

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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, 2016. 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 2016 are as follows:

- ⇒ The assets and deferred outflows of resources of Greenville County primary government exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$335,749,081 compared to \$336,468,127 for fiscal year 2015. The net position in the governmental activities decreased from \$305,719,866 in 2015 to \$303,804,003 in 2016. The net position in the business-type activities increased from \$30,748,261 in 2015 to \$31,945,078 in 2016. The decrease in net position for the primary government is mostly due to an increase in other liabilities of \$1,984,322 and an increase in net pension liability of \$20,020,717.
- ⇒ Greenville County's total net position for the primary government decreased by \$(719,046) due to a decrease of \$(1,915,863) in net position in the governmental activities and an increase of \$1,196,817 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 \$99,592,484 as compared to \$111,846,947 for fiscal year 2015 resulting in an decrease of \$(12,254,463). Less than 2.96 percent of the total fund balance, or \$2,948,289, is restricted for future debt service. Outstanding encumbrances reported in assigned fund balance were \$1,248,192, or 1.3 percent of total fund balance. Nonspendable fund balance consists of prepaid items of \$327,917, or 0.33 percent of total fund balance, land held for resale of \$2,904,830 or .03 percent of total fund balance and long-term receivables of \$97,321, or 0.10 percent of the total fund balance. Approximately 44 percent, or \$44,134,623 is *available for spending* at the discretion of the County (*unassigned fund balance*). However, approximately 3 percent, or \$2,857,655 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 12 percent of the total fund balance is committed, and \$413,852, of the total combined fund balance is committed for capital projects and 2 percent, or \$2,243,630 is committed for federal and state grants. Parks, Recreation & Tourism makes up \$6,700,896 of the committed fund balance.
- ⇒ At the end of the current fiscal year, *unassigned fund balance* for Greenville County's General Fund was \$48,010,231 or 32 percent of total general fund expenditures. The *unassigned fund balance* is available for spending at the discretion of the County. Approximately 13 percent of general fund balance, or \$7,128,546, is *nonspendable, committed or assigned*.
- ⇒ Greenville County maintained its triple A bond rating that was assigned in 1999.

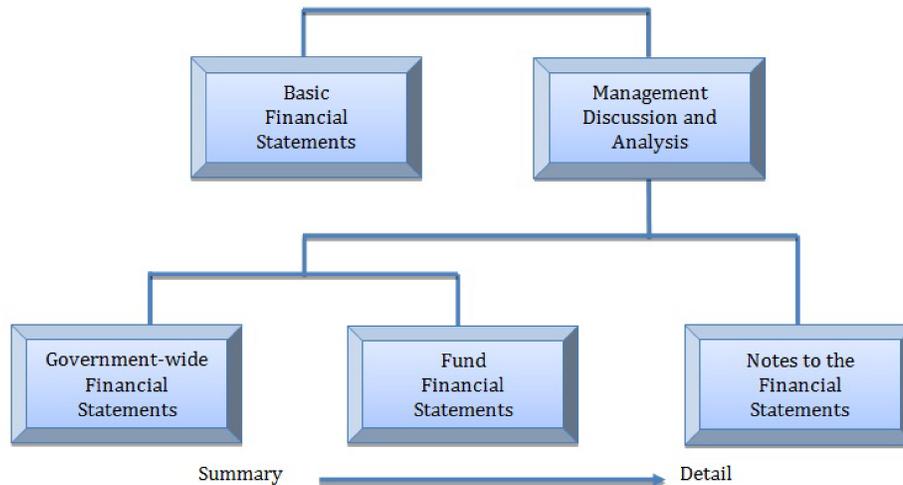
**Overview of the Financial Statements**

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, 2016**

**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.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

**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, Capital Projects Reserve 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.

*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

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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 41 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 101 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 and deferred inflows of resources for the governmental activities by \$303,804,003 at June 30, 2016 and by \$305,719,866 at June 30, 2015.

By far the largest portion, \$443,004,418 or 146 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**

**(Recapped)**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 132,629,806	\$ 138,947,842	\$ 17,446,560	\$ 17,372,529	\$ 150,076,366	\$ 156,320,371
Capital assets	508,890,232	507,682,071	25,877,972	24,851,078	534,768,204	532,533,149
<b>Total assets</b>	<b>641,520,038</b>	<b>646,629,913</b>	<b>43,324,532</b>	<b>42,223,607</b>	<b>684,844,570</b>	<b>688,853,520</b>
Deferred outflow - unamortized amount on refundings	6,140,105	6,143,546	-	-	6,140,105	6,143,546
Deferred outflow - pensions	17,885,326	16,062,164	522,094	441,300	18,407,420	16,503,464
<b>Total assets and deferred outflows of resources</b>	<b>665,545,469</b>	<b>668,835,623</b>	<b>43,846,626</b>	<b>42,664,907</b>	<b>709,392,095</b>	<b>711,500,530</b>
Other liabilities	17,576,769	14,607,863	773,567	432,329	18,350,336	15,040,192
Long-term liabilities	343,948,106	332,780,957	11,121,931	11,052,227	355,070,037	343,833,184
<b>Total liabilities</b>	<b>361,524,875</b>	<b>347,388,820</b>	<b>11,895,498</b>	<b>11,484,556</b>	<b>373,420,373</b>	<b>358,873,376</b>
Deferred inflow - pensions	216,591	15,726,937	6,050	432,090	222,641	16,159,027
<b>Total liabilities and deferred inflows of resources</b>	<b>361,741,466</b>	<b>363,115,757</b>	<b>11,901,548</b>	<b>11,916,646</b>	<b>373,643,014</b>	<b>375,032,403</b>
Net Investment in Capital Assets	443,004,418	440,553,010	25,877,972	24,851,078	468,882,390	465,404,088
Restricted	39,648,152	44,343,938	-	-	39,648,152	44,343,938
Unrestricted (Deficit)	(178,848,567)	(179,177,082)	6,067,106	5,897,183	(172,781,461)	(173,279,899)
<b>Total net position</b>	<b>\$ 303,804,003</b>	<b>\$ 305,719,866</b>	<b>\$ 31,945,078</b>	<b>\$ 30,748,261</b>	<b>\$ 335,749,081</b>	<b>\$ 336,468,127</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

**Greenville County Changes in Net Position**

(Recapped)

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 49,702,298	\$ 43,600,095	\$ 14,647,795	\$ 14,033,869	\$ 64,350,093	\$ 57,633,964
Operating grants and contributions	15,779,993	18,394,622	-	-	15,779,993	18,394,622
Capital grants and contributions	2,960,969	4,719,646	-	-	2,960,969	4,719,646
<b>General Revenues:</b>						
Property taxes	112,255,919	107,316,645	3,848,588	3,624,509	116,104,507	110,941,154
Intergovernmental revenues	29,522,948	28,436,913	-	-	29,522,948	28,436,913
Hospitality tax	8,208,598	7,728,443	-	-	8,208,598	7,728,443
Other revenue	6,120,391	8,555,710	-	-	6,120,391	8,555,710
Gain on sale of land held for resale	1,486,060	-	-	-	1,486,060	-
Interest and investment income	1,338,410	777,014	173,024	92,930	1,511,434	869,944
Donated land held for resale	5,931,604	-	-	-	5,931,604	-
<b>Total revenues</b>	<b>233,307,190</b>	<b>219,529,088</b>	<b>18,669,407</b>	<b>17,751,308</b>	<b>251,976,597</b>	<b>237,280,396</b>
<b>Expenses:</b>						
Administrative services	2,624,799	2,546,428	-	-	2,624,799	2,546,428
General services	19,027,592	16,539,097	-	-	19,027,592	16,539,097
Parks, recreation & tourism	15,761,874	15,982,659	-	-	15,761,874	15,982,659
Emergency medical services	19,221,506	17,907,654	-	-	19,221,506	17,907,654
Public safety	32,078,269	31,730,942	-	-	32,078,269	31,730,942
Judicial services	24,874,958	23,822,094	-	-	24,874,958	23,822,094
Community development and planning	55,083,718	41,236,324	-	-	55,083,718	41,236,324
Fiscal services	2,851,492	2,801,313	-	-	2,851,492	2,801,313
Law enforcement services	48,991,466	47,333,376	-	-	48,991,466	47,333,376
Boards, commission & others	9,629,052	9,722,839	-	-	9,629,052	9,722,839
Interest and fiscal charges	5,325,377	5,681,855	-	-	5,325,377	5,681,855
Solid Waste	-	-	9,146,259	8,038,341	9,146,259	8,038,341
Stormwater	-	-	7,959,604	8,097,473	7,959,604	8,097,473
Parking Garage	-	-	119,677	128,395	119,677	128,395
<b>Total expenses</b>	<b>235,470,103</b>	<b>215,304,581</b>	<b>17,225,540</b>	<b>16,264,209</b>	<b>252,695,643</b>	<b>231,568,790</b>
Increase (decrease) in net position	(2,162,913)	4,224,507	1,443,867	1,487,099	(719,046)	5,711,606
Transfers In/Out	247,050	-	(247,050)	-	-	-
<b>Changes in Net Position</b>	<b>(1,915,863)</b>	<b>4,224,507</b>	<b>1,196,817</b>	<b>1,487,099</b>	<b>(719,046)</b>	<b>5,711,606</b>
Net position - beginning	305,719,866	301,495,359	30,748,261	29,261,162	336,468,127	330,756,521
<b>Net position - ending</b>	<b>\$ 303,804,003</b>	<b>\$ 305,719,866</b>	<b>\$ 31,945,078</b>	<b>\$ 30,748,261</b>	<b>\$ 335,749,081</b>	<b>\$ 336,468,127</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

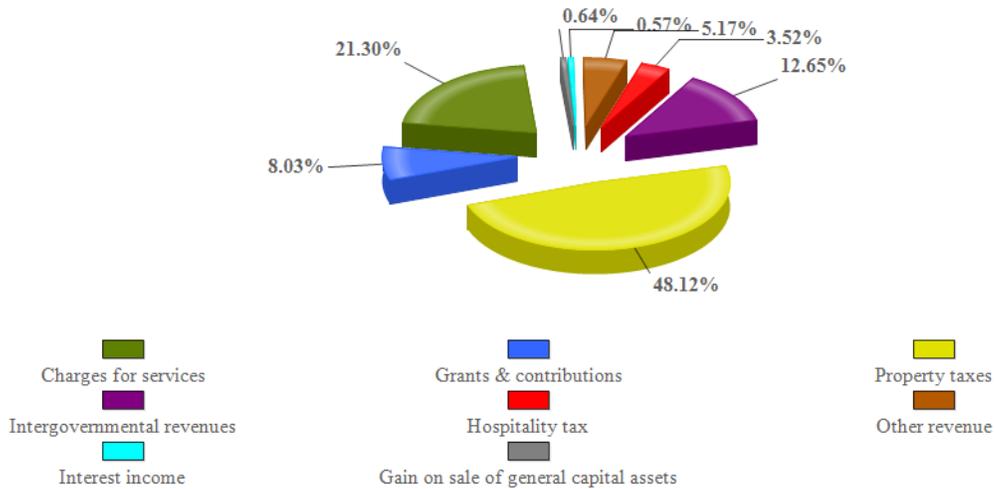
The operations of administrative services and judicial services are the only functions of the governmental activities supported by program revenues. General revenues support all other functions of the governmental activities.

**Governmental activities**

Governmental activities decreased the County's net position by \$(1,915,863) for the fiscal year ending June 30, 2016. Key elements of this decrease are as follows:

- ⇒ The decrease in net position in the governmental activities is mostly due to an decrease in operating and capital grants and contributions. 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**



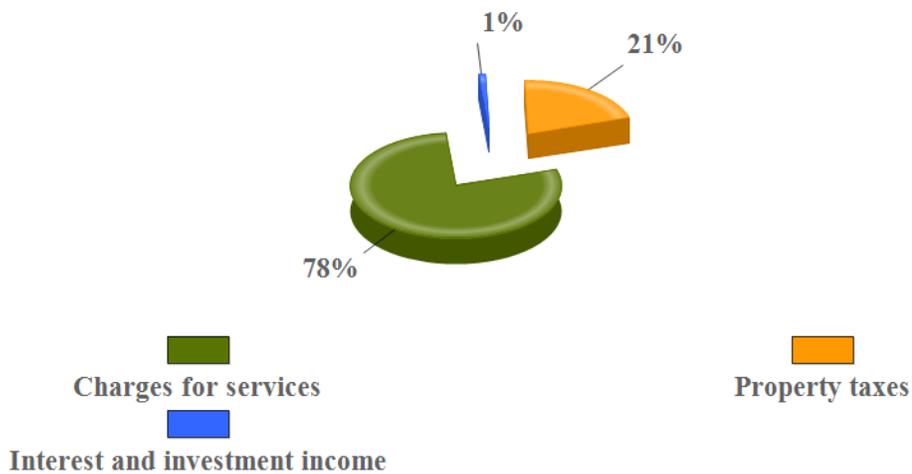
Revenue Type	Amount
Charges for services	\$ 49,702,298
Grants & contributions	18,740,962
Property taxes	112,255,919
Intergovernmental revenues	29,522,948
Hospitality tax	8,208,598
Other revenue	12,051,995
Gain on sale of general capital assets	1,486,060
Interest income	1,338,410
<b>Total</b>	<b>\$ 233,307,190</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

**Business-type activities**

Business-type activities increased Greenville County's net position by \$1,196,817 for the fiscal year ending June 30, 2016. The increase in the net position of the business-type activities is mainly due to an increase in charges for services and interest income, as well as, a slight increase in property tax revenues.

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



Revenue Type	Amount
Charges for services	\$ 14,647,795
Property taxes	3,848,588
Interest and investment income	173,024
<b>Total</b>	<b>\$ 18,669,407</b>

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

**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 \$99,592,484 a decrease of almost (11) percent in comparison with the prior year. This decrease is mostly due to a decrease in intergovernmental and county office revenues. During fiscal year 2016, the County recorded \$4,201,607 in transfers out of the general fund. Of this amount, \$1,902,478 was transferred to debt service, \$2,142,250 was transferred to capital projects and the remaining \$156,879 was used as matching grant funds.

Approximately 44 percent, or \$44,134,623, of the ending fund balance is *unassigned* and available for future spending. Less than 2.96 percent, or \$2,948,289, is restricted for future debt service. Of the ending fund balance, \$413,852 is committed for future capital projects and \$2,243,630 is committed for federal and state grants. Parks, Recreation & Tourism makes up \$6,700,896 of the committed fund balance. Two percent of general fund current revenues, or \$2,857,655, 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 2016, *unassigned fund balance* of the general fund was \$48,010,231 out of total fund balance of \$55,138,777. 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 32 percent and 37 percent, respectively, of total general fund expenditures.

Total general fund revenues increased from approximately \$138 million in 2015 to approximately \$143 million in 2016. The general fund reported an increase of approximately \$4.1 million in property tax revenues and a slight increase in county office revenue.

General fund expenditures increased from \$142 million in 2015 to \$149 million in 2016. This increase in expenditures is primarily attributed to an increase in expenditures in judicial and community development and planning.

The Federal and State Grant Fund has an ending fund balance of \$15,328,424 for 2016 compared to \$10,616,488 for 2015. This increase in fund balance resulted from across the board increases in all of funds in the Federal and State Grant Funds.

The Parks, Recreation & Tourism Fund has an ending fund balance of \$6,735,082 for 2016 compared to \$5,768,245 for 2015. This change in fund balance resulted from an increase in property tax revenues and less transfers out to cover capital projects.

The Agencies-Greenville Technical College capital project fund has an ending fund balance of \$3,900,611 for 2016 compared to a \$19,708,360 fund balance for 2015. The current year fund balance decreased as a result of ongoing construction costs for Greenville Technical College.

**Proprietary Funds**

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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 \$12,333,163 compared to \$10,675,304 for fiscal year 2015. *Unrestricted* net position of the Solid Waste Fund at the end of the fiscal year amounted to \$(306,755), and \$12,639,918 of the total net position was net investment in capital assets. The increase in net position for the Solid Waste fund can be contributed to an increase in charges for services and an increase in property tax revenues. This increase was partially offset by an increase in operating expenditures. Total net position of the Stormwater Fund was \$16,736,873 for the current year compared to \$17,197,939 for fiscal year 2015. *Unrestricted* net position of the Stormwater Fund at the end of the fiscal year amounted to \$6,005,486, and \$10,731,387 of the total net position was net investment in capital assets. Most of the decrease in the Stormwater fund can be contributed to an increase in spending related to the flood plain mitigation program, infrastructure and an increase in net pension liability. The Parking Enterprise Fund reported net position of \$2,540,666 compared to \$2,540,642 for 2015.

*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 \$1,842,357 for the current year compared to \$5,007,333 for fiscal year 2015. 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 \$(354,763) for 2016 as compared to \$3,357,906 for 2015. The Workers' Compensation Fund currently reports net position of \$938,957 as compared to net position of \$589,592 for 2015. 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 \$1,258,163 for 2016 compared to \$1,059,835 for 2015. The Vehicle Service Center Fund reports investment in capital assets of \$208,836 and *unrestricted* net position of \$1,049,327.

**General Fund Budgetary Highlights**

During the current fiscal year, revenues were under the budget estimate by \$1,313,274. Intergovernmental revenues and county office revenues were under budget by \$1,025,601 due to lower than anticipated state allocations and judicial revenues during the year. Although these two classes of revenues were under budget in 2016, they both increased year over year. Interest and investment income were over budget by \$220,760. Expenditures were under budget by \$1,856,073. A few years ago, the County implemented efficiencies for the purpose of reducing costs. These efficiencies allowed departments to maintain budgeted expenditures at previous years' 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, 2016, totals \$534,768,204 (net of accumulated depreciation). The investment in capital assets for its governmental and business-type activities as of June 30, 2015 was \$532,533,149 (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 the purchase of a parcel of land with a building, numerous projects for related to parks, recreation & tourism, as well as, a the procurement of new fleet vehicles and equipment related to law enforcement an public safety. The capital assets of the business-type activities increased by \$1,026,894 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 and additions to machinery and equipment in the Solid Waste fund.

**Greenville County, South Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 25,576,720	\$ 22,669,984	\$ 9,749,947	\$ 9,455,827	\$ 35,326,667	\$ 32,125,811
Construction in progress	4,303,113	187,367	-	-	4,303,113	187,367
Software	1,198,415	476,335	-	-	1,198,415	476,335
Buildings	83,112,182	84,122,331	4,384,165	4,562,517	87,496,347	88,684,848
Improvements	14,678,231	14,045,062	1,448,106	1,540,700	16,126,337	15,585,762
Equipment	5,764,465	5,699,109	2,984,034	2,417,924	8,748,499	8,117,033
Recreation equipment	2,039,376	2,320,543	-	-	2,039,376	2,320,543
Vehicles	5,238,103	4,420,851	351,815	371,016	5,589,918	4,791,867
Right-of-way easements	30,726,225	-	-	-	30,726,225	-
Infrastructure	336,253,402	373,740,489	6,959,905	6,503,094	343,213,307	380,243,583
<b>Total</b>	<b>\$ 508,890,232</b>	<b>\$ 507,682,071</b>	<b>\$ 25,877,972</b>	<b>\$ 24,851,078</b>	<b>\$ 534,768,204</b>	<b>\$ 532,533,149</b>

Please refer to pages 63 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, 2016, Greenville County had total bonded debt outstanding of \$135,493,000. Of this amount, \$72,305,000 are general obligation bonds, which are backed by the full faith and credit of the County. Certificates of participation total \$45,675,000 and special source revenue bonds total \$17,513,000. Revenues from various fee-in-lieu-of-tax agreements secure the special source revenue bonds.

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

	Governmental Activities	
	2016	2015
General obligation bonds	\$ 72,305,000	\$ 78,045,363
Certificates of participation	45,675,000	51,750,000
Special source revenue bonds	17,513,000	17,075,000
<b>Total</b>	<b>\$ 135,493,000</b>	<b>\$ 146,870,363</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 \$160,990,000 and \$86,252,000 respectively, for the current fiscal year. Please refer to pages 84 - 98 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, 2016**

**Economic Factors**

The unemployment rate for Greenville County at 4.6 percent continues to lag behind the state level of 5.2 percent. The County has seen some positive trends in the local economy. Construction permit fee revenue increased by \$441,585 in fiscal year 2016 also contributing to the overall increase in property tax revenues.

A few years ago, Greenville County government took steps to mitigate, as much as possible, adverse effects of a downward trend in the economy by limiting and/or suspending certain nonessential expenditures. The County remains committed to maintaining a strong fund balance while meeting the needs of its citizens.

**Fiscal Year 2017 General Fund Budget**

The 2017 fiscal year budget for Greenville County was prepared as part of the biennium budget process during fiscal year 2015. The budgeted revenues are projected to increase by approximately 2.33 percent and expenditures are projected to increase by 3.88 percent from fiscal year 2016. The budget does anticipate the use of the *unassigned* fund balance. The fiscal year 2017 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>.