

# Greenville County, South Carolina

## Management's Discussion and Analysis

### June 30, 2014

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, 2014. 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 2014 are as follows:

- ⇒ The assets and deferred outflows of resources of Greenville County primary government exceeded its liabilities at the close of the current fiscal year by \$499,570,167 compared to \$446,638,603 for fiscal year 2013. The net position in the governmental activities increased from \$413,555,437 in 2013 to \$465,794,953 in 2014. The net position in the business-type activities increased from \$33,083,166 in 2013 to \$33,775,214 in 2014.
- ⇒ Greenville County's total net position for the primary government increased by \$2,315,940 due to an increase of \$1,623,892 in net position in the governmental activities and an increase of \$692,048 in the business-type activities.
- ⇒ As of the close of the current fiscal year, Greenville County's governmental funds reported combined ending fund balances of \$111,237,904 as compared to \$79,578,981 for fiscal year 2013 resulting in an increase of \$31,658,923. This increase resulted from the merger of the former Recreation District into the County (\$5 million) and pass through bond proceeds held for Greenville Technical College (\$22 million). Less than 0.84 percent of the total fund balance, or \$929,168, is restricted for future debt service. Outstanding encumbrances reported in assigned fund balance were \$1,287,739, or 1.2 percent of total fund balance. Nonspendable fund balance consists of prepaid items of \$224,473, or 0.20 percent, as well as, long-term receivables of \$178,918, or 0.16 percent of the total fund balance. Approximately 46 percent, or \$51,019,002 is *available for spending* at the discretion of the County (*unassigned fund balance*). However, approximately 2 percent, or \$2,655,581 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. About 5 percent, or \$6,077,517, of the total combined fund balance is committed for capital projects and 1 percent, or \$1,418,382 is committed for federal and state grants. Parks, Recreation & Tourism makes up \$5,572,241 of the committed fund balance.
- ⇒ At the end of the current fiscal year, *unassigned fund balance* for Greenville County's General Fund was \$52,724,554 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 \$4,157,648, is *nonspendable, committed or assigned*.
- ⇒ Greenville County maintained its triple A bond rating that was assigned in 1999.

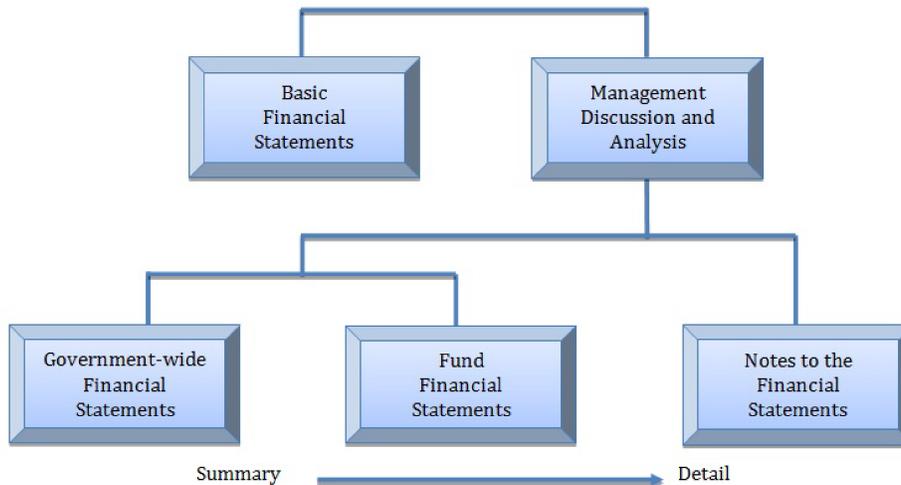
#### Overview of the Financial Statements

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.

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**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 position 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 position* presents information on all of Greenville County’s assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 22 of this report.

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**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, Federal and State Grants Fund, Agencies-Greenville Technical College, and Parks, Recreation & Tourism. 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 balances. 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, budget comparisons for all major 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 26 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.

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*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 38 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 136 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 position may serve over time as one useful indicator of a government's financial position. The assets and deferred outflows of resources of Greenville County governmental activities exceeded liabilities for the governmental activities by \$465,794,953 at June 30, 2014 and by \$413,555,437 at June 30, 2013.

By far the largest portion, \$440,232,747 or 95 percent of net position 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 Position**  
**June 30, 2014**  
**(Recapped)**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 142,018,644	\$ 116,058,009	\$ 16,781,662	\$ 16,285,389	\$ 158,800,306	\$ 132,343,398
Capital assets	512,111,305	462,052,949	23,456,001	22,563,471	535,567,306	484,616,420
Total assets	654,129,949	578,110,958	40,237,663	38,848,860	694,367,612	616,959,818
Deferred outflow - net loss on refunding	2,594,502	-	-	-	2,594,502	-
<b>Total assets and deferred outflows of resources</b>	656,724,451	578,110,958	40,237,663	38,848,860	696,962,114	616,959,818
Other liabilities	14,325,378	11,386,161	969,915	221,181	15,295,293	11,607,342
Long-term liabilities	176,604,120	153,169,360	5,492,534	5,544,513	182,096,654	158,713,873
Total liabilities	190,929,498	164,555,521	6,462,449	5,765,694	197,391,947	170,321,215
Net Investment in Capital Assets	440,232,747	392,919,314	23,456,001	22,563,471	463,688,748	415,482,785
Restricted	42,804,124	16,297,562	-	-	42,804,124	16,297,562
Unrestricted (Deficit)	(17,241,918)	4,338,561	10,319,213	10,519,695	(6,922,705)	14,858,256
<b>Total net position</b>	<b>\$ 465,794,953</b>	<b>\$ 413,555,437</b>	<b>\$ 33,775,214</b>	<b>\$ 33,083,166</b>	<b>\$ 499,570,167</b>	<b>\$ 446,638,603</b>

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**Greenville County Changes in Net Position**  
**June 30, 2014**  
**(Recapped)**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 44,406,889	\$ 41,265,088	\$ 14,326,444	\$ 13,611,600	\$ 58,733,333	\$ 54,876,688
Operating grants and contributions	17,102,260	15,152,223	-	-	17,102,260	15,152,223
Capital grants and contributions	5,296,464	7,009,689	-	-	5,296,464	7,009,689
<b>General Revenues:</b>						
Property taxes	103,098,556	92,889,191	3,525,130	4,118,498	106,623,686	97,007,689
Intergovernmental revenues	28,227,323	27,427,499	-	-	28,227,323	27,427,499
Hospitality tax	7,604,841	7,319,810	-	-	7,604,841	7,319,810
Other revenue	2,735,074	3,311,221	-	-	2,735,074	3,311,221
Interest and investment income	636,753	106,475	78,641	4,627	715,394	111,102
<b>Total revenues</b>	<b>209,108,160</b>	<b>194,481,196</b>	<b>17,930,215</b>	<b>17,734,725</b>	<b>227,038,375</b>	<b>212,215,921</b>
<b>Expenses:</b>						
Administrative services	2,442,084	2,140,029	-	-	2,442,084	2,140,029
General services	16,224,411	15,399,546	-	-	16,224,411	15,399,546
Parks, recreation & tourism	14,551,645	-	-	-	14,551,645	-
Emergency medical services	17,666,885	17,007,397	-	-	17,666,885	17,007,397
Public safety	29,787,858	27,651,126	-	-	29,787,858	27,651,126
Judicial services	23,107,069	22,110,560	-	-	23,107,069	22,110,560
Community development and planning	37,487,453	35,490,126	-	-	37,487,453	35,490,126
Fiscal services	2,689,263	2,574,458	-	-	2,689,263	2,574,458
Law enforcement services	46,260,634	43,535,553	-	-	46,260,634	43,535,553
Boards, commission & others	9,362,031	12,728,988	-	-	9,362,031	12,728,988
Interest and fiscal charges	5,697,930	7,949,859	-	-	5,697,930	7,949,859
Pass through bond funding	2,207,005	-	-	-	2,207,005	-
Solid Waste	-	-	10,785,367	6,365,450	10,785,367	6,365,450
Stormwater	-	-	6,341,927	6,013,983	6,341,927	6,013,983
Parking Garage	-	-	110,873	138,757	110,873	138,757
<b>Total expenses</b>	<b>207,484,268</b>	<b>186,587,642</b>	<b>17,238,167</b>	<b>12,518,190</b>	<b>224,722,435</b>	<b>199,105,832</b>
Increase (decrease) in net position	1,623,892	7,893,554	692,048	5,216,535	2,315,940	13,110,089
Transfers In/Out	-	2,517	-	(2,517)	-	-
<b>Changes in Net Position</b>	<b>1,623,892</b>	<b>7,896,071</b>	<b>692,048</b>	<b>5,214,018</b>	<b>2,315,940</b>	<b>13,110,089</b>
Net position - beginning	413,555,437	405,659,366	33,083,166	27,869,148	446,638,603	433,528,514
Beginning net position - Recreation	52,128,374	-	-	-	52,128,374	-
Change in accounting principle	(1,512,750)	-	-	-	(1,512,750)	-
<b>Net position - ending</b>	<b>\$ 465,794,953</b>	<b>\$ 413,555,437</b>	<b>\$ 33,775,214</b>	<b>\$ 33,083,166</b>	<b>\$ 499,570,167</b>	<b>\$ 446,638,603</b>

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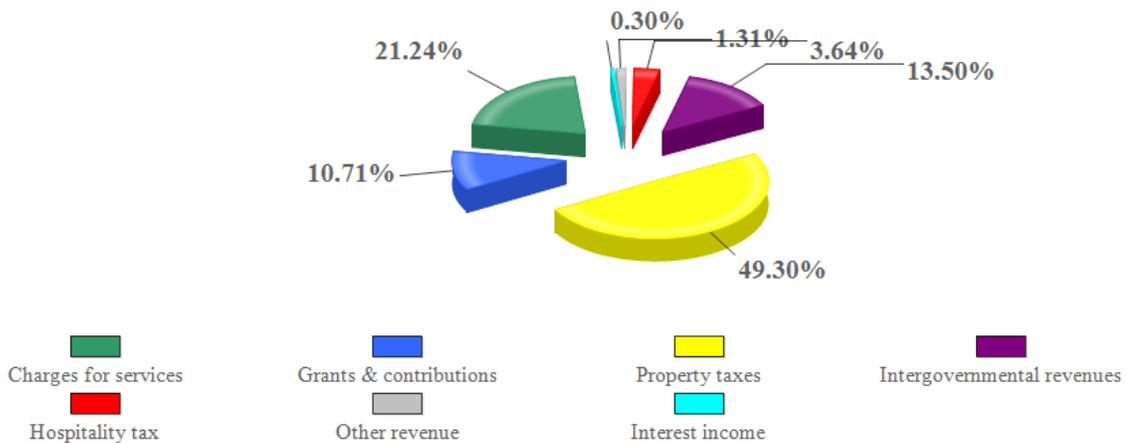
The operations of administrative services and judicial services are the only functions of the governmental activities supported by program revenues. General revenues support all other functions of the governmental activities. In fiscal year 2014, Greenville County Recreation District was dissolved and the District's assets and liabilities were merged with Greenville County. The functional expenditures for the newly formed Parks, Recreation & Tourism department are shown in the chart above.

**Governmental activities**

Governmental activities increased the County's net position by \$1,623,892 for the fiscal year ending June 30, 2014. Key elements of this increase are as follows:

- ⇒ The increase in net position in the governmental activities is mostly due to a \$2 million increase in operating grants revenues. With the addition of the Parks, Recreation and Tourism department, increases in charges for services and property tax revenues were offset by recreation expenses. 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**



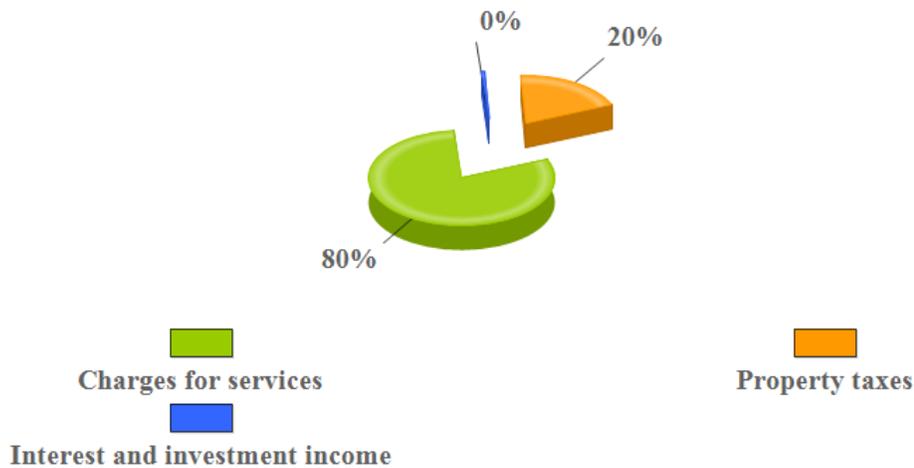
Revenue Type	Amount
Charges for services	\$ 44,406,889
Grants & contributions	22,398,724
Property taxes	103,098,556
Intergovernmental revenues	28,227,323
Hospitality tax	7,604,841
Other revenue	2,735,074
Interest income	636,753
<b>Total</b>	<b>\$ 209,108,160</b>

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**Business-type activities**

Business-type activities increased Greenville County's net position by \$692,048 for the fiscal year ending June 30, 2014. The increase in the net position of the business-type activities is mainly due to increases in solid waste fees during the year.

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



Revenue Type	Amount
Charges for services	\$ 14,326,444
Property taxes	3,525,130
Interest and investment income	78,641
<b>Total</b>	<b>\$ 17,930,215</b>

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**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 \$111,237,904 an increase of almost 40 percent in comparison with the prior year. This increase is mostly due to bond proceeds held for Greenville Technical College (\$22 million). Also contributing to this increase is the merger of the Greenville County Recreation District (the District). The District was officially dissolved as of June 30, 2013. The newly formed Parks, Recreation & Tourism department provides recreation needs throughout the County and shares in the mission of providing programs and services to improve the quality of life for the residents of Greenville County. The remainder of the increase in fund balance is due to increased revenues from property taxes and county offices. Increased expenditures in the law enforcement, public safety and community development/planning areas partially offset increased revenues. During fiscal year 2014, the County recorded \$1,267,834 in transfers out of the general fund. Of this amount, \$1,189,077 was transferred to debt service and the remaining \$78,757 was used as matching grant funds.

Approximately 46 percent, or \$51,019,002, of the ending fund balance is *unassigned* and available for future spending. Less than 0.84 percent, or \$929,168, is restricted for future debt service. Of the ending fund balance, \$6,077,517 is committed for future capital projects and \$1,418,382 is committed for federal and state grants. Parks, Recreation & Tourism makes up \$5,572,241 of the committed fund balance. Two percent of general fund current revenues, or \$2,655,581, 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 \$52,724,554 out of total fund balance of \$56,882,202. 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 42 percent, respectively, of total general fund expenditures.

Total general fund revenues increased from approximately \$130 million in 2013 to approximately \$133 million in 2014. The general fund reported an increase of approximately \$1.3 million in property tax revenues and an increase of approximately \$0.8 million in intergovernmental and county office revenue combined. County office revenues increased mostly as a result of an increase in tax sales revenue in 2014.

General fund expenditures increased from \$131.0 million in 2013 to \$136.7 million in 2014. This increase in expenditures is mostly attributed to an increase in expenditures in Law Enforcement, Emergency Medical Services and Public Safety.

The Federal and State Grant Fund has an ending fund balance of \$8,871,151 for 2014 compared to \$7,923,616 for 2013. This increase in fund balance resulted from increases in E-911 and miscellaneous other grants.

The Parks, Recreation & Tourism Fund has an ending fund balance of \$5,625,018 for 2014.

The Agencies-Greenville Technical College capital project fund has an ending fund balance of \$22,613,199 for 2014 compared to a zero fund balance for 2013. The current year fund balance resulted from the issuance of the \$25,000,000 general obligation

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bond, series 2014, for Greenville Technical College.

**Proprietary Funds**

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

*Enterprise Funds* - Total net position of the Solid Waste Fund was \$11,132,529 compared to \$11,772,448 for fiscal year 2013. *Unrestricted* net position of the Solid Waste Fund at the end of the fiscal year amounted to \$(1,059,039), and \$12,191,568 of the total net position was net investment in capital assets. The decrease in net position for the Solid Waste fund can be contributed to expenses incurred to open a new cell at the Twin Chimney's landfill during the current year. Total net position of the Stormwater Fund was \$19,761,999 for the current year compared to \$18,414,389 for fiscal year 2013. *Unrestricted* net position of the Stormwater Fund at the end of the fiscal year amounted to \$11,084,233, and \$8,677,766 of the total net position was net investment in capital assets. Most of the increase in the Stormwater fund can be contributed to the increase in infrastructure capital assets. The Parking Enterprise Fund reported net position of \$2,546,310 compared to \$2,561,953 for 2013.

*Internal Service Funds* - The Internal Service Fund is presented in a separate column in the Statement of Net Position of the Proprietary Funds. The Internal Service Fund reflects total net position of \$8,952,198 for the current year compared to \$13,416,036 for fiscal year 2013. The decrease in total net position can be contributed to an excess of claims and administrative costs over employee premiums. The Health and Dental Fund reports net position of \$7,404,253 for 2014 as compared to \$10,569,254 for 2013. The Workers' Compensation Fund currently reports net position of \$709,393 as compared to net position of \$1,998,873 for 2013. 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 position of the Vehicle Service Center was \$838,552 for 2014 compared to \$847,909 for 2013. The Vehicle Service Center Fund reports investment in capital assets of \$241,282 and *unrestricted* net position of \$597,270.

**General Fund Budgetary Highlights**

During the current fiscal year, revenues were under the budget estimate by \$1,115,720. Intergovernmental revenues were under budget by \$424,724 due to lower than anticipated state allocations during the year. County office revenues were under budget by \$854,961. These shortages were partially offset by property tax revenues which were \$239,072 over budget. Interest and investment income were under budget by \$449,882. Expenditures were under budget by \$2,060,707. A few years ago, the County implemented efficiencies for the purpose of reducing costs. These efficiencies allowed departments to maintain budgeted expenditures at previous year's levels during the current year.

**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, 2014, totals \$535,567,306 (net of accumulated depreciation). The investment in capital assets for its governmental and business-type activities as of June 30, 2013 was \$484,616,420 (net of accumulated depreciation). The County's assets include buildings, improvements, equipment, recreation 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, the absorption of the capital assets from the former Greenville County Recreation District. Construction in progress decreased due to the completion of the Juvenile Detention Center..

The capital assets of the business-type activities increased by \$892,530 in the current fiscal year. The increases are mostly due to increases in capital assets in the Stormwater fund as a result of the increase in infrastructure assets.

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 21,215,540	\$ 10,176,240	\$ 9,035,847	\$ 8,930,157	\$ 30,251,387	\$ 19,106,397
Construction in progress	-	3,856,792	-	-	-	3,856,792
Software	476,335	476,335	-	-	476,335	476,335
Buildings	86,868,048	52,389,458	4,755,021	4,947,525	91,623,069	57,336,983
Improvements	15,005,556	7,393,239	1,636,947	1,737,271	16,642,503	9,130,510
Equipment	4,101,434	4,146,319	1,994,757	2,242,721	6,096,191	6,389,040
Recreation equipment	2,687,378	-	-	-	2,687,378	-
Vehicles	4,016,603	2,839,576	430,011	464,667	4,446,614	3,304,243
Infrastructure	377,740,411	380,774,990	5,603,418	4,241,130	383,343,829	385,016,120
<b>Total</b>	<b>\$ 512,111,305</b>	<b>\$ 462,052,949</b>	<b>\$ 23,456,001</b>	<b>\$ 22,563,471</b>	<b>\$ 535,567,306</b>	<b>\$ 484,616,420</b>

Please refer to pages 59 - 61 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, 2014, Greenville County had total bonded debt outstanding of \$159,489,034. Of this amount, \$84,034,034 are general obligation bonds, which are backed by the full faith and credit of the County. Certificates of participation total \$56,165,000 and special source revenue bonds total \$19,290,000. Revenues from various fee-in-lieu-of-tax agreements secure the special source revenue bonds.

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

	Governmental Activities	
	2014	2013
General obligation bonds	\$ 84,034,034	\$ 62,870,000
Certificates of participation	56,165,000	61,635,000
Special source revenue bonds	19,290,000	16,725,000
<b>Total</b>	<b>\$ 159,489,034</b>	<b>\$ 141,230,000</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 \$150,362,000 and \$60,438,000 respectively, for the fiscal year ending June 30, 2014. Please refer to pages of the notes to the financial statements (Note II.B.7.) for additional information on the County's long-term debt.

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**June 30, 2014**

**Economic Factors**

The unemployment rate for Greenville County at 4.8 percent continues to lag behind the state level of 5.3 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. The County has seen some positive trends in the local economy. A total of 6,547 residential new construction permits were issued during the current year.

A few years ago, Greenville County government took 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 continuing negative economic conditions, the County remains committed to maintaining a strong fund balance while meeting the needs of its citizens.

**Fiscal Year 2015 General Fund Budget**

The 2015 fiscal year budget for Greenville County was prepared as part of the biennium budget process during fiscal year 2013. The budgeted revenues are projected to increase by approximately 3.20 percent and expenditures are projected to increase by 3.10 percent from fiscal year 2014. The budget does not anticipate the use of any of the *unassigned* fund balance. The fiscal year 2015 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>.