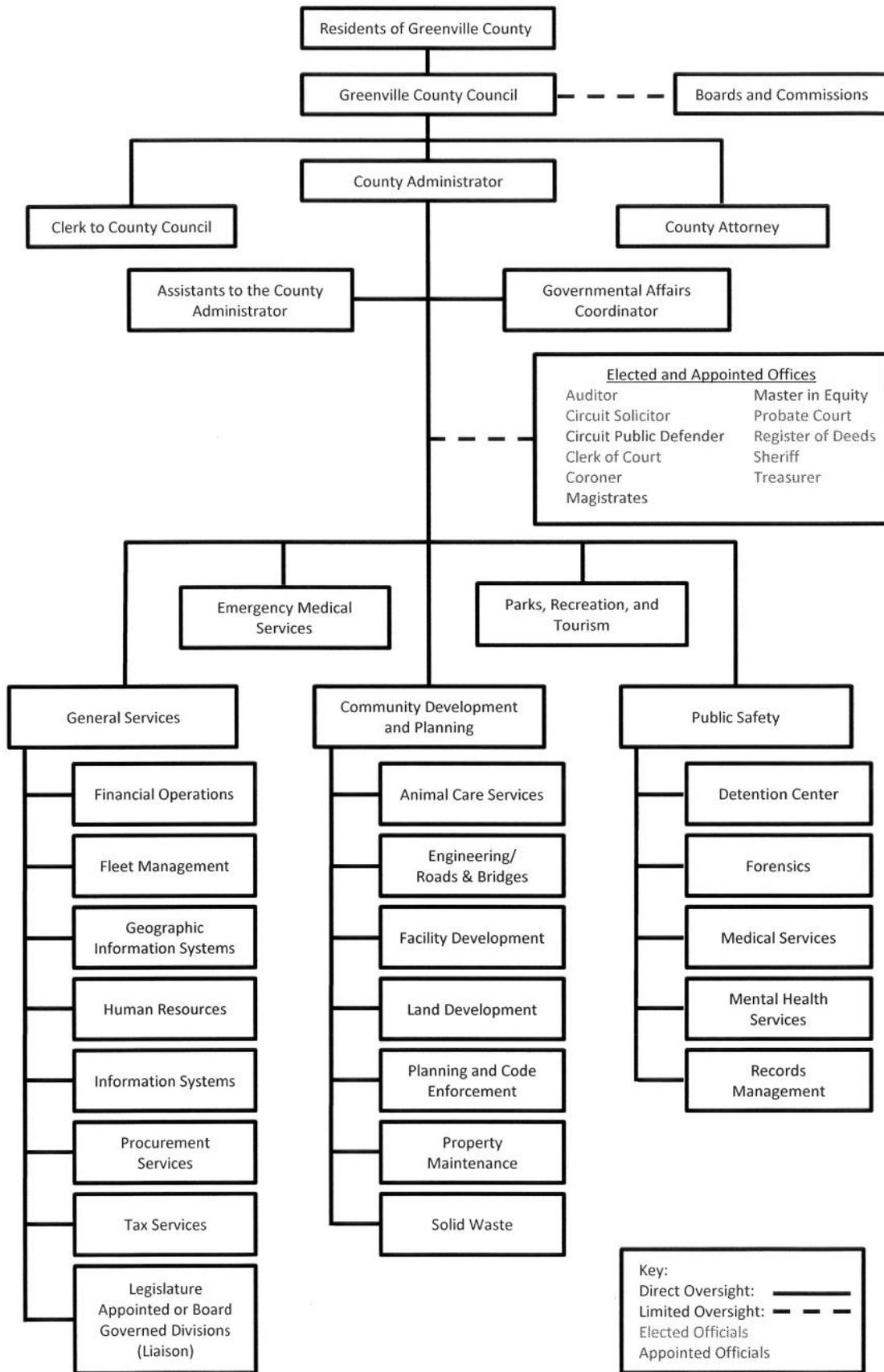
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

COUNTY OF GREENVILLE ORGANIZATIONAL CHART



Greenville County Council

District 17 - **Joe Dill**

District 23 - **Xanthene Norris,
Chairman Pro Tem**

District 18 - **Michael Barnes**

District 24 - **Liz Seman**

District 19 - **Willis Meadows, Chairman**

District 25 - **Ennis Fant**

District 20 - **Steve Shaw**

District 26 - **Lynn Ballard**

District 21 - **Chris Harrison**

District 27 - **Butch Kirven**

District 22 - **Stan Tzouvelekas**

District 28 - **Dan Tripp, V. Chair**

Administrative and Appointed Staff

Joseph Kernell – County Administrator

Regina McCaskill – Clerk to Council

Michael D. Stokes– Chief Magistrate

Mark Tollison – County Attorney

Charles Simmons – Master in Equity

John Hansley – Deputy County
Administrator

Paula Gucker – Assistant County
Administrator for Community Planning,
Development and Public Works

John Vandermosten – Assistant County
Administrator, Public Safety

Elected Officials

Treasurer
Jill Kintigh

Register of Deeds
Timothy Nanney

Auditor
Scott Case

Circuit Solicitor
Walt Wilkins

Clerk of Court
Paul Wickensimer

Probate Judge
Debora Faulkner

Sheriff
Hobart Lewis

Coroner
Parks Evans