



HORRY COUNTY
SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

HORRY COUNTY, SOUTH CAROLINA

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PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

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HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA



LETTER OF TRANSMITTAL
DECEMBER 4, 2018

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

State law requires that all general-purpose local governments publish at 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 generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Horry County, South Carolina, for the fiscal year ending June 30, 2018.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, and safeguards the County's assets. It is designed to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

Horry County's financial statements have been audited by Elliott Davis, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on auditor's judgment, including the assessment of risk of material misstatement to the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was sufficient and appropriate evidence for rendering an unmodified opinion that Horry County's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Horry County was part of a federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Horry County's Single Audit Report contained in the compliance section of this report. GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement, and should be read in conjunction with MD&A. Horry County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Horry County is the northeastern most county in the State of South Carolina. Encompassing 1,134 square miles, it is also the largest. The County was incorporated in 1801 with a population of 550. The county was named after Peter Horry who was a descendent of Huguenot settlers and whose family owned several large plantations in the area. He served as a member of the South Carolina General Assembly and as a Brigadier General of Militia during the American Revolution under General Francis Marion, who was known as the Swamp Fox.

Surrounded on the three sides by ocean, rivers, and swamps, Horry County developed a distinctive culture, which gave rise to its name, "The Independent Republic of Horry County". From the time of incorporation, the County stood off the edge of South Carolina, both literally and figuratively.

In 1975, the County adopted the Council-Administrator form of government. Under this type of government, each member of council is elected from a district in which he/she lives and a chairman is elected at-large. There are twelve council members in total. Each council member is elected for four-year terms, half of the members being elected every two years. Elections are held every even-numbered year in the month of November.

The Home Rule Act, passed by the General Assembly in 1976, dictates the responsibility of the Council. According to the act, County Council's function is to make policy through ordinances and resolutions and shape those policies through the budget process. The Council is also responsible for appointing the County Administrator, the Register of Deeds (ROD) and the Clerk to Council.

The Administrator is responsible for carrying out the policies and ordinances passed by council, for over-seeing day-to-day operations of the government, and for appointing the County's Assistant Administrators. The Administrator performs all necessary administrative duties, as directed by Council, and ensures efficient operation of all County functions.

The County provides a full range of services, including police and fire protection, EMS and E-911 services, the construction and maintenance of highways, streets and other infrastructure, health and social services, recreational and cultural activities, economic development, industrial park development, and other general administrative support services. In addition, air transportation and terminal support are provided in an enterprise fund, with charges set to provide adequate coverage of operating expenses and payments on outstanding debt.

Discretely presented component units are reported in a separate column in the Statement of Net Position and in the Statement of Activities in order to emphasize that they are legally separate from the primary government, and to differentiate their financial position and results of operations from those of the primary government. Horry County Solid Waste Authority and Shoreline Behavioral Health Services are included in this report as discretely presented component units. Solicitor's Intervention Programs is included in this report as a blended component unit.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the County's financial planning and control. All department heads present a departmental budget to the Finance Department, which is reviewed and a balanced financial plan is presented to the Administrator. Once the Administrator is satisfied with the recommended budget, it is forwarded to County Council. Council must, according to state law, have three readings of the financial plan ordinance and a public hearing before it can be passed and become law. The Administrator is authorized to transfer budgeted funds within a department and between departments, within the same fund. Budget transfers between funds require amendments to the original ordinance. The Administrator is authorized to approve transfers among accounts in different funds for situations when the proposed transfer amount has an established budget in one fund, but is more appropriately accounted for in another fund. These transfers do affect the total appropriation of funds to the extent of the transfer in and transfer out. Formal budgetary integration is employed as a management control device during the year. No department shall spend or obligate funds in excess of the amount budgeted in total for each fund under any circumstance.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 116-

118 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other financial information section of this report, which begins on page 128.

Factors Affecting Financial Condition

Stability and continued growth in tourism along with improving real estate indicators from increased building permits, business licenses, and Register of Deeds values provide a base for the County to continue enhancing our constituent services, focus on economic development, and developing needed infrastructure for the future.

The information following in this letter and presented in the financial statements will give greater details of these accomplishments and is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Most of the County's thirty-three (33) miles of beaches stretching from Cherry Grove to Garden City have been developed residentially or commercially while at least 32 percent of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand". The County leads the state's tourism industry with 31.3 percent of the total domestic traveler spending. Forty percent of the state's second homes are also located within the County.

The Myrtle Beach area of South Carolina continually proves that it is worthy of the moniker "The Grand Strand" year-after-year, garnering prestigious awards and designations ranging from the "World's Best Beach" by Yahoo! Travel, "Overall Value for Money Destination" and seventh on the "Best US Golf Destination" by USA Today's 10 Best. Whether seeking an exciting sporting event or recreational vacation, the perfect family beach, the ideal retirement location, or the best place to host a meeting, visitors to the Myrtle Beach area will find award-winning offerings in every lifestyle category. According to an Economic Impact of Travel report produced by the U.S. Travel Association (2016), Horry County led all counties in South Carolina, in travel expenditures in 2016. Domestic travel expenditures in Horry County reached \$4.1 billion, accounting for 31.3 percent of the state total travel expenditures of \$13.0 billion; up 4.0 percent from 2015. These expenditures supported \$776.2 million in payroll income and 41,400 jobs. The County leads all counties, of the State, in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism.



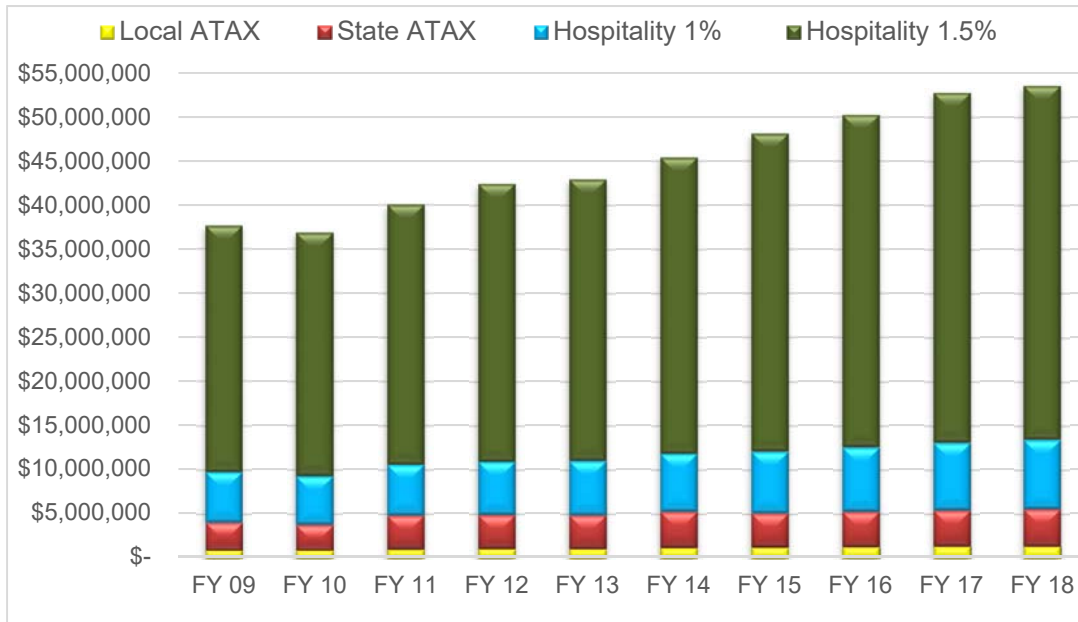
Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 19.6 million people visited the area in 2017. There are approximately 425 hotels and 157,000 accommodations units available for rent and approximately 1,800 full-service restaurants along the Grand Strand. Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the Myrtle Beach Area Chamber of Commerce was 54.3 percent in 2018 vs. 55.1 percent in 2017 and the annual average daily rate was \$108.26 in 2018 vs. \$107.41 in the prior year. Gross retail sales in the County were \$11.4 billion in 2017 up from \$11.3.

The Myrtle Beach area contributes a large portion of the golf revenue within the state. While the quantity is certainly impressive, the quality is nothing short of awesome. Challenging layouts, stunning vistas and impeccably maintained fairways and greens are the hallmark of the courses that make up the world's most impressive collection of public courses. The Myrtle Beach golf community also hosts some of the game's most popular amateur tournaments, including the Myrtle Beach World Amateur Handicap Championship, a 72-hole event that attracts between 3,000 to 5,000 players from across the globe, and the Palmetto High School Golf Championship, the nation's largest high school golf tournament. In addition, the area serves as the host of the Hootie & the Blowfish Monday After the Masters Celebrity Pro-Am, an event that has raised more than \$3 million for charity since coming to the Grand Strand. In 2017, approximately 2.9 million total



rounds of golf were played across the Grand Strand (Rounds data reported by Myrtle Beach Area Chamber of Commerce).

The following graph shows that the County’s revenues from the tourism industry have continued to grow and achieve historic highs. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for fiscal year 2009 – fiscal year 2018.



Higher Education

Horry County is home to several institutions of higher education including Coastal Carolina University, Horry Georgetown Technical College, Pittsburg Institute of Aeronautics, Webster University, and Miller Mott Technical College. Coastal Carolina University is a public institution located in Conway and is fully accredited by the Southern Association of Colleges and Schools (SACS). Coastal Carolina University offers baccalaureate degrees in 74 major fields of study. Among CCU's 21 graduate-level programs are 18 master's degrees, two educational specialist degrees, and the Ph.D. in marine science: coastal and marine systems science. With 472 full time faculty, the University continued with rapid growth to a current enrollment of 10,663 including 49 percent South Carolina residents, 49 percent out-of-state residents and international students from 63 countries. Annual economic impact is estimated at \$565.8 million for 2016. As the 2016 College World Series Champions, the University competes in the Sun Belt Athletic Conference (NCAA Division 1).

Horry Georgetown Technical College (HGTC) has three locations: Georgetown, Conway, and Myrtle Beach. HGTC offers more than 80 associate degree, diploma, and Horry Georgetown Technical College certificate programs for students who are either seeking quick entry into the workforce or desiring to transfer to a senior institution to pursue a bachelor's degree. HGTC is the fourth-largest of the 16 South Carolina technical colleges and is one of the fastest-growing higher education institutions in the state. Horry Georgetown Technical College is accredited by the Southern Association of Colleges and Schools (SACS) to award associate degrees, diplomas and certificates.

Sports Tourism

The Myrtle Beach area is showcasing its competitive spirit with the growth of its sports tourism offerings. Already a destination favorite for 19.6 million annual visitors, sports event planners are also now discovering what makes Myrtle Beach the ideal location for any sporting event. The top five sports facilities include: Myrtle Beach Sports Center featuring eight basketball courts, 16 volleyball courts and 100,000-square-feet of configurable space for numerous indoor events; North Myrtle Beach Park and Sports Complex includes two state-of-the-art sports complexes utilizing a 160 acre tract including a 12-acre open meadow, Zipline and Tree Top adventure and a 20-

acre lake; Grand Park Athletic Complex features seven large multipurpose fields and two youth fields utilizing synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football; Coastal Carolina University provides 127,685 square-foot Student Recreation and Convocation Center (The HTC Center) including gymnasium seating more than 3,000 people for basketball, graduations and concert events; and The Ripken Experience, a one-of-a-kind youth baseball complex centrally located in Myrtle Beach featuring professional fields with popular synthetic playing surface, FieldTurf, include three regulation-sized diamonds and five youth diamonds, designed after historic ballparks from baseball history.

Medical Services

The healthcare industry continues as a leading segment of our commercial base with each of the major institutions Grand Strand Regional Medical Center, Conway Medical Center, and McLeod Health (Loris and Seacoast) present in our top 10 list of principal employers.

McLeod Health is constructing a six-building medical campus in the Carolina Forest Town Centre off International Drive near River Oaks Drive. The property includes 43 acres of land – an investment of \$4.78 million, according to McLeod. The first phase of the development is projected to be approximately \$20 million.

Conway Medical Center announced in the Fall of 2016 a \$65 million expansion of existing facilities and free standing emergency department and physician offices.

Tidelands Health, the largest health care provider in Georgetown County, is continuing its expansion into Horry County with the construction of a new medical park at the Market Common in Myrtle Beach with a \$44 million, 65,000-square-foot building to be used for outpatient services. It is expected to be completed in 2018. The new medical park is one of multiple new locations planned to respond to Horry County’s population growth and will create 100 new jobs in the coming year.

Property Assessed Value and Reassessment

General economic trends are improving and fiscal year 2018’s (tax year 2017) revenue for real property taxes increased due to growth in assessed value. Increases continue in revenue for Vehicles as population is increasing at a 4.0 percent annual rate and for Fee in Lieu of Tax due to development within multi-county business park properties.

Horry County’s Assessed Values for Real and Personal Property (in thousands)

<u>Tax Year</u>	<u>Real</u>	<u>Personal</u>	<u>Total⁽¹⁾</u>
2008	\$1,663,986	\$306,600	\$1,970,586
2009	1,703,167	303,012	2,006,179
2010	1,753,786	275,204	2,028,990
2011	1,766,946	277,772	2,044,718
2012	1,764,836	289,034	2,053,870
2013	1,780,231	304,251	2,084,482
2014	1,710,319	386,683	2,097,002
2015	1,746,474	357,046	2,103,520
2016	1,794,535	381,119	2,175,654
2017	1,854,839	376,254	2,231,093

⁽¹⁾ Does not include Merchant’s Inventory of \$10,571,700

Building Permits Issued

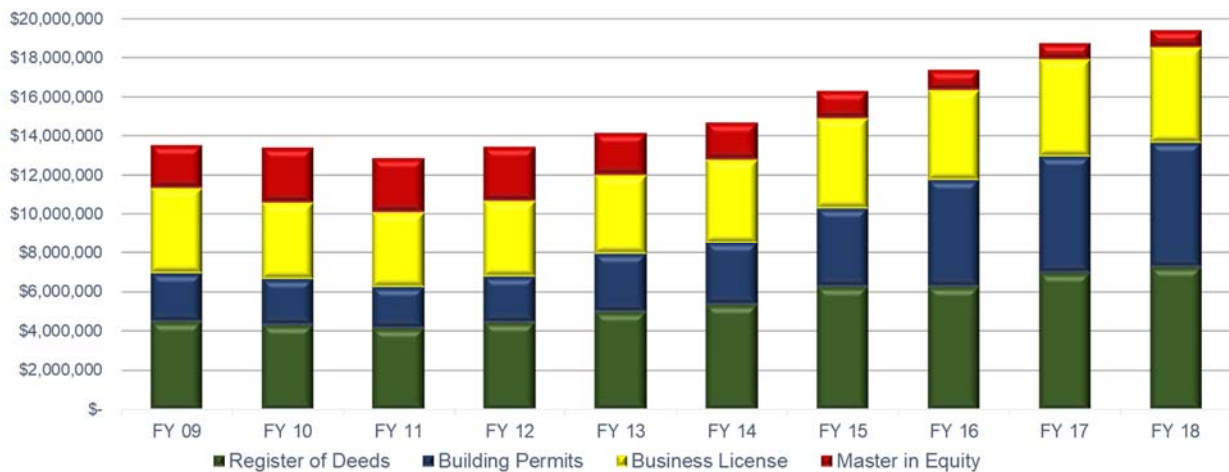
Horry County experienced a decline in construction due to the Great Recession, but has begun seeing an increase in permits issued and revenue received. The number of permits issued increased 4.7 percent for 2018; in 2018 the values increased 1% and more non-residential permits were issued at a higher fee resulting in a 6.5 percent increase in revenues.

Fiscal Year	Number of Building Permits Issued	Revenue
2009	6,679	\$2,460,389
2010	7,397	2,338,830
2011	7,258	2,106,250
2012	7,250	2,321,424
2013	8,082	2,960,873
2014	8,997	3,159,978
2015	10,217	4,020,778
2016 ¹	11,149	5,490,169
2017	11,930	5,958,122
2018	12,493	6,346,257

¹ Fiscal year 2016 includes a 10% rate increase

Economy Sensitive Revenues

Revenue sources that increased as the commercial and residential development flourished include business license fees, building permit fees, and ROD recording fees and documentary stamps. Revenues from these economically sensitive areas are reflecting a moderate year over year growth. The fiscal year 2019 budget anticipates increased revenue levels from these sources from the prior year actual revenues.



Long-term Financial Planning

Fund balance in the General Fund at June 30, 2018 of \$78.1 million (46.7 percent of the fiscal year 2018 General Fund expenditure budget) remains within the policy guidelines set by County Council for budgetary and planning purposes. In fiscal 2017, County Council increased reserve requirements for its major operating governmental funds (General Fund, Fire Special Revenue Fund, Stormwater Special Revenue Fund, and Recreation Special Revenue Fund). This change to the fiscal policy increased and categorized the reserve from the prior stabilization reserve of 15 percent of the next year's General Fund operating budget to a three (3) component reserve including eighteen (18) percent cash flow reserve, two (2) percent revenue stabilization, and five (5) percent disaster reserve for a total reserve goal of twenty-five (25) percent.

To address the ongoing capital needs for the growing county, County Council approved the development of a Capital Improvement Program Policy. This policy calls for the adoption of a formal five-year Capital Improvements Program (CIP) to be updated annually. The policy calls for the County to budget as pay-as-you-go funding for capital improvements an amount equal to at least 3 percent of General Fund operating revenues. The capital improvement budget is adopted annually, encompassing appropriations for the projects scheduled for the first year of the plan, and authorizing any bond issues necessary to fund the improvements. The next four years are considered planning years and are subject to appropriation in the following years. Projects included in the CIP represent major facility construction, infrastructure renovations, and economic development projects. The CIP document is available from the County's Finance Office.

Major Initiatives

Economic Development

Our strong commitment to building and diversifying our economy is evidenced by our support and funding of the Myrtle Beach Regional Economic Development Corporation (MBREDC). Similar to the past few years, there are continued expansions and job openings in 2018 resulting in a decline in the unemployment rate. According to the U. S. Bureau of Labor and Statistics, the Myrtle Beach Small Metropolitan Area's (SMA) unemployment rate was 4.1 percent at June 30, 2018 which is a decrease from June 2017 rate of 4.7. The area experienced employment growth of 1,950 jobs over the prior year.

New jobs announced from relocation or expansion of jobs through MBREDC efforts exceed 2,000 from 2012 to 2018. Myrtle Beach-Conway-North Myrtle Beach ranked in the Top 20 "Prime Workforce" Cities in 2016 by Area Development Magazine. Forbes ranked Myrtle Beach, S.C. #16 for The Best Places for Business and Careers in 2015.

New announcements in fiscal year 2018 include Laudisi Enterprises expansion with an investment of \$250,000 and 35 full time employees and Teknoware relocation of its manufacturing facility to Conway, SC with the creation of 45 new full time jobs and capital investment of \$5.9 million. Teknoware develops, manufactures, and supplies interior lighting systems for commercial vehicles, and emergency lighting systems for public premises and ships. The company offers bus lighting, customized vehicle lighting solutions, vehicle lighting references, train lighting, intelligent lighting control systems, and vehicle lighting electronics, as well as vehicle lighting after sales services. Major customers include Bombardier, Alstom, Kawasaki, Siemens, GE, Volvo, and Daimler.

The County currently operates five (5) industrial parks (Atlantic Center, Cool Springs Business Park, Pineridge Business Center, Loris Commerce Park, and International Technology and Aeronautical Park) and is in the planning stages for an additional park, which are industry specific. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of two of these parks. Two additional industrial park projects are under development with Grand Strand Water and Sewer Authority - Marine Park in Bucksport and with Santee Cooper – Ascot Valley industrial park with over 220 acres.

Opportunity Zones

Opportunity Zones are a new community development program established by Congress as a part of the Tax Cuts and Jobs Act of 2017. They are designed to encourage long-term private investments in low-income communities. This program provides a federal tax incentive for taxpayers who reinvest unrealized capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas called "Opportunity Zones."

The zones themselves are comprised of low-income community census tracts and designated by governors in every state. South Carolina designated 25 percent of qualifying census tracts as an Opportunity Zone. Qualifying Zones are based on the 2011-2015 American Community Survey. Zones are certified in the downtown redevelopment district of Myrtle Beach, downtown Conway and areas north of downtown, City of Loris and surrounding rural areas, and Town of Aynor along with Cool Springs and Gallivants Ferry.

Priorities for these sites are - promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years, funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages, funding new infrastructure to support population and economic growth, investing in startup businesses who have potential for rapid increases in scale, and upgrading the capability of existing underutilized assets through capital improvement investments.

Airport

The Myrtle Beach International Airport (the “Airport” or “MYR”), located in the City of Myrtle Beach one mile from the Atlantic Ocean, serves as the scheduled commercial service airport for the County and the Grand Strand region. The Airport is owned by the County and operated by its Department of Airports, an Enterprise Fund of the County. The Airport is equipped to handle aircraft of all sizes, including wide-body type aircraft.

Enplanements, or the number of passengers boarding a plane, increased 18.2% in fiscal year 2018 to 1,215,241 enplaned passengers. This increase of 187,527 passengers is the result of airlines increasing seat capacity and frequencies in existing markets and the introduction of new nonstop air service from markets previously not served. In fiscal year 2018, new nonstop air service was added to Albany (ALB), Nashville (BNA), Columbus (CMH), Denver (DEN), Flint (FNT), White Plains (HPN), Kansas City (MCI), Minneapolis/St Paul (MSP), Providence (PVD), Louisville (SDF) and Trenton (TTN) to Myrtle Beach International Airport (MYR). As of June 30, 2018 MYR has non-stop service to 48 markets by 10 carriers.



The Airport welcomed three new airlines Elite Airways, Frontier and Sun Country in 2018, increasing the total number of air carriers serving the Airport to ten. Departing seat capacity exceeded 1,557M seats, resulting in a 23% increase over previous year. The average airline cost per enplaned passenger (CPE) at MYR was \$6.93 for fiscal year 2018 and \$7.60 for fiscal year 2017. The current year average cost per enplaned passenger at MYR remains very competitive and below Moody’s and Standard & Poor’s most recently reported cost per enplanement medians for similarly rated (A3/A) airports of \$9.23 and \$10.21, respectively. Rates and charges of Signatory airlines, serving MYR, represented 30.5% and 33.0% total operating revenues in fiscal year 2018 and 2017, respectively. Of the Signatory airline carriers, Spirit Airlines represents 50.5% of airport traffic, American Airlines 19.6%, Delta Air Lines 13.6%, and Allegiant 10.2%. Non-signatory airlines comprise 6.1% of MYR’s passenger traffic.

As a sign of investor confidence in the Airport’s success, S&P Global Ratings has raised its long-term rating and underlying rating issued for Myrtle Beach International Airport (MYR), to “A+” from “A”.

The County also owns and operates general aviation airports in North Myrtle Beach, Conway and Loris. Both the Grand Strand Airport located in North Myrtle Beach and the Conway-Horry County Airport located in Conway serve private and corporate aircraft with parking, refueling and maintenance. Currently, there are no services available on the Loris Airport.

Road Improvement and Development Effort (RIDE)

Horry County is active in three successive Road Improvement and Development Effort (RIDE) projects. The RIDE Project was the initiation of a comprehensive solution for transportation problems which pairs significant funding from the local level with funding provided by the State of South Carolina.

RIDE I - The County enacted an ordinance in fall 1996 that implemented a 1.5 percent Hospitality Fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for the County to partner with the State of South Carolina to meet the infrastructure needs of the County. Infrastructure included Hwy 22 (Conway Bypass), Hwy 31 (Carolina Bays

Parkway, and Hwy 544 widening. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County totaling of \$550 million as the local share of the \$1.1 billion project. The County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay the loans. The County is not obligated to make payments from any other source of funds and the County's full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2018 is \$89.8 million. Future debt service payments for the RIDE project are expected to be \$95.5 million.

RIDE II - On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law ended April 30, 2014. Infrastructure Included the Backgate Interchange, Aynor Overpass, Hwy 707 widening, Glenn's Bay Road widening and interchange, International Drive, along with 100 miles of dirt road paving and 67 miles of road resurfacing. As of June 30, 2018, the capital project sales tax fund had generated \$451.3 million in revenue. Spending totaled \$356.8 million through year end which results in \$94.5 million fund balance on hand at year end for use in construction on the above projects.



RIDE III – With both the success of the RIDE II program and the large continued infrastructure need, voters approved a ballot referendum for new one-cent Capital Projects Sales Tax in November 2016. The sales tax went into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverage and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight years or April 30, 2025. The eight-year projected revenues from the 1% Sales Tax is \$592 million. Infrastructure includes Hwy 501 widening, Carolina Forest Boulevard widening, Forestbrook Road widening, Conway Perimeter Road, SC Hwy 9 East Widening, Hwy 701 N widening, Palmetto Point Boulevard extension, Fred Nash Boulevard extension, Southern Evacuation Lifeline (SELL) – Environmental Studies and ROW, and SC Hwy. 31 (Carolina Bays Parkway) Extension to SC/NC State line along with 100 miles of dirt road paving and 100 miles of road resurfacing. As of June 30, 2018, the Capital Project Sales Tax Fund had generated \$76.2 million in revenue. Spending totaled \$3.7 million through year end which results in \$72.5 million fund balance on hand at year end for use in construction on the above projects.

I-73 Planning

The Army Corps of Engineers issued the permit to begin construction of Interstate I-73 in June of 2018. Horry County Council in July 2018 enacted a resolution to commit approximately \$25 million annually from the 1.5% Hospitality Fee collected countywide as local match funding to assist the State in its request for federal road infrastructure funding. A recognized need for the County is direct Interstate Highway access. The National I-73/I-74/I-75 Association is actively promoting the need of I-73 to enhance the economic success and quality of life to the region. Actual construction has begun on the initial phase of I-95 to the area. The total estimated cost of the entire segment in South Carolina is approximately \$2.4 billion. A federal suit, filed by the Southern Environmental Law Center (SELC) representing the S.C. Coastal Conservation League is currently pending.



Capital Projects Completed and Projects under Construction

Fire and Rescue continued construction to relocate the Aynor Station at an estimated cost of \$1.6 million, through prior proceeds from a general obligation Fire District debt issuance and pay-as-you-go funding. The County replaced its E-911 Emergency Telephone System at an estimated cost of \$2.7 million. In addition, the Register of Deeds Office initiated a software upgrade and digitization project for historical records at an estimated cost of \$725,000.

Funding

The County's Capital Improvement Plan focuses on on-going projects that are to be funded primarily with pay-as-you go funding, or grants. County Council also approved the addition to the Capital Improvement Plan and commitment of \$5.0 million from fiscal year 2018 General Fund excess revenues to the replacement of the County's Emergency Operations Center.

During fiscal year 2018, S & P Global Ratings upgraded to AA+ from AA the rating on Horry County's general obligation debt. The AA+ rating reflects the county's debt profile, with further improvement expected in fiscal 2019, coupled with the County's growing and diversifying local economy. In addition, the County's very strong management policies and practices continue to support its strong budgetary performance and very strong reserves. The County also maintains an AA+ rating from Fitch and Aa1 rating from Moody's.

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 Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the thirty-first (31) consecutive year that Horry County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles 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, Horry County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2017 for fiscal year ended June 30, 2018. This was the twenty-ninth (29) consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not be accomplished without the diligent efforts of the staff of the Finance Department. I also express my gratitude to the many County employees from other departments who support the preparation of this report. Special appreciation goes to the Horry County Council; the County Administrator; and Assistant County Administrators for their leadership and support in planning and conducting the financial operations of the County in a fiscally responsible and progressive manner.

Respectfully submitted,



Barry R. Spivey, CPA CGMA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Horry County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Horry County County Council



Mark Lazarus
Chairman



W. Paul Prince
District 9



Danny Hardee
District 10



Harold Worley
District 1



Al Allen
District 11



Bill Howard
District 2
Vice-Chair



Harold Phillips
District 7



Dennis DiSabato
District 3



Cam Crawford
District 6



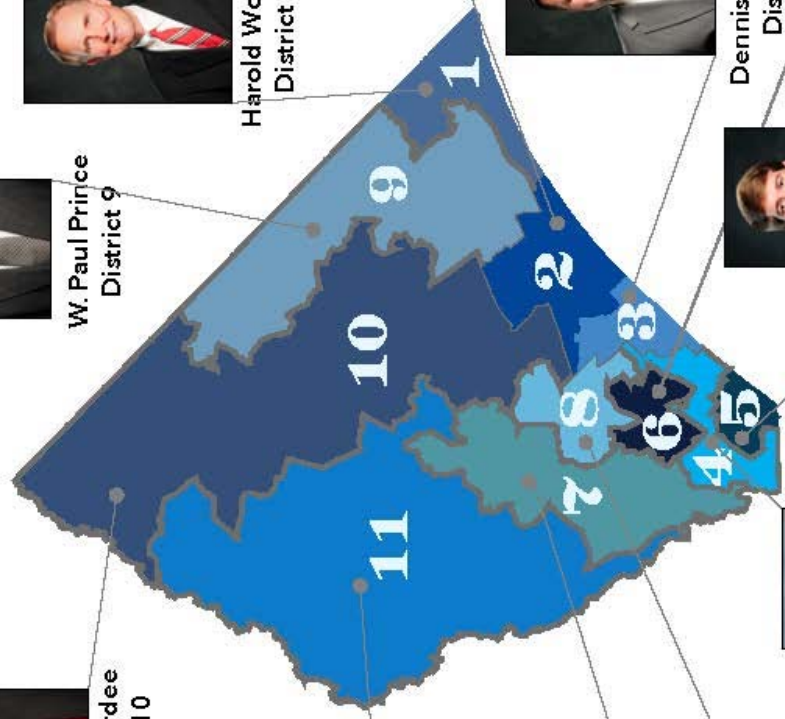
Tyler Servant
District 5



Gary Loftus
District 4



Johnny Vaught
District 8



Version 02.02.18

MEMBERS OF COUNTY COUNCIL

Mark Lazarus	Chairman
Harold G. Worley	Member, District 1
Bill Howard	Member, District 2 and Vice Chairman
Dennis DiSabato	Member, District 3
Gary Loftus	Member, District 4
Tyler Servant	Member, District 5
Cam Crawford	Member, District 6
Harold Phillips	Member, District 7
Johnny Vaught	Member, District 8
W. Paul Prince	Member, District 9
Danny Hardee	Member, District 10
Al Allen	Member, District 11

ELECTED OFFICIALS

M. Lois Eargle	Auditor
Renee Elvis	Clerk of Court
Robert Edge, Jr.	Coroner
Kathy G. Ward	Judge of Probate
Phillip E. Thompson	Sheriff
Jimmy Richardson	Solicitor Fifteenth Circuit
Angie Jones	Treasurer

APPOINTED OFFICIALS

Aaron Butler	Chief Magistrate
Pat Hartley	Clerk to Council
Cynthia Thornley	Library
Cynthia Graham Howe	Master in Equity
Orrie West	Public Defender Fifteenth Circuit
Marion D. Foxworth, III	Register of Deeds
Sandy Martin	Registration & Election
Ronald Elvis, Jr.	Veteran's Affairs

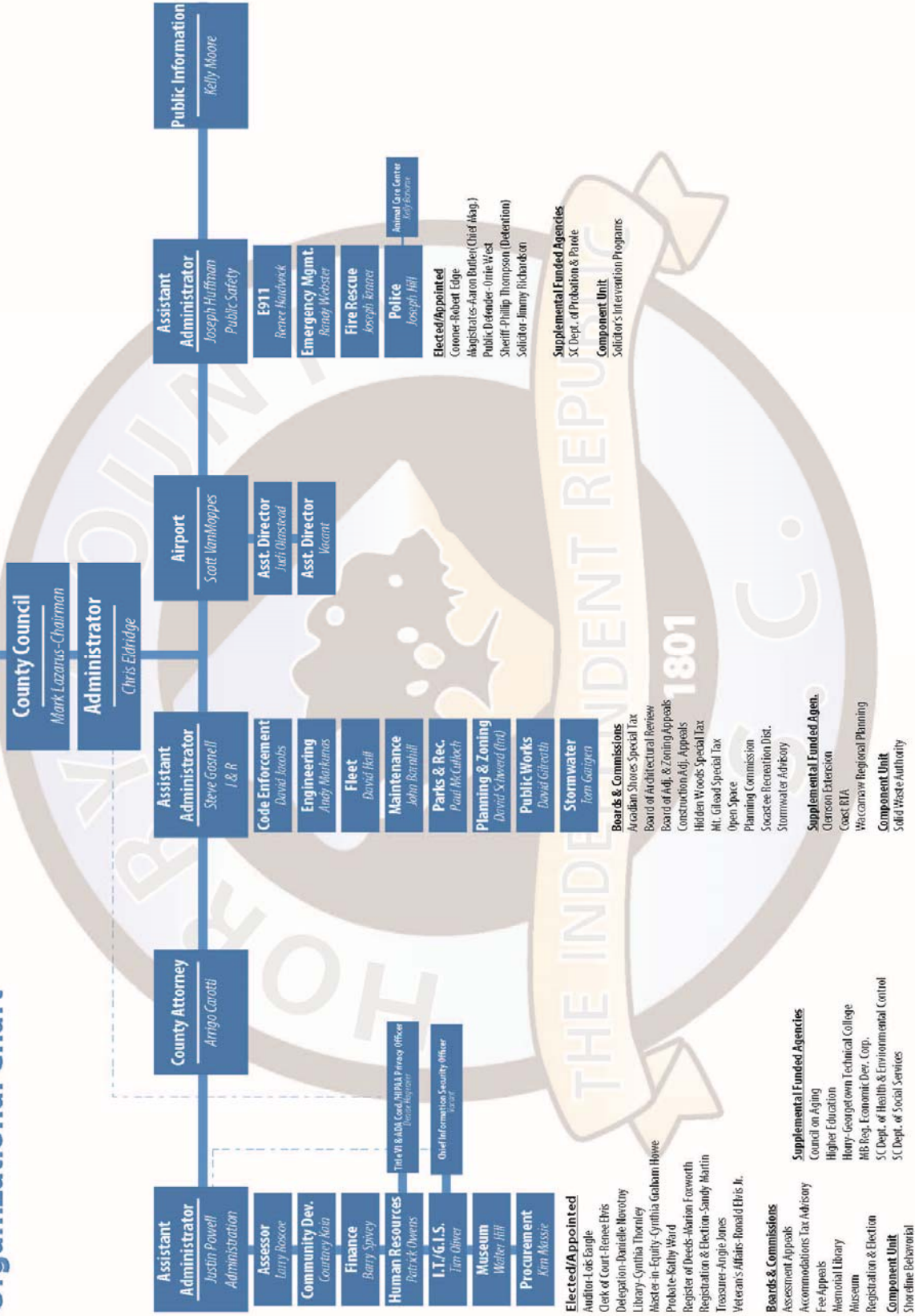
ADMINISTRATIVE OFFICIALS

Chris Eldridge	County Administrator
Justin Powell	Assistant County Administrator - Administration
Steve Gosnell	Assistant County Administrator - Infrastructure and Regulation
Joseph Huffman	Assistant County Administrator – Public Safety
Scott VanMoppes	Director, Department of Airports
Arrigo Carotti	County Attorney
Joseph Hill	Chief of Police
Joseph Tanner	Chief of Fire and Rescue
Lawrence Roscoe	Assessor

As of 11/16/2018

Horry County Organizational Chart

Citizens of Horry County



Financial Section

The Financial section includes the Independent Audit's Report, Management's Discussion and Analysis, and the financial statements of the governmental activities the business-type activities and the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Horry County, South Carolina. It also includes the notes to the financial statements and the related schedules for the various funds included above.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS



INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and Members of County Council
Horry County, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Horry County, South Carolina (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solicitor's Intervention Programs (blended component unit), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Solicitor's Intervention Programs financial statements represent 0.1 percent, 0.1 percent, and 0.3 percent, respectively of the assets, net position, and revenues of the aggregate remaining fund information. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the blended component unit and both discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of New Accounting Standard

As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective July 1, 2017. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules – general fund, required supplementary information for governments that use the modified approach for infrastructure assets, the schedule of funding progress for other post-employment benefits plan, the schedule of the County's proportionate share of the net pension liability, and the schedule of the County's contributions to the South Carolina Retirement System, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual major and nonmajor fund financial statements, budgetary comparison major and nonmajor fund financial schedules, capital asset schedules, fines, assessments, and surcharges schedule, capital project sales tax budgetary schedule, general improvements capital project budgetary schedule, and statistical section as well as the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual major and nonmajor fund financial statements, budgetary comparison major and nonmajor fund financial schedules, capital asset schedules, fines, assessments, and surcharges schedule, capital project sales tax budgetary schedule, general improvements capital project budgetary schedule, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the report of other auditors, the combining and individual major and nonmajor fund financial statements, budgetary comparison major and nonmajor fund financial schedules, capital asset schedules, fines, assessments, and surcharges schedule, capital project sales tax budgetary schedule, general improvements capital project budgetary schedule, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Charleston, South Carolina
December 4, 2018

Management's Discussion and Analysis

Management's Discussion and Analysis provides a narrative overview and analysis of the County's financial activities for fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information furnished in our Letter of Transmittal, which can be found on the pages prior to this report.

FINANCIAL HIGHLIGHTS

- The Statement of Net Position reflects total assets of \$1.7 billion. This represents a \$110.9 million increase from fiscal year 2017. Capital assets, net increased \$55.4 million due primarily to governmental activities spending for new construction including a \$51.4 million increase in construction in progress, \$18.9 million increase in road infrastructure, \$6.8 million in machinery and equipment, and \$12.3 million in business-type activities capital, including construction in progress. These addition amounts are reduced by depreciation during the year of \$31.9 million and asset disposals of \$2.4 million.
- Total liabilities decreased \$41.5 million from fiscal year 2017. During fiscal year 2018, payments on existing bond obligations totaled \$33.9 million including \$20.8 million for RIDE debt with the State Infrastructure Bank. Net pension obligation increased \$5.3 million.
- Net position of the County totaled \$1.21 billion at June 30, 2018 an increase of \$144.8 million from fiscal year 2017, as restated. Net investment in capital assets increased \$69.3 million. Restricted net position increased \$21.5 million. The County's capital project sales tax program excess of revenue over expenditures was \$9.3 million in fiscal year 2018 as construction progress accelerated on several major projects in RIDE II and revenues initiated for the RIDE III program.
- At June 30, 2018, fund balance for the General Fund was \$78.1 million or 46.7 percent of total budgeted General Fund expenditures and transfers out, compared to \$63.8 million or 39.9 percent for the previous year. The fiscal year 2018 budget anticipated using \$4.9 million of fund balance. Actual results reflect a \$14.3 million increase in fund balance due primarily to a \$15.5 million favorable expenditure variance.
- Property tax revenue for the General Fund for fiscal year 2018 was \$97.2 million compared to \$93.8 million for fiscal year 2017, an increase of \$3.5 million due to increased assessed value primarily from new residential properties.
- Tourism-related revenues, primarily used to fund infrastructure related debt service, reflected positive growth in fiscal year 2018 and Hospitality Fees increased 2.4 percent to \$49.9 million.
- Certain items in the prior year have been reclassified to conform to the current year presentation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's financial statements focus on the County as a whole, and on major individual funds. "Funds" are self-balancing sets of accounts that account for specific financial activities that may be regulated, restricted or limited in various ways. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components - 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. These statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which present a total for the primary government.

The Statement of Net Position includes all of the County's assets and liabilities, with the difference between the two reported as net position. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations. Net position are the difference between the County's assets and its liabilities.

All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. Therefore, this statement includes some items that will impact cash flows in future

fiscal periods, such as collections of delinquent taxes and the use of earned leave time. This statement is focused on both the gross and net cost of various functions (including governmental, business-type, and component units), which are supported by the government's general tax and other revenues. This statement presents information showing how the government's net position changed during the most recent fiscal year.

These two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets and liabilities, measure the County's financial 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 government-wide financial statements of the County are divided into three categories:

- Governmental activities are functions that are principally supported by taxes and intergovernmental revenues. Most of the County's basic services are included here, such as police, fire, public works, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities are functions that are intended to recover all or a significant portion of the costs through user fees and charges. The County's Department of Airports is reported here.
- Discretely presented component units are separate legal entities for which the County is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete. Shoreline Behavioral Health Services and the Horry County Solid Waste Authority are discretely presented component units of the County.

The government-wide financial statements can be found on pages 23 through 27 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. 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. Some funds are required by State law and by bond covenants. The County uses other funds to control and manage money for particular purposes or to demonstrate compliance with the use restrictions associated with certain taxes and grants.

All of the County's funds are grouped in the following three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, which report total financial position, the governmental fund financial statements focus only on near-term inflows and outflows of spendable resources, as well as presenting spendable resources available at the end of the fiscal year. This information is useful in determining a government'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 the government'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 reconciliations to facilitate this comparison between governmental funds and governmental activities.

The County maintains five major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, General Improvement Capital Projects Fund, Capital Project Sales Tax Fund (RIDE II), Capital Project Sales Tax Fund (RIDE III), and RIDE Program Debt Service Fund, which are considered to be the major funds. Data for the other twenty-nine (29) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general fund, special revenue funds, and debt service funds. The general improvement capital projects funds adopt project length budgets. Additionally, budgetary controls are maintained for certain proprietary fund types.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Fund reports the activities of the Department of Airports.

Internal Service Funds are used to account for operations that provide goods and services to other departments or agencies of the primary government, or to other governments on a cost-reimbursement basis. The County's Internal Service Fund reports the activities of Fleet and Communications Services, which accounts for the maintenance and replacement of all county vehicles including heavy equipment and light equipment. Additionally, Communications manages the P-25 digital radio system as well as maintenance and replacement of mobile radios. Because these services predominantly benefit governmental rather than business-type functions, the activities of the Fleet Services Fund have been included within governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are custodial in nature and therefore do not measure the results of operations, and consist primarily of property taxes and other revenues collected, temporarily retained and distributed by the County Treasurer to other governments or agencies.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements 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 on pages 45 through 113 of this report.

OTHER INFORMATION

In addition to the basic financial statement notes, this report also contains certain required supplementary information. This information includes a budgetary comparison schedule for the General Fund, information relating to the condition rating and actual rating and actual maintenance/preservation of the County's road infrastructure and the Department of Airport's infrastructure as well as the funding status of the County's net post-employment benefit obligations and County's contributions to the South Carolina Retirement System.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition and position. In the case of the County, as reflected in the primary government funds, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$1.21 billion at the close of the fiscal year ended June 30, 2018. At the end of fiscal year 2018, the County reported the following Net Position:

Horry County's Net Position						
<i>(amounts expressed in thousands)</i>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<i>(as restated)</i>		<i>(as restated)</i>		<i>(as restated)</i>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 526,383	\$ 478,775	\$ 121,024	\$ 113,182	\$ 647,407	\$ 591,957
Capital Assets, net	822,462	766,492	241,629	242,182	1,064,091	1,008,674
Total Assets	<u>1,348,845</u>	<u>1,245,267</u>	<u>362,653</u>	<u>355,364</u>	<u>1,711,498</u>	<u>1,600,631</u>
Deferred Outflows of Resources	38,658	41,423	2,244	2,349	40,902	43,772
Current Liabilities	77,638	82,185	6,846	7,332	84,484	89,517
Long-term Liabilities	373,170	407,413	75,799	78,048	448,969	485,461
Total Liabilities	<u>450,808</u>	<u>489,598</u>	<u>82,645</u>	<u>85,380</u>	<u>533,453</u>	<u>574,978</u>
Deferred Inflows of Resources:	5,074	109	(225)	11	4,849	120
Net Position:						
Net investment in capital assets	743,701	675,266	187,510	186,599	931,211	861,865
Restricted	257,151	243,941	52,277	43,965	309,428	287,906
Unrestricted (deficit)	(69,231)	(122,224)	42,690	41,758	(26,541)	(80,466)
Total Net Position	<u>\$ 931,621</u>	<u>\$ 796,983</u>	<u>\$ 282,477</u>	<u>\$ 272,322</u>	<u>\$ 1,214,098</u>	<u>\$ 1,069,305</u>

Net Position of the County's governmental activities increased 16.9 percent from \$797.0 million to \$931.6 million. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities increased 8.9 percent to \$1.0 billion at year end. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so forth). The County continues to invest in needed capital improvements and provides for a large portion of annual capital needs without the use of debt thereby increasing Net Position. Restricted Net Position includes the \$167.0 million excess Capital Project Sales Tax revenues over expenditures for RIDE II (\$94.5 million) and RIDE III (\$72.5 million). These funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are completed, the expenditures will exceed revenue as in subsequent years and utilize this accumulated excess over the next several years.

Unrestricted Net Position for governmental activities reflected a \$69.2 million deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads and the net pension liability noted above. In 1996, the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within the County. The RIDE program debt is repaid from a 1.5 percent county-wide Hospitality Fee enacted locally in 1997. The decrease in the deficit in governmental activities Unrestricted Net Position from June 30, 2017 to June 30, 2018 of \$53.0 million is primarily attributed the reduction in the RIDE loans payable of \$20.8 million the and positive change in fund balance for the general fund noted above. Net position does not represent the County's position regarding spending, which is presented in the governmental fund statements.

The Net Position of our business-type activities increased 3.7 percent from \$272.3 million in 2017 to \$282.5 million in 2018. This increase resulted from positive non-operating revenues and federal and state restricted capital project grant revenues.

The total fund balances for governmental funds was \$429.1 million at the end of fiscal year 2018. Capital assets are not reported in these funds because they are not financial resources, and are not available to pay for current period expenditures. Capital assets as of June 30, 2018 (excluding internal service funds), which are not included in this fund balance, totaled \$798.3 million. Long-term liabilities of \$379.1 million are not due and payable in the current period and therefore are also not reported in these funds. A large share of the long-term liabilities, \$89.8 million, is the amount due (current portion \$21.5 million and non-current portion \$68.3 million) on the RIDE

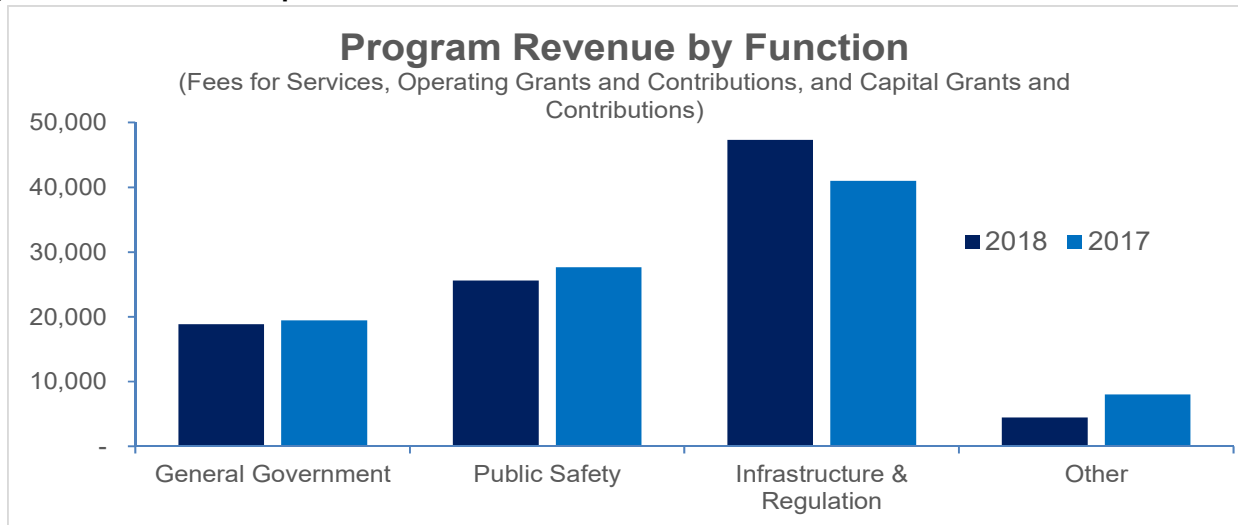
Intergovernmental Agreements. Under these agreements, the County partnered with the State in receiving \$550 million in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the 1.5 percent portion of its county-wide Hospitality Fee into a Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank has provided the funding for various road construction projects in the County through these loans, which the County is repaying with the 1.5 percent Hospitality Fee. The constructed roads are State roads and are therefore not reflected in capital assets of the County. In accordance with the RIDE Intergovernmental Agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1.5 percent portion of the Hospitality Fee not meet the debt service requirements. The citizens of the County have benefited from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997. As of June 30, 2018, the County has remitted to the State Transportation Infrastructure Bank approximately \$65.9 million of 1.5 percent Hospitality Fees collected in excess of the amount required to meet the scheduled debt service payments. This amount is held in an interest-bearing reserve account by the State Transportation Infrastructure Bank and equates to over one year's debt service requirement.

Governmental activities

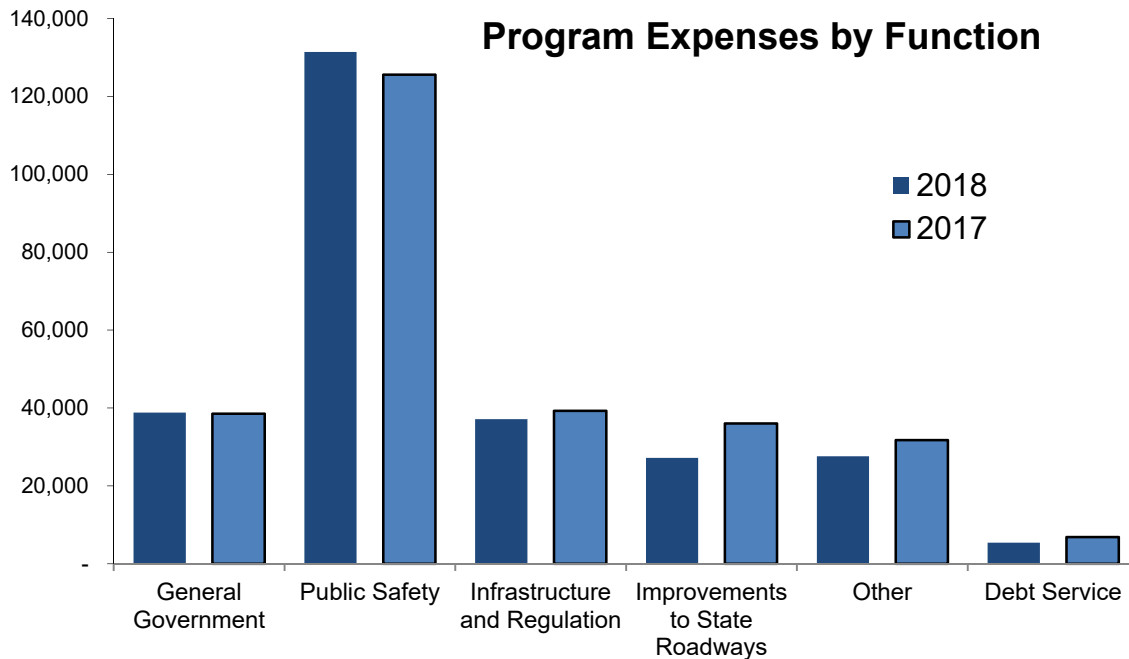
Governmental activities increased the County's Net Position during the year by \$134.6 million. Key elements of this increase are as shown below.

Horry County's Changes in Net Position <i>(amounts expressed in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	<i>(as restated)</i>		<i>(as restated)</i>		<i>(as restated)</i>	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Fees for services	\$ 64,406	\$ 63,462	\$ 40,707	\$ 34,191	\$ 105,113	\$ 97,653
Operating Grants and Contributions	12,891	29,216	2,366	2,168	15,257	31,384
Capital Grants and Contributions	18,956	3,428	3,728	3,996	22,684	7,424
General Revenues: Property taxes, Shared revenue and Unallocated intergovernmental	236,545	171,364	-	-	236,545	171,364
Other	69,417	63,981	1,501	846	70,918	64,827
Total Revenues	<u>402,215</u>	<u>331,451</u>	<u>48,302</u>	<u>41,201</u>	<u>450,517</u>	<u>372,652</u>
Expenses:						
General government	38,814	38,544	-	-	38,814	38,544
Public safety	131,400	125,577	-	-	131,400	125,577
Infrastructure and regulation	37,123	39,278	-	-	37,123	39,278
Improvements to state roadways	27,208	36,039	-	-	27,208	36,039
Health and social services	3,273	2,562	-	-	3,273	2,562
Culture, recreation and tourism	14,706	20,807	-	-	14,706	20,807
Economic development	4,134	3,873	-	-	4,134	3,873
HGTC and Higher Education Commission	5,506	4,533	-	-	5,506	4,533
Interest	5,413	6,869	-	-	5,413	6,869
Airports	-	-	38,147	33,826	38,147	33,826
Total Expenses	<u>267,577</u>	<u>278,082</u>	<u>38,147</u>	<u>33,826</u>	<u>305,724</u>	<u>311,908</u>
Increase in net position	134,638	53,369	10,155	7,375	144,793	60,744
Net Position – July 1 (as restated)	796,983	755,890	272,322	265,296	1,069,305	1,021,186
Effect of implementation of GASB 75	-	(12,276)	-	(349)	-	(12,625)
Net Position – June 30	<u>\$ 931,621</u>	<u>\$ 796,983</u>	<u>\$ 282,477</u>	<u>\$ 272,322</u>	<u>\$ 1,214,098</u>	<u>\$ 1,069,305</u>

Program Revenues and Expenses – Governmental Activities

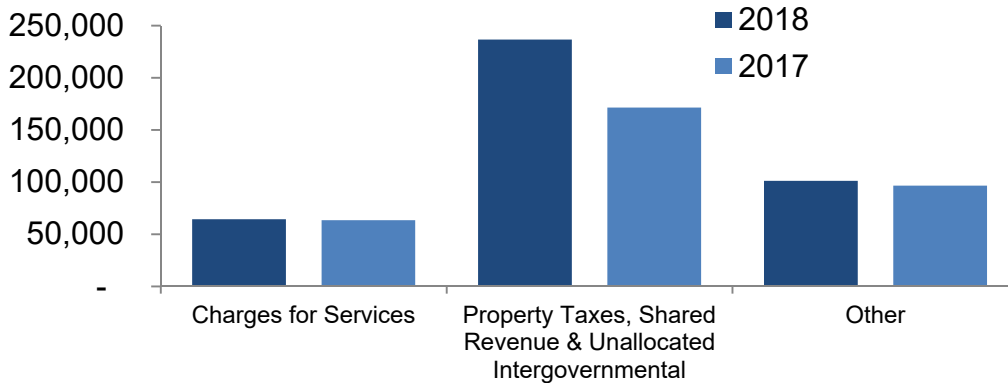


Program revenues in governmental activities increased \$0.1 million for fiscal year 2018. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In 2018, Fees for Services increased by \$0.9 million due primarily to increases in road fee of \$0.4 million, building inspection fees of \$0.4 million, and documentary stamps of \$0.5 million. Grants and Contributions of \$31.8 million decreased by \$0.8 million due primarily to lower Federal and State reimbursements for Hurricane Matthew in the current year.



Program expenses in governmental activities decreased \$10.5 million or 3.8 percent due primarily to decreased improvements to state roadways of \$8.8 million and lower spending of \$5.2 million for beach renourishment offset by higher personnel expenses from an average 3% merit increase along with increases in retirement and health insurance.

Revenues by Source - Governmental Activities

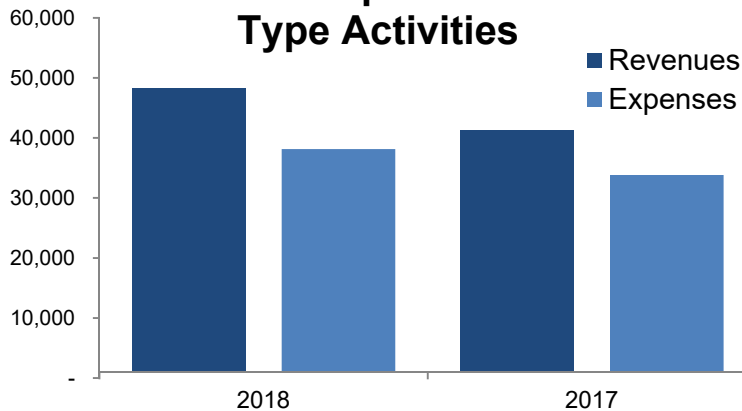


Revenues in the governmental activities increased \$70.8 million for fiscal year 2018 which includes a Sales Tax increase of \$62.8 million, Property Tax increase of \$2.3 million, and \$2.6 million increase in investment earnings.

Business-type activities

Business-type activities increased the County's net position by \$10.2 million, primarily the result of capital grant revenues and other non-operating revenues. Fees for services increased \$6.5 million for terminal rents, concessions and rentals, and fuel sales. Program expenses increased \$4.3 million.

Revenues and Expenses: Business-Type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, as well as the restrictions on the use of certain revenues.

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, committed and 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 fiscal year 2018, the County's governmental funds reported combined ending fund balances of \$429.1 million, an increase of \$50.5 million from the prior year. General Fund growth of \$14.3 million coupled with the increases in the Capital Projects Sales Tax RIDE II & III Funds of \$9.3 million and the RIDE Debt Service Fund of \$18.4 million are the primary contributors. Unassigned Fund Balance which is undesignated in the governmental funds of \$11.2 million is available for spending at the County's discretion. The remainder of the Fund Balance is

restricted and non-spendable, to indicate that it is not available for new spending or committed and assigned because it has already been identified for a specific purpose.

The General Fund, General Improvement Capital Projects Fund, Capital Project Sales Tax Fund (RIDE II), Capital Project Sales Tax Fund (RIDE III), and RIDE Program Debt Service Fund are reported as major funds.

Horry County's Governmental Funds Ending Fund Balance

(amounts expressed in thousands)

	2018	2017	Variance
Nonspendable			
Inventory and prepaid	\$ 334	\$ 322	\$ 12
Restricted			
Debt service	85,673	67,516	18,157
Capital	192,827	176,379	16,448
Other	33,968	34,083	(115)
Committed			
Cash flow reserve	29,340	28,763	577
Disaster reserve	8,150	7,990	160
Revenue reserve	3,260	3,196	64
Other purposes	3,648	1,994	1,654
Debt service	6,919	6,918	1
Infrastructure and regulation	19,446	20,919	(1,473)
Economic development	1,812	2,088	(276)
Capital	20,794	11,932	8,862
Public safety, culture, recreation and tourism	6,323	4,947	1,376
OPEB	2,425	2,175	250
Mosquito abatement	3,000	-	3,000
Assigned to abatement/demolition	-	427	(427)
Unassigned	11,202	8,971	2,231
Total	\$ 429,121	\$ 378,620	\$ 50,501

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2018, Fund Balance totaled \$78.1 million. Council committed \$66.0 million of fund balance including a cash flow reserve (\$29.3 million), a disaster reserve (\$8.2 million), a revenue reserve (\$3.3 million), use in the fiscal year 2019 budget (\$4.7 million), a commitment for the early retirement of a lease (\$6.9 million), commitment for capital (\$6.2 million), Commitment for mosquito abatement associated with Hurricane Florence (\$3.0 million), and for OPEB (\$2.4 million). Unassigned Fund Balance is \$11.8 million. 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 represents 5.8 percent of the total General Fund expenditures and transfers out. Total Fund Balance represents 46.7 percent of budgeted General Fund expenditures and transfers out.

The Fund Balance of the General Fund increased by \$14.3 million during the current fiscal year. This increase is a result of revenues over budget of \$3.7 million coupled with positive expenditure savings to budget of \$15.5 million.

Net change in fund balance
(amounts expressed in thousands)

Planned use of fund balance	\$ (4,856)
Revenues over budget	3,746
Expenditures under budget	15,492
Other Financing Sources (Uses) under budget	(61)
Net budget savings from the General Fund	19,177
Net change in Fund Balance from FY 2017	\$ 14,321

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2018 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2017. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2018 generated a net increase in Fund Balance of \$5.1 million in the General Fund.

Comparison of FY 2018 General Fund Results to FY 2017
(amounts expressed in thousands)

Increase in Property Taxes , primarily due to value increase	\$ 3,453
Increase in Intergovernmental Revenue , higher state grants	231
Increase in Fees and Fines , primarily due to Hospitality fees	582
Increase in Register of Deeds Documentary Stamps , due to increased instruments filed	450
Increase in Licenses and Permits , primarily due to increased residential building permits	588
Decrease in Cost Allocations , decreased central service allocations to other funds	(372)
Increase in Other Revenues , primarily from programs revenues	810
Increase in net Other Financing Sources (Uses) , primarily due to lower transfers out	3,964
Increase in Expenditures , primarily due to increases in personal services	(4,557)
Net decrease in General Fund results compared to FY 2017 results	5,149
Net increase in fund balance from FY 2017 General Fund results	9,172
Net increase in the fund balance of the General Fund from FY 2018 results	\$ 14,321

RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed countywide on accommodations, prepared foods, beverages, and admissions. The proceeds of this fee, after payment of an administrative fee to the General Fund, are pledged to repay the RIDE debt owed to the State Infrastructure Bank. These fees are recorded as revenue in the RIDE Program Debt Service Fund and used to fund the debt service payments. Due to the growth in tourism in recent years, the Hospitality Fees have exceeded the required debt service and the County has remitted approximately \$65.9 million to the State Infrastructure Bank (SIB) above the amount required for the scheduled debt. That amount, plus the amount collected but not yet remitted at year end and Hospitality Fee collections in July 2018 on sales that occurred during the month of June, make up the fund balance in this fund. Hospitality Fees and investment earnings total \$42.7 million in 2018. This is a \$1.0 million increase over the prior fiscal year. Expenditures of \$23.9 million reflect the RIDE debt service for the year. Debt service decreased in fiscal year 2018 as the RIDE loan one (1) was fully amortized during fiscal year 2017. Debt payments are scheduled to continue through fiscal year 2022 for the RIDE loan two (2) or until such time as the debt service reserve account accumulates sufficient funding to amortize the future scheduled debt services payments. The County anticipates this defeasance will occur in fiscal year 2019.

Horry County's RIDE Program Debt Service
(amounts expressed in thousands)

Fund Balance, July 1, 2017	<u>\$ 59,318</u>
Revenues	42,672
Expenditures	(23,871)
Other Financing Sources (Uses)	<u>(417)</u>
Net change in Fund Balance	<u>18,384</u>
Fund Balance, June 30, 2018	<u>\$ 77,702</u>
SIB Debt Service Reserve Account	<u>\$ 65,885</u>

General Improvement Capital Projects Fund and the Capital Project Sales Tax Fund

The General Improvement Capital Projects Fund reflects the funding sources and the expenditures for the County's general government capital improvements, excluding those reported in the Capital Projects Sales Tax and the Grants Fund. Primary funding sources are debt proceeds, transfers in as pay-as-you go funding, and interest earnings. During fiscal year 2018, \$8.5 million was transferred in from other funds. The fund balance of \$20.2 million at June 30, 2018 reflects the resources previously funded and available to complete the capital projects currently in process.

**Horry County's General Improvement
Capital Project Fund**
(amounts expressed in thousands)

Fund Balance, July 1, 2017	<u>\$ 17,286</u>
Revenues	2,369
Expenditures	(7,240)
Other Financing Sources (Uses)	<u>7,777</u>
Net change in Fund Balance	<u>2,906</u>
Fund Balance, June 30, 2018	<u>\$ 20,192</u>

The Capital Projects Sales Tax Fund (RIDE II) reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. Interest revenue was \$1.4 million in fiscal year 2018 as the statutory collection period has now ended and no additional sales taxes are collected. Total receipts life to date of the program through June 30, 2018 are \$451.3 million. The program estimated total receipts and provided for notice to retail licensees within Horry County to suspend collection of the tax when total receipts reached \$425.3 million, which represented the estimated expense to fully fund the approved infrastructure, or the completion of the seven-year period allowed. Due to a delay in the remittance of receipts from the State, the seven-year approved period was reached prior to receipt of the \$425.3 million receipt cap. Additional receipts \$24.0 million were received by the State and remitted to the County. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects. Expenditures for 2018 total \$64.2 million and includes construction of \$36.0 million on State roadways and \$7.1 million on County roadways. The excess of expenditures over revenues of \$63.2 million decreases the accumulated fund balance to \$94.5 million. The funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are completed, the expenditures will exceed revenue in subsequent periods and utilize this accumulated excess over the next several years.

Horry County's Capital Project Sales Tax Fund (RIDE II)

(amounts expressed in thousands)

Fund Balance, July 1, 2017	\$ <u>157,699</u>
Revenues	1,364
Expenditures	(64,183)
Other Financing Sources (Uses)	<u>(371)</u>
Net change in Fund Balance	<u>(63,190)</u>
Fund Balance, June 30, 2018	\$ <u><u>94,509</u></u>

In November 2016 voters approved a ballot referendum for new one-cent Capital Projects Sales Tax (RIDE III). The sales tax went into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverages, and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight years or April 30, 2025. The eight year projection revenues from the 1% Sales Tax is \$592 million. For fiscal year 2018 Revenues total \$76.2 million. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects. Expenditures for 2018 total \$3.7 million and include initial design and project management costs. The excess of revenues over expenditures of \$72.5 million increases the accumulated fund balance to \$72.5 million. The funds are restricted to specific projects and accumulate due to anticipated timing of project design, permitting, and right-of-way acquisition.

Horry County's Capital Project Sales Tax Fund (RIDE III)

(amounts expressed in thousands)

Fund Balance, July 1, 2017	\$ <u>-</u>
Revenues	76,216
Expenditures	(3,690)
Other Financing Sources (Uses)	<u>-</u>
Net change in Fund Balance	<u>72,526</u>
Fund Balance, June 30, 2018	\$ <u><u>72,526</u></u>

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All proprietary funds are reported as major funds. Net Position of proprietary funds at the end of the year amounted to \$331.1 million. The Department of Airports reflects a \$10.2 million or 3.7 percent increase in 2018. This increase resulted from positive operating revenues from the new terminal including concessions, and airline terminal rents. The Internal Service Fund provides for the repair and replacement of the County's light and heavy equipment fleet with the exception of heavy fire apparatus, operation of the County's P-25 digital radio system, and the maintenance and replacement of mobile radios. Net investment in capital assets includes the undepreciated cost of the covered fleet vehicles in service of \$22.0 million at June 30, 2018. This reflects a \$10.1 million increase during the year including \$5.2 million of assets purchased and \$8.9 million of assets transferred, less \$6.7 million for annual depreciation and asset disposals. The remaining Net Position of \$26.7 million is restricted for future replacement of the covered equipment.

Horry County's Proprietary Funds Net Position
(amounts expressed in thousands)

	Department of Airports		Internal Service Funds		Total	
		as restated		as restated		as restated
	2018	2017	2018	2017	2018	2017
Net investment in capital assets	\$ 187,510	\$ 186,599	\$ 21,976	\$ 12,745	\$ 209,486	\$ 199,344
Restricted for:						
Debt Service	27,799	22,957	-	-	27,799	22,957
Capital	24,478	21,008	26,652	23,013	51,130	44,021
Unrestricted	42,690	41,758	-	-	42,690	41,758
Total net position	<u>\$ 282,477</u>	<u>\$ 272,322</u>	<u>\$ 48,628</u>	<u>\$ 35,758</u>	<u>\$ 331,105</u>	<u>\$ 308,080</u>

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The final budgeted revenues were adjusted for budgetary amendments that netted to an increase of \$2.8 million from the original budget. These increases were reflected in program revenues (\$2.6 million) primarily within public safety as well as grant reimbursements (\$.2 million) and added to the budget when received.

The final budgeted expenditures increased \$7.5 million. The primary reason for these expenditure budget adjustments was budgetary roll forward of unspent dedicated amounts from fiscal year 2017 of \$4.3 million and an equal increase of \$2.6 million and \$.2 million as reflected in revenues for program revenues and FEMA grant reimbursements received during the year.

Considering these budget amendments, General Fund actual revenues were more than the final budget by \$3.7 million and actual expenditures were less than the final budget by \$15.5 million.

The major differences between the final budget and the actual amounts for both revenue and expenditures are summarized as follows:

- Property taxes were higher than budget by \$3.5 million primarily related to real property taxes (\$3.1 million) and fee in lieu of taxes (\$.3 million).
- Intergovernmental revenues were higher than the budget by \$1.4 million primarily due to higher state grants and FEMA reimbursements from Hurricane Matthew.
- Fees and fines were over by \$0.5 million, primarily due to higher Cable TV of \$0.1 million, and higher Hospitality fees of \$0.2 million as funding was shifted from other priorities.
- RMC Documentary Stamps were over budget by \$0.2 million due to increased volume of real estate transactions.
- Licenses and permits were over budget by \$0.8 million, due to higher building inspection permits of \$1.0 million and business licenses were under by \$0.1 million.
- Cost allocation was under budget by \$0.1 million due to reduced central service costs and changes in basis allocations.
- Various departmental spending was reduced below budgeted amounts as a result of management controls on hiring and spending. The largest departmental savings are detailed in the table below:

Horry County's General Fund Budget to Actual

(amounts expressed in thousands)

	Final Budget	Actual	(Favorable) Variance
Public Works	\$ 10,108	\$ 8,624	\$ (1,484)
Police	23,589	22,543	(1,046)
EMS	16,968	15,700	(1,268)
County Council	1,707	1,057	(650)
Administrator	1,402	1,175	(227)
County Engineer	1,645	1,355	(290)
Detention Center	26,025	25,118	(907)
Department Overhead	5,019	3,467	(1,552)
Public Safety Division	3,422	946	(2,476)
Clerk of Court	3,580	2,976	(604)
Human Resources	1,772	1,336	(436)
Grants	434	108	(326)
Legal	1,312	795	(517)
Library	4,881	4,455	(426)
E-911	3,406	3,191	(215)
Maintenance	5,078	4,775	(303)
Code Enforcement	3,264	2,953	(311)
Abatement/Demolition	500	22	(478)
Other Agencies	2,119	1,559	(560)
Total of above			\$ (14,076)
Various other departments (under) budget			(1,416)
Total expenditures (under) budget			\$ (15,492)

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$1.1 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), leasehold improvements, equipment, intangible assets, infrastructure, and construction in progress. The total increase of \$55.4 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 5.5 percent change from the prior year (a 7.3 percent increase for governmental activities and a .02 percent decrease for business-type activities).

Some of the significant capital events that occurred during the current fiscal year which increased capital assets were spending for new construction including a \$51.4 million increase in construction in progress, \$18.9 million increase in road infrastructure, \$6.8 million in County machinery and equipment, and \$12.3 million in Airport capital. These addition amounts are reduced by depreciation during the year of \$31.9 million and asset disposals of \$2.4 million.

Horry County's Capital Assets

(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land, Easements, and Imp.	\$ 29,809	\$ 29,425	\$ 46,380	\$ 45,800	\$ 76,189	\$ 75,225
Intangible Assets	184	238			184	238
Infrastructure	560,587	488,433	9,182	9,182	569,769	497,615
Construction-in-Progress	47,598	66,287	3,845	872	51,443	67,159
Buildings and Improvements	138,459	144,016	121,176	123,183	259,635	267,199
Machinery and Equipment	45,825	38,093	6,944	6,420	52,769	44,513
Runways and Taxiways	-	-	54,102	56,725	54,102	56,725
Total	\$ 822,462	\$ 766,492	\$241,629	\$ 242,182	\$1,064,091	\$1,008,674

Additional information on the County's capital assets can be found in Note 7 of the Notes to the Basic Financial Statements.

Modified Approach for Infrastructure

The County has adopted the modified approach for reporting its road infrastructure. Using this approach, the County does not depreciate infrastructure assets but maintains an up-to-date inventory of road infrastructure asset conditions. The County must also document that the road infrastructure assets are being preserved at or above the condition level established.

The County's road system consists of approximately 59 percent paved roads and 41 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a new pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of the condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads. The following assessment for fiscal year 2017 shows that the County is in compliance with the target condition levels that have been established. The prior year is presented to show the change in measurement through this new pavement management system.

Percentage of Miles in Fair or Better Condition

	<u>2018</u>	<u>2017</u>
Arterial	85.3%	85.3%
Collector	88.7%	85.2%
Access	<u>88.9%</u>	<u>87.6%</u>
Overall system	<u>88.8%</u>	<u>87.3%</u>

The County created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year from fiscal year 2004 through 2008. In fiscal year 2009, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in fiscal year 2010 it was further reduced to 9.7 miles per year. Due to continued revenue shortfalls, it was further reduced to 8.9 miles in fiscal year 2011 and 9.0 miles in fiscal year 2012 (which included 1 mile funded by the County Transportation Committee (CTC)). Funding for the dirt road paving program has stabilized during FY 13 to allow approximately 11 miles of paving per year (including the one mile of CTC-funded improvements). Fiscal year 2015 reflected an increase to 18.7 miles (including 9.5 miles from the capital project sales tax program and one mile of CTC-funded improvements). Fiscal Year 2016 reflected an increase of 7.6 miles including 1.1 from the capital project sales tax program and one mile of CTC-funded improvements. For fiscal years

2017 and forward, dirt road paving is budgeted for 3.0 miles including the one mile of CTC funded improvements. As these roads are paved, they become part of the County's pavement management system.

In November 2006, a one-cent Capital Projects Sales Tax (RIDE II) was passed by voter referendum and is dedicated to specific road projects, including resurfacing 67 miles of County maintained roads over a seven-year period. During fiscal year 2016, County Council increased the road maintenance fee by \$20.00 and dedicated it to the resurfacing program.

Included in the one-cent Capital Project Sales Tax (RIDE II) program are various projects to improve existing state roadways. The County is managing the construction and funding the expenditures through the collections of sales tax. The cost of these roadway improvements is included in the Statement Of Activities when the expense is incurred. The table below reflects the cost incurred to date for these projects:

Horry County's Improvements to State Roadways (RIDE II)

(amounts expressed in thousands)

	Current Year	Project to Date
Backgate interchange	\$ 17	\$ 104,632
Widen 707	14,528	77,001
Widen Glens Bay	12,271	61,829
Total	\$ 26,816	\$ 243,462

Additional information on infrastructure assets can be found in Required Supplementary Information (RSI).

Debt Administration

At June 30, 2018, the County had total bonded debt outstanding of \$120.8 million. This is a decrease from the prior year of approximately \$12.8 million and represents the normal amortization of prior balances. Of the total bonded debt outstanding, \$65.1 million comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources, such as the 1% Hospitality Fee pledged to repay the Special Obligation Bonds, and the Airport revenues pledged to repay the Revenue Bonds. Under agreements with the City of Myrtle Beach, the County has also pledged a portion of the 1% Hospitality Fee to repay 30 percent of the Certificates of Participation issued by the City of Myrtle Beach for a baseball stadium. The RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank are repaid by the countywide 1.5% Hospitality Fee.

Special Obligation Bonds and Revenue Bonds are limited obligations of the County and do not constitute general obligations, or pledge of the faith, credit or taxing power of the County or any other political subdivision. The County's bonds with outstanding balances as of June 30, 2018 are presented in the following table:

Horry County's General Obligation, IGA Loans, Certificates of Participation and Revenue Bonds Outstanding

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 65,144	\$ 76,518	\$ -	\$ -	\$ 65,144	\$ 76,518
Revenue Bonds	-	-	55,257	56,620	55,257	56,620
Baseball Stadium COPS	231	451	-	-	231	451
RIDE IGA Loans	89,765	110,608	-	-	89,765	110,608
Total	\$155,140	\$187,577	\$ 55,257	\$ 56,620	\$210,397	\$244,197

The above chart summarizes the outstanding principal balances on the debt issues, and does include unamortized premium or original discount which are included in the government-wide statement of net position.

The County maintains various reserves from which to pay future debt service. At June 30, 2018, amounts reserved for debt service totaled \$101.7 million. This represents an increase of \$11.2 million from the prior year. Favorable increases in the 1.5% Hospitality Fee revenue exceeded annual debt service and increased the accumulated excess dedicated to the repayment of the RIDE IGA loans by \$6.6 million. Revenue Bonds reflected a \$4.8 million increase as planned in the current year budget. The table below reflects the County's reserve amounts by category of obligation. These amounts are reflected as restricted net position and fund balance within the financial statements.

Horry County's Debt Service Reserves
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Debt	\$ 7,736	\$ 7,778	\$ -	\$ -	\$ 7,736	\$ 7,778
Special Obligation	231	420	-	-	231	420
Revenue Bonds	-	-	27,799	22,957	27,799	22,957
RIDE IGA Loans	65,885	59,318	-	-	65,885	59,318
Total	<u>\$ 73,852</u>	<u>\$ 67,516</u>	<u>\$ 27,799</u>	<u>\$ 22,957</u>	<u>\$101,651</u>	<u>\$ 90,473</u>

Additional information on the County's debt can be found in Note 8 of the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors currently affecting the County:

- As of June 2018, the unemployment rate for the County per the Bureau of Labor Statistics and Workforce (not seasonally adjusted) was 3.8 percent, down from 4.6 percent at June 2017. The unemployment rate for the state of South Carolina as of June 2018 was 3.8 percent, down from 4.3 percent at June 2017.
- The fiscal year 2018 County base tax millage is 52.4 mills, equivalent to a tax rate of .0524 percent of assessed value. This was the lowest county base tax rate in South Carolina.

The fiscal year ended June 30, 2018 indicated growth in the tourism market which provided overall financial stability. Economic factors affecting the area's real estate market are improving and having a positive impact on personal and business incomes, and impacted the preparation of the fiscal year 2019 budget compared to fiscal year 2018 as follows:

- Increasing revenue – property taxes; economically sensitive areas for hospitality fees, building inspection permits, and ROD; and EMS collections
- Increasing expenditures overall including a 3% merit increase for employees and higher cost for employee healthcare and retirement; and
- No prior year excess fund balance was appropriated in the fiscal year 2019 budget for recurring expenditures.

All of these factors were considered in preparing the County's budget for the 2019 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2018, unassigned fund balance in the General Fund increased from \$9.3 million to \$11.8 million primarily due to favorable revenue and expenditure results in fiscal year 2018. County Council acted to commit \$6.2 million of the favorable budget variance to future capital needs. Total fund balance in the General Fund increased from \$63.8 million to \$78.1 million. Projections at this time indicate that at the end of fiscal year 2019, the unreserved fund balance for the General Fund will remain above the 25 percent of total General Fund expenditures requirement set by the Financial Policy Ordinance.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact Barry Spivey, Finance Director, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
 JUNE 30, 2018
 (amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior	Solid Waste Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,727	\$ 19,129	\$ 21,856	\$ 2,351	\$ 15,594
Pooled cash and investments	19,428	4,169	23,597	-	-
Investments	241,714	10,064	251,778	-	20,334
Receivables, net:					
Property taxes	4,587	-	4,587	-	-
Accounts and other	5,578	2,489	8,067	915	2,171
Fees	9,585	-	9,585	-	-
Due from other governments	54,900	308	55,208	-	741
Prepaid items	356	208	564	-	-
Inventories	253	1,204	1,457	-	54
Restricted funds held in trust	66,393	-	66,393	-	-
Total current assets	<u>405,521</u>	<u>37,571</u>	<u>443,092</u>	<u>3,266</u>	<u>38,894</u>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	16,228	16,228	-	-
Pooled cash and investments	-	37,500	37,500	-	-
Accounts and other receivables	-	-	-	260	-
Receivables - PFC and CFC	-	1,418	1,418	-	-
Total restricted assets	<u>-</u>	<u>55,146</u>	<u>55,146</u>	<u>260</u>	<u>-</u>
Investments	<u>120,862</u>	<u>22,147</u>	<u>143,009</u>	<u>-</u>	<u>-</u>
Capital assets:					
Land, easements, intangible assets and infrastructure	585,044	32,456	617,500	138	7,918
Depreciable capital assets, net	189,820	205,328	395,148	649	36,680
Construction-in-progress	47,598	3,845	51,443	-	1,914
Total capital assets, net	<u>822,462</u>	<u>241,629</u>	<u>1,064,091</u>	<u>787</u>	<u>46,512</u>
Service concession arrangement (SCA)	-	6,160	6,160	-	-
Total non-current assets	<u>943,324</u>	<u>325,082</u>	<u>1,268,406</u>	<u>1,047</u>	<u>46,512</u>
Total assets	<u>1,348,845</u>	<u>362,653</u>	<u>1,711,498</u>	<u>4,313</u>	<u>85,406</u>
Deferred Outflows of Resources					
Deferred charge on refunding	2,644	-	2,644	-	-
Deferred outflows - pension	34,417	2,192	36,609	1,874	1,943
Deferred outflows - OPEB	1,597	52	1,649	-	66
Total deferred outflows of resources	<u>38,658</u>	<u>2,244</u>	<u>40,902</u>	<u>1,874</u>	<u>2,009</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior	Solid Waste Authority
Liabilities					
Current liabilities payable from non-restricted assets:					
Accounts payable - trade	12,292	1,141	13,433	90	1,143
Accounts payable - other	169	-	169	-	-
Accrued salaries, related taxes and compensated absences	13,004	381	13,385	65	285
Unearned revenue from operating agreements	-	429	429	18	-
Internal balances	(934)	934	-	-	-
Due to component units	259	-	259	-	-
Due to other governments	3,652	50	3,702	-	-
Other accrued liabilities	12,944	345	13,289	-	-
Accrued interest payable	591	-	591	-	-
General and special obligation bonds payable - current portion	11,967	-	11,967	-	-
RIDE IGA loans payable - current portion	21,464	-	21,464	-	-
Capital lease obligations - current portion	2,230	56	2,286	-	-
Amounts due to tenants	-	649	649	-	-
Total current liabilities payable from non-restricted assets	77,638	3,985	81,623	173	1,428
Current liabilities payable from restricted assets:					
Revenue bonds payable - current portion	-	1,415	1,415	-	-
Accrued interest payable	-	1,446	1,446	-	-
Total current liabilities payable from restricted assets	-	2,861	2,861	-	-
Total current liabilities	77,638	6,846	84,484	173	1,428
Non-current (long-term) liabilities:					
General and special obligation bonds payable	53,408	-	53,408	-	-
Revenue bonds payable	-	53,841	53,841	-	-
RIDE IGA loans payable	68,301	-	68,301	-	-
Compensated absences	4,157	887	5,044	55	148
Present value of payments under service concession arrangement	-	6,159	6,159	-	-
Capital lease obligations	16,681	222	16,903	-	-
Total OPEB liability	39,715	1,267	40,982	127	2,103
Net pension liability	190,908	13,423	204,331	5,258	8,748
Landfill closures costs	-	-	-	-	15,321
Landfill post closure care costs	-	-	-	-	4,729
Total non-current liabilities	373,170	75,799	448,969	5,440	31,049
Total liabilities	450,808	82,645	533,453	5,613	32,477
Deferred Inflows of Resources					
Deferred inflows - pension	1,795	(320)	1,475	280	1,006
Deferred inflows - OPEB	3,279	95	3,374	-	140
Total deferred inflows of resources	5,074	(225)	4,849	280	1,146

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior	Solid Waste Authority
Net Position					
Net investment in capital assets	743,701	187,510	931,211	787	46,512
Restricted for capital projects	235,154	24,478	259,632	-	-
Restricted for debt service	7,708	27,799	35,507	-	-
Restricted for other purposes	14,289	-	14,289	-	-
Unrestricted (deficit)	(69,231)	42,690	(26,541)	(493)	7,280
Total net position	<u>\$ 931,621</u>	<u>\$ 282,477</u>	<u>\$ 1,214,098</u>	<u>\$ 294</u>	<u>\$ 53,792</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

Functions and Programs	Expenses	Program Revenue		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
<u>Governmental activities:</u>				
General government	\$ 38,814	\$ 18,467	\$ 388	\$ -
Public safety	131,400	18,038	7,498	79
Health and social services	3,273	-	7	-
Infrastructure and regulation	37,123	27,396	1,071	18,877
Improvements to state roadways	27,208	-	-	-
Culture, recreation and tourism	14,706	101	1,696	-
Economic development	4,134	404	2,167	-
Interest	5,413	-	38	-
HGTC and Higher Education Commission	5,506	-	26	-
Total governmental activities	<u>267,577</u>	<u>64,406</u>	<u>12,891</u>	<u>18,956</u>
<u>Business-type activities:</u>				
Airports	38,147	40,707	2,366	3,728
Total primary government	<u>\$ 305,724</u>	<u>\$ 105,113</u>	<u>\$ 15,257</u>	<u>\$ 22,684</u>
Component units				
Shoreline Behavior	\$ 5,148	\$ 2,515	\$ 2,040	\$ -
Solid Waste Authority	25,746	26,151	297	729
Total component units	<u>\$ 30,894</u>	<u>\$ 28,666</u>	<u>\$ 2,337</u>	<u>\$ 729</u>

General Revenue

Property taxes
Capital Project Sales Tax
Fees-in-lieu of taxes
Intergovernmental - unrestricted
Accommodations tax
Local accommodations tax
Hospitality tax
Unrestricted investment earnings
Other
Gain/(loss) on disposal of capital asset
Total general revenue
Change in net position
Net position - beginning of year
Effect of restatement for GASB 75 implementation - See note 21
Net position - end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Governmental			Component Units	
Governmental Activities	Business -type Activities	Totals	Shoreline Behavior	Solid Waste Authority
\$ (19,959)	\$ -	\$ (19,959)	\$ -	\$ -
(105,785)	-	(105,785)	-	-
(3,266)	-	(3,266)	-	-
10,221	-	10,221	-	-
(27,208)	-	(27,208)	-	-
(12,909)	-	(12,909)	-	-
(1,563)	-	(1,563)	-	-
(5,375)	-	(5,375)	-	-
(5,480)	-	(5,480)	-	-
<u>(171,324)</u>	<u>-</u>	<u>(171,324)</u>	<u>-</u>	<u>-</u>
-	8,654	8,654	-	-
<u>(171,324)</u>	<u>8,654</u>	<u>(162,670)</u>	<u>-</u>	<u>-</u>
-	-	-	(593)	-
-	-	-	-	1,431
-	-	-	<u>(593)</u>	<u>1,431</u>
144,055	-	144,055	-	-
77,289	-	77,289	-	-
4,238	-	4,238	-	-
10,963	-	10,963	-	-
4,330	-	4,330	-	-
1,273	-	1,273	-	-
49,893	-	49,893	-	-
5,251	1,157	6,408	4	230
7,661	332	7,993	-	44
1,009	12	1,021	-	276
<u>305,962</u>	<u>1,501</u>	<u>307,463</u>	<u>4</u>	<u>550</u>
134,638	10,155	144,793	(589)	1,981
809,259	272,671	1,081,930	912	51,791
<u>(12,276)</u>	<u>(349)</u>	<u>(12,625)</u>	<u>(29)</u>	<u>20</u>
<u>\$ 931,621</u>	<u>\$ 282,477</u>	<u>\$ 1,214,098</u>	<u>\$ 294</u>	<u>\$ 53,792</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax - RIDE II</u>
Assets			
Cash and cash equivalents	\$ 1,747,449	\$ -	\$ -
Pooled cash and investments	89,294,663	20,245,458	99,381,499
Receivables, net:			
Property taxes	2,766,988	-	-
Accounts and other	4,990,435	-	5,520
Fees	1,455,013	-	-
Due from other funds	2,613,467	-	-
Due from other governments	7,851,546	385,750	85,743
Inventories	64,523	-	-
Prepaid items	264,180	-	-
Restricted funds held in trust	-	-	-
Total Assets	<u>\$ 111,048,264</u>	<u>\$ 20,631,208</u>	<u>\$ 99,472,762</u>
Liabilities			
Accounts payable - trade	\$ 3,123,477	\$ 439,291	\$ 4,877,038
Accounts payable - other	-	-	-
Accrued salaries and wages	4,876,078	-	1,118
Due to other funds	-	-	-
Due to component units	258,454	-	-
Due to other governments	3,525,866	-	-
Due to taxpayers for overpayment	244,312	-	-
Funds held in trust-delinquent taxes	8,040,061	-	-
Other liabilities	4,659,751	-	-
Total liabilities	<u>24,727,999</u>	<u>439,291</u>	<u>4,878,156</u>
Deferred Inflows of Resources			
Unavailable revenue-fees and other	5,666,597	-	85,743
Unavailable revenue-property taxes	2,523,618	-	-
Total deferred inflows of resources	<u>8,190,215</u>	<u>-</u>	<u>85,743</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 979,138	\$ 2,726,587
54,840,988	5,786,272	84,278,898	353,827,778
-	-	1,819,917	4,586,905
-	-	489,704	5,485,659
-	6,030,866	2,098,745	9,584,624
-	-	-	2,613,467
33,648,081	-	12,929,039	54,900,159
-	-	-	64,523
-	-	4,712	268,892
-	65,885,348	507,452	66,392,800
<u>\$ 88,489,069</u>	<u>\$ 77,702,486</u>	<u>\$ 103,107,605</u>	<u>\$ 500,451,394</u>
\$ 268,679	\$ -	\$ 3,463,255	\$ 12,171,740
-	-	169,231	169,231
3,918	-	832,505	5,713,619
-	-	1,679,354	1,679,354
-	-	-	258,454
-	-	125,868	3,651,734
-	-	-	244,312
-	-	-	8,040,061
-	-	-	4,659,751
<u>272,597</u>	<u>-</u>	<u>6,270,213</u>	<u>36,588,256</u>
15,690,414	-	8,787,865	30,230,619
-	-	1,987,716	4,511,334
<u>15,690,414</u>	<u>-</u>	<u>10,775,581</u>	<u>34,741,953</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018
- CONTINUED -

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax - RIDE II</u>
Fund Balances			
Nonspendable	328,703	-	-
Restricted for capital projects	-	5,597,613	94,508,863
Restricted for public safety	-	-	-
Restricted for culture, recreation and tourism	-	-	-
Restricted for infrastructure and regulation	-	-	-
Restricted for economic development	-	-	-
Restricted for health and social services	-	-	-
Restricted for debt service	-	-	-
Committed to public safety	2,001,085	-	-
Committed to culture, recreation and tourism	327,045	-	-
Committed to infrastructure and regulation	1,412,475	-	-
Committed to debt service	6,918,492	-	-
Committed to capital projects	6,200,000	14,594,304	-
Committed to reserves/stabilization	40,750,230	-	-
Committed to economic development	-	-	-
Committed to other purposes	2,007,677	-	-
Committed to OPEB	2,425,323	-	-
Committed to abatement/demolition	961,420	-	-
Committed to mosquito abatement	3,000,000	-	-
Unassigned (deficit)	<u>11,797,600</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>78,130,050</u>	<u>20,191,917</u>	<u>94,508,863</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 111,048,264</u>	<u>\$ 20,631,208</u>	<u>\$ 99,472,762</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
-	-	4,712	333,415
72,526,058	-	20,194,488	192,827,022
-	-	18,408,179	18,408,179
-	-	6,220,973	6,220,973
-	-	7,744,222	7,744,222
-	-	1,543,183	1,543,183
-	-	51,697	51,697
-	77,702,486	7,970,619	85,673,105
-	-	-	2,001,085
-	-	3,994,998	4,322,043
-	-	18,033,759	19,446,234
-	-	-	6,918,492
-	-	-	20,794,304
-	-	-	40,750,230
-	-	1,811,529	1,811,529
-	-	678,928	2,686,605
-	-	-	2,425,323
-	-	-	961,420
-	-	-	3,000,000
-	-	(595,476)	11,202,124
<u>72,526,058</u>	<u>77,702,486</u>	<u>86,061,811</u>	<u>429,121,185</u>
<u>\$ 88,489,069</u>	<u>\$ 77,702,486</u>	<u>\$ 103,107,605</u>	<u>\$ 500,451,394</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
- CONTINUED -

Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:	<i>(amounts expressed in thousands)</i>
Total fund balances - governmental funds	\$ 429,121
Capital assets (exclusive of Internal Service Fund Capital Assets) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	798,269
Property and other taxes will be collected after year end, but are not available soon enough to pay for current period's expenditures, and therefore, are reported as unavailable revenue in the funds.	4,511
Grants and fees will be collected after year end, but are not available soon enough to pay for current period's expenditures, and therefore, are reported as unavailable revenue in the funds.	30,231
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	2,644
Internal service funds are used by management to charge the costs of fleet services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	48,628
Net pension liability, other post employment benefit obligation costs, compensated absences liability and related deferred inflows and outflows reported in the Statement of Net Position does not require the use of current financial resources and, therefore, they are not reported as a liability in the funds.	(209,384)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period are reported in the funds.	(172,399)
Net position end of year - governmental activities	<u>\$ 931,621</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	General Improvement Capital Projects	Capital Project Sales Tax - RIDE II
Revenues			
Real property taxes	\$ 79,949,841	\$ -	\$ -
Personal property taxes	5,544,570	-	-
Vehicle taxes	8,383,400	-	-
Fee in lieu of tax	3,364,476	-	-
Intergovernmental	13,043,611	1,017,686	-
Sales tax	-	-	-
Accommodations tax	217,488	-	-
Fees and fines	21,242,717	-	-
Local Accommodations tax	295,918	-	-
Hospitality fees	7,747,826	-	-
Documentary stamps	4,973,474	-	-
License and permits	11,694,040	-	-
Interest on investments	676,251	339,205	1,363,496
Cost allocation	3,429,198	-	-
Other	5,036,308	1,011,790	-
Total revenues	165,599,118	2,368,681	1,363,496
Expenditures			
Current:			
General government	32,492,969	816,948	-
Public safety	84,494,298	31,525	-
Health and social services	1,497,308	-	-
Infrastructure and regulation	15,637,646	919	2,191,892
Improvements to state roadways	-	-	26,971,683
Culture, recreation and tourism	5,260,753	19,371	-
Economic development	1,559,444	-	-
HGTC & Higher Education Commission	-	-	-
Debt service	-	578,994	-
Capital outlay	435,906	5,792,218	35,019,267
Total expenditures	141,378,324	7,239,975	64,182,842
Excess (deficiency) of revenues over expenditures	24,220,794	(4,871,294)	(62,819,346)
Other Financing Sources (Uses)			
Sales of capital assets	19,320	349,570	-
Transfers in	688,541	8,082,153	-
Transfers out	(10,607,565)	(654,049)	(370,773)
Total other financing sources (uses)	(9,899,704)	7,777,674	(370,773)
Net change in fund balance	14,321,090	2,906,380	(63,190,119)
Fund balances at beginning of year	63,808,960	17,285,537	157,698,982
Fund balances at end of year	\$ 78,130,050	\$ 20,191,917	\$ 94,508,863

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 43,008,594	\$ 122,958,435
-	-	3,333,903	8,878,473
-	-	5,395,214	13,778,614
-	-	873,082	4,237,558
-	-	14,087,300	28,148,597
75,818,838	-	-	75,818,838
-	-	4,034,525	4,252,013
-	-	24,310,060	45,552,777
-	-	976,671	1,272,589
-	41,667,715	477,123	49,892,664
-	-	-	4,973,474
-	-	-	11,694,040
396,868	1,004,623	1,145,858	4,926,301
-	-	-	3,429,198
-	-	1,221,367	7,269,465
<u>76,215,706</u>	<u>42,672,338</u>	<u>98,863,697</u>	<u>387,083,036</u>
-	-	42,936	33,352,853
-	-	35,102,558	119,628,381
-	-	873,560	2,370,868
313,049	-	20,261,948	38,405,454
236,281	-	-	27,207,964
-	-	7,644,837	12,924,961
-	-	2,639,171	4,198,615
-	-	5,506,010	5,506,010
-	23,871,134	14,725,167	39,175,295
3,140,318	-	8,911,042	53,298,751
<u>3,689,648</u>	<u>23,871,134</u>	<u>95,707,229</u>	<u>336,069,152</u>
<u>72,526,058</u>	<u>18,801,204</u>	<u>3,156,468</u>	<u>51,013,884</u>
-	-	336,034	704,924
-	-	8,934,235	17,704,929
-	(416,613)	(6,873,457)	(18,922,457)
-	(416,613)	2,396,812	(512,604)
72,526,058	18,384,591	5,553,280	50,501,280
-	59,317,895	80,508,531	378,619,905
<u>\$ 72,526,058</u>	<u>\$ 77,702,486</u>	<u>\$ 86,061,811</u>	<u>\$ 429,121,185</u>

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

- CONTINUED -

Reconciliation to amounts reported for Governmental Activities in the Statement of Activities:

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ 50,501
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and asset disposals in the current period.	37,223
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	34,742
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	(35,683)
Contributed property is not reported as revenue in governmental funds. However, in the Statement of Activities, the cost of property contributed is reported in the current period.	18,955
Some expenses for pension, other post employment benefit obligation costs, and compensated absences reported in Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(8,916)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	33,867
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities. (Note: this includes \$8,922,230 net transfers of capital assets and related debt to internal service fund.)	3,948
Change in net position - Governmental Activities	<u>\$ 134,638</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,129,460	\$ -
Pooled cash and investments	4,169,288	28,176,701
Investments	10,064,256	-
Accounts receivable, net	2,487,167	92,243
Due from other governments	308,376	-
Prepaid items	207,859	87,021
Inventories	1,204,254	188,672
Total current assets	<u>37,570,660</u>	<u>28,544,637</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	16,227,823	-
Investments	37,499,509	-
Receivables - PFC and CFC	1,418,159	-
Total restricted assets	<u>55,145,491</u>	<u>-</u>
Investments	<u>22,147,445</u>	<u>-</u>
Capital assets, net:		
Land, easements and infrastructure	32,455,493	17,750
Depreciable capital assets, net	205,328,249	24,175,571
Construction-in-progress	3,845,483	-
Total capital assets, net	<u>241,629,225</u>	<u>24,193,321</u>
Service concession arrangement (SCA)	6,159,404	-
Total noncurrent assets	<u>325,081,565</u>	<u>24,193,321</u>
Total assets	<u>362,652,225</u>	<u>52,737,958</u>
Deferred outflows of resources:		
Deferred Outflows-Pension	2,192,306	579,848
Deferred Outflows-OPEB	52,346	21,340
Total deferred outflows of resources	<u>2,244,652</u>	<u>601,188</u>
Total assets and deferred outflows of resources	<u>\$ 364,896,877</u>	<u>\$ 53,339,146</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 1,141,045	\$ 120,706
Accrued salaries, wages and compensated absences	380,871	22,866
Due to other funds	933,604	-
Other accrued expenses	344,765	26,078
Unearned revenue from operating agreements	429,229	-
Due to other governments	50,500	-
Capital leases payable -current portion	56,262	530,949
Amounts due to tenants, airlines, car rentals	648,372	-
	<u>3,984,648</u>	<u>700,599</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,415,000	-
Accrued interest payable	1,446,447	-
Total current liabilities payable from restricted assets	<u>2,861,447</u>	<u>-</u>
Total current liabilities	<u>6,846,095</u>	<u>700,599</u>
Non-current liabilities:		
Compensated absences	886,857	123,086
Revenue bonds payable	53,841,255	-
Net other post-employment benefits obligation	1,266,906	317,234
Net pension liability	13,423,046	1,835,227
Present value of payments under service concession arrangement	6,159,404	-
Capital lease payable	221,730	1,686,404
Total non-current liabilities	<u>75,799,198</u>	<u>3,961,951</u>
Total liabilities	<u>82,645,293</u>	<u>4,662,550</u>
Deferred inflows of resources:		
Deferred Inflows - pension	(320,339)	24,051
Deferred Inflows - OPEB	95,330	24,507
Total deferred inflows of resources	<u>(225,009)</u>	<u>48,558</u>
Net position		
Net investment in capital assets	187,509,978	21,975,968
Restricted for:		
Debt service	27,798,732	-
Capital projects	24,477,597	26,652,070
Unrestricted	42,690,286	-
Total net position	<u>282,476,593</u>	<u>48,628,038</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 364,896,877</u>	<u>\$ 53,339,146</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Fund
Operating Revenues		
Concessions and rentals	\$ 11,107,992	\$ -
Fuel sales - FBO	9,039,324	-
Airline terminal rents	6,754,306	-
Baggage handling system	829,675	-
Landing fees	2,378,344	-
Leases	902,131	-
Other airline services	623,804	-
Other	839,729	-
Federal revenue - TSA LEO reimbursement program	120,523	-
Charges for service	-	10,157,290
Intergovernmental-Other	-	115,269
Fees	-	835,465
Security fees	270,682	-
Total operating revenues	<u>32,866,510</u>	<u>11,108,024</u>
Less, signatory airline rebate and incentive fee waivers	(984,707)	-
Net operating revenues	<u>31,881,803</u>	<u>11,108,024</u>
Operating Expenses		
Salaries and benefits	10,045,260	1,662,663
Depreciation and amortization	12,007,277	5,193,678
Baggage handling system	829,675	-
Fuel cost of sales	5,904,129	-
Outside and professional services	1,403,200	376,138
Utilities	1,800,941	-
Maintenance and supplies	1,889,717	96,533
Indirect cost allocation	125,000	48,251
Cost allocation	-	409,243
Vehicle and equipment (non-capital)	501,285	1,610,195
Insurance	391,699	-
Dues, memberships and travel	277,311	-
Office supplies	39,879	-
Bad debt (recoveries) expense	28,447	-
Other	-	16,273
Total operating expenses	<u>35,243,820</u>	<u>9,412,974</u>
Operating income (loss)	<u>(3,362,017)</u>	<u>1,695,050</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Nonoperating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	5,428,485	-
Contract Facility Charges (CFC's)	3,396,212	-
Interest revenue	1,157,286	325,144
Intergovernmental revenues	2,366,189	-
Gain on disposal/sale of capital assets	11,660	423,077
Other	33,010	392,019
Interest subsidy on recovery zone economic bonds	299,372	-
Interest expense	(2,903,268)	(104,828)
Total non-operating revenues (expenses)	<u>9,788,946</u>	<u>1,035,412</u>
Income before capital contributions and transfers	6,426,929	2,730,462
Capital contributions, net	3,727,653	9,576,279
Transfers in	-	842,709
Transfers out	-	(279,231)
Change in net position	10,154,582	12,870,219
Net Position		
Beginning of year,	272,670,666	35,860,400
Effect of restatement for GASB 75 implementation	(348,655)	(102,581)
End of year	<u>\$ 282,476,593</u>	<u>\$ 48,628,038</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Cash Flows provided by (used for) Operating Activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 20,873,529	\$ -
FBO fuel sales and airline services	9,350,187	-
Vending, FBO Ramp fees, hanger fees and other	626,591	-
Service and miscellaneous charges	-	11,013,014
Intergovernmental	-	119,336
Cash paid for:		
Salaries and benefits	(9,332,629)	(1,472,990)
Maintenance, supplies, fuel, utilities and equipment	(13,823,417)	(2,587,671)
Other supplies and miscellaneous costs	-	(65,966)
Net cash provided by operating activities	<u>7,694,261</u>	<u>7,005,723</u>
Cash Flows From Non-Capital Financing Activities		
Insurance settlement	99,317	-
Other nonoperating income	24,837	10,869
Transfers in	-	842,709
Transfers out	-	(279,231)
Net cash provided by non-capital financing activities	<u>124,154</u>	<u>574,347</u>
Cash Flows From Capital and Related Financing Activities		
Receipt of passenger and contract facility charges	8,377,041	-
Acquisition and construction of capital assets	(11,454,495)	(4,496,709)
Proceeds from disposition of capital assets	11,660	587,416
Interest paid on bonds, notes and capital lease	(2,916,917)	(78,750)
Principal payments on bonds and notes	(1,370,000)	-
Receipt of federal subsidy for "RZEDB" (Series 2010B)	299,372	-
Principal payments on capital lease obligation	(55,624)	(516,081)
Receipt of intergovernmental and private grants	2,366,189	-
Miscellaneous proceeds	-	369,359
Proceeds from airport improvement program, TSA and state grants	4,019,234	-
Net cash used for capital and related financing activities	<u>(723,540)</u>	<u>(4,134,765)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018
 - CONTINUED -

	Business-type Activities	Governmental
	Enterprise Fund	Activities
	Department of	Internal Service
	Airports	Funds
	<u> </u>	<u> </u>
Cash Flow From Investing Activities		
Investment purchases	(10,000,000)	-
Interest on investments	1,309,190	325,144
Net cash provided by investing activities	<u>(8,690,810)</u>	<u>325,144</u>
Net increase (decrease) in cash and cash equivalents	(1,595,935)	3,770,449
Cash and cash equivalents at beginning of year (of which \$45,833,041 is restricted for Airports)	<u>78,622,015</u>	<u>24,406,252</u>
Cash and cash equivalents at end of year (of which \$53,727,322 is restricted for Airports)	<u>\$ 77,026,080</u>	<u>\$ 28,176,701</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	\$ (3,362,017)	\$ 1,695,050
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	12,007,277	5,193,678
Bad debt recovery	28,447	-
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable, net	(1,061,286)	20,259
Prepaid items	15,630	(7,221)
Inventories	(172,553)	51,817
Due from other governments	-	4,067
Deferred outflow of resources	-	(319,186)
(Decrease) increase in liabilities and deferrred inflows of resources:		
Accounts payable	(301,800)	(141,600)
Accrued salaries, wages and compensated absences	(96,543)	51,577
Net other post-employment benefit obligation	129,833	(2,019)
Net pension liability	679,341	412,263
Deferred inflows of resources	-	47,038
Other accrued expenses	6,003	-
Due to other funds	(207,861)	-
Unearned revenue	(30,607)	-
Amounts due to tenants, airlines, car rentals	60,397	-
Net cash provided by operating activities	<u>\$ 7,694,261</u>	<u>\$ 7,005,723</u>
Noncash capital and financing activities		
Capital contribution received	<u>\$ -</u>	<u>\$ 9,576,279</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2018

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 10,763,468
Pooled cash and investments	286,838,729
Taxes receivable	43,555,545
Fees receivable	766,745
Total assets	<u>\$ 341,924,487</u>
Liabilities	
Due to others	<u>\$ 341,924,487</u>
Total liabilities	<u>\$ 341,924,487</u>

The accompanying notes are an integral part of these financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Horry County, (the “County”) a political subdivision of the State of South Carolina, was incorporated in the year 1801. Horry County is located in the northeastern coastal area of South Carolina. It is bounded on the north by the North Carolina state line, east by the Atlantic Ocean, west by Dillon and Marion Counties of South Carolina, and south by Georgetown County, South Carolina. The County seat and administrative offices are located in the City of Conway, South Carolina. The County operates under a Council-Administrator form of government and is governed by a chairman and eleven council members.

The financial statements of the County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government-wide financial statements (statement of net position and statement of activities) report information on all nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements.

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

The County implemented GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68.

The County implemented GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

The County implemented GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

A. Reporting Entity

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the basic financial statements of the County present the reporting entity of the County that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

Financial accountability involves either appointments of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported in separate columns in the government-wide financial statements to indicate that they are not as closely related to the operations of the primary government. The County has two discretely presented component units and both have a June 30 fiscal year end. The County has one blended component unit and as required by GASB Statement No. 14 and No. 61, the basic financial statements include this blended unit which has a December fiscal year end.

The Shoreline Behavioral Health Services (formerly known as Horry County Commission on Alcohol and Drug Abuse) (SBHS) was created by Horry County to coordinate and provide the state-mandated substance abuse prevention, intervention, treatment, and educational programs within Horry County. The Horry County Council is responsible for the appointment of all members of SBHS's governing board and fiscal control. In the event of dissolution of the Commission, all assets and liabilities would transfer to the County and the County would assume responsibility to provide these services to the citizens. The County has determined that discrete presentation is appropriate to provide a more complete cost of services provided by the County through this entity.

The Horry County Solid Waste Authority (HCSWA) was created by Horry County Council to develop and implement the state-mandated solid waste disposal and resource recovery/recycling system for the County. The HCSWA is governed by a board appointed by the Horry County Council. The County Administrator serves as an ex-officio member of that board. Approval of the budget, all debt issuances and the legal liability for HCSWA operations remains with the County. The County has determined that discrete presentation is appropriate to provide a more complete cost of services provided by the County through this entity.

The Solicitor's Intervention Programs (SIP) was created and is controlled by the 15th Circuit Solicitor's Office. Horry County is appointed by South Carolina Statute as the Administrative County for the 15th Circuit Solicitor's Office comprising Horry County and Georgetown County. SIP provides services mandated by Court Administration for South Carolina solely to the 15th Circuit Solicitor's Office. SIP provide individuals who made a bad choice an opportunity to redirect their lives by offering programs mandated by state law [Pretrial Intervention Program (PTI), Alcohol Education Program (AEP), Traffic Education Program (TEP), Juvenile Diversion Program (JDP), and Juvenile Arbitration Program (DJJ)] and services available only through the 15th Judicial Circuit [Alcohol Drug Education Class, Adult CHANGE Program (Choose Healthy Attitudes and New Growth Experiences), Juvenile CHANGE Program (Choose Healthy Attitudes and New Growth Experiences)]. The Solicitor's Intervention Programs also administers restitution for the Horry County Drug Court and Victim Witness Assistance Program. During the calendar year 2015 SIP added two new programs. Community Service Dollars for Charity provides clients with the opportunity to donate dollars to charity in lieu of service hours. The EPIC Program offers defensive driving classes Educating People in Choices.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

A. Reporting Entity

Complete financial statements for SBHS, HCSWA and SIP may be obtained at their respective administrative offices:

Shoreline Behavioral Health Services
2404 Wise Road
Conway, South Carolina 29526

Horry County Solid Waste Authority
Finance Department
Post Office Box 1664
Conway, South Carolina 29528

Solicitor's Intervention Programs
114 Laurel St.
Conway, SC 29526

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The Government-Wide financial statements consist of a statement of net position and a statement of activities and reports information on all of the nonfiduciary activities of the government as a whole. Separate columns are used to distinguish between the County's governmental, business-type activities and discretely presented component units. Governmental activities are generally those activities financed by taxes, intergovernmental revenues and other non-exchange revenues. These activities are usually reported in the governmental funds.

Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in enterprise funds. The primary government is reported separately from certain legally separate component units.

The statement of net position reports all financial and capital resources of the County using the following format: assets plus deferred outflows of resources, less liabilities and deferred inflows of resources equals net position. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the "net (expenses) revenue" of the County's individual functions before applying "general" revenues. Eliminations have been made to minimize the double-counting of internal activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, and thus reducing the net cost of the function to be financed from the government's general revenues. Such revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are general revenues unless they are required to be reported as program revenues.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, blended component unit, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and enterprise fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column displayed as "other."

The County reports the following major governmental funds: General Fund, General Improvement Capital Projects, Capital Projects Sales Tax (RIDE II), Capital Projects Sales Tax (RIDE III), and RIDE Program Debt Service Fund. The County reports the Department of Airports as a major proprietary fund.

A combining schedule of "other" non-major funds is presented separately as part of other financial information. Because of the basis of accounting and reporting differences, summary reconciliations to the government-wide financial statements are presented at the end of each applicable fund financial statement.

A summary of fund financial statement types follows:

Governmental Fund Types

General Fund - The General Fund is a major fund and the primary operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally or donor restricted to expenditures for specified purposes. Special revenue funds consists of the following: Fire, Tourism and Promotion, Waste Management Recycling, Higher Education, Horry-Georgetown Technical College (HGTC), Watershed, Mt. Gilead, Socastee Recreation, Road Maintenance & CTC, Beach Renourishment, Grants, Admissions Tax, Victim Witness Assistance, Senior Citizen, Arcadian Shores, Baseball Stadium, Economic Development, Stormwater Management, Hidden Woods, Solicitor, Public Defender, Fire Insurance, Multi-County Business Park Rollback, E-911, CDBG Grant Program, and Recreation.

Capital Projects Funds - Capital projects funds account for the financial resources restricted, committed or assigned for the acquisition or construction of major capital facilities and equipment (other than those financed by the proprietary funds). Capital projects funds consist of the General Improvement, Capital Projects Sales Tax Fund (RIDE II) and Capital Projects Sales Tax (RIDE III), which are major funds and the Fire Apparatus Replacement Fund and Voluntary Developer Contributions Fund which are non-major funds. The Capital Projects Sales Tax Funds-Ride II and III account for the one cent increase in sales tax legally restricted for infrastructure improvements. The Fire Apparatus Replacement Fund accounts for providing fire apparatus equipment from taxes levied in the unincorporated areas of Horry County and the Voluntary Developer Contributions Fund account for the donations made by developers for specific land improvements or other designated capital uses.

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

Debt Service Funds - Debt service funds account for the financial resources restricted, committed or assigned for the payment of interest and principal on certain general long-term debt of the County, other than debt service payments financed by proprietary fund types. The non-major debt service funds consist of the following: General Debt and Special Obligation Debt. The RIDE Program Debt Service Fund, a major debt service fund, accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects.

Proprietary Fund Types

Enterprise Funds - Enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Department of Airports Fund, a major Enterprise Fund, accounts for revenue and expenses for the operations of the Conway, Loris, North Myrtle Beach Airport, and Myrtle Beach Aviation general aviation airports, as well as the Myrtle Beach International Airport.

Internal Service Fund - Internal Service Funds account for operations that provide goods and services to other internal departments or agencies of the primary government, or to other governments, on a cost-reimbursement basis. The County's internal service funds are Fleet Services and Communications. The Fleet Service Fund accounts for the maintenance and replacement of all County vehicles including heavy and light equipment. The Communications Fund accounts for the maintenance and replacement of portable radios as well as operation of the countywide digital P-25 communications system.

Fiduciary Fund Type

Agency Funds - Agency funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and for other funds. Agency Funds are custodial in nature (assets equal liabilities), do not involve measurement of results of operations, and consist primarily of property taxes and other revenues collected, temporarily retained and distributed by the County Treasurer to other governments in accordance with state of South Carolina Statutes.

Discretely Presented Component Units - For the government-wide financial statements, the accounts of the discretely presented component units SBHS and HCSWA are presented under the same basis of accounting as an enterprise fund, as described above.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures, expenses, and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflows of resources - are recognized in the accounts and reported in the financial statements.

Under GASB Statement No. 34, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds, which are the only fiduciary funds of the County, do not

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

C. Measurement Focus and Basis of Accounting

have a measurement focus. As a general rule, revenues and expenses are recorded when transactions occur, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effects of interfund activities are eliminated from the government-wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be identified and "available" means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred.

Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include fees and fines (except hospitality fees), licenses and permits.

All proprietary funds and the discretely presented component units are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position by distinguishing operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County's fiduciary fund type consists of only agency funds, which are custodial in nature and do not involve measurement of results of operations. Agency funds use the same basis of accounting as proprietary fund types, the accrual basis of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation and amortization expense, the allowance for doubtful accounts, signatory airline rebates or surcharges, other postemployment benefit cost, pension liability, compensated absences, and certain claims and judgment liabilities (e.g., rebatable arbitrage), among other accounts. Actual results could differ from those estimates.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

Cash Equivalents and Pooled Cash and Investments

Cash includes currency on hand, demand deposits with financial institutions and other accounts that have the general characteristics of demand deposits, in that, additional funds may be deposited any time and withdrawn without prior notice or penalty.

The County pools the cash of substantially all funds into an internal cash and investment pool that is available for use by all funds with the exception of the school district portion of the agency fund which has its own cash and investment pool and the one cent capital project sales tax, and where legal restrictions prohibit the commingling of funds. Allocation of interest earned is made to each fund based on pro rata equity with the exception of school district and capital project sales tax, which earn interest on its actual investments. Each individual fund's portion of the pool is displayed on the combined balance sheet as "pooled cash and investments".

The County's Department of Airports Enterprise Fund and the discretely presented component units, SBHS and HCSWA, maintain separate cash and investment accounts, generally in the form of cash in-the bank, certificates of deposit, and repurchase agreements.

For purposes of the statement of cash flows for the proprietary fund, cash equivalents are deposit accounts (including restricted assets other than deposits with other agencies) with an original maturity of three months or less from date of purchase, and other short-term highly liquid investments that are readily convertible to known amounts of cash.

Investments

Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Certificates of deposits and money market funds are valued at the amount held on deposit, and investment income is received and recognized at maturity date. U.S. Government Agencies Securities are valued based on published market prices and quotations from national security exchanges and securities pricing services. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned. The State of S.C. Treasurer's Investment Pool shares are valued at fair value which is the same as the value of the pooled shares, and investment income is received and recognized on a consistent periodic basis. Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the County's investment operations.

The fair value of the County and HCSWA's position in the South Carolina Local Government Investment Pool (SCLGIP) is the same as the value of the pool shares. The SCLGIP is not registered with the Securities Exchange Commission as an investment company. The State Treasurer is responsible for oversight of the SCLGIP.

Receivables and Allowance for Doubtful Accounts

Accounts receivable are stated net of their allowance for uncollectible amounts. Receivables in governmental funds include revenue accruals that are recognized when they become measurable and available as previously defined.

Property taxes receivable represents delinquent and unpaid real and personal property tax billings (five years for vehicle personal property taxes and ten years for all other property taxes), less an allowance for amounts estimated to be uncollectible.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

Due from Other Governments

Receivables from State, Federal, or other local governmental agencies are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method for the primary government and the average cost method for the discretely presented component unit, HCSWA.

Inventories in the general fund consist of tile used for subsurface drains and gift shop items at the Horry County Museum and at the L. W. Paul Living History Farm. The cost of the inventory item is recorded as an expenditure at the time the items are consumed. Inventories in the Road Maintenance/CTC Special Revenue fund are construction materials held for construction.

Inventories in the Department of Airports Enterprise Fund consist primarily of aviation gas, jet fuels, supplies, and parts held for consumption, and are stated at the lower of cost, determined using the first-in, first-out, (FIFO) method, or market. Accordingly, the cost is recorded as an asset at the time individual inventory items are purchased and then expended as the supplies and parts are consumed (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are recorded as an expenditure at the time they are consumed.

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditure or expense in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Restricted Assets

Restricted assets include monies or other resources, the use of which is restricted by legal or contractual requirements. In the enterprise fund, restricted assets are derived from certain grants, bonds, and contract ordinances.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When the Airport incurs an expense that may be paid from unrestricted or restricted funds, the Airport first uses restricted funds as allowed by legal or contractual requirements.

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, construction in progress and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the County as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The County has chosen the modified approach of accounting for infrastructure under GASB Statement No. 34. Under the modified approach, infrastructure is treated as an inexhaustible capital asset, thereby eliminating the need for depreciation accounting. The County must demonstrate that they are maintaining networks or subsystems of infrastructure assets at a selected condition level to qualify to use the modified approach. All acquired capital assets are valued at actual or estimated historical cost. Donated capital

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

assets received prior to June 30, 2015 are recorded at their fair market values or appraised value on the date donated. Donated capital assets received after June 30, 2015 are recorded at acquisition value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) have been capitalized using actual and estimated historical costs of major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements in fiscal years ending after June 30, 1980.

Depreciation of all exhaustible capital assets has been provided using the straight-line method over the estimated useful lives of the respective assets ranging as follows: land improvements and easements (including parking lots), 20-40 years; buildings, 10-40 years; runways, taxiways and rehabilitations, 30-40 years; vehicles, machinery and equipment, 3-15 years. The County's discretely presented component units' capital assets are stated at cost less accumulated depreciation. Depreciation of HCSWA's Subtitle D landfill is calculated based on the percent of the landfill's capacity used times its cost.

Intangible Assets & Amortization

Intangible assets lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Expenditures associated with an intangible asset are capitalized when placed into operation and the existing guidance for depreciating capital assets applies to amortizing intangible assets with finite lives. The amortization period and method is reviewed at least annually.

Capitalization of Interest

Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset being constructed, net of interest earned on the invested proceeds over the same period. With regard to assets acquired with tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense on the tax-exempt debt with interest earned on invested proceeds from the date of the borrowing until completion of the project. With regard to assets not acquired with tax-exempt debt, the amount of interest to be capitalized is the product of the average accumulated expenditures during the year for such assets and the weighted average interest rate on borrowings and is limited to the sum of interest expense on the tax-exempt debt not previously capitalized and all other interest expense. Interest is not capitalized on assets acquired or constructed with gifts and grants (contributed capital) that are restricted by the donor or grantor to acquisition of those assets to the extent that funds are available from such grants and gifts.

Deferred Inflows/Outflows of Resources

GASB Statement No. 63 requires that in addition to Assets, Liabilities, and Net Position, the Statement of Net Position provides separate sections for deferred inflows and deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. GASB 75 replaces the requirements of GASB 45. GASB 75 requires local government employers to recognize the total OPEB liability and expense, along with the related deferred outflows and inflows of resources. The County has multiple items which are classified as deferred outflows reported on the government-wide statement of net position. The classifications are deferred charge on refunding, pension, contributions subsequent to measurement date, differences in expected and actual retirement plan experience, difference between projected and actual investment earnings, and assumption changes.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The County has multiple items which are classified as deferred inflows reported on the government-wide statement of net position.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note. 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

The classifications are change in proportionate share of net pension liability and difference between expected and actual investment earnings. Unavailable revenue is reported as deferred inflows under the modified accrual method on the governmental funds balance sheet from three revenue sources: property taxes, fees, and other.

Debt Premiums and Discounts

On the government-wide Statement of Net Position and the proprietary fund type Statement of Net Position, debt premiums and discounts are netted against debt payable. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method which approximates the interest method. At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued.

Service Concession Arrangement

Horry County follows the accounting and financial reporting guidance from GASB Statement No. 60 for service concession arrangements (SCA). Horry County evaluates concession contracts against the criteria set forth in the standard and recognizes any service concession arrangements, associated liabilities, and unearned revenues on the Statement of Net Position.

Compensated Absences

The government-wide and proprietary fund financial statements record an expense and a liability when employees earn compensated absence credits. Governmental fund financial statements record a liability for compensated absences payable at June 30 only if the liability has matured but has not yet been paid at that date (for example, as a result of employee resignations and retirements).

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations (including post-employment benefit obligations, compensated absences, and net pension obligation) are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Long-term debt represents unmatured principal of general, special obligation and revenue bond indebtedness. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, long-term contracts using actual or imputed interest rates and long-term portions of claims or judgments including rebatable arbitrage. Liabilities arising from interfund activities do not constitute general long-term liabilities. Part of the County's long-term obligations is its Road Improvement and Development Effort (RIDE II) program. This obligation represents borrowings by the County from the State of South Carolina for the purpose of constructing and improving state roads. Since these roads are property of the State and are capitalized in the State's basic financial statements, these RIDE obligations are recorded as infrastructure and regulation expenses as incurred. The County has determined that these roads are not assets of the County. These obligations are funded by a special 1.5% hospitality fee passed into law by the County to fund these improvements. See Notes 8 and 17 for further discussion.

Net Position & Fund Balance - Flow Assumptions & Policies

In the government-wide Statement of Net Position and the proprietary fund type Statement of Net Position, "net position" is comprised of the various net earnings from operations, non-operating revenues, expenses, and contributions of capital. Net position is classified into three components. The first component is net investment in capital assets, consisting of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Debt related to unspent proceeds or other restricted

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

cash and investments is excluded from the determinations. The second component is restricted net position, which consists of line items for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including the entity's self-imposed legal mandates. The final component is unrestricted net position, which consists of all other net assets not included in the above categories.

The County's financial policy (Section 2-7.05) requires the following actions for fund balance classifications as "restricted", "committed" or "assigned" in the fund financial statements:

(a) Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers (i.e.: grants, creditors), constitutionally, or through enabling legislation (i.e.: legislation that creates a new revenue source and restricts its use). These restrictions may be changed or lifted only with the consent of resource providers.

(b) Committed - amounts that can be used only for the specific purpose determined by a formal action of County Council. Such commitments may be changed or lifted only by the County Council taking the same formal action that imposed the constraint originally (i.e.: use of fund balance to fund subsequent year's budgeted expenditures). Amounts classified as "committed" will be so designated by Council Resolution, and can only be changed by the same action that initially authorized them, unless that authorizing document states otherwise.

(c) Assigned - amounts intended to be used by the County for specific purposes. County Council delegates the authority to classify fund balance as "assigned" to the County Administrator and his/her designee, within the Finance Department, per County's financial policy. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

With the implementation of GASB 54, other fund balance classifications could be non-spendable, which represents an amount that is legally or contractually required and cannot be spent, or unassigned, which represents amounts not included in the other fund balance categories.

The policy for the order of expenditure of funds by fund balance classification as they become available for spending is as follows: Future qualifying expenditures will first reduce the amount of fund balance classified as restricted, followed by the reduction of unrestricted fund balance starting first with "committed", then "assigned", then "unassigned" as applicable when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used. The general fund is the only fund that reports a positive unassigned fund balance amount.

The County's stabilization policy includes a cash management reserve, revenue stabilization reserve, and disaster reserve.

A cash management reserve is to be maintained in the general fund, the fire fund, the recreation fund, and the stormwater fund. The cash management reserve is shown as a part of the restricted fund balance in the fire fund, recreation fund and stormwater fund. Since this policy is approved by county council ordinance, the council authorizes the cash management reserve which is not categorized as restricted to be classified as "committed" fund balance. The cash management reserve shall be sufficient to allow the county to avoid short-term borrowing at all times in the fiscal year. Use of the cash management reserve shall require approval by a super-majority of seventy-five (75) percent of county council through ordinance. The cash management reserve should be maintained at eighteen (18) percent of the fund's next year budgeted expenditures and transfers out,

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

Net Position & Fund Balance - Flow Assumptions & Policies, continued

excluding those amounts that are funded by one-time funding sources. In the event that the cash management reserve is spent, the reserve shall be reestablished within three (3) fiscal years.

A revenue stabilization reserve is to be maintained in the general fund, the fire fund, recreation fund, and the stormwater fund. The revenue stabilization reserve is shown as a part of the restricted fund balance in the fire fund, recreation fund and stormwater fund. Since this policy is approved by county council ordinance, the council authorizes the revenue stabilization reserve which is not categorized as restricted to be classified as "committed" fund balance. The revenue stabilization reserve can be spent in the event that actual revenues collected have a negative variance greater than two (2) percent of the budget revenue estimate. Use of the revenue stabilization reserve requires approval by council resolution, but may not be used to balance a subsequent year's budget.

The revenue stabilization reserve should be maintained at two (2) percent of the fund's next year budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. In the event that the fiscal stabilization reserve is spent, the following must be followed to replenish the reserve balance:

1. Withdrawals up to twenty-five (25) percent of the reserve shall be restored within one (1) fiscal year;
2. Withdrawals of twenty-five (25) percent of the reserve up to fifty (50) percent of the reserve shall be restored within two (2) fiscal years;
3. Withdrawals of fifty (50) percent of the reserve up to seventy-five (75) percent of the reserve shall be restored within three (3) fiscal years;
4. Withdrawals of seventy-five (75) percent of the reserve up to one hundred (100) percent of the reserve shall be restored within four (4) fiscal years.

A disaster reserve is to be maintained in the general fund, the fire fund, the recreation fund, and the stormwater fund. The disaster reserve is shown as a part of the restricted fund balance in the fire fund, recreation fund and stormwater fund. Since this policy is approved by county council ordinance, the council authorizes the revenue stabilization reserve which is not categorized as restricted to be classified as "committed" fund balance. The disaster reserve can be spent under extreme exigent circumstances when unexpected expenditures are required in excess of the budgeted expenditures in order to provide for the health, safety and/or welfare of the county. Use of the disaster reserve is most likely to occur in the event of a natural disaster such as a hurricane, earthquake, terrorism, or other extraordinary event. Use of the disaster reserve requires approval by council resolution.

The disaster reserve should be maintained at five (5) percent of the fund's next year budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. In the event that the disaster reserve is spent, the following must be followed to replenish the reserve balance:

1. Withdrawals up to twenty-five (25) percent of the reserve shall be restored within two (2) fiscal years;
2. Withdrawals of twenty-five (25) percent of the reserve up to fifty (50) percent of the reserve shall be restored within four (4) fiscal years;
3. Withdrawals of fifty (50) percent of the reserve up to seventy-five (75) percent of the reserve shall be restored within six (6) fiscal years;
4. Withdrawals of seventy-five (75) percent of the reserve up to one hundred (100) percent of the reserve shall be restored within eight (8) fiscal years.

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

Net Position & Fund Balance - Flow Assumptions & Policies, continued

The County's minimum fund balance policy states that all governmental funds responsible for the payment of debt service must maintain within fund balance an amount equal to at least 50% of the next year's debt service amount and this policy, approved by County Council Ordinance, authorizes this amount which is not categorized as "restricted" to be classified as "committed" fund balance. This requirement applies to the General Debt Service Fund and Fire Fund. The Airport Enterprise Fund will maintain reserves at levels that comply with the applicable regulatory requirements such as bond covenants and requirements of various funding sources.

Non-exchange Transactions, Contributed Capital and Transfers

Pursuant to GASB Statement No. 33 *Accounting and Financial Reporting for Non-Exchange Transactions*, deeded properties and Federal, state and local government assistance in the form of non-operating grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment have been recorded after non-operating revenue as required by GASB Statement No. 34. Grants and fees that are considered program-related are recognized as operating revenue. The Department of Airports Enterprise Fund is a recipient of certain Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants. These capital cost-reimbursed grants have been recognized as non-operating capital contributions. The Airport receives TSA Security Operations grants which are recognized as operating revenues. The County & Airport have received grant funds from the South Carolina Department of Transportation ("SCDOT") for road improvements.

Passenger Facility Charges

Passenger Facility Charges ("PFC") collected pursuant to Federal FAA regulations from enplaned passengers via airlines' remittances are restricted for future construction, capitalization, and related debt services of the Airport as approved by the FAA.

Contract Facility Charges

Contract Facility Charges ("CFC") collected pursuant to certain agreements on automobile rentals, are restricted for future construction projects related to automobile rental tenants.

Lease Accounting

The revenue from terminal building space rentals and other leased sites is accounted for under the operating lease method. Base monthly rentals are computed on the square footage occupied by the tenant times the rent per square foot, which varies with each tenant. Tenant leases are normally for periods of three to five years with options to renew; however, lease terms provide for early termination by either party with a 30-day notification. Annual rent increases are primarily based on annual increases in the Consumer Price Index, where applicable.

In addition, lease revenues from air carriers are based on certain compensatory "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized to expenses over the life of the lease.

Leased Property Under Capital Lease

Leased property under capital leases is depreciated using the straight-line method over the term of the lease. Leases are deemed to be capital leases if they meet the criteria as defined in the FASB Codification.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/ Fund Balance, Revenue, Expenditures and Expenses

Property Taxes

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property owned and used in the County, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget process.

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable real property within the County is taken from the records of the County Assessor. Taxes are levied by the County Auditor as of January 1, billed in October, and are due by January 15 in the year following their levy. Tax billings are considered delinquent after the due date, at which time the applicable property is subject to lien, and interest and penalties are assessed.

New vehicle property taxes are assessed and levied by the County Auditor within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

County property tax revenues are recognized at the time of levy for the budget period to which they apply. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Cost Allocation - Indirect

The County records interdepartmental cost allocations designed to redistribute general fund operating expenditures to other governmental and proprietary funds. These allocations are based upon cost allocation plans prepared in accordance with United States Office of Management and Budget requirements and include an estimate of allocable costs based upon the cost allocation plan.

Future Landfill Closure and Postclosure Care Costs

In accordance with GASB Statement No. 18, *Accounting For Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, the discretely presented component unit, HCSWA, recognizes expenses for landfill closure and postclosure care costs over the life of the landfill's operation in proportion to the usage of the landfill's total capacity. Federal and state regulations related to landfill closure procedures are comprehensive and require postclosure care and monitoring for a period extending thirty (30) years after closure.

Net Pension Liability

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* the County reports its share of the State of South Carolina's net pension liability.

Net OPEB liability

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, the County reports its total OPEB liability and expense, along with the related deferred outflows and inflows of resources.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

E. Reclassification

Certain items in the prior year have been reclassified to conform to the current year presentation.

F. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 4, 2018, the date the financial statements were available to be issued. On September 18, 2018, two passengers perished during transport due to an accident. The accident is under investigation and the County is not able to estimate liability from potential claims.

Note 2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Annual appropriated legal-based budgets are adopted by County Council for governmental fund types including the general, special revenue and debt service funds. General Improvement Capital Projects Fund and Capital Projects Sales Tax Fund (RIDE II and RIDE III) adopted project-length budgets. Budgetary comparisons to actual of the general fund are presented as Required Supplementary Information.

Capital Projects project-length budget comparisons are presented following individual fund-level schedules. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports, Fleet Services, and Communications for fiscal year ended June 30, 2018, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not required to be presented in the accompanying basic financial statements.

Prior to July 1 of each year, the budget is legally enacted by the passage of an ordinance. The ordained budget includes proposed expenditures and the means of financing them. The County's budget serves as an approved plan to facilitate financial control and operational evaluation. Additional budget appropriations must be approved by County Council at the fund level of expenditures. The County Administrator, Assistant County Administrators, or his/her designee are authorized to transfer budgeted amounts between departments when deemed necessary and upon request from the department head. Total expenditures in any one of the governmental fund types may not exceed the original ordained budgeted amount for that fund without prior amendment by County Council.

Accordingly, formal budgetary integration is employed at the fund-level as a management control device during the year.

At fiscal year-end, June 30, 2018, any funds budgeted for the following purposes which have not been expended shall reflect as a commitment of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2019 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting shall not require a supplemental budget ordinance and shall be limited to the amount available above the required fund balance for the previous fiscal year: funds budgeted for Capital Improvement Projects; funds budgeted for Road Maintenance local road improvements; funds budgeted for Capital Project Sales Tax projects; funds budgeted for County Council expense accounts and recreation funds; funds budgeted for Grants or donations; funds budgeted for Stormwater capital projects, chemicals, and contract spraying; funds budgeted for Berm Height Study and Singleton Swash Capital Project; funds budgeted for Maintenance Life Cycle Program; funds budgeted for Recreation capital improvements; funds budgeted for capital items authorized by purchase order but not received; funds budgeted for accommodations tax funds approved by the Accommodations Tax Committee and County Council; funds budgeted for ongoing capital projects at the baseball stadium; funds budgeted for directional signage; funds budgeted for County paid parking program; funds budgeted for Myrtle Beach Regional Economic Development Corporation (MBREDC); funds budgeted for offsite morgue; funds budgeted for infrastructure improvements in admission tax

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability, continued

districts; funds budgeted for spoil basin maintenance and legal; funds budgeted for traffic lights; funds budgeted for Public Works asphalt and construction; funds budgeted for heavy equipment replacement; funds budgeted for infrastructure improvements in the Multi-County Business Park Rollback Fund; funds budgeted for Solicitor and Public Defender Circuit Offices; funds budgeted for

Fire Apparatus Replacement; funds budgeted for Hidden Woods special tax district; funds budgeted for Prisoner Canteen proceeds; funds budgeted for home detention; funds budgeted for Museum gift shop net revenues; and funds budgeted for Library park pass fees.

B. Encumbrances

Under encumbrance accounting, outstanding purchase orders, contracts, and other commitments for unperformed contracts and goods and services are recorded in order to reserve that portion of the applicable appropriation in the governmental fund types. At year-end, encumbrances are carried forward and are reported within the category of restricted fund balance if the encumbrance will be relieved by grant funds or other external restricted funds or as committed fund balance. Resources to liquidate encumbrances are existing for all governmental funds with the exception of the Community Development Block Grant Program Special Revenue Fund (CDBG). Resources to liquidate encumbrances for CDBG are measurable but not available at June 30, 2018. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

Note 3. Deposits and Investments

A. Deposits

State Statute authorizes the County to invest in (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; (3) interest bearing accounts in financial institutions to the extent that the same are insured by an agency of the Federal government; (4) certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the Federal Government; (5) or deposit accounts with banking institutions insured and secured in the same manner. The Statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash.

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. Essentially all deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2018, reported amount of the County's deposits was \$113.3 million and the bank balance was \$118.3 million. The \$113.3 million bank balance was covered by federal depository insurance or subsequently collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment Policy

All of the County's investments are presented at fair value. Securities are valued at the last reported sales price as provided by an independent pricing service. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments

Investment Policy, continued

At June 30, 2018, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (amounts shown in thousands)		
		Three months or less	Three to twelve months	More than one year
Certificates of Deposit	\$ 43,207	\$ 43,201	\$ 6	\$ -
Money Market funds	24,355	24,355	-	-
U.S. Government Agencies Securities	413,914	137,414	133,491	143,009
State of S.C Transportation Infrastructure Bank	65,885	65,885		
State of S.C. Treasurer's Investment Pool	197,259	197,157	-	-
Total investments held in the County's name	<u>\$ 744,620</u>	<u>\$ 468,012</u>	<u>\$ 133,497</u>	<u>\$ 143,009</u>

The County's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.

Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments, continued

Investment Policy, continued

	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by Fair Value Level				
Certificates of Deposits	\$ 43,207	\$ 43,207	\$ -	\$ -
Money Market Funds	24,355	24,355	-	-
U.S. Government Agencies Securities	413,914	-	413,914	-
Total Investments by Fair Value Level	<u>481,476</u>	<u>\$ 67,562</u>	<u>\$ 413,914</u>	<u>\$ -</u>

Investments Measured at the Net Asset Value (NAV)

State of S.C Transportation	
Infrastructure Bank	65,885
State of S.C. Treasurer's Investment Pool	<u>197,259</u>
Total Investments at the NAV	<u>263,144</u>
Total Investments held in the County's name	<u>\$ 744,620</u>

The South Carolina Local Government Investment Pool ("State of S.C. Treasurer's Investment Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the County will not be able to recover the value of investments or collateral securities that are in possession of an outside party. Essentially all of the primary government's repurchase agreements are fully collateralized with U.S. Government Securities. The County's policy with respect to custodial credit risk is that all of the County's investments must be insured or subsequently collateralized.

Credit Risk

As of June 30, 2018, the County's investments in U.S. Government Agencies Securities are rated Aaa by Moody's Investors. Statues also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer's Investment Pool which is unrated, of which; the fair value of the County's investments is the same as the value

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

of the pooled shares. The County's investment in the money market fund, repurchase agreement, and certificate of deposit are also unrated. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's credit risk policy to mitigate the potential for loss of principal is to purchase only high investment grade fixed-income securities. The County's repurchase agreements are fully collateralized by U.S. Government Securities and are not subject to credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The County's respective maturity dates are as noted above. The County does not have a policy with respect to interest rate risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County does not have a policy for reducing this risk to any single issuer. As of June 30, 2018, the County had 39.7% of its investments invested with First Citizens, 32.3% with the State of S.C. Treasurer's investment pool and 11.3% with Wells Fargo Securities. The County does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

Component Units

HCSWA:

A. Deposits

At June 30, 2018, the carrying amount of the HCSWA's total cash deposits was \$10,302,533 with corresponding bank balances of \$10,973,535. Of that balance, \$500,000 was covered by federal depository insurance and \$10,473,535 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name. At year end, petty cash on hand totaled \$1,850.

Custodial credit risk is the risk that in the event of a bank failure, the HCSWA's deposits may not be returned to it. The HCSWA's deposit policy for custodial credit risk requires all deposits in excess of federal depository insurance to be collateralized with securities held by the pledging financial institution's trust department in the HCSWA's name.

Investments consisted of the following at June 30, 2018:

<u>Investment Type</u>	<u>Weighted Ave. Maturity (Years)</u>	<u>Standard & Poor's Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Federal Home Loan Mortgage Corp.	3.78	AA+	\$20,334,082	79.36%
SC Local Government Investment Pool	N/A	Not Rated	<u>5,289,725</u>	<u>20.64%</u>
			<u>\$25,623,807</u>	<u>100.00%</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

At June 30, 2018, fair value measurements of the HCSWA 's investments are as follows:

	Fair Value Measurements Using			
	Net Asset Value	Level 1 Inputs	Level 2 Inputs	Total
Federal Home Loan Mortgage Corporation	\$ -	\$20,334,082	\$ -	\$20,334,082
SC Local Government Investment Pool	5,289,725	-	-	5,289,725
	<u>\$5,289,725</u>	<u>\$20,334,082</u>	<u>\$ -</u>	<u>\$25,623,807</u>

The HCSWA does not have a formal investment policy that (a) limits its investment choices based on investment credit ratings, (b) limits the amount it may invest in any one investment issuer or (c) limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Designated Cash

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2018 and are not considered to be available to pay for operating expenses:

Component Units

HCSWA:

B. Designated Cash

Landfill Closure Costs	\$ 8,189,791
Landfill Postclosure Care Costs	9,680,944
Equipment Replacement	2,899,934
Construction	7,475,426
MRF Contingency	94,682
OPEB Obligation	2,155,905
Waste Diversion	577,482
	<u>\$ 31,074,164</u>

SBHS:

A. Deposits

It is the Commission's policy for deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation Insurance (FDIC).

Shoreline is exposed to certain custodial credit risks from the use of local financial institutions for its depository accounts. At June 30, 2018 a total of \$2,460,777 was on deposit with local institutions in the name of Shoreline. These deposits are covered by the FDIC up to \$250,000 per institution. Any deposits in excess of FDIC limits are collateralized by securities held by the pledging financial institution in Shoreline's name. Shoreline did not recognize any losses due to default by counterparties relating to depository relationships.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

B. Investments (amounts shown in thousands)

SBHS does not have policies with respect to credit rate risk, interest rate risk, concentration of credit risk or foreign currency risk. At June 30, 2018, SBHS had no investments.

A reconciliation of deposits and investments to cash and cash equivalents shown on the government-wide, fiduciary financial statements and discretely presented component units (SBHS and HCSWA) is as follows:

	Primary Government	Fiduciary Fund Agency	Total	Discretely Presented Component Units	
				SBHS	HCSWA
Cash on hand	\$ 32	\$ -	\$ 32	\$ -	\$ 2
Carrying amount of deposits (cash and cash equivalents)	38,217	8,238	46,455	2,351	10,302
Carrying amount of deposits (pooled cash)	19,429	47,427	66,856	-	-
Carrying amount of investments	502,683	241,937	744,620	-	25,624
Totals	\$ 560,361	\$ 297,602	\$ 857,963	\$ 2,351	\$ 35,928
Cash and cash equivalents	\$ 21,856	\$ 8,238	\$ 30,094	\$ 2,351	\$ 15,594
Pooled cash and investments	23,597	286,839	310,436	-	-
Investments	394,787	2,525	397,312	-	20,334
Cash and cash equivalents - restricted	16,228	-	16,228	-	-
Investments - restricted	37,500	-	37,500	-	-
Restricted funds held in trust	66,393	-	66,393	-	-
Totals	\$ 560,361	\$ 297,602	\$ 857,963	\$ 2,351	\$ 35,928

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables

Receivables for the primary government, including applicable allowances for uncollectible accounts, at June 30, 2018, are as follows:

	(amounts shown in thousands)		
	<u>Governmental Activities</u>	<u>Business-type Activity</u>	<u>Totals</u>
Property taxes	\$ 17,880	\$ -	\$ 17,880
Less, allowance for uncollectibles and amounts not available for current period	(13,293)	-	(13,293)
Net property taxes	<u>4,587</u>	<u>-</u>	<u>4,587</u>
Accounts and other			
Other	3,625	2,665	6,290
EMS billings	16,505	-	16,505
Less, allowance for uncollectibles	(14,552)	(176)	(14,728)
Net accounts and other	<u>5,578</u>	<u>2,489</u>	<u>8,067</u>
Fees			
Road fees	2,773	-	2,773
Hospitality fees	7,141	-	7,141
Stormwater Management fees	267	-	267
Other fees	683	-	683
Less Allowance for uncollectibles	(1,279)	-	(1,279)
Net fees	<u>9,585</u>	<u>-</u>	<u>9,585</u>
Total receivables, net	<u>\$ 19,750</u>	<u>\$ 2,489</u>	<u>\$ 22,239</u>

Property taxes receivable include delinquent and unpaid taxes, penalties and interest, if applicable, and is reported in the accompanying financial statements of the primary government.

Governmental activities accounts receivable include amounts owed to the County as a result of magistrates court, clerk of court fines and assessments, and billings relating to emergency medical transportation. Fees receivable include local accommodations tax, hospitality fees, road maintenance, stormwater management, fee-in-lieu of taxes and E911 fees.

Business-type Activity includes the Department of Airports current accounts receivable for airfield landing fees, leased sites, terminal building, FBO sales and airport services.

Receivables at June 30, 2018 for the discretely presented component unit HCSWA totaled \$2,185,946 and were reported net of \$15,000 in allowance for doubtful accounts.

Receivables (current and non-current) at June 30, 2018 for the discretely presented component unit SBHS totaled \$4,504,467 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$3,329,000 allowance for uncollectible accounts.

Amounts due from private party represents amount charged individuals for services. SBHS has established an allowance based upon management's best estimate of the amount collectible and considers this to be a significant estimate. SBHS uses collection programs through the South Carolina Department of Revenue (SCDOR) to collect past due amounts from private parties. These programs are called 'Debt Setoff' and 'GEAR'.

1) Debt Setoff - Debt Setoff is a program whereby individual income tax refunds are intercepted and sent to creditors. The SCDOR charges an administrative fee to the debtor of \$25. For fiscal year ended June 30, 2018, SBHS's revenue for Debt Setoff was \$96,749.

2) GEAR - Gear is a program whereby the SCDOR impounds a portion of individuals recurring wages. Amounts impounded are remitted monthly to Shoreline less an administrative fee of 28.5%. For the fiscal year ended June 30, 2018, SBHS's revenue for and GEAR was \$62,022.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables (amounts shown in thousands)

In the government-wide statement of net position, interfund receivables and payables (internal balances) between governmental activities and business-type activities have been eliminated. In the governmental and proprietary funds financial statements, short-term interfund receivables and payables at June 30, 2018 were as follows:

<u>Due To</u>	<u>Due From</u>					<u>Total</u>
	<u>Arcadian Shores</u>	<u>CDBG</u>	<u>Tourism & Promotion</u>	<u>Airport</u>	<u>Other</u>	
General Fund	\$ 70	\$ 1,019	\$ 578	\$ 934	\$ 12	\$ 2,613
Total	<u>\$ 70</u>	<u>\$ 1,019</u>	<u>\$ 578</u>	<u>\$ 934</u>	<u>\$ 12</u>	<u>\$ 2,613</u>

Amounts due between primary governments and component units were as follows:

	<u>Receivable</u>	<u>Payable</u>
Primary government:		
General Fund	\$ -	\$ 258
Waste Management	-	741
Component units:		
SHBS	258	-
HCSWA	741	-
	<u>\$ 999</u>	<u>\$ 999</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods or services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables (amounts shown in thousands)

The following table summarizes interfund transfers during the year ended June 30, 2018:

	Transfers from						Total
	General Fund	Capital General Improvement Projects Fund	Capital Project Sales Tax (RIDE II)	RIDE Program Debt Service	Non-major Governmental Funds	Internal Service Fund	
Transfers to							
General Fund	\$ -	\$ -	\$ -	\$ 416	\$ 27	\$ 245	\$ 688
Road Maintenance	-	-	371	-	382	-	753
Grants	69	-	-	-	115	-	184
Victim Witness	299	-	-	-	-	-	299
Stormwater	-	-	-	-	568	-	568
Solicitor	4,093	-	-	-	-	-	4,093
Public Defender	1,157	-	-	-	-	-	1,157
Recreation	67	-	-	-	22	-	89
Capital Projects	4,700	-	-	-	3,348	34	8,082
General Debt Service	-	-	-	-	1,792	-	1,792
Internal Service	223	654	-	-	620	-	1,497
Total	\$ 10,608	\$ 654	\$ 371	\$ 416	\$ 6,874	\$ 279	\$ 19,202

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from the fund with the collection authorization to the appropriate fund recording the expenditures as they become due, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Note: Internal Service Fund had capital asset, in the amount of \$654,050 that are included in the above table. These transfers are reported as contributed capital in the Statement of Revenues, Expenses and Changes in Net Position for the Proprietary Funds, Governmental Activities-Internal Service Funds

Note 6. Due From Other Governments (amounts shown in thousands)

Amounts due from other governments for the primary governments and component units on the Statement of Net Position at June 30, 2018 are as follows:

	Governmental Activities					Total	Business-type
	General	Special Revenue	Capital Projects	Debt Service	Internal Service		Department of Airports
State	\$ 5,604	\$ 5,104	\$ 34,047	\$ 10	\$ -	\$ 44,765	\$ -
Federal	2,046	7,706	73	-	-	9,825	308
Other	201	109	-	-	-	310	-
Total	\$ 7,851	\$ 12,919	\$ 34,120	\$ 10	\$ -	\$ 54,900	\$ 308

	Discretely Presented Component Units	
	SBHS	HCSWA
State	\$ 127	\$ 199
City	-	-
Federal	-	-
Other	323	741
Total	\$ 450	\$ 940

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets

A summary of the changes in capital assets during the year ended June 30, 2018 are as follows:

	<i>(amounts shown in thousands)</i>				
Governmental Activities	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 23,877	\$ 274	\$ (13)	\$ 299	\$ 24,437
Intangible Assets	20	-	-	-	20
Infrastructure	488,433	18,876	(1,246)	54,524	560,587
	512,330	19,150	(1,259)	54,823	585,044
Construction-in-progress	66,284	51,393	-	(70,079)	47,598
Total capital assets not depreciated	578,614	70,543	(1,259)	(15,256)	632,642
Subject to depreciation/amortization:					
Land improvements	9,626	71	-	200	9,897
Buildings and improvements	237,906	-	(269)	2,123	239,760
Machinery, equipment and vehicles	96,252	1,640	(2,190)	4,011	99,713
Intangible Assets	532	-	-	-	532
Totals	344,316	1,711	(2,459)	6,334	349,902
Total general capital assets	922,930	72,254	(3,718)	(8,922)	982,544
Less, accumulated depreciation:					
Land improvements	(4,095)	(446)	-	-	(4,541)
Buildings and improvements	(93,890)	(7,974)	210	-	(101,654)
Machinery, equipment and vehicles	(73,617)	(6,239)	2,144	-	(77,712)
Intangible assets	(314)	(54)	-	-	(368)
Totals	(171,916)	(14,713)	2,354	-	(184,275)
Net general capital assets	751,014	57,541	(1,364)	(8,922)	798,269
<u>Internal Service Fund Capital Assets</u>					
Not subject to depreciation:					
Construction-in-progress	3	-	-	(3)	-
Total capital assets not depreciated	3	-	-	(3)	-
Subject to depreciation:					
Land improvements	18	-	-	-	18
Buildings and improvements	-	27	-	336	363
Machinery, equipment and vehicles	23,999	3,423	(960)	8,589	35,051
Heavy equipment	16,223	1,701	(983)	-	16,941
Totals	40,240	5,151	(1,943)	8,925	52,373
Total internal service fund capital assets	40,243	5,151	(1,943)	8,922	52,373
Less, accumulated depreciation					
Land improvements	(1)	(1)	-	-	(2)
Buildings and improvements	-	(10)	-	-	(10)
Machinery, equipment and vehicles	(13,985)	(3,389)	933	-	(16,441)
Heavy Equipment	(10,779)	(1,793)	845	-	(11,727)
Totals	(24,765)	(5,193)	1,778	-	(28,180)
Net internal service fund capital assets	15,478	(42)	(165)	8,922	24,193
Net capital assets - Governmental Activities	\$ 766,492	\$ 57,499	\$ (1,529)	\$ -	\$ 822,462

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets, continued

(amounts shown in thousands)

Business-type Activities	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Not subject to depreciation:				
Land and easements	\$ 23,274	\$ -	\$ -	\$ 23,274
Infrastructure	9,182	-	-	9,182
	32,456	-	-	32,456
Construction in progress	872	3,845	(872)	3,845
Total capital assets not depreciated	33,328	3,845	(872)	36,301
Subject to depreciation:				
Buildings and improvements	173,808	2,929	-	176,737
Runways and taxiways	99,136	1,171	-	100,307
Machinery and equipment	21,928	2,072	-	24,000
Land improvements	35,872	2,309	-	38,181
Totals	330,744	8,481	-	339,225
Total Business-Type Assets	364,072	12,326	(872)	375,526
Less accumulated depreciation:				
Buildings and improvements	(50,625)	(4,936)	-	(55,561)
Runways and taxiways	(42,411)	(3,794)	-	(46,205)
Machinery and equipment	(15,508)	(1,548)	-	(17,056)
Land improvements	(13,346)	(1,729)	-	(15,075)
Totals	(121,890)	(12,007)	-	(133,897)
Net capital assets - Business-type Activities	\$ 242,182	\$ 319	\$ (872)	\$ 241,629

During the year ended June 30, 2018, depreciation expense for the Airport totaled \$12,007,277.

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2018, are as follows:

(amounts shown in thousands)

Component Units	SBHS	HCSWA
Land	\$ 138	\$ 7,918
Subtitle D (Class 3) landfill	-	36,526
Buildings	1,492	12,175
Vehicles, machinery and equipment	206	23,781
Other improvements	-	10,479
Construction-in-progress	-	1,914
Totals	1,836	92,793
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(25,050)
Buildings	(909)	(4,426)
Vehicles, machinery and equipment	(140)	(13,288)
Other improvements	-	(3,517)
Totals	(1,049)	(46,281)
Net capital assets - Component Units	\$ 787	\$ 46,512

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets, continued

Construction-in-progress amounts included above are as follows:

Governmental Activities	(amounts shown in thousands)
Road Improvements	\$ 45,522
IT Projects	1,154
Machinery & Equipment	430
Building Projects	310
Recreation	182
Total	\$ 47,598

Estimated total costs to complete these projects approximates \$18.5 million.

Business-type Activities: (Department of Airports)	(amounts shown in thousands)
GA Facility Development	\$ 154
MYR AWOS Relocation	184
GA System Plan (All)	330
MYR Master Plan Study	18
East Side Commerce Park	50
HCDCA Roof Replacement & Improvements	35
MYR Parking Capacity Phase 1	62
CRE Grading, Erosion & Drainage	230
MYR Taxiway A & B Pavement & Lighting Rehabilitation	1,968
MYR Fuel Farm Infrastructure	54
CRE Runway 5-23 Pavement Rehabilitation	623
HYW NAVAID-PAPI Rehabilitation	137
Total	\$ 3,845

Estimated remaining costs to complete these Airport projects approximates \$62.5 million.

MYR continues to experience tremendous growth in aircraft operations and increases in aircraft size. The age and wearing of the existing asphalt and concrete surfaces on both taxiways and taxi-lanes have resulted in cracks, rutting, spalls and other visible distresses as the pavements are approaching or have exceeded their design life. The scope of this major capital project includes: relocation of Taxiway A to a 600-foot separation from runway, reconstruct Taxiway B in its current location, install Taxiway A and Taxiway B lighting and signage system, install Airfield Electrical vault and construct Airfield drainage improvements.

The Airport will be upgrading and rehabilitating CRE's runway, as well as the taxiway system that feeds into it. The work will be completed in phases. The first phases will include establishing a temporary 4,000 linear feet visual only runway by utilizing the existing parallel Taxiway A. The second phase will rehabilitate Runway 05-23, as well as the portion of connector taxiways within the runway safety area (RSA), with a concrete overlay. Additional phases include rehabilitation of parallel Taxiway A once the main runway is open to traffic.

The FAA-mandated Airport Master Plan Study is a comprehensive study of the Airport and its surrounding environment, and discusses the short, medium, and long term plans for airport development in a report format. The last airport master planning effort was completed in 2001. Masters plans are primarily for use by members of the aviation community, especially airport sponsors, airport staff, airport consultants, FAA representatives, state aviation officials, airlines and airport tenants. The Master Plan is the airport's strategy for the future development of the airport.

At June 30, 2018, the Airport had outstanding purchase orders relating to the projects above in the amount of \$2.3 million.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Department of Airport Facilities

Prior to March 1993, the Airport used certain airfield facilities of the Myrtle Beach Air Force Base through a joint-use agreement, originally executed in the mid 1970's, with the United States Air Force (USAF). Coincident with the execution of the joint-use agreement, the Air Force and Horry County executed the Base Lease agreement which leased to the County the acreage on the air force base on which to operate the airport terminal. In March 1993, the base was officially closed and the joint-use agreement was terminated. At the time of closure, the Air Force extended the Base Lease agreement with the County to include the airfield facilities previously used by the airport in accordance with the joint use agreement.

The term of the Base Lease agreement was extended to December 31, 2028. The agreement called for the transfer of ownership of the property in fee simple to the County from USAF for the land and facilities at the end of the lease, but contemplated an earlier transfer based upon the USAF meeting certain criteria set forth in the agreement. The transfer of ownership was completed on June 17, 2003, and a fee simple deed to the property was recorded in the County's name in the Register of Deeds office of Horry County on that date. The property transferred excluded portions of Myrtle Beach International Airport (MBIA) property which are still undergoing environmental remediation and cleanup efforts by the United States Government.

With respect to the airfield, aprons, taxiways, drainage system, etc., associated with the USAF property conveyance, no historical or estimated values are available. Until such time that a fair market value can be established, a value of \$1.00 has been recorded representing "Land" and "Navigation Easements". Buildings and structures are being specifically identified and recorded at fair value at the date of the gift.

County depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2018 is as follows: general government (\$4,227,717); public safety (\$7,477,682); Infrastructure and regulation (\$397,770); culture and recreation (\$2,374,162) and health and social services (\$234,850). Capital assets held by the Internal Service Fund (\$5,193,678).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

A. Governmental Activities Debt

Long-term debt at June 30, 2018, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, pension, other post-employment benefits, and long-term capital leases. General Obligation (G.O.) bonds are issued to provide funds for the acquisition and construction of major capital facilities and equipment. G.O. bonds are direct obligations that pledge the full faith, credit and taxing power of the County. The South Carolina Constitution limits local government units borrowing power to eight percent of its assessed property values. The limitation excludes bonded indebtedness existing prior to December 1, 1997 (date of the Constitutional Amendment), certain special levies assessed on properties located in specific areas receiving special benefits, and other prescribed indebtedness approved by the voters.

Revenue bonds are issued to provide funds for the acquisition and construction of major capital facilities and are secured by the pledge of specific net revenues of the County. Such revenue bonds are recorded in the Enterprise Funds.

Certificates of Participation (COPS) were issued in 1998 to provide funds for the County's portion of the construction of a Baseball Stadium. The debt is secured by a pledge of the Hospitality Fees Special Revenue Fund revenues (Special Fund portion) of the County. As security for its obligation to make payments under the Hospitality Fee Agreement, the County has pledged and granted a security interest in the County Hospitality Fees to the extent of the lesser of \$300,000 or the amount due in any bond year pursuant to the Hospitality Fee Agreement. This amount is shown as part of the restricted fund balance in the Special Obligation Debt Service Fund.

The County has also entered into certain IGA with the State of South Carolina Transportation Infrastructure Bank. Horry County shall make payments from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County shall not be obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances are not repealed or amended in any way that would reduce or halt the deposit of hospitality fees into the Hospitality 1.5% Special Revenue Fund or abolish that Fund.

Revenue bonds, COPS and IGA Loans are limited obligations of the County and do not constitute the general obligations, or pledge of the faith, credit or taxing power of the County or any other political subdivision.

Change in the county's long-term debt for its Governmental Activities as follows:

Bonded Debt:	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Current Portion
General Obligation Bonds					
G.O. Bonds of 2008 dated May 20 for \$62 million with interest at 4% to 5% - \$50 million Detention Center / \$12 million Libraries, matures March 2019	\$ 8,210	\$ -	\$ (4,030)	\$ 4,180	\$ 4,180
G.O. Bonds of 2009 (Series A) dated December 30 for \$5.04 million with interest at 2% to 3% - Recreation and Library, matures March 2020	1,655	-	(535)	1,120	550
G.O. Bonds of 2010 (Series B) dated June 3 for \$12.2 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding - S.S. Complex, Libraries & Court House, matures March 2021	5,920	-	(1,390)	4,530	1,445
G.O. Bonds of 2010 (Series B) dated June 3 for \$1.67 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding-Higher Ed, matures March 2021	810	-	(190)	620	200

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt, continued

A. Governmental Activities Debt

Bonded Debt:	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Current Portion
General Obligation Bonds					
G.O. Bonds of 2011 (Series A) dated December 6 for \$6.64M with interest at 2% to 4% - Series 2004A Refunding - Fire Protection District, matures March 2024	\$ 4,270	\$ -	\$ (870)	\$ 3,400	\$ 900
G.O. Bonds of 2011 (Series B) dated December 6 for \$2.1M with interest at 2% to 3% - Series 2004B Refunding - HGTC, matures March 2024	1,550	-	(200)	1,350	205
G.O. Bonds of 2015 (Series B) dated April 30 for \$4.774 M with interest at 1.56% - Series 2007 Refunding, matures March 2022	4,761	-	(913)	3,848	935
G.O. Bonds of 2015 (Series C) dated April 30 for \$24.7 M with interest at 1.77% - Series 2008 Refunding, matures March 2028	24,726	-	(122)	24,604	486
G.O. Bonds of 2015 (Series A) dated December 3 for \$15.41 M with interest of 1.92% - Series 2005 Refunding, matures March 2022	13,585	-	(2,615)	10,970	2,675
G.O. Bonds of 2016 (Series A) dated November 15 for \$3.0M with interest of 2.19% - Fire Protection District, matures March 2031	2,655	-	(310)	2,345	160
G.O. Bonds of 2016 (Series B) dated November 15 for \$6.985M with interest of 1.68% - Series 2009 B Refunding , matures March 2026	6,985	-	-	6,985	-
Certificates of Participation					
Dated September 1, 1998 for \$3.088M with interest at 3% to 5% - Baseball Stadium, matures FY 2019	451	-	(220)	231	231
Total governmental bonded debt	75,578	-	(11,395)	64,183	11,967
Unamortized premiums	1,391	-	(199)	1,192	-
Net governmental bonded debt	<u>\$ 76,969</u>	<u>\$ -</u>	<u>\$ (11,594)</u>	<u>\$ 65,375</u>	<u>\$ 11,967</u>
Other general long-term obligations of the County's governmental activities at June 30, 2018 are as follows:					
Other general long-term obligations:					
RIDE - IGA Loan #2	\$ 110,608	\$ -	\$ (20,843)	\$ 89,765	\$ 21,464
Net RIDE - IGA Loans payable	<u>\$ 110,608</u>	<u>\$ -</u>	<u>\$ (20,843)</u>	<u>\$ 89,765</u>	<u>\$ 21,464</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

A. Governmental Activities Debt

(amounts shown in thousands)

	Balance June 30, 2017 (as restated)	Additions	Deletions	Balance June 30, 2018	Current Portion
Other general long-term obligations:					
<i>Capital Lease Obligations</i>					
Energy performance contract	\$ 7,609	\$ -	\$ (352)	\$ 7,257	\$ 374
Fire apparatus	5,812	-	(775)	5,037	775
Fire apparatus	4,950	-	(550)	4,400	550
Total General Capital Lease Obligations	<u>18,371</u>	<u>-</u>	<u>(1,677)</u>	<u>16,694</u>	<u>1,699</u>
<i>Internal Service Fund Capital Lease Obligations</i>					
Public safety Motorola radios	2,733	-	(516)	2,217	531
Total capital leases	<u>21,104</u>	<u>-</u>	<u>(2,193)</u>	<u>18,911</u>	<u>2,230</u>
Total OPEB liability	<u>42,324</u>	<u>(2,609)</u>	<u>-</u>	<u>39,715</u>	<u>-</u>
Accumulated compensation absences, net	<u>11,385</u>	<u>7,310</u>	<u>(7,269)</u>	<u>11,426</u>	<u>7,269</u>
Net pension liability	<u>186,472</u>	<u>4,436</u>	<u>-</u>	<u>190,908</u>	<u>-</u>
Total other general long-term obligations	<u>371,893</u>	<u>9,137</u>	<u>(30,305)</u>	<u>350,725</u>	<u>30,963</u>
Total Net Governmental Activities Debt	<u>\$ 448,862</u>	<u>\$ 9,137</u>	<u>\$ (41,899)</u>	<u>\$ 416,100</u>	<u>\$ 42,930</u>

The current portion of compensated absences has typically been liquidated from the general fund, other governmental funds and the Internal service funds.

The County is funding the other post employment benefit obligation on a pay-as-you-go basis from the General Fund.

The County is funding the net pension liability according to the statutory requirements and is typically liquidated from the general fund, other governmental funds and the Internal service funds.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

B. Business-type Activities (Enterprise Funds) Debt

On November 17, 2010, the \$50,870,000 Airport Revenue Bonds, Series 2010A and \$9,720,000 Taxable Airport Revenue Bonds, Series 2010B were issued by Horry County, South Carolina, a political subdivision of the State of South Carolina.

The Series 2010A Bonds were issued to pay a portion of the cost of construction of the TCEP at the Myrtle Beach International Airport and to fund capitalized interest on the Series 2010A Bonds, fund the debt service reserve, and pay the costs of issuance of the Series 2010A Bonds. The remaining unamortized original issue discount for the 2010A Bond was \$158,745 at June 30, 2018.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard improvements, fund the capitalized interest on the Series 2010B Bonds, fund the debt service reserve requirements, and pay cost of issuance of the Series 2010B Bonds. The County has elected to treat the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" for the purposes of the Internal Revenue Code of 1986. Subject to the County's compliance with certain requirements of the Code, the County expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Series 2010B Bonds. Due to the federal government's sequestration measures, this amount was reduced by 6.6% in fiscal year 2018. Series 2010B Bond currently has interest only payments and the first principal payment will occur on July 1, 2030.

The revenue bonds are secured by the pledge of net revenues derived by MYR. The Airport received net revenues in the amount of \$16,533,252 while net debt service was \$4,008,522. The Bonds are limited obligations of the County and do not constitute the general obligation, or a pledge of the faith, credit, or taxing power of the County or any other political subdivision. The County has agreed to establish rates and charges for use of MYR services and facilities that are reasonably expected to yield net revenues equal to at least 1.25 times the aggregate debt service to become due on the revenue bonds in the forthcoming fiscal year. Net revenues are defined as revenues less maintenance and operations expenses of MYR. The revenue bond ordinance also requires that certain funds be established and certain financial conditions be maintained. The debt service coverage ratio in fiscal year 2018 satisfies the Series 2010 revenue bond covenant.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2018, is as follows:

	<i>(amounts shown in thousands)</i>			
Revenue Bonds:	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Revenue bond, 2010A Series dated November 17, with interest at 4.375% to 5% due 2011-2040	\$ 47,065	\$ -	\$ (1,370)	\$ 45,695
Revenue bond, 2010B Series dated November 17, with interest at 7.328% due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	56,785	-	(1,370)	55,415
Less, original issue discount	(166)	7	-	(159)
Less, current maturities	(1,370)	(1,415)	1,370	(1,415)
Net Revenue Bonds	\$ 55,249	\$ (1,408)	\$ -	\$ 53,841

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt, continued

C. Annual Requirements for Long-Term (Bonds and Loans) Debt

Annual principal requirements to amortize general and special obligation bonds, revenue bonds, certificates of participation (COPS), and RIDE Intergovernmental Agreements (IGA) loan #2 at their respective present values at June 30, 2018 for the County, are summarized as follows:

(amounts shown in thousands)

<u>Years Ending</u> <u>June 30,</u>	<u>G.O.</u>		<u>Baseball Stadium</u>		<u>Airport Revenue</u>	
	<u>Bonds</u>		<u>COPS</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 11,736	\$ 1,406	\$ 231	\$ 11	\$ 1,415	\$ 2,893
2020	11,660	1,051	-	-	1,480	2,822
2021	11,317	789	-	-	1,540	2,763
2022	11,101	542	-	-	1,615	2,690
2023	7,408	339	-	-	1,680	2,625
2024-2028	10,115	523	-	-	9,580	11,945
2029-2033	615	27	-	-	12,025	9,464
2034-2038	-	-	-	-	15,155	5,799
2039-2043	-	-	-	-	10,925	1,266
Total	\$ 63,952	\$ 4,677	\$ 231	\$ 11	\$ 55,415	\$ 42,267

<u>Years Ending</u> <u>June 30,</u>	<u>RIDE IGA</u>		<u>Total</u>	
	<u>Loan #2</u>		<u>Debt Service</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 21,464	\$ 2,408	\$ 34,846	\$ 6,718
2020	22,102	1,768	35,242	5,641
2021	22,761	1,111	35,618	4,663
2022	23,438	433	36,154	3,665
2023	-	-	9,088	2,964
2024-2028	-	-	19,695	12,468
2029-2033	-	-	12,640	9,491
2034-2038	-	-	15,155	5,799
2039-2043	-	-	10,925	1,266
Total	\$ 89,765	\$ 5,720	\$ 209,363	\$ 52,675

Future debt service requirements to amortize long-term debt outstanding as of June 30 for the Airport, are summarized as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal</u> <u>Subsidy*</u>	<u>Debt Service</u> <u>Requirements</u>
2019	\$ 1,415	\$ 2,893	\$ (299)	\$ 4,009
2020	1,480	2,822	(301)	4,001
2021	1,540	2,763	(301)	4,002
2022	1,615	2,690	(301)	4,004
2023	1,680	2,625	(301)	4,004
2024-2028	9,580	11,945	(1,503)	20,022
2029-2033	12,025	9,464	(1,474)	20,015
2034-2038	15,155	5,799	(961)	19,993
2039-2043	10,925	1,266	(208)	11,983
Total	\$ 55,415	\$ 42,267	\$ (5,649)	\$ 92,033

*assumes a 6.8% and 6.9% reduction on the 45% subsidy based upon federal guidance for subsidy payments made in federal fiscal years 2017 and 2018 respectively.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases and Other Long-Term Liabilities

A. Capital Lease Obligations

A capital lease is an agreement which specifies a transfer of benefits and risk of ownership to the lessee.

Governmental Activities:

The County's capital leases (both general obligations and internal service fund obligations) have been recorded at the present value of the future minimum lease payments as follows:

<u>Year Ended June 30,</u>	(amounts shown in thousands)				
	<u>Fire Apparatus</u>	<u>Motorola Radios</u>	<u>Fire Apparatus</u>	<u>Energy Performance</u>	<u>Total</u>
2019	\$ 877	\$ 595	\$ 627	\$ 591	\$ 2,690
2020	861	595	617	602	2,675
2021	846	595	607	673	2,721
2022	830	595	598	687	2,710
2023	814	-	588	702	2,104
Thereafter	1,190	-	1,707	5,574	8,471
Total lease payments	5,418	2,380	4,744	8,829	21,371
Less, interest	(381)	(162)	(344)	(1,573)	(2,460)
Present value of future minimum lease payments	5,037	2,218	4,400	7,256	18,911
Less, current portion	(775)	(531)	(550)	(374)	(2,230)
Total non-current portion	<u>\$ 4,262</u>	<u>\$ 1,687</u>	<u>\$ 3,850</u>	<u>\$ 6,882</u>	<u>\$ 16,681</u>

Business-type Activities (Enterprise Funds):

During fiscal year 2013, the Airport entered into a ten-year non-cancelable lease for an additional generator for the Airport's new terminal building. This additional lease was effective April 1, 2013. The annual interest rate on the lease is 1.15% per annum. The fair market value of the generator at acquisition was \$558,650, and the net book value of the generator as of June 30, 2018 was \$273,329.

The present values of the minimum lease payments for this lease are as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2019	\$ 59,148
2020	59,148
2021	59,148
2022	59,148
2023	49,290
Total payments	285,882
Less, amount representing interest	(7,890)
Present value of future minimum lease payments	277,992
Less, current portion	(56,262)
Total non-current portion	<u>\$ 221,730</u>

The changes in the County's capital leases and other long-term obligations for its business-type activities for June 30, 2018 are as follows:

	Balance 6/30/2017 (as restated)	Additions	Deletions	Balance 6/30/2018	Current Portion
Capital leases	\$ 333,616	\$ -	\$ (55,624)	\$ 277,992	\$ 56,262
Compensated absences	1,214,624	310,340	(416,393)	1,108,571	221,714
Total OPEB obligation	1,230,421	36,485	-	1,266,906	-
Net Pension Liability	12,518,662	904,384	-	13,423,046	-
Total Long Term Liability	<u>\$ 15,297,323</u>	<u>\$ 1,251,209</u>	<u>\$ (472,017)</u>	<u>\$ 16,076,515</u>	<u>\$ 277,976</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases and Other Long-Term Liabilities, continued

B. Operating Lease Agreements

Lessor (Department of Airports)

The Airport derives a substantial portion of its revenues from charges to air carriers, aeronautical businesses and schools, and concessionaires. Substantially all of the assets classified as capital assets in the statement of net position sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, and concessionaires on a fixed fee as well as a contingent fee basis. All leases of the Airport are treated as operating leases for accounting purposes. Most of the leases provide for an annual review and redetermination of the rental amounts. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2018:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2019	\$ 7,882
2020	7,783
2021	7,675
2022	5,584
2023	1,496
2024-2028	2,488
Total	<u>\$ 32,908</u>

At June 30, 2018, the total historical cost and net book value of certain property leased to parties external to the County reporting entity is \$110,297,770 and \$72,176,586, respectively.

Lessor (SBHS)

At June 30, 2018 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2019	\$ 14,340
2020	13,328
2021	13,236
2022	11,220
2023	-
Total	<u>\$ 52,124</u>

Total lease expense for the fiscal year ended June 30, 2018 was approximately \$14,340.

C. Other Long-Term Liabilities

SBHS at June 30, 2018

The changes in the SBHS's other long-term obligations for the year ended June 30, 2018:

	Balance June 30, 2017 (as restated)	Additions	Deductions	Balance June 30, 2018	Amounts due within one year
Compensated absences	\$ 97,163	\$ 98,571	\$ (76,256)	\$ 119,478	\$ 64,518
Total OPEB Liability	138,750	389	(11,622)	127,517	-
Net Pension Liability	4,501,859	455,616	300,561	5,258,036	-
Total Long-term liabilities	<u>\$ 4,737,772</u>	<u>\$ 554,576</u>	<u>\$ 212,683</u>	<u>\$ 5,505,031</u>	<u>\$ 64,518</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases and Other Long-Term Liabilities, continued

C. Other Long-Term Liabilities

HCSWA at June 30, 2018

	Balance, June 30, 2017, as restated for OPEB	Additions	Deductions	Balance, June 30, 2018	Amounts due within one year
Compensated absences	\$ 319,538	\$ 227,070	\$ (198,669)	\$ 347,939	\$ 200,000
Total OPEB liability	2,140,283	180,135	(217,058)	2,103,360	-
Net pension liabilities	7,693,537	1,508,175	(453,476)	8,748,236	-
Landfill closure costs	12,828,147	2,493,130	-	15,321,277	-
Landfill postclosure care costs	4,200,837	527,772	-	4,728,609	-
Total Long-term liabilities	<u>\$ 27,182,342</u>	<u>\$ 4,936,282</u>	<u>\$ (869,203)</u>	<u>\$ 31,249,421</u>	<u>\$ 200,000</u>

Note 10. Amounts Due to Airlines (Signatory Airlines Agreements)

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 4 passenger airlines. The Signatory Airline Agreements were signed as of July 1, 2014, with Spirit Airlines, American Airlines, Delta Air Lines and Allegiant Air. Collectively, these carriers are called "Signatory Airlines".

The Signatory Airline Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at the Airport. Interim rates charged during the fiscal year are subject to a retroactive adjustment based upon actual year-end costs and activity levels (the Settlement). Any Settlement owed to the Signatory Airlines is applied to any balance owed by the airlines for rates and charges. For the fiscal year ended June 30, 2018, Horry County estimates the Settlement due to the Signatory Airlines is \$327,542. This amount is included in amounts due to tenants on the accompanying Statements of Net Position.

Horry County has also entered into agreements with airlines that serve the Airport and are not parties to Signatory Airline Agreements (the Non-signatory Airlines). The County assesses fees, rentals, and charges to the Non-Signatory Airlines at 125% of the fees, rentals, and charges charged to the Signatory Airlines. The Non-Signatory Airlines do not participate in the year-end reconciliation. As of June 30, 2018, the Non-Signatory Airlines operating at the Airport were United Airlines, WestJet Airlines, Frontier Airlines, Elite Airways, Porter Airlines and Sun Country Airlines.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these closure and postclosure care costs as operating expenses in each period based on landfill capacity used as of each balance sheet date. For purposes of closure and postclosure care, the Class 2 and Class 3 landfills are considered a single site. At June 30, 2018, the percentage utilization of the estimated total capacity of the landfills was 49.0%. The closure and postclosure care liabilities at June 30, 2018 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites and totaled \$15,321,277 and \$4,728,609, respectively. The HCSWA will recognize the remaining estimated closure and postclosure care costs totaling \$15,946,635 and \$4,921,614, respectively, as the remaining estimated capacity of the permitted landfills are filled.

The landfills are expected to be closed during the year ending June 30, 2041. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. Actual costs ultimately incurred for closure and postclosure care may be higher due to inflation, changes in technology, or changes in regulations.

The HCSWA is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the SWA is the local government financial test. At June 30, 2018, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$8,189,791 and \$9,680,944 of cash, cash equivalents and investments at June 30, 2018 are designated for landfill closure and postclosure care costs, respectively. If the designated funds are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs need to covered through additional charges to future landfill users.

Note 12. Net Position and Fund Balances

Net position:

Net position of the government-wide and proprietary fund financial statements represents the difference of total assets and deferred outflows, less liabilities and deferred inflows. Reported amounts for net investment in capital assets are as follows at June 30, 2018:

	Governmental Activities	Business-type Activities	Component Units	
			SHBS	HCSWA
<u>Net investment in Capital Assets:</u>				
Net capital assets:				
Primary Government	\$ 822,462,601	\$ 241,629,225	\$ -	\$ -
Component units	-	-	786,757	46,511,797
Add, deferred charge on refunding	2,643,738	-	-	-
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	<u>(81,405,339)</u>	<u>(54,119,247)</u>	<u>-</u>	<u>-</u>
Total net investment in capital assets	<u>\$ 743,701,000</u>	<u>\$ 187,509,978</u>	<u>\$ 786,757</u>	<u>\$46,511,797</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances, continued

As required by the County's Financial Policies Ordinance, a fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Management Fund. The fiscal reserves are to be maintained at an amount equal to 18% cash management reserve, 5% disaster reserve, and 2% revenue stabilization reserve of the fund's next year's budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. This policy was approved by County Council Ordinance 68-10 on October 10, 2010 and amended by Ordinance 58-13 and Ordinance 23-16, therefore the fiscal reserves are classified as "committed" or "restricted" fund balance. The Financial Policy also requires all governmental funds responsible for the payment of debt service to maintain an amount in fund balance equal to at least 50% of the next year's debt service amount.

The adopted budget for fiscal year 2019 includes total expenditures and other uses. By reducing this total for any amount being funded by a use of fund balance and/or debt service requirement, the current required stabilization reserve for each of the above identified funds is reported below:

	FY 2019 Operating budget	18% cash management reserve at June 30, 2018	5% disaster reserve at June 30, 2018	2% revenue stabilization reserve at June 30, 2018
General Fund	\$ 163,000,922	\$ 29,340,166	\$ 8,150,046	\$ 3,260,018
Fire Fund	20,843,592	3,751,847	1,042,180	416,872
Stormwater Management Fund	7,246,398	1,304,352	362,320	144,928
Recreation Fund	5,171,827	930,929	258,591	103,437
General Debt Service Fund	n/a	n/a	n/a	n/a

	FY 2019 Debt Service	Related restricted fund balance at June 30, 2018	Total Reserves at June 30, 2018
General Fund	\$ n/a	\$ n/a	\$ 40,750,230
Fire Fund	1,185,243	592,622	5,803,521
Stormwater Management Fund	n/a	n/a	1,811,600
Recreation Fund	n/a	n/a	1,292,957
General Debt Service Fund	11,491,184	5,745,592	5,745,592

At June 30, 2018 the Community Development Block Grant Funds had a deficit fund balance of \$595,476. This deficit fund balance will be repaid from future grant revenues.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances, continued

The County's governmental funds maintain various types of restricted and committed fund balances which are reported in compliance with GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Restricted net position and fund balance consist of restricted financial assets reduced by liabilities and deferred inflows of resources related to those assets. The County's restricted net position, restricted fund balance, and committed fund balance for governmental activities/funds at June 30, 2018 is as follows:

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Restricted or Committed for Capital projects			
RIDE II Road Infrastructure	\$ 94,508,863	\$ 94,508,863	\$ -
RIDE III Road Infrastructure	88,173,471	72,526,058	-
Vehicle Fleet Replacement	26,652,070	-	-
County Road Paving Plan	18,076,397	17,200,265	-
Fire Apparatus	3,056,958	2,994,223	-
General Capital Projects	4,686,456	5,597,613	20,794,304
Total Restricted or Committed for Capital	235,154,215	192,827,022	20,794,304
Restricted or Committed for Bond Debt Service			
RIDE Debt Service	-	77,702,486	-
General Obligation	7,471,382	7,733,844	-
Special Obligation	236,775	236,775	-
Lease Purchase Prepayment	-	-	6,918,492
Total Restricted or Committed for Debt Service	7,708,157	85,673,105	6,918,492
Restricted for Other Purposes			
Special Tax Districts			
County Road Paving Plan	-	-	18,033,759
Fire District	-	10,121,476	-
Waste Management Collection System	3,874,223	3,633,617	-
E911 Emergency Telephone System	3,332,242	3,354,039	-
Stormwater System Maintenance	-	2,036,353	-
Recreation Programs	-	2,358,386	-
Watersheds Maintenance	717,124	714,347	-
Mt Gilead Road Maintenance	305,065	304,566	-
Socastee Recreation Maintenance	159,428	159,320	-
Fantasy Harbor Admissions	387,662	387,662	-
Senior Citizens Programs	75,907	51,697	-
Arcadian Shores	16,699	16,699	-
Special Purpose Districts			
Higher Education Commission	181,332	138,882	-
Horry Georgetown Technical College	365,323	256,407	-
Funding for Non-capital Infrastructure Improvements			
Beach Renourishment	2,870,990	2,870,990	3,994,998

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances, continued

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Intergovernmental Funding			
Tourism & Promotion	-	245,476	-
Solicitor	-	3,493,276	-
Public Defender	-	1,347,414	-
Grants	-	-	678,928
Victim Witness	-	91,974	-
Contractual Restrictions			
B&C MCBP	531,971	531,971	-
Voluntary Developer Contributions	516,236	516,236	-
Baseball Stadium Maintenance	181,945	181,945	-
Myrtle Beach Area Regional Economic Development Corporation Closing Fund	772,600	1,155,521	1,811,529
Commitments by Ordinance			
Fiscal Reserves	-	-	40,750,231
Other Post Employment Benefits	-	-	2,425,323
Mosquito Agatement (Hurricane Florence)	-	-	3,000,000
Fiscal Year 2018 Expenditure Budget Carryforwards	-	-	6,709,701
Total Restricted or Committed for Other Purposes	<u>14,288,747</u>	<u>33,968,254</u>	<u>77,404,469</u>
Totals	<u>\$ 257,151,119</u>	<u>\$ 312,468,381</u>	<u>\$ 105,117,265</u>
Unrestricted (deficit)	<u>(69,231,261)</u>		
Total Net Position	<u>\$ 931,620,711</u>		

Restrictions for special tax districts, special purpose districts, and contractual agreements are governed by the enabling legislation or agreement between the County and a third-party. These restrictions are placed at a programmatic level and cannot be identified to a specific project or item.

Note 13. Capital Contributions (amounts shown in thousands)

For the governmental activities, capital contributions during the fiscal year ended June 30, 2018, are as follows:

	Governmental Activities
Donated capital assets	\$ 18,955
Total	<u>\$ 18,955</u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2018, are as follows:

	Business -Type Activities
Grants and other cash contributions	\$ 3,728
Total	<u>\$ 3,728</u>

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2018, are as follows:

	HCSWA
Grants and other cash contributions	\$ 729
Totals	<u>\$ 729</u>

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

HCSWA

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. Generally, all employees of the HCSWA are required to participate in and contribute to the SCRS as a condition of employment. An employee with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee with an effective date of membership on or after July 1, 2012 is a Class Three member.

SBHS

The majority of employees of SBHS are covered by a retirement plan through the SCRS. Generally, all full-time or part-time equivalent employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended, or are eligible and elect to participate in the State Optional Retirement Program (ORP).

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.
- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA board may increase the percentage rate in SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act increases total employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

Required employee contribution rates¹ for fiscal year 2018 are as follows:

SCRS

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

PORS

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates¹ for fiscal year 2018 are as follows:

SCRS

Employer Class Two	13.41% of earnable compensation
Employer Class Three	13.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	15.84% of earnable compensation
Employer Class Three	15.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

¹Calculated on earnable compensation as defined in Title 9 of the SC Code of Laws.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA

Employee and employer contribution rates are currently 9.00% and 13.56%, respectively, of earnable compensation. The HCSWA's contributions to the SCRS for the fiscal year ended June 30, 2018 were \$564,297. The contributions made by the HCSWA were equal to the required contributions for the year.

SBHS

Employee and employer contribution rates are currently 8.16% and 11.06%, respectively, of earnable compensation. The SBHS's contributions to the SCRS for the fiscal year ended June 30, 2018 were \$318,196. The contributions made by the SBHS were equal to the required contributions for the year.

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	3.0% to 12.5%(varies by service) ¹	3.5% to 9.5%(varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ Includes inflation at 2.75%.		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the determination of the June 30, 2017, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

System	Proportional Share of Net Pension Liability
SCRS	\$ 112,590,233
PORS	<u>\$ 91,740,495</u>
Total	\$ 204,330,728

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements. For the years ending June 30, 2018 and 2017, the County's percentage of the SCRS NPL were 0.500143% and 0.517139%, respectively. For the years ending June 30, 2018 and 2017, the County's percentage of the PORS NPL were 3.34873% and 3.49029%, respectively.

HCSWA

At June 30, 2018, the HCSWA reported a liability of \$8,748,236 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The HCSWA's proportion of the net pension liability was based on a projection of the HCSWA's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the HCSWA's proportion was 0.038861 %, which is a decrease of 0.002984% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the HCSWA recognized pension expense of \$713,844.

SBHS

At June 30, 2018, SBHS reported a liability of \$5,258,036 for its proportionate share of the net pension liability for the SCRS. The net pension liability was measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined based on the most recent actuarial valuation report as of July 1, 2016 that was projected forward to the measurement date. SBHS's proportion of the net pension liability was based on a projection of SBHS's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2017, SBHS's SCRS proportion was 0.0233357 percent as compared to its June 30, 2016 proportion of 0.021075 percent.

For the year ended June 30, 2018, SBHS recognized pension expense of \$300,561 for the SCRS.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.56 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.31 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public	31.0%	6.72%	2.08%
Global Private	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Party	10.0%	4.16%	0.42%
Hedge Fund (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 145,113,344	\$ 112,590,233	\$ 92,856,347
PORS	\$ 123,867,120	\$ 91,740,495	\$ 66,434,780
Total	\$ 268,980,464	\$ 204,330,728	\$ 159,291,127

HCSWA & SBHS

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
SCRS System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
HCSWA	\$ 11,275,275	\$ 8,748,236	\$ 7,214,917
SBHS	\$ 6,776,887	\$ 5,258,036	\$ 4,336,451

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2018, the County recognized pension expense of \$22,803,605 (SCRS portion is \$11,482,289 plus PORS portion is \$11,321,316). At June 30, 2018, the County reported deferred outflows (inflows) of resources related to SCRS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 6,685,430	\$ -
Differences in actual and expected retirement plan experience	501,927	-
Net difference between projected and actual investment earnings	3,142,991	-
Assumption Changes	6,590,950	-
Change in proportionate share of net pension liability	-	751,224
Difference between expected and actual investment earnings	-	62,405
Total SCRS	\$ 16,921,298	\$ 813,629

At June 30, 2018, the County reported deferred outflows (inflows) of resources related to PORS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 6,893,851	\$ -
Differences in actual and expected retirement plan experience	818,064	-
Net difference between projected and actual investment earnings	3,269,093	-
Assumption Changes	8,707,019	-
Change in proportionate share of net pension liability	-	661,713
Total PORS	\$ 19,688,027	\$ 661,713

For the year ended June 30, 2018, total deferred outflows of resources are \$36,609,325 and total deferred inflows of resources are \$1,475,342.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

The County reported \$14,547,580 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the County's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2018. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2018 was 4.073 years for SCRS and 4.553 years for PORS and at June 30, 2016 was 4.116 years for SCRS and 4.665 years for PORS.

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
2018	2019	\$(3,149,164)	\$(3,748,300)
2019	2020	(4,725,056)	(5,206,292)
2020	2021	(2,477,148)	(3,305,224)
2021	2022	929,129	127,353
Net Balance of Deferred Outflows / (Inflows) of Resources		\$(9,422,239)	\$(12,132,463)

HCSWA

At June 30, 2018, the SWA reported deferred outflows of resources and deferred inflows of resources related to pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,000	\$ 4,849
Assumption Changes	512,115	-
Difference between projected and actual earnings on pension plan investments	705,764	461,554
Changes in proportion and differences between HCSWA contributions and proportionate share of contributions	121,521	539,354
HCSWA contribution subsequent to the measurement date	564,297	-
Total	\$ 1,942,697	\$ 1,005,757

The \$564,297 amount reported as deferred outflows of resources related to pension plan resulting from HCSWA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plan will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2019	\$ 66,362
2020	270,929
2021	113,315
2022	(77,963)
Total	<u>\$ 372,643</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

SBHS

At June 30, 2018, SBHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,440	\$ 2,914
Assumption Changes	307,802	-
Net difference between projected and actual earnings on pension plan investments	424,192	277,412
Change in allocated proportion	796,730	-
Change in proportionate share of net pension liability	321,754	-
Total	\$ 1,873,918	\$ 280,326

The \$321,754 reported as a deferred outflows of resources related to SBHS's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2019	\$ 573,290
2020	462,436
2021	268,825
2022	(32,713)
Total	\$ 1,271,838

B. Post-Employment Healthcare Benefits

Plan Description

In addition to providing pension benefits, the County's defined benefit OPEB plan, Horry County Retiree Benefit Plan (HCRBP), provides certain post-employment health care benefits as per the requirements of a local ordinance. HCRBP is a single employer defined benefit OPEB plan administered by the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Individuals who are retired, retirement eligible, retirement eligible past employees, and employees who are either 62 years old or have 23 years of County service as of December 31, 2012 are considered the "grandfathered group" and have the same benefits as in effect prior to December 31, 2012. Retirees of Horry County Government are eligible to receive retiree health care benefits either as a part of the "grandfathered group" or if they are not in the grandfathered group. Employees hired after June 30, 2011 will not be eligible for any County paid premium subsidies.

Retirement Eligibilities

SCRS and PORS retirement eligibility requirements are described in the following tables. In addition to the requirements shown below, Class Two employees must have 5 years of earned service and Class Three employees must have 8 years of earned service.

Normal (unreduced) Retirement Requirements		
	Class Two	Class Three
SCRS	Any age with 28 years of service; or at age 65 with at least 5 years of service	Rule of 90; or at age 65 with at least 8 years of service
PORS	Any age with 25 years of service; or at age 55 with at least 5 years of service	Any age with 27 years of service; or at age 55 with at least 8 years of service

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Early (reduced) Retirement Requirements

	Class Two	Class Three
SCRS	Age 60 with at least 5 years of service; or at age 55 with at least 25 years of service	Age 60 with at least 8 years of service

Class Two employees are those employees hired prior to July 1, 2012. Class Three employees are those employees hired on or after July 1, 2012.

Deferred Retirement Benefits

Retirement plan vested employees who terminate employment with Horry County before they meet the eligibility requirements as stated above are generally not eligible for Horry County retiree health care benefits. The exception to this is that they are eligible for Horry County retiree health care benefits if they return to Horry County Government and retire from the SCRS or PORS as a Horry County employee. Employee must have been covered under the State Health Plan for the last five years of employment.

Premium Sharing

The schedule for Horry County funding of retiree health insurance is as follows:

County Subsidy – SCRS

Years of Service	Grandfathered	Years of Service	Non-GF	Hired after 6/30/2011
15-22	50%	15-29	50%	0%
23-27	75%	30+	100%	0%
28+	100%			

County Subsidy – PORS

Years of Service	Grandfathered	Non-GF	Hired after 6/30/2011
15-20	50%	50%	0%
21-24	75%	50%	0%
25+	100%	100%	0%

The subsidy percentage for current retirees varies based on prior County policies.

For non-grandfathered employees, the following plan modifications apply:

1. The County subsidy of retiree health insurance will begin at age 62. Employees can still retire before that age if they are eligible, but the County will not pay the health insurance premiums until age 62. The retiree can stay on the County plan and pay the total premiums personally, or opt-out of the plan and obtain coverage elsewhere, then opt-back in to the plan at age 62 to receive the County funded benefit.
2. The 75% tier is eliminated. Employees are eligible for the County payment of 50% of the premiums, at 15 years of County service, and 100% coverage at 28 or 25 years of service.
3. The amount of the County subsidy will not increase by more than 3% over the amount paid by the County in the prior calendar year. Any increase in cost above 3% will be absorbed by the retiree. The maximum employer subsidy for non-grandfathered retirees was \$440.08/mo. in 2017 and \$451.13/mo. in 2018.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

4. Those employees who separate from County employment for any reason other than retirement and are then rehired after June 30, 2011 will be eligible to participate in the retiree health insurance plan upon their retirement; however, the County will not pay any portion of their retiree health insurance premiums and they will not be eligible to receive any County subsidy for the purposes of retiree health insurance.

For employees hired after June 30, 2011, the following plan modifications apply:

Employees in this category are eligible to participate in the retiree health insurance plans upon their retirement; however, the County will not pay any portion of their retiree health insurance premiums and they will not be eligible to receive any County subsidy for the purpose of retiree health insurance.

Duty and Non-Duty Disability Retirement Benefits

Employees who retire under a disability retirement are eligible for retiree health care benefits based on years of service.

Duty and Non-Duty Death in Service Retirement Benefits

Survivors of employees who die while actively employed are not eligible for retiree health benefits. However, they are eligible for survivor insurance for one year at no cost to the surviving spouse, after that, qualifying survivor has the option of selecting other insurance or continuing coverage at surviving spouse's expense.

Benefits for Spouses of Retired Employees

Spouses of retired employees are eligible to receive retiree health care benefits at member cost.

Dental Coverage

Members and spouses retiring with retiree health care benefits are eligible for Horry County Government paid dental benefits. No dental subsidies are provided to Medicare eligible retirees.

Retiree Opt-Out

Retirees (employees who meet the retirement criteria eligibility at the time of terminating employment) who decide to opt-out of health care plan will be eligible to opt back in. Non-grandfathered employees will receive the County subsidy at age 62 if they choose to opt back in. There is no additional stipend provided for those who opt-out of retiree health care.

Medicare – Eligible Provisions

County paid health insurance coverage ceases when the retiree becomes Medicare eligible. This change becomes effective December 31, 2012 at which time the County will begin to contribute \$150 (2013 amount) on the first banking day of each month in to a Retiree Health Reimbursement Arrangement account for the retiree to purchase a Medicare supplemental insurance plan, or to use for payment of out-of-pocket qualifying medical expenses. This monthly contribution is pro-rated according to the retiree's years of service with the County (50%, 75% if grandfathered, or 100%) and will increase annually by the lower of CPI-U (the Consumer Price Index All Urban Consumers on a September over September basis) or 3% per year. This is the only change that impacts current retirees and current retiree eligible employees or past employees.

A transition provision applies to a select group of current retirees who could receive either a County paid Plan F Medicare Supplement (with a Part D Rx plan and State of SC basic dental) or apply their \$150 monthly subsidy towards the State's health plan.

In line with CPI-U changes, the original \$150/mo. subsidy for Medicare retirees increased to \$156.70 for 2017 and \$160.14 for 2018.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. The cost of these benefits is recognized as an expenditure of the governmental, internal service, or enterprise fund in which the employee accrued the benefit as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2018, the County contributed \$911,398 for existing retirees, net of the implicit rate subsidy.

Implicit Subsidy

Horry County participates in the State of South Carolina’s health plan which utilizes a “blended premium” structure. Said another way, the overall health care premiums for active employees and retirees are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit” or “hidden” subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees. For fiscal year 2018, the County recognized a \$587,852 Implicit Subsidy for existing retirees.

Total OPEB Liability

The County’s total OPEB liability of \$40,981,150 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs.

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.56% as of June 30, 2017
Inflation	2.25%
Salary Increases	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS)
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for females SCRS members, 125% for male PORS members, and 111% for female PORS members.
Health Care Trend Rates	Initial rate of 6.75% declining to an ultimate rate of 4.15% after 14 years; Ultimate trend rate includes a 0.15% adjustment for the excise tax The County’s post-65 HRA contributions are assumed to increase at 2.25% per year.
Participation Rates	Participation rates are assumed to vary based on service and Grandfathered status: 80% to 100% for Grandfathered retirees with over 15 years at retirement; 20% to 100% for Non-Grandfathered retirees with over 15 years at retirement; 20% for retirees hired after June 30, 2011 or with less than 15 years at retirement

Other Information:

Notes There were no benefit changes during the year.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.56% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 2.92% as of the prior measurement date.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of June 30, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	320
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>2,078</u>
Total Plan Members	<u>2,398</u>

Changes in the Total OPEB Liability

Total OPEB liability – June 30, 2017	<u>\$ 43,553,998</u>
Service Cost	1,464,093
Interest on the total OPEB liability	1,271,263
Changes of benefit terms	-
Differences between expected and actual experience of the total OPEB liability	-
Changes in assumptions	(3,808,954)
Benefit payments	<u>(1,499,250)</u>
Net changes	<u>(2,572,848)</u>
Total OPEB Liability – June 30, 2018	<u>\$ 40,981,150</u>
Covered-employee payroll	\$ 86,927,292

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	\$ 911,398	
b. Implicit benefit payments	<u>587,852</u>	(explicit benefit payments * 0.645)
c. Total Benefit payments	\$ 1,499,250	

The 0.645 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.56%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease 2.56%	Current Discount Rate Assumption 3.56%	1% Increase 4.56%
<u>\$ 47,150,306</u>	<u>\$ 40,981,150</u>	<u>\$ 35,884,659</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Assumption	1% Increase
\$ 34,936,280	\$ 40,981,150	\$ 48,592,775

Recognition of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 21,021 years. Additionally, the total plan membership (active employees and inactive employees) was 2,398. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.7662 years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	3,374,449
Contributions subsequent to the measurement date	1,649,244	-
Total	<u>\$ 1,649,244</u>	<u>\$ 3,374,449</u>

Deferred Outflows and Deferred Inflows to be recognized in Future OPEB Expense

Year Ending June 30	Net Deferred Outflows/Inflows
2019	\$ (434,505)
2020	(434,505)
2021	(434,505)
2022	(434,505)
2023	(434,505)
Thereafter	(1,201,924)
Total	<u>\$ (3,374,449)</u>

Prior-Period Adjustment

Because the measurement period in the transition year is the year starting July 1, 2016 and ending June 30, 2017, the deferred outflows of resources component of the prior-period adjustment coincides with the measurement period. Because the only contributions to the OPEB plan are the benefit payments paid by the employer, this deferred outflow component of the prior-period adjustment is equal to \$1,499,250.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA:

Plan Description

The HCSWA's retiree health care plan provides OPEB for all permanent full-time employees of the HCSWA. The plan is a single-employer defined benefit OPEB plan administered by the HCSWA. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The plan provides medical and dental insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the HCSWA's Board of Directors.

Group 1 Employees - An employee who retires with the South Carolina Retirement System (SCRS) with at least twenty years with the HCSWA may continue health and dental coverage until the retiree becomes Medicare eligible by paying twenty-five percent of the amount charged by EIP for Employer Non-Funded Benefits. The HCSWA pays the remaining seventy-five percent of the Employer Non-Funded amount. When the retiree becomes Medicare eligible, the HCSWA will begin to contribute a maximum of \$150 each month into a retiree health reimbursement arrangement account.

Group 2 Employees - An employee who retires with the SCRS with at least ten years with the HCSWA may continue health and dental coverage until the retiree becomes Medicare eligible by paying fifty percent of the amount charged by EIP for Employer Non-Funded Benefits. The HCSWA pays the remaining fifty percent of the Employer Non-Funded amount. When the retiree becomes Medicare eligible, the HCSWA will begin to contribute a maximum of \$75 each month into a retiree health reimbursement arrangement account.

Group 3 Employees - An employee who retires with the SCRS with at least five years with the HCSWA may continue health and dental coverage until the retiree becomes Medicare eligible by paying one hundred percent of the amount charged by EIP for Employer Non-Funded Benefits.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	14
Active Employees	<u>91</u>
	<u>105</u>

Total OPEB Liability

The HCSWA's total OPEB liability of \$2,103,060 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.00% to 7.00%, including inflation
Healthcare Cost Trend Rates	6.75% decreasing to 4.15% over 15 years
Retirees' Share of Benefit-Related Costs	
Group 1 Employees	25.00%
Group 2 Employees	50.00%
Group 3 Employees	100.00%

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

The discount rate used to measure the total OPEB liability was 3.56%. The discount rate was based on fixed-income municipal bonds with twenty years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2017.

Mortality rates for active members were based on the gender distinct RP-2014 Employee Mortality Tables with a multiplier of 95% applied to the base tables for all members. No provision is made for future improvements in active employee mortality.

Mortality rates for healthy retirees were based on the 2016 Public Retirees of South Carolina Mortality Table for Males or Females, as appropriate, with fully generational mortality projections based on Scale AA from the year 2016. Multipliers of 100% for male members and 111 % for female members were applied to the base tables.

Mortality rates for disabled retirees were based on the gender distinct RP-2014 Disabled Retiree Mortality Tables with fully generational mortality projections based on Scale AA from the year 2014. A multiplier of 125% was applied to the base tables.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study covering the five year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems.

Changes in the Total OPEB Liability

Changes in the total OPEB liability during the year ended June 30, 2018 were as follows:

Balance at June 30, 2017	\$ 2,140,283
Changes for the Year	
Service Cost	116,448
Interest	63,387
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	(161,647)
Benefit Payments	(55,411)
Balance at June 30, 2018	<u>\$ 2,103,060</u>

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the HCSWA, as well as what the HCSWA's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%) or one percentage point higher (4.56%) than the current discount rate:

	1.0% Decrease <u>(2.56%)</u>	Discount Rate <u>(3.56%)</u>	1.0% Increase <u>(4.56%)</u>
Total OPEB Liability	<u>\$ 2,363,370</u>	<u>\$ 2,103,060</u>	<u>\$ 1,880,520</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the HCSWA, as well as what the HCSWA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.75% decreasing to 3.15%) or one percentage point higher (7.75% decreasing to 5.15%) than the current healthcare cost trend rates:

	1.0% Decrease (5.75% Decreasing to 3.15%)	Healthcare Cost Trend Rates (6.75% Decreasing to 4.15%)	1.0% Increase (7.75% Decreasing to 5.15%)
Total OPEB Liability	<u>\$ 1,813,744</u>	<u>\$ 2,103,060</u>	<u>\$ 2,460,290</u>

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the HCSWA recognized OPEB expense of \$158,144. At June 30, 2018, the HCSWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SWA Contributions Subsequent to the Measurement Date	\$ 66,416	\$ -
Changes of Assumptions	-	139,956
	<u>\$ 66,416</u>	<u>\$ 139,956</u>

The amount reported as deferred outflows of resources related to OPEB resulting from SWA contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. The amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30, 2019	\$ 21,691
2020	21,691
2021	21,691
2022	21,691
2023	21,691
Thereafter	31,501
	<u>\$ 139,956</u>

SBHS:

Plan Description

Prior to July 1, 2012 Shoreline Behavioral Health Services had agreed to provide qualified retirees all or part of the health care benefits afforded to regular employees. Effective July 1, 2012 the plan was closed to new participants and Shoreline Behavioral Health Services discontinued all payments toward the cost of retiree health insurance premiums for employees. The plan however is subject to amendment from time to time at the discretion of the Board of Directors. At the time of the policy change, there were two employees with more than twenty years of consecutive service with the agency who were grandfathered into the plan. As a result, the following exceptions were made for those two grandfathered staff upon retirement:

- The agency will pay 100% of the total premium for single employee/retiree coverage (health/dental). Additional dependent coverage is available but will be paid for by the retiree.
- Upon reaching Medicare eligibility, the retiree will have the option to choose Medicare supplement coverage under the State Health Plan or through other private carriers. Shoreline BHS will pay premiums through a Health Retirement Account arrangement as listed below:
 - State Health Plan \$150 (will increase by the lower of the CPI-U or 3% per year).
 - Private Medicare Supplement 100% of premium for Medicare Supplement plan, applicable Part D Prescription plan, state of SC basic Dental plan and administrative fee

Retired non-grandfathered staff will have the opportunity to continue on the agency plan and pay the premiums personally or opt out and obtain coverage elsewhere.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

SBHS:

Funding Policies

The plan is not administered thru a trust, rather, SBHS administers the plan. SBHS has not separately set aside assets to fund this obligation. Rather, SBHS pays for post-employment health care benefits on a pay-as-you-go basis as a single-employer plan. During the year ended June 30, 2018 SBHS contributed approximately \$11,622 towards the cost of retiree health insurance coverage. SBHS has measured the liability using the alternative valuation method as allowed for under GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* which SBHS adopted for the fiscal year ended June 30, 2018. SBHS has recorded a post-employment benefit obligation in the amount of \$127,517 at June 30, 2018 for this liability. This liability was measured as of June 30, 2018 based upon the expected life expectancy of the participants, their age, and the expected future payments. Plan participants were born in 1962 and 1963 and have a life expectancy of age 79. A discount rate of 4.5% was used to measure the net present value of the liability along with a 3.0% rate of inflation for premium increases.

Sensitivity Analysis

The following table presents the sensitivity of SBHS of the OPEB liability as of June 30, 2018 to changes in the discount rate, calculated using the discount rate of 4.5 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.5 percent) or 1% point higher (5.5 percent) than the current rate, this is a significant estimate:

	1.0% Decrease <u>(3.50%)</u>	Current Discount Rate <u>(4.50%)</u>	1.0% Increase <u>(5.50%)</u>
Total OPEB Liability	<u>\$ 164,352</u>	<u>\$ 127,517</u>	<u>\$ 177,922</u>

The following table represents the components of the net OPEB liability as of June 30, 2018:

Service cost	\$ -
Interest	389
Benefit payments	<u>(11,622)</u>
Net change in OPEB liability	(11,233)
OPEB beginning, as previously reported	109,892
Change in accounting principle - GASB 75	<u>28,858</u>
OPEB beginning, as restated	<u>138,750</u>
OPEB ending	<u>\$ 127,517</u>

Note 15. Segment Information

The County has elected to present disaggregated information regarding all enterprise funds in the proprietary fund, Statement of Net Position, Statement of Revenue, Expenses and Changes in Net Position, and Statement of Cash Flows.

The Department of Airports Enterprise Fund is responsible for operation, maintenance and development of the County's Airport System - including Conway, North Myrtle Beach, Myrtle Beach, and Loris general aviation airports and the Myrtle Beach International Airport (MYR). The County's discretely presented component units HCSWA and SBHS were created by the County to develop and implement a solid waste disposal and resource recovery/recycling system and to provide services to reduce the negative health, social and economic consequences resulting from the use of alcohol and other drugs, for the County, respectively. Disaggregated information of the component units is presented in the basic financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 15. Segment Information, continued

Major Customers and Economic Condition - Department of Airports

Airline revenues, leases, concessions, and rental car activities, generate approximately 70% of the Airport's revenues or just over \$22.95 million of the \$32.9 million total operating revenue. Signatory Airlines generate \$9.7 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 30.5% in fiscal year 2018 and 33.0% in 2017, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 50.5% of the airline traffic, American Airlines 19.6%, Delta Air Lines 13.6% and Allegiant Air 10.2%.

For the year ended June 30, 2018 there are two customers whose balance represents approximately 37% of the accounts receivable balance. For the year ended June 30, 2017, two customers made up approximately 52% of the accounts receivable balance.

Note 16. Joint Enterprise - Baseball Stadium

The County entered into various agreements with the City of Myrtle Beach and proportionately shares in the ongoing financial interest and responsibility for a professional minor-league baseball stadium. A summary of those agreements are as follows:

Pursuant to a Ballpark Management Agreement dated September 1, 1998 (the "Management Agreement"), the City of Myrtle Beach, South Carolina and the County collectively agreed to develop, own and operate a baseball stadium facility in Myrtle Beach, South Carolina (the "Project"). The Management Agreement provides that the Project shall be jointly owned with the City having an undivided 70% ownership interest in the Project and the County having a 30% undivided ownership interest, and further provides that the net profits and losses of the joint enterprise shall be divided in proportionate shares to the City's and County's respective ownership interests.

Pursuant to an Installment Purchase Agreement, dated September 1, 1998, between the City of Myrtle Beach, South Carolina and Myrtle Beach Public Facilities Corporation, a South Carolina nonprofit corporation, \$10,295,000 in Certificates of Participation, Series 1998, were issued to defray the cost of construction of the baseball stadium.

Pursuant to a Hospitality Fee Agreement, dated September 1, 1998, between the County and the City of Myrtle Beach, South Carolina, the County agreed to make payments of an amount equal to 30% of the required debt service requirements of the Certificates. The County's proportionate debt service payments shall be made solely from amounts derived by the County's special revenue fund portion of the County 1% Hospitality Fee and shall not be deemed to be general obligations of the County or payable from the road fund portion of the County's 1.5% Hospitality Fee, or from any other source of revenues, fees, or taxes.

As security for its obligation to make payments under the Hospitality Fee Agreement, the County has pledged and granted a security interest in the County Hospitality Fees to the extent of the lesser of \$300,000 or the amount due in any bond year pursuant to the Hospitality Fee Agreement. This amount is shown as part of the restricted fund balance in the Special Obligation Debt Service Fund.

While the stadium is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2018. Accordingly, the County has reported activities in the baseball stadium as a special revenue fund. Separate financial statements of the baseball stadium are presently not available.

Note 17. Intergovernmental Agreements - RIDE Projects

During fiscal years 1998 and 2000, and pursuant to the Horry County Road Improvement and Development Effort program (the "RIDE Program"), the County adopted and enacted its Ordinances #105-96 and #7-97 and entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the "SIB") to provide funding for various road construction projects in Horry County. Pursuant to a Master Loan Agreement (as

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects, continued

amended), SIB agreed to make available financial assistance to Horry County in the amounts totaling up to \$744,415,526 for the RIDE Tables 1 and 3 projects specified in Intergovernmental Agreements (IGA) #1 and #2.

During fiscal year 2002, the County adopted and enacted Ordinance #45-02 to approve Intergovernmental Loan Agreement #3, which calls for Horry County to make certain contributions towards the projects from an existing special revenue fund admissions tax and to amend prior RIDE loan agreements.

These agreements are summarized as follows:

Intergovernmental Agreement #1- dated March 10, 1998 (as amended)

As amended, SIB agreed to make one or more loans available to Horry County totaling up to \$545 million for Table 1 projects of the RIDE application.

Table 1 Projects and Assignment - The allocation and use of the \$545 million in SIB funding between the RIDE Projects is set forth in Table 1 of the RIDE application, namely \$291.3 million for the Conway Bypass, \$209.5 million for the Carolina Bays parkway, and \$44.2 million for Highway 544 widening.

Horry County assigned South Carolina Department of Transportation (SCDOT) to be its sole and exclusive agent for the RIDE Program. In connection with the construction of the Conway Bypass, SCDOT shall be paid a management fee of \$3.0 million, in 36 monthly installments with the first payment due upon execution of the agreement. SCDOT agreed to provide the County and the SIB \$114 million toward the construction of Table 1 projects.

Horry County further agreed to be responsible for up to \$291.3 million under the Assigned Contract with SCDOT, plus \$2.5 million in respect of right-of-way acquisition and utility relocation costs in excess of \$15 million.

Term of the Agreement and Repayment By Horry - Horry County shall make payments over 20 years on IGA Loan #1 as set-forth in amended agreements by paying \$15 million per year, for 20 years, (\$300 million total) beginning with the first payment due July 1, 1998, at zero (0%) percent interest. All subsequent payments shall be made in quarterly installments of \$3.75 million each, with the first such quarterly payment due October 1, 1998. Horry County covenants to pay when due all sums owing to the SIB under the terms of this agreement.

Source of Funds for Repayment - Horry County shall make payments from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County shall not be obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances are not repealed or amended in any way that would reduce or halt the deposit of hospitality fees into the Hospitality 1.5% Special Revenue Fund or abolish that Fund.

Maintenance Contribution - Horry County shall pay SCDOT \$100,000 per year for 20 years (a total of \$2.0 million) over and above the construction costs amounts of Table 1 projects, for the purpose of defraying the costs of maintenance on the RIDE Projects. The first such payment shall be made one year after the Conway Bypass is opened to traffic (in year 2002), with succeeding payments to be made on the anniversary dates thereafter. Pursuant to IGA #3, Exhibit B (dated May 21, 2002) the maintenance contribution liability of \$2.0 million was deleted in its entirety.

Intergovernmental Agreement #2 - dated April 21, 1998 (as amended)

As amended, SIB agreed to fund Table 3 projects of the RIDE application by way of loans of up to \$199.4 million to Horry County, and an additional \$48.2 million loan for Table 1 projects in the RIDE plan, all secured by payments from Horry County.

Term of the Agreement and Repayment by Horry - Horry County shall make payments over 20 years as set-forth in an attachment to the agreement. The annual loan repayments are due and payable in equal quarterly installments on March 31, June 30, September 30, and December 31 of each calendar year, beginning March 31, 2000, and ending December 31, 2016, or the date final repayments on all loans hereunder have been made. From

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects, continued

revenues deposited into the Loan Servicing Account, SIB shall cause the state treasurer to make payments required under IGA Loans # 1 and #2.

Establishment of Loan Servicing Account - The SIB established with the state treasurer a separate account known as the "Loan Servicing Account". Horry County will thereafter deposit all future receipts of the 1.5% portion of its Hospitality Fee (net of administrative takedown as described in ordinances #105-96 and #9-97) into this account (subject to the establishment of the Loan Reserve Account). SIB will make transfers from this account to make loan payments under this Agreement and payments under IGA #1 and #2.

Establishment of Loan Reserve Account - The SIB established a special interest bearing account with the state treasurer known as the "Loan Reserve Account". For repayment of IGA #1 and #2, Horry County agreed to transfer the entire current cash balance and all future hospitality fee collections in its special revenue fund to this account. The state treasurer may invest the funds in its "Local Government Investment Pool" or such other funds or instruments as state treasurer deems appropriate. All interest earned on such funds will accrue to the Loan Reserve Account. The balance will remain with the SIB throughout the term of the IGA Loans and will be used as a reserve and to make up possible shortfalls in revenues available to make annual loan repayments and to provide credit enhancements. The SIB, at its sole discretion, may use such funds for the purchase of insurance or other third-party guaranties to enhance the projected revenues to be received from Horry County.

Hospitality Fees collected by Horry County are forwarded to the SIB monthly. Any annual revenues over and above the amount necessary to make loan repayments from the Loan Servicing Account are deposited to the "Loan Reserve Account". At the end of the term of IGA Loan #1 and #2, any balance held in the Loan Reserve Account will be returned to Horry County.

Amendment to Master Loan Agreement

Pursuant to an amendment to the Master Loan Agreement (dated April 27, 1999), SIB agreed to provide for \$95 million additional loans to Horry County for Phase II of the Conway Bypass Project in Table 1. SIB's agreement to loan Horry County the additional \$95 million under IGA #1 for the Conway Bypass Project increase requires SCDOT to repay the \$95 million loan for Horry County in its entirety.

Intergovernmental Agreement #3 - dated May 21, 2002

Horry County and the SIB agreed to additional funding and construction of an additional phase of the RIDE Program in Horry County not to exceed \$198 million. Accordingly, Horry County pledged revenues derived from a certain admissions tax totaling \$2,279,950, and the funding of other related highway projects identified in the application in the approximate amount of \$20,550,000. SIB agreed to fund the balance of the construction costs through grants.

Term of Agreement and Contribution by Horry

Beginning May 31, 2002, Horry County promises to pay, from any legally available sources or revenues of Horry County, the sum of \$2,279,950 in amounts equal to the collection of revenues derived from a certain special revenue admissions tax, including all interest or other earnings thereon. Horry County shall make consecutive quarterly payments until such balance is paid in full.

The agreement further requires Horry County, from its own sources of funds, to fund and complete the component projects identified in the application totaling \$20,550,000. The schedule for completion of these projects shall be left to the discretion of Horry County in accordance with Ordinance #174-99 (Multi-County Business Park) and any related ordinances or agreements.

Amendments to Previous Agreements

Exhibit B of IGA #3, amended IGA #1 and #2 (and their amendments) to (1) clarify and conform certain provisions in those agreements with each other and to the requirements of lenders, credit rating agencies, or bond insurers involved with the SIB, and (2) to confirm quarterly debt repayment requirements pursuant to a prioritization schedule - which includes IGA Loan #1 totaling \$300 million as first priority due in quarterly installments of \$3.75 million (with zero percent interest) through June 2017, amending IGA Loan #2 repayment amounts (originally

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects, continued

totaling \$247,577,644 in loan amounts) to a total repayment amount of \$352,440,172 with \$162,100,000 (known as the "insured portion") to be paid in quarterly installments through the year ended June 30, 2022 and \$190,340,172 (known as the "uninsured portion") to be paid in quarterly installments through the year ended June 30, 2022.

Agreements related to RIDE III

An Intergovernmental Agreement, dated March 12, 2017 has been completed with SCDOT to manage eleven (11) of the twenty (20) projects for RIDE III construction program.

Note 18. Commitments and Contingencies

Litigation - The County is party to various legal proceedings that normally occur in governmental operations. County officials believe the legal proceedings are not likely to have a material adverse effect on the County's financial position.

The discretely presented component unit HCSWA is also a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable; however HCSWA's management does not believe the settlement of these matters will have a material effect on its financial condition.

Federal and State Assisted Programs

In the normal course of operations, the County and Department of Airport participate and receive grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority to insure compliance with conditions precedent to the granting of funds. Such audits could result in the possible liability for reimbursement or refund of grant monies to the grantor agencies. However, the County's management believes that any liability for reimbursement which may arise as the result of such audits would not be material to the financial position of the County.

Commitments

The County has undertaken significant road construction projects to address transportation needs within the County. The construction program known as Road Improvement and Development Effort (RIDE II) is being implemented in phases and includes a series of interconnected highway construction and road enhancements that will improve the transportation network in the County. Concurrent with the construction to complete RIDE II, the County has initiated the initial design of multiple projects contained in the RIDE III construction program approved by voters in the November 2016 referendum.

The participating parties for the RIDE II project are the County, the South Carolina Transportation Infrastructure Bank and the South Carolina Department of Transportation. The role of the South Carolina Transportation Infrastructure Bank is to provide the necessary financing and funding for the RIDE project. The participating parties for the RIDE III project are the County and the South Carolina Department of Transportation.

Major projects in RIDE II are the Conway Bypass (Highway 22), a six-lane controlled access highway between Aynor and Conway at Highway 501 to U.S. 17 near the Myrtle Beach Mall (formerly known as the Colonial Mall); and Carolina Bays Parkway (Highway 31); a six-lane limited access highway between S.C. Highway 9 in the North and S.C. Highway 544 in the South; a four-lane bridge spanning the Intercoastal Waterway at Fantasy Harbour; and the North Myrtle Beach Connector, a four-lane road connecting S.C. Highway 90 and U.S. 17 to the Carolina Bays Parkway. Other projects resulted in improvements to S.C. Highway 544, S.C. Highway 501 and U.S. 17. In fiscal year 2007, the County received approval of a \$40 million grant from the South Carolina Transportation Infrastructure Bank Board for engineering and environmental work and right of way acquisitions for extension of the Carolina Bays Parkway and the widening of S.C. 707. During fiscal year 2008, the County received notification that the State Infrastructure Bank approved a commitment to provide funding of \$85 million for the continued extension of Carolina Bays Parkway (Highway 31) to the southern portion of Horry County ending at S.C. Highway 707; there is no matching requirement on these funds.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies, continued

Commitments, continued

Major projects in RIDE III are the U.S. Hwy 501 Corridor improvements - S.C. Hwy 31 to SC Hwy 544; Carolina Forest Boulevard Widening; S.C. Hwy 9 East Widening (Loris); U.S. Hwy 701 N Widening (North Conway); Fred Nash Boulevard connection to Harrelson Boulevard (Myrtle Beach); U.S. Hwy 17 Business Intersection improvements (Garden City); Forrestbrook Road Widening; U.S. Hwy 501 Realignment from Broadway Street to 7th Avenue North; U.S. Hwy 701 Widening (North of Loris); Conway Perimeter Road Phase II; Southern Evacuation Lifeline (SELL) environmental studies and right-of-way; S.C. Hwy 31 (Carolina Bays Parkway) Extension to SC/NC State Line; pave 100 miles of County dirt roads; resurface 33.13 miles of City roads; and resurface 66.74 miles of County roads. An Intergovernmental Agreement has been completed with SCDOT to manage eleven (11) of the twenty (20) projects. Design contracts have been awarded for the SC 9 Widening (East of Loris), US 701 Widening (North of Conway), Dirt Road Paving (Project 2), Carolina Forest Boulevard Widening, US 501 Corridor Improvements (Postal Way and Middle Ridge Avenue Extensions), and Palmetto Pointe Boulevard Extension.

The County had a total of \$105.6 million in encumbrances at June 30, 2018. Encumbrances for the major governmental funds are as follows: \$1.9 million is encumbered in the General Fund primarily related to public works maintenance and countywide annual service contracts; \$8.1 million is encumbered in the General Capital Improvements Project Fund primarily related to various capital projects; \$33.1 million is encumbered in the Capital Project Sales Tax Fund- RIDE II primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax; \$30.0 million is encumbered in the Capital Project Sales Tax Fund- RIDE III primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax. Other significant encumbrances from non-major funds at June 30, 2018 are: the Road Maintenance & CTC Fund had \$6.5 million in encumbrances primarily related to multiple road paving projects; the Economic Development Fund had \$1.8 million in encumbrances primarily for performance agreements incentives; \$0.6 million is encumbered in the Fire Apparatus Capital Fund primarily related to the Fire Department's transportation equipment; \$17.6 million in encumbrances for the Grant Fund primarily related to TIGER Grant rail project; and the CDBG Grant Program Special Revenue Fund had \$1.9 million of encumbrances. Encumbrances for the Internal Service Funds are \$1.2 million for replacement of light vehicles and heavy equipment; Encumbrances for the Department of Airports are \$2.3 million for various capital projects.

Bequest

Horry County has been notified of a bequest for the benefit of the Horry County Memorial Library. The bequest is restricted to construction or enlargement of the library branch in Conway; the purchase of books, equipment, furniture; or endowment as determined by County Council after consultation with the County Library Advisory Board. The bequest is contingent upon Horry County not using these funds or income to reduce the level of support to the library system. The amount of this bequest is not readily measureable at this time as a large portion of value is comprised of interests in closely held businesses.

Note 19. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and natural disasters for which commercial insurance is carried. The County and its component units carry commercial insurance to cover all losses, excluding vehicle comprehensive and collision coverage and including workers' compensation. During the year ended June 30, 2018, there were no significant reductions in insurance coverage from the prior year. Insured claims have not exceeded the County's coverage in any of the past five (5) years.

In management's opinion, claim losses in excess of insurance coverage, if any, is unlikely and if it occurred, would not be significant. Therefore, no loss accrual has been made in these financial statements. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expense and liability should be accrued at year-end.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 20. Related Party Transactions

The HCSWA provides a collection system for the residents of the unincorporated areas of Horry County. The collection system is comprised of twenty-four manned convenience centers. The HCSWA charges the County monthly for the actual costs of operating the convenience centers plus a support services fee. Total charges to the County for the year ended June 30, 2018 were \$5,856,688. In addition, the County made capital contributions to the HCSWA in the amount of \$728,675 in order to fund the capital needs of the unincorporated collection system. The HCSWA is required to pay the County a community waste disposal fee for the right to develop and operate landfills within the borders of Horry County. The fee is equal to \$2.25 per ton of municipal solid waste and mixed construction accepted for disposal at the HCSWA's landfills. The community waste disposal fee totaled \$835,465 for the year ended June 30, 2018.

Note 21. Adoption of GASB Statement No. 75

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This implementation provides for a recalculation of OPEB Liability resulting in an increase of \$14,124,342, \$13,622,742 for governmental activities and \$399,020 for business-type activities. Because the measurement period in the transition year is the year starting July 1, 2016 and ending June 30, 2017, the deferred outflows of resources component of the prior-period adjustment coincides with the measurement period. Because the only contributions to the OPEB plan are the benefit payments paid by the employer, this deferred outflow component of the prior-period adjustment is equal to \$1,499,250, \$1,448,885 for governmental activities and \$50,365 for business-type activities.

The effect of the new pronouncement on beginning net position for 2018 was a net decrease of \$12,625,092, \$12,276,437 for governmental activities and \$348,655 for business-type activities.

The HCSWA increased its OPEB Liability by \$33,799 and reflected a deferred outflow of \$55,411 for a net increase in beginning net position for 2018 of \$19,612.

The SBHS increased its OPEB Liability by \$28,858 for a net decrease in beginning net position for 2018 of \$28,858.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of differences between the governmental fund balance sheet and the government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance amounts and net position of governmental activities. The details of the reconciled amount are as follows:

Total fund balances - governmental funds	\$ 429,121,185
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Capital assets (exclusive of Internal Service Fund Capital Assets) in governmental activities are not financial resources and therefore are not reported in the fund financial statements.

Capital assets	982,544,356
Less, accumulated depreciation	<u>(184,275,076)</u>

Net amount reported	<u>798,269,280</u>
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Some of the property taxes and other fees will be collected after year end, but are not available soon enough to pay for current period expenditures and are, therefore, reported as unavailable revenue in the fund financial statements:

Property taxes, net of allowance for uncollectible	4,511,333
Grant reimbursements	8,745,267
Accommodations tax	784,218
Fees and fines	5,010,721
Capital project sales tax	<u>15,690,414</u>

Net amount reported	<u>34,741,952</u>
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Internal service funds are used by management to charge the costs of fleet and communication services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

<u>48,628,038</u>

Long-term liabilities, deferred inflows and outflows of resources, including bonds payable that are not due and payable (exclusive of Internal Service Fund liabilities) in the current period and, therefore, are not reported in these funds.

General & special obligation bonds	(64,183,000)
Capital leases payable	(16,694,393)
Deferred charges on refunding	2,643,738
Bond premium	(1,191,897)
SC Transportation Infrastructure Bank Loan (SIB)	(89,765,067)
Compensated absences	(11,301,138)
Total post employment benefit liability	(41,076,063)
Net pension liability	(157,006,918)
Accrued interest	<u>(565,007)</u>

Net amount reported	<u>(379,139,744)</u>
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Total net position, end of year - governmental activities	<u>\$ 931,620,711</u>
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HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of differences between the governmental Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balance and changes in net position governmental activities. The details of the reconciled amounts are as follows:

Net change in fund balance - governmental funds	\$ 50,501,280
<i>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation and asset disposals in the current period.</i>	
Capital outlay expenditures	53,298,753
Assets disposals	(1,364,034)
Depreciation expense	(14,712,181)
Net amount reported	<u>37,222,538</u>
<i>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.</i>	
Property taxes & accommodations tax	(1,100,611)
Grants reimbursements	(3,781,526)
Fees and fines	2,470,583
Capital project sales tax	1,470,573
Net amount reported	<u>(940,981)</u>
<i>Contributed property is not reported as revenue in governmental funds. However, in the Statement of Activities, the cost of property contributed is reported in the current period. In the current period, these amounts are:</i>	
Donation of capital assets	<u>18,955,433</u>
<i>Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</i>	
Total post employment benefit liability	(517,691)
Accrued compensated absences	(13,304)
Net pension liability	(8,385,098)
Net amount reported	<u>(8,916,093)</u>
<i>The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.</i>	
Repayments of G.O., S.O. bond & Certificates of Participation principal	11,395,500
Repayments of SC Transportation Infrastructure Bank Loan (SIB) principal	20,843,094
Repayments of capital leases	1,676,813
Change in accrued interest expense & amortization of bond premiums	(47,996)
Net amount reported	<u>33,867,411</u>
<i>The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities. (Expenses for pension liability, other post employment benefit obligation costs, and compensated absences for the internal service funds are reported above) (Note: this includes \$8,922,230 net transfers of capital assets and related debt to internal service fund.)</i>	
	<u>3,947,989</u>
Change in net position-governmental activities	<u>\$ 134,637,578</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 23. Tax Abatements

Horry County provides tax abatement incentives through three programs to encourage economic development, attract new businesses, and retain existing businesses – Fee in Lieu of Tax, Special Source Revenue Credits, and Multi-County Business Parks:

- A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5-6 year investment period (beginning with date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).
- A Special Source Revenue Credit (SSRC) is authorized under South Carolina Code Sections 4-29-68, 4-1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. County manually applies SSRC to reduce applicable property tax bill. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.
- A Multi-County Business Park (MCBP) is authorized under Article VIII, Section 13(d) of the Constitution of South Carolina, as amended and South Carolina Title 4, Chapter 1. A MCBP is used to promote the economic welfare of their citizens by inducing businesses to invest in the Counties through the offer of benefits available under South Carolina law pursuant to multi-county business park arrangements. The designation as a MCBP provides that all real and personal property located in the Park shall be exempt from all ad valorem taxation. This is typically used in the creation of a FILOT or SSRC, but also has the additional benefit of exemption of property from the rollback taxes when the property was previously taxed as agricultural property. When agricultural real property is applied to a use other than agricultural, it is subject to additional taxes, referred to as rollback taxes. The amount of the rollback taxes is equal to the sum of the differences, if any, between the taxes paid or payable on the basis of the fair market value for agricultural purposes and the taxes that would have been paid or payable if the real property had been valued, assessed, and taxed as other real property in the taxing district (except the value of standing timber is excluded), for the current tax year (the year of change in use) and each of the immediately preceding five tax years.

For the fiscal year ended June 30, 2018, the County abated property tax revenues of \$177,567 under agreements entered into by the County. The table below summarizes the tax abatements by program:

<u>Tax Abatement Program</u>	<u>Abatement</u>
Fee in lieu of tax (FILOT)	\$ 162,462
Special Source Revenue Credit (SSRC)	15,106
Multi-County Business Park (Rollback Taxes)	<u>-</u>
Total	<u>\$ 177,567</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 23. Tax Abatements, continued

The County is not subject to any tax abatement agreements entered by other governmental entities. The County has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

- A FILOT agreement with a manufacturer for expansion of their existing facility located in the City of Myrtle Beach. This agreement was completed in 1999. The abatement amounted to \$70,582.
- A FILOT agreement with a manufacturer for expansion of their existing facility located in the Atlantic Center Industrial Park. This agreement was completed in 2009. The abatement amounted to \$49,411.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to \$34,804.

The County may provide a Performance Agreement in addition to tax abatement incentives or serve as a pass-through recipient of grants from other governmental entities to incent entities to locate or expand operations and jobs within the County. The amount of incentive will vary based on the size of capital investment and/or number of jobs created. No Performance Agreement or grant payments were made to entities receiving tax abatement incentives in fiscal year 2018.

Note 24. Service Concession Arrangement

In August 2016, Horry County and its agent, Horry County Department of Airports, entered into a contract with Republic Parking System, Inc. to provide a paid parking concession for passengers of the Myrtle Beach International Airport for a term of 60 months. Per the agreement, Republic Parking System, Inc. is to provide parking services to airport customers, using airport-owned parking lots and airport-owned parking revenue-management equipment.

Due to the nature of this agreement, whereas Republic Parking System, Inc. is the operator and Horry County Department of Airports is the transferor, it has been classified as a Service Concession Arrangement defined in GASB Statement No. 60. The parking lots and the parking revenue-management equipment have been classified as a capital asset of the Horry County Department of Airports. The present value of the guaranteed minimum lease payments for the term of the agreement are classified as an asset of the Horry County Department of Airports, with an offsetting deferred inflow, which will be systematically amortized each year as the minimum annual guaranteed revenue and any auxiliary commissions revenue are recorded.

During fiscal year 2018 parking concessions revenues recorded were \$4,638,949. Revenue of \$1,665,653 recognized in fiscal year 2018 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$2,488,949 for fiscal year 2018. Agreement terms do not specify guarantees or commitments required of Horry County Department of Airports. Accordingly, no liabilities have been recorded in conjunction with this contractual arrangement for either year presented. For each year presented in this report, the Statement of Net Position reflects the net present value of the service concession arrangement below assets and also as a deferred inflow of resources.

	<u>2018</u>	<u>2017</u>
Opening Service Concession Arrangement and Deferred inflows of resources	\$ 7,825,057	\$ -
Service Concession Arrangement effective July 1, 2016	-	9,562,176
Amortization of discounted minimum annual payments	<u>(1,665,653)</u>	<u>(1,737,119)</u>
Service Concession Arrangement and Deferred inflow of resources at June 30,	<u>\$ 6,159,404</u>	<u>\$ 7,825,057</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 25. New Accounting Pronouncements

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S THAT USE A BASIS OF ACCOUNTING THAT DIFFERS FROM GAAP

Basis of Budgeting

The policy established by the County with respect to the Budget is substantially the same as GAAP, with one exception. The County's budget basis accounting differs from GAAP in accounting for capital lease financing transactions. For budgetary basis accounting, these transactions are not recorded as other financing sources when funded and expenditures when the equipment is acquired, as required by GAAP.

However, there is no difference in fund balance because of this, thus the County considers its budget to approximate GAAP basis.

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(with comparative actual amounts for for the year ended June 30, 2017)

	2018				2017
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Real property taxes	\$ 78,444,540	\$ 78,527,385	\$ 79,949,841	\$ 1,422,456	\$ 76,872,542
Personal property taxes	5,402,670	5,402,670	5,544,570	141,900	5,469,981
Vehicle taxes	7,948,860	7,948,860	8,383,400	434,540	8,368,913
Fee in lieu of taxes	3,131,324	3,131,324	3,364,476	233,152	3,077,699
Intergovernmental	11,630,496	11,814,640	13,261,099	1,446,459	13,030,226
Fees and fines	29,050,195	28,779,534	29,286,461	506,927	28,704,451
Documentary stamps	4,540,417	4,818,998	4,973,474	154,476	4,523,207
License and permits	10,840,059	10,840,059	11,694,040	853,981	11,106,317
Interest on investments	451,250	451,247	676,251	225,004	348,241
Cost allocation	3,570,000	3,570,000	3,429,198	(140,802)	3,800,803
Other	4,040,824	6,568,332	5,036,308	(1,532,024)	4,553,367
Total revenues	159,050,635	161,853,049	165,599,118	3,746,069	159,855,747
Expenditures					
General Government:					
County Council	1,217,931	1,707,015	1,056,865	650,150	1,003,671
County Administrator	1,411,604	1,402,170	1,175,084	227,086	1,137,021
Finance	1,881,407	1,822,417	1,748,524	73,893	1,794,022
Department Overhead	6,055,581	5,018,894	3,467,117	1,551,777	4,174,043
Human Resources	1,700,473	1,771,945	1,336,392	435,553	1,607,930
Procurement	578,365	609,882	563,853	46,029	530,522
IT/GIS	5,316,365	5,605,635	5,582,604	23,031	4,898,006
Assessor	3,841,640	3,804,951	3,765,283	39,668	3,574,565
Assessor Appeals Board	9,499	9,499	3,338	6,161	2,233
Registrar of Deeds	1,240,138	1,244,036	1,172,064	71,972	1,121,945
Maintenance	5,115,427	5,078,082	4,775,422	302,660	4,704,735
Registration and Election	597,328	641,290	608,716	32,574	693,208
Public Information	217,979	346,260	269,453	76,807	244,346
Treasurer	2,113,566	2,203,126	2,207,585	(4,459)	1,959,180
Auditor	1,723,063	1,767,493	1,704,460	63,033	1,613,670
Probate Judge	1,132,464	1,136,795	1,122,055	14,740	1,056,670
Master in Equity	482,990	483,856	430,201	53,655	399,530
Legal	976,922	1,311,540	795,225	516,315	744,293
Grant Administration	423,401	434,168	108,396	325,772	86,865
Delegation	104,633	105,066	87,846	17,220	107,446
Hospitality	-	-	-	-	342,575
Business License	650,795	662,286	639,175	23,111	246,346
Total	36,791,571	37,166,406	32,619,658	4,546,748	32,042,822
Less, capital outlay	(28,945)	(145,198)	(126,689)	(18,509)	(97,183)
Net general government	36,762,626	37,021,208	32,492,969	4,528,239	31,945,639

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2018				2017
	Budget		Actual	Variance	Actual
	Original	Final			
Public Safety:					
Public Safety Division	945,330	3,421,579	945,857	2,475,722	727,501
Clerk of Court	2,067,724	2,130,825	1,956,966	173,859	1,902,021
Clerk of Court - DSS	685,468	686,783	636,106	50,677	634,088
Clerk of Court - Family Court:	348,525	763,310	383,023	380,287	318,641
Magistrates	3,200,232	3,259,046	3,189,983	69,063	2,974,672
Communications	1,365,559	1,395,338	1,365,559	29,779	1,212,727
Sheriff	6,389,804	7,036,411	7,005,753	30,658	6,275,662
Police	24,284,477	23,589,625	22,543,444	1,046,181	22,475,837
Emergency Management	546,978	558,141	507,649	50,492	510,571
Emergency 911	3,394,257	3,406,385	3,191,304	215,081	2,945,530
Coroner	1,050,595	1,082,328	1,005,531	76,797	927,915
Detention Center	24,046,370	26,025,359	25,118,138	907,221	24,029,645
Emergency Medical Services	16,690,947	16,967,534	15,700,304	1,267,230	15,482,969
Animal Care Center	1,236,132	1,275,348	1,178,378	96,970	1,135,743
Parking Program	101,700	281,455	51,282	230,173	171,656
Total	86,354,098	91,879,467	84,779,277	7,100,190	81,725,178
Less, capital outlay	(288,097)	(448,017)	(284,979)	(163,038)	(854,743)
Net public safety	86,066,001	91,431,450	84,494,298	6,937,152	80,870,435
Infrastructure and Regulation:					
Assistant County Administrator	994,139	509,559	451,677	57,882	482,244
County Engineer	1,550,335	1,644,764	1,354,517	290,247	1,174,995
Public Works	9,073,541	10,108,436	8,623,701	1,484,735	8,799,036
Code Enforcement	3,256,477	3,263,722	2,953,145	310,577	2,851,678
Planning	2,088,498	2,096,845	2,016,101	80,744	1,783,546
Environmental Services	161,686	196,094	190,113	5,981	146,631
Railroad	-	50,687	50,687	-	137,223
Abatement/Demolition	-	500,000	21,943	478,057	-
Total	17,124,676	18,370,107	15,661,884	2,708,223	15,375,353
Less, capital outlay	(6,500)	(24,426)	(24,238)	(188)	(31,779)
Net infrastructure and regulation	17,118,176	18,345,681	15,637,646	2,708,035	15,343,574

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULES
 GENERAL FUND
 - CONTINUED -

	2018				2017
	Budget		Actual	Variance	Actual
	Original	Final			
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance Program	891,518	891,735	890,945	790	898,842
Health Department	135,388	133,116	115,537	17,579	112,882
Department of Social Services	73,204	113,636	103,234	10,402	93,831
Veteran Affairs	397,253	417,052	387,592	29,460	379,092
Net health and social services	<u>1,497,363</u>	<u>1,555,539</u>	<u>1,497,308</u>	<u>58,231</u>	<u>1,484,647</u>
Culture, Recreation, and Tourism:					
Library	4,676,518	4,880,759	4,455,140	425,619	4,269,270
Museum	802,095	899,078	805,613	93,465	769,371
Total	<u>5,478,613</u>	<u>5,779,837</u>	<u>5,260,753</u>	<u>519,084</u>	<u>5,038,641</u>
Less, capital outlay	<u>(74,997)</u>	<u>(82,211)</u>	-	<u>(82,211)</u>	-
Net culture, recreation and tourism	<u>5,403,616</u>	<u>5,697,626</u>	<u>5,260,753</u>	<u>436,873</u>	<u>5,038,641</u>
Economic development Other Agencies:					
	<u>2,154,308</u>	<u>2,119,308</u>	<u>1,559,444</u>	<u>559,864</u>	<u>1,154,308</u>
Capital outlay	<u>398,539</u>	<u>699,852</u>	<u>435,906</u>	<u>263,946</u>	<u>983,705</u>
Total expenditures	<u>149,400,629</u>	<u>156,870,664</u>	<u>141,378,324</u>	<u>15,492,340</u>	<u>136,820,949</u>
Excess of revenues over expenditures	<u>9,650,006</u>	<u>4,982,385</u>	<u>24,220,794</u>	<u>19,238,409</u>	<u>23,034,798</u>
Other Financial Sources (Uses)					
Sale of capital assets	100,000	100,000	19,320	(80,680)	79,719
Transfers in	642,110	669,038	688,541	19,503	649,058
Transfers out	<u>(10,968,062)</u>	<u>(10,607,565)</u>	<u>(10,607,565)</u>	-	<u>(14,592,019)</u>
Total other financing sources (uses)	<u>(10,225,952)</u>	<u>(9,838,527)</u>	<u>(9,899,704)</u>	<u>(61,177)</u>	<u>(13,863,242)</u>
Net change in fund balance	(575,946)	(4,856,142)	14,321,090	19,177,232	9,171,556
Fund balance at beginning of year	63,808,960	63,808,960	63,808,960	-	54,637,404
Fund balance at end of year	<u>\$ 63,233,014</u>	<u>\$ 58,952,818</u>	<u>\$ 78,130,050</u>	<u>\$ 19,177,232</u>	<u>\$ 63,808,960</u>

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENTS THAT USE THE
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

FOR THE YEAR END JUNE 30, 2018

A. Condition Rating and Actual Maintenance/Preservation of Horry County's Road Infrastructure

Horry County's road system consists of approximately 61% paved roads and 39% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. Horry County implemented a Pavement Management System (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network in the County. The pavement management system uses a measurement scale called a Pavement Condition Index (PCI) to rate road condition and the PCI is correlated to the 1-5 condition ranking. Each road is ranked from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70 percent of its paved road system at fair or better condition level. No more than 30 percent should be in a substandard condition. Condition assessments are completed every year.

The County created a long-term road improvement program that had been paving 3 miles of dirt roads per year (which included 1 mile funded by the County Transportation Committee (CTC) and resurfacing 30 miles of paved road per year. As the County dirt roads are paved, they become part of the County's paved road network and are added to the MicroPaver pavement management system.

The actual maintenance of the unpaved roads involves scraping each road every three weeks depending on the weather. At this time, management believes it is impossible to conduct a meaningful condition assessment for dirt roads because road conditions can change daily depending on traffic, weather, soils, and the County's maintenance schedule.

The costs of maintaining unpaved roads accounts for an estimated 75% of the Public Works Department annual operating budget.

Several factors that have occurred over the past several years that has affected the County's paved road network are as follows:

- 1) Since the end of FY 2004, the County's paved roadway network has more than doubled. Approximately 393 paved miles at the end of FY 2004 compared to 900 paved miles at the end of FY 2018.
- 2) The current economic conditions prompted County Council's increase of the Road Fee in fiscal year 2016 to \$50 annually from \$30 to provide a recurring revenue source to address the growing road maintenance needs.
- 3) In May 2017, a one-cent sales tax was implemented and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 100 miles of County maintained roads over a 8 year period. This is the second successive sales tax program addressing road needs.
- 4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited annually and rated. Maintenance costs needed at June 30, 2018 to improve all roads with a rating of 1 or 2 to a rating of 3 or better are \$14.5 million.

The following tables depict the condition and maintenance costs of the County's road infrastructure:

Percentage of Miles in Fair or Better Condition

	Condition		
	2018	2017	2016
Arterial	85.3%	85.3%	68.7%
Collector	88.7%	85.2%	81.1%
Access	88.9%	87.6%	84.9%
Overall system	88.8%	87.3%	84.2%

Percentage of Miles in Substandard Condition

	Condition		
	2018	2017	2016
Arterial	14.7%	14.7%	31.3%
Collector	11.3%	14.8%	18.9%
Access	11.1%	12.4%	15.1%
Overall System	11.2%	12.7%	15.8%

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENTS THAT USE THE
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

FOR THE YEAR END JUNE 30, 2018

- CONTINUED -

A. Condition Rating and Actual Maintenance/Preservation of Horry County's Road Infrastructure

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2018	2017	2016	2015	2014
Arterial:					
Needed	\$ 505,600	\$ 507,212	\$ 1,078,400	\$ 888,000	\$ 570,000
Actual	257,828	180,797	181,846	88,291	68,068
Collector:					
Needed	1,288,000	1,641,182	2,083,200	1,398,400	931,000
Actual	656,583	585,004	351,282	139,038	111,177
Access:					
Needed	14,374,400	15,271,788	17,891,200	14,840,000	10,045,000
Actual	7,329,820	5,443,673	3,016,924	1,475,488	1,199,545
Overall System:					
Needed	16,168,000	17,420,182	21,052,800	17,126,400	11,546,000
Actual	8,244,231	6,209,474	3,550,052	1,702,817	1,378,790
Difference	\$ 7,923,769	\$ 11,210,708	\$ 17,502,748	\$ 15,423,583	\$ 10,167,210

* See Note 4 on previous page.

B. Condition Rating and Actual Maintenance/Preservation of Department of Airport's Infrastructure

Infrastructure Assets

Certain elements of the Myrtle Beach International Airport's runway, aprons, taxiways, drainage systems, etc. which comprise the "Infrastructure Assets" were obtained in conjunction with the USAF property conveyance described in detail in Note. 1 Summary of Significant Accounting Policies of the Department of Airport Fiscal Year 2017 CAFR.

Condition Rating and Actual Maintenance/Preservation of Airport Infrastructures

Condition assessments for environmental systems are made regularly and in accordance with the Airport's annual storm water maintenance plan, which is subject to annual audit by the Department of Health and Environmental Control ("DHEC"). There were no unfavorable DHEC audits during the fiscal periods covered in this annual report.

The Airport developed a Pavement Management and Maintenance Study (PMMS) in 2000, 2010, and again in 2018. The basis for the condition measurement of airfield systems using the Pavement Condition Index (PCI) are distresses found in the pavement surfaces. The Airport has a PMMS completed periodically (5-10 years) as required by the Federal Aviation Administration. In addition, The Airport has had FAA Part 139 inspections annually, all of which were passed successfully.

The PCI scale used to assess and report conditions ranges from zero for a failed pavement to 100 for a pavement in new or excellent condition. Generally, ratings 71 and above require only routine preventative maintenance. Pavement ratings of 41-70 typically require major rehabilitation. Pavements with PCI values of below 40 require major reconstruction.

As of January 2018, the average inspected Pavement Condition Index (PCI) for all airfield pavements at the Myrtle Beach International Airport (MYR) was found to be 73, illustrating the fact that the overall pavement at MYR has improved. Runway 18-36 was found to have an average inspected PCI of 99, while the Taxiways had an average inspected PCI of 71, and Aprons had an average inspected PCI of 67. The 2018 average inspected PCI value has increased over 2010 PCI values due to numerous airfield pavement rehabilitation projects.

The Airport's policy has been to comply with all FAA requirements and has placed condition assessment reliance on additional FAA requirements in evaluating the condition of the Infrastructure assets and in ensuring the safety of the passengers of the airport.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S THAT USE THE
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

FOR THE YEAR END JUNE 30, 2018

- CONTINUED -

B. Condition Rating and Actual Maintenance/Preservation of Department of Airport's Infrastructure

Because of safety requirements all Airport infrastructure is constantly maintained. FAA 14 CFR Part 139 requires the following activities: (3) daily assessments of the airfield, which include but are not limited to inspection of the runway and taxiways pavement for wear or repair needs, painting/stripping, signage, etc.

An Inspection log is maintained, resulting in a traceable history of maintenance items addressed. The Airport undergoes a rigorous Part 139 audit annually. Management of the Airport believes it is not cost effective to obtain a complete condition assessment every three years and believes that the FAA requirements, together with the additional Airport and state regulatory inspection policies, are sufficient to assess the condition of the Airport infrastructure.

The most recent complete condition assessment of the Airport's infrastructure assets is as follows (year of assessment shown in):

Infrastructure Asset:	Area Weighted PCI Value
Airfield & runway subsystem and roads for: Myrtle Beach International (MYR) (2018)	73
Airfield & runway subsystem and roads for: Myrtle Beach International (MYR) (2010)	65
Airfield & runway subsystem and roads for: Myrtle Beach International (MYR) (2000)	76

The following table represents the estimated and actual maintenance costs of the MYR pavement infrastructure. In fiscal year 2015, the runway at MYR and approximately 1,700 linear feet of Taxiway "A" was replaced. The runway and the new section of Taxiway "A" have a PCI of 100. Included in the runway project is a maintenance palm for the new pavement infrastructure. HCDA procured a comprehensive Pavement & Management study for all HCDA operated airports, including MYR, CRE, HYW and 5J9.

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
2018	\$158,500	\$210,081
2017	\$97,000	\$149,700
2016	\$69,000	\$125,296
2015	\$54,000	\$62,688
2014	\$75,000	\$107,525
2013	\$44,860	\$60,937
2012	\$60,400	\$96,900
2011	\$44,000	\$54,600
2010	\$50,000	\$43,500
2009	\$54,000	\$56,700

Since 2009, the following pavement improvements to increase the capacity of the taxiways and ramps have taken place. While these projects have increased the capacity of the airfield system, they will also have a positive impact by increasing the weighted PCI for MYR:

- **MYR South Ramp Expansion (\$3.6M)** - This project expanded the MYR commercial ramp size by nearly 50% in order to accommodate additional aircraft and the new terminal.
- **MYR "B-2" (\$2.8M)** - This project included the construction of a new taxiway in order to allow general aviation and charter aircraft faster access to and from the runway.
- **MYR Ramp Rehabilitation (\$2.8M)** - This project removed all remaining asphalt pavement on the Commercial Ramp at MYR and replaced it with 12 inches of P-501 Concrete over 5 inches of Cement Treated Base.
- **MYR Expansion of Taxiway "A" (\$5.0M)** - In order to expand the existing Ramp for the proposed New Terminal, Taxiway "A" was expanded.
- **MYR Runway Rehabilitation (Budget \$20.5M)** - During fiscal year 2015 the construction work for complete rehabilitation of the MYR runway was completed. Additionally, 1,700 linear feet of taxiway "A" was replaced as part of this project. The full length was milled and replaced with variable depth asphalt. The runway rehabilitation meets the most current FAA design criteria.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Primary Government

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 1,464,093
Interest	1,271,263
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes of assumption	(3,808,954)
Benefit payments	<u>(1,499,250)</u>
Net change in total OPEB liability	(2,572,848)
Total OPEB liability - beginning	<u>43,553,998</u>
Total OPEB liability - ending	<u><u>\$ 40,981,150</u></u>
Covered-employee payroll	\$ 86,927,292
Total OPEB liability as a percentage of covered-employee payroll	47.14%

Notes to Schedule:

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

The schedules are intended to show information for ten years. These additional years' information will be reported as it becomes available.

HCSWA

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 116,448
Interest	63,387
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes of assumption	(161,647)
Benefit payments	<u>(55,411)</u>
Net change in total OPEB liability	(37,223)
Total OPEB liability - beginning	<u>2,140,283</u>
Total OPEB liability - ending	<u><u>\$ 2,103,060</u></u>
Covered-employee payroll	\$ 3,406,157
Total OPEB liability as a percentage of	61.74%

Notes to Schedule:

Changes of assumptions reflect the effects of changes in the discount rate each period. The following discount rate were used: 2017 - 2.92% and 2018 - 3.56%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The schedules are intended to show information for ten years. These additional years' information will be reported as it becomes available.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

SBHS

	<u>2018</u>
Total OPEB liability	
Service cost	\$ -
Interest	389
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes of assumption	-
Benefit payments	<u>(11,622)</u>
Net change in total OPEB liability	<u>(11,233)</u>
Total OPEB liability - beginning	109,892
Effect of restatement for GASB 75 implementation	28,858
Total OPEB liability, beginning, as restated	<u>138,750</u>
Total OPEB liability - ending	<u><u>\$ 127,517</u></u>
Covered-employee payroll	2,372,817
Total OPEB liability as a percentage of	5.85%

Notes to Schedule:

The schedules are intended to show information for ten years. These additional years' information will be reported as it becomes available.

The plan has two participants that retired during fiscal year ended June 30, 2014.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
SOUTH CAROLINA RETIREMENT SYSTEM

For fiscal year ended June 30
(amounts expressed in thousands)

	2018	2017	2016	2015	2014
Primary Government					
SCRS					
County's proportion of the net pension liability	0.5001%	0.5171%	0.5004%	0.4974%	0.4974%
County's proportionate share of the net pension liability	\$ 112,590	\$ 110,460	\$ 94,899	\$ 85,636	\$ 89,217
County's covered-employee payroll	\$ 50,464	\$ 50,092	\$ 46,896	\$ 46,170	\$ 43,201
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.11%	220.51%	202.36%	185.48%	206.52%
Plan fiduciary net position as a percentage of the total pension liability	53.33%	52.91%	57.00%	59.90%	NA
Primary Government					
PORS					
County's proportion of the net pension liability	3.3487%	3.4903%	3.3468%	3.3383%	3.3383%
County's proportionate share of the net pension liability	\$ 91,740	\$ 88,530	\$ 72,943	\$ 63,910	\$ 69,202
County's covered-employee payroll	\$ 45,046	\$ 44,471	\$ 41,487	\$ 40,290	\$ 36,939
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	203.66%	199.07%	175.82%	158.62%	187.34%
Plan fiduciary net position as a percentage of the total pension liability	60.94%	60.44%	64.60%	67.50%	NA
Component Units					
Horry County Solid Waste Authority					
HCSWA's proportion of the net pension liability	0.0388%	0.0418%	0.0406%	0.0426%	0.0426%
HCSWA's proportionate share of the net pension liability	\$ 8,748	\$ 8,938	\$ 7,693	\$ 7,332	\$ 7,638
HCSWA's covered-employee payroll	\$ 3,923	\$ 4,052	\$ 3,804	\$ 3,866	\$ 3,854
HCSWA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.01%	220.58%	202.27%	189.65%	198.18%
Plan fiduciary net position as a percentage of the total pension liability	53.33%	52.91%	57.00%	59.90%	56.39%
Shoreline Behavioral Health Services					
SBHS's proportion of the net pension liability	0.0234%	0.0211%	0.0189%	0.1378%	0.1378%
SBHS's proportionate share of the net pension liability	\$ 5,258	\$ 4,502	\$ 3,599	\$ 2,373	\$ 2,472
SBHS's covered-employee payroll	\$ 2,373	\$ 2,358	\$ 2,041	\$ 1,779	\$ 1,251
SBHS's proportionate share of the net pension liability as a percentage of its covered-employee payroll	221.60%	190.90%	176.34%	133.39%	197.60%
Plan fiduciary net position as a percentage of the total pension liability	53.33%	52.91%	57.00%	59.90%	56.4%

Note: Information is obtained from South Carolina Retirement System Annual Report. The pension schedules are intended to show information for ten years. These additional years' information will be reported as it becomes available.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS TO THE
SOUTH CAROLINA RETIREMENT SYSTEM

For fiscal year ended June 30,
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011
Primary Government								
SCRS								
Contractually required contribution	\$ 7,196	\$ 5,831	\$ 5,540	\$ 5,112	\$ 4,819	\$ 4,527	\$ 3,977	\$ 3,982
Contributions in relation to the contractually required contribution	7,196	5,831	5,540	5,112	4,819	4,527	3,977	3,982
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered-employee payroll	50,464	50,092	46,896	46,170	43,201	39,929	40,830	40,736
Contributions as a percentage of covered-employee payroll	14.26%	11.64%	11.81%	11.07%	11.16%	11.31%	9.75%	9.79%
PORS								
Contractually required contribution	\$ 7,352	\$ 6,415	\$ 6,110	\$ 5,563	\$ 5,019	\$ 4,418	\$ 4,210	\$ 4,154
Contributions in relation to the contractually required contribution	7,352	6,415	6,110	5,563	5,019	4,418	4,210	4,154
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered-employee payroll	45,046	44,470	41,487	40,290	36,939	35,440	36,153	35,337
Contributions as a percentage of covered-employee payroll	16.32%	14.43%	14.73%	13.81%	13.57%	12.41%	11.62%	11.74%
Component Units								
Horry County Solid Waste Authority								
Contractually required contribution	564	453	448	415	410	409	363	360
Contributions in relation to the contractually required contribution	564	453	448	415	410	409	363	360
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Solid Waste Authority's covered-employee payroll	4,161	3,923	4,052	3,804	3,866	3,858	3,807	3,807
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.06%	10.90%	10.60%	10.60%	9.54%	9.45%
Shoreline Behavioral Health Services								
Contractually required contribution	318	269	223	191	131	117	124	122
Contributions in relation to the contractually required contribution	318	269	223	191	131	117	124	122
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Shoreline's covered-employee payroll	2,373	2,358	2,041	1,779	1,251	1,120	1,316	1,316
Contributions as a percentage of covered-employee payroll	13.41%	11.41%	10.91%	10.75%	10.45%	10.45%	9.415%	9.24%

Note: Information is obtained from South Carolina Retirement System Annual Report. The pension schedules are intended to show information for ten years. These additional years' information will be reported as it becomes available.

OTHER FINANCIAL INFORMATION

COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2018

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 979,138	\$ -	\$ -	\$ 979,138
Pooled cash and investments	73,112,460	3,503,094	7,663,344	84,278,898
Receivables, net:				
Property taxes	1,398,914	70,100	350,903	1,819,917
Accounts and other	489,704	-	-	489,704
Fees	2,076,719	-	22,026	2,098,745
Due from other governments	12,918,913	-	10,126	12,929,039
Prepaid items	4,712	-	-	4,712
Restricted assets	268,403	-	239,049	507,452
Total Assets	<u>\$ 91,248,963</u>	<u>\$ 3,573,194</u>	<u>\$ 8,285,448</u>	<u>\$ 103,107,605</u>
Liabilities				
Accounts payable - trade	\$ 3,463,255	\$ -	\$ -	\$ 3,463,255
Accounts payable - other	169,231	-	-	169,231
Accrued salaries and wages	832,505	-	-	832,505
Due to other funds	1,667,071	-	12,283	1,679,354
Due to other governments	125,868	-	-	125,868
Total liabilities	<u>6,257,930</u>	<u>-</u>	<u>12,283</u>	<u>6,270,213</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	8,787,865	-	-	8,787,865
Unavailable revenue-property taxes	1,622,435	62,735	302,546	1,987,716
Total deferred inflows of resources	<u>10,410,300</u>	<u>62,735</u>	<u>302,546</u>	<u>10,775,581</u>
Fund Balances				
Nonspendable	4,712	-	-	4,712
Restricted for capital projects	17,200,265	2,994,223	-	20,194,488
Restricted for public safety	18,408,179	-	-	18,408,179
Restricted for culture, recreation and tourism	6,211,406	9,567	-	6,220,973
Restricted for infrastructure and regulation	7,237,553	506,669	-	7,744,222
Restricted for economic development	1,543,183	-	-	1,543,183
Restricted for health and social services	51,697	-	-	51,697
Restricted for debt service	-	-	7,970,619	7,970,619
Committed to culture, recreation and tourism	3,994,998	-	-	3,994,998
Committed to infrastructure and regulation	18,033,759	-	-	18,033,759
Committed to economic development	1,811,529	-	-	1,811,529
Committed to other purposes	678,928	-	-	678,928
Unassigned (deficit)	(595,476)	-	-	(595,476)
Total fund balances	<u>74,580,733</u>	<u>3,510,459</u>	<u>7,970,619</u>	<u>86,061,811</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 91,248,963</u>	<u>\$ 3,573,194</u>	<u>\$ 8,285,448</u>	<u>\$ 103,107,605</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Revenues				
Real property taxes	\$ 32,244,912	\$ 1,514,176	\$ 9,249,506	\$ 43,008,594
Personal property taxes	2,557,883	128,251	647,769	3,333,903
Vehicle taxes	4,200,283	215,403	979,528	5,395,214
Fees in lieu of tax	780,964	9,124	82,994	873,082
Intergovernmental	14,049,287	-	38,013	14,087,300
Accomodations tax	4,034,525	-	-	4,034,525
Fees and fines	24,310,060	-	-	24,310,060
Hospitality fees	425,599	-	51,524	477,123
Local accommodations tax	976,671	-	-	976,671
Interest on investments	972,994	45,947	126,917	1,145,858
Other	1,138,867	82,500	-	1,221,367
Total revenues	<u>85,692,045</u>	<u>1,995,401</u>	<u>11,176,251</u>	<u>98,863,697</u>
Expenditures				
Current:				
General government	42,936	-	-	42,936
Public safety	35,072,558	30,000	-	35,102,558
Infrastructure and regulation	20,261,948	-	-	20,261,948
Health and social services	873,560	-	-	873,560
Culture, recreation and tourism	7,620,536	24,301	-	7,644,837
HGTC and Higher Education Commission	5,506,010	-	-	5,506,010
Economic development	2,639,171	-	-	2,639,171
Debt service	-	1,529,066	13,196,101	14,725,167
Capital outlay	8,078,020	833,022	-	8,911,042
Total expenditures	<u>80,094,739</u>	<u>2,416,389</u>	<u>13,196,101</u>	<u>95,707,229</u>
Excess (deficiency) of revenues over expenditures	<u>5,597,306</u>	<u>(420,988)</u>	<u>(2,019,850)</u>	<u>3,156,468</u>
Other Financing Sources (Uses)				
Sale of capital assets	336,034	-	-	336,034
Transfers in	7,142,253	-	1,791,982	8,934,235
Transfers out	(6,873,457)	-	-	(6,873,457)
Total other financing sources (uses)	<u>604,830</u>	<u>-</u>	<u>1,791,982</u>	<u>2,396,812</u>
Net change in fund balance	6,202,136	(420,988)	(227,868)	5,553,280
Fund balances at beginning of year	68,378,597	3,931,447	8,198,487	80,508,531
Fund balances at end of year	<u>\$ 74,580,733</u>	<u>\$ 3,510,459</u>	<u>\$ 7,970,619</u>	<u>\$ 86,061,811</u>

GENERAL FUND

The General Fund is the major operating fund of the County's governmental activities and is used to account for all financial resources except those required to be accounted for in other funds. Revenue is collected from 42.8 mills levied on property tax on real and personal property along with general revenues from fees and fines, licenses and permits, miscellaneous, and intergovernmental funding.

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEETS

As of June 30, 2018

(with comparative amounts as of June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,747,449	1,830,472
Pooled cash and investments	89,294,663	79,853,666
Receivables, net:		
Property taxes and other taxes	2,766,988	3,601,878
Accounts and other	4,990,435	3,880,010
Fees	1,455,013	1,482,952
Due from other funds	2,613,467	2,062,800
Due from other governments	7,851,546	7,414,177
Inventories	64,523	75,282
Prepaid items	264,180	179,493
Total Assets	<u>\$ 111,048,264</u>	<u>100,380,730</u>
Liabilities		
Accounts payable	3,123,477	3,764,423
Due to other governments	3,525,866	1,526,428
Accrued salaries and wages	4,876,078	4,118,209
Due to component unit	258,454	214,994
Due to taxpayers for overpayment	244,312	462,456
Funds held in trust - proceeds from sale of properties due to delinquent taxes	8,040,061	13,033,422
Other accrued liabilities	4,659,751	4,510,026
Total Liabilities	<u>24,727,999</u>	<u>27,629,958</u>
Deferred inflows of resources		
Unavailable revenues - fees and other	5,666,597	5,356,373
Unavailable revenues - property taxes	2,523,618	3,585,439
Total deferred inflows of resources	<u>8,190,215</u>	<u>8,941,812</u>
Fund balances		
Nonspendable	328,703	254,775
Committed to public safety	2,001,085	1,707,176
Committed to culture, recreation & tourism	327,045	89,081
Committed to infrastructure & regulation	1,412,475	1,359,519
Committed to reserves/stabilization	40,750,230	39,948,186
Committed to other purposes	2,007,677	1,660,780
Committed to debt service	6,918,492	6,918,492
Committed to Capital	6,200,000	-
Committed to OPEB	2,425,323	2,175,323
Committed to abatement/demolition	961,420	426,949
Committed to mosquito spraying	3,000,000	-
Unassigned	11,797,600	9,268,679
Total fund balances	<u>78,130,050</u>	<u>63,808,960</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 111,048,264</u>	<u>100,380,730</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

FOR THE PERIOD ENDED JUNE 30, 2018
(with comparative actual amounts for the period ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 78,527,385	\$ 79,949,841	\$ 1,422,456	\$ 76,872,542
Personal property taxes	5,402,670	5,544,570	141,900	5,469,981
Vehicle taxes	7,948,860	8,383,400	434,540	8,368,913
Fee in lieu of tax	3,131,324	3,364,476	233,152	3,077,699
Total property taxes	<u>95,010,239</u>	<u>97,242,287</u>	<u>2,232,048</u>	<u>93,789,135</u>
<u>Intergovernmental:</u>				
Federal grants	123,519	642,674	519,155	822,080
Prisoner Housing	-	-	-	229,605
Inventory tax	306,286	306,286	-	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	12,500	11,188	(1,312)	6,563
Veteran affairs	6,497	6,708	211	6,708
State shared	10,500,000	11,161,559	661,559	10,446,931
State - Library	471,259	471,259	-	403,937
Accommodations tax	229,900	217,488	(12,412)	213,253
Other - state	156,804	436,062	279,258	586,988
Total intergovernmental	<u>11,814,640</u>	<u>13,261,099</u>	<u>1,446,459</u>	<u>13,030,226</u>
<u>Fees and Fines:</u>				
Planning fees	162,000	178,480	16,480	155,923
EMS	9,389,000	9,462,405	73,405	9,533,076
RMC fees	2,459,455	2,512,495	53,040	2,460,427
Clerk of Court fees and fines	551,920	603,456	51,536	612,897
Library	102,223	101,065	(1,158)	106,500
Sheriff fines	45,000	56,340	11,340	55,088
Family court fees	455,200	460,239	5,039	462,270
Probate court fees	529,500	613,383	83,883	498,302
Magistrates' fees and fines	1,819,000	1,873,944	54,944	1,775,307
Master in Equity fees	1,000,000	819,770	(180,230)	837,662
CATV fees	4,058,036	4,195,856	137,820	4,102,411
Beach franchise fees	52,000	53,133	1,133	52,000
Hospitality Fees	7,593,499	7,747,826	154,327	6,726,447
Local Accommodations Tax	303,000	295,918	(7,082)	1,018,740
Other	259,701	312,151	52,450	307,401
Total fees and fines	<u>28,779,534</u>	<u>29,286,461</u>	<u>506,927</u>	<u>28,704,451</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	4,818,998	4,973,474	154,476	4,523,207
<u>Licenses and Permits:</u>				
Business licenses	5,232,550	5,111,681	(120,869)	4,936,574
Building inspection permits	5,347,737	6,346,257	998,520	5,958,122
Other permits	63,550	76,426	12,876	56,537
Marriage licenses	196,222	159,676	(36,546)	155,084
Total licenses and permits	10,840,059	11,694,040	853,981	11,106,317
<u>Interest on investments:</u>	451,247	676,251	225,004	348,241
<u>Cost allocation:</u>	3,570,000	3,429,198	(140,802)	3,800,803
<u>Other:</u>				
Casino Boat	790,000	736,498	(53,502)	774,298
Rent	150,052	189,556	39,504	274,630
Other	5,628,280	4,110,254	(1,518,026)	3,504,439
Total other	6,568,332	5,036,308	(1,532,024)	4,553,367
Total revenue	161,853,049	165,599,118	3,746,069	159,855,747
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	554,931	554,865	66	521,501
Contractual services	281,608	249,491	32,117	264,781
Supplies and material	648,096	178,441	469,655	148,221
Business and transportation	213,287	64,975	148,312	69,168
Capital outlay	9,093	9,093	-	-
Contractual services	136,701	122,325	14,376	136,700
Business and transportation	30,705	30,705	-	30,705
Total	1,707,015	1,056,865	650,150	1,003,671
County Administrator:				
Personal services	667,159	659,347	7,812	614,419
Contractual services	568,984	490,543	78,441	501,570
Supplies and material	8,515	5,118	3,397	3,186
Business and transportation	20,275	20,076	199	17,846
Contingency	137,237	-	137,237	-
Total	1,402,170	1,175,084	227,086	1,137,021

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Finance:				
Personal services	1,696,155	1,645,715	50,440	1,683,007
Contractual services	46,360	39,866	6,494	23,793
Supplies and material	54,612	38,950	15,662	18,478
Business and transportation	24,790	23,504	1,286	8,838
Disaster	-	-	-	59,876
Other	500	489	11	30
Total	1,822,417	1,748,524	73,893	1,794,022
Department Overhead:				
County Council:				
Personal services	2,033,649	958,107	1,075,542	1,014,108
Contractual services	1,900,526	1,633,019	267,507	1,602,601
Supplies and material	884,719	773,971	110,748	819,081
Other	-	-	-	13,500
Disaster	-	102,020	(102,020)	724,753
Contingency	200,000	-	200,000	-
Total	5,018,894	3,467,117	1,551,777	4,174,043
Human Resources/Risk Management:				
Personal services	504,532	463,362	41,170	1,323,621
Contractual services	868,220	731,702	136,518	157,040
Supplies and material	61,447	30,528	30,919	69,754
Business and transportation	244,582	64,728	179,854	41,969
Employee programs	74,923	43,500	31,423	12,974
Other	2,572	2,572	-	2,572
Programs	15,669	-	15,669	-
Total	1,771,945	1,336,392	435,553	1,607,930

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Procurement:				
Personal services	494,792	481,990	12,802	457,310
Contractual services	22,477	22,069	408	3,307
Supplies and material	62,506	20,171	42,335	9,949
Business and transportation	20,613	20,636	(23)	12,425
Capital outlay	5,694	5,694	-	-
Other	3,800	3,800	-	3,800
Disaster	-	9,493	(9,493)	43,731
Total	<u>609,882</u>	<u>563,853</u>	<u>46,029</u>	530,522
IT/GIS:				
Personal services	3,170,491	3,152,098	18,393	2,850,660
Contractual services	1,952,933	1,949,606	3,327	1,499,359
Supplies and material	392,296	391,536	760	433,435
Business and transportation	84,915	84,364	551	81,653
Capital outlay	-	-	-	23,299
Other	5,000	5,000	-	9,600
Total	<u>5,605,635</u>	<u>5,582,604</u>	<u>23,031</u>	4,898,006
Assessor:				
Personal services	3,464,416	3,443,643	20,773	3,268,227
Contractual services	227,681	215,226	12,455	213,979
Supplies and material	40,687	37,663	3,024	25,965
Business and transportation	46,021	42,640	3,381	34,819
Other	26,146	26,111	35	31,575
Total	<u>3,804,951</u>	<u>3,765,283</u>	<u>39,668</u>	3,574,565
Assessor Appeals Board:				
Personal services	8,499	3,181	5,318	1,212
Supplies and material	1,000	157	843	1,021
Total	<u>9,499</u>	<u>3,338</u>	<u>6,161</u>	2,233

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Registrar of Deeds:				
Personal services	1,012,999	958,464	54,535	936,605
Contractual services	129,461	124,920	4,541	124,084
Supplies and material	85,517	81,231	4,286	50,580
Business and transportation	16,055	7,441	8,614	10,676
Other	4	8	(4)	-
Total	1,244,036	1,172,064	71,972	1,121,945
Maintenance:				
Personal services	3,674,867	3,393,195	281,672	3,284,876
Contractual services	512,317	489,963	22,354	465,830
Supplies and material	675,896	651,546	24,350	653,005
Business and transportation	119,929	112,164	7,765	90,087
Capital outlay	32,928	29,023	3,905	73,884
Disaster	-	37,386	(37,386)	94,533
Other	62,145	62,145	-	42,520
Total	5,078,082	4,775,422	302,660	4,704,735
Registration and Election:				
Personal services	431,324	431,324	-	429,875
Contractual services	84,867	83,258	1,609	81,293
Supplies and material	114,205	89,506	24,699	173,511
Business and transportation	10,894	4,628	6,266	8,529
Total	641,290	608,716	32,574	693,208
Public Information:				
Personal services	178,142	157,339	20,803	170,461
Contractual services	32,854	20,185	12,669	44,382
Supplies and material	50,935	8,426	42,509	29,169
Business and transportation	1,450	624	826	334
Capital outlay	82,879	82,879	-	-
Total	346,260	269,453	76,807	244,346

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Treasurer:				
Personal services	1,892,095	1,891,579	516	1,610,455
Contractual services	44,823	45,111	(288)	45,057
Supplies and material	156,972	156,800	172	144,413
Business and transportation	16,651	16,480	171	5,592
Other	92,585	97,615	(5,030)	153,663
Total	2,203,126	2,207,585	(4,459)	1,959,180
Auditor:				
Personal services	1,573,687	1,566,943	6,744	1,466,590
Contractual services	55,550	40,329	15,221	39,184
Supplies and material	98,941	76,463	22,478	86,188
Business and transportation	16,425	12,439	3,986	10,850
Capital outlay	14,604	-	14,604	-
Other	8,286	8,286	-	10,858
Total	1,767,493	1,704,460	63,033	1,613,670
Probate Judge:				
Personal services	1,077,853	1,074,117	3,736	1,008,136
Contractual services	12,900	8,359	4,541	7,656
Supplies and material	36,942	34,027	2,915	32,666
Business and transportation	9,100	5,552	3,548	8,212
Total	1,136,795	1,122,055	14,740	1,056,670
Master -in-Equity:				
Personal services	431,979	385,928	46,051	355,919
Contractual services	41,700	37,400	4,300	37,431
Supplies and material	7,377	5,588	1,789	5,110
Business and transportation	2,800	1,285	1,515	1,070
Total	483,856	430,201	53,655	399,530

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Legal:				
Personal services	465,526	463,986	1,540	387,490
Contractual services	830,317	321,223	509,094	347,125
Supplies and material	5,197	3,366	1,831	5,074
Business and transportation	10,500	6,650	3,850	4,604
Total	<u>1,311,540</u>	<u>795,225</u>	<u>516,315</u>	744,293
Grants Administration:				
Personal services	165,611	95,441	70,170	67,435
Contractual services	3,656	2,954	702	4,321
Supplies and material	10,456	9,765	691	14,065
Business and transportation	767	236	531	1,044
Other	253,678	-	253,678	-
Total	<u>434,168</u>	<u>108,396</u>	<u>325,772</u>	86,865
Delegation:				
Personal services	103,486	86,313	17,173	106,427
Contractual services	625	584	41	619
Supplies and material	955	949	6	400
Total	<u>105,066</u>	<u>87,846</u>	<u>17,220</u>	107,446
Hospitality:				
Personal services	-	-	-	315,460
Contractual services	-	-	-	5,170
Supplies and material	-	-	-	12,098
Business and transportation	-	-	-	2,447
Other	-	-	-	7,400
Total	<u>-</u>	<u>-</u>	<u>-</u>	342,575
Business License:				
Personal services	605,547	595,361	10,186	235,142
Contractual services	11,947	4,202	7,745	4,195
Supplies and material	23,392	18,305	5,087	5,117
Business and transportation	10,000	9,907	93	1,892
Other	11,400	11,400	-	-
Total	<u>662,286</u>	<u>639,175</u>	<u>23,111</u>	246,346
Total general government	<u>37,166,406</u>	<u>32,619,658</u>	<u>4,546,748</u>	32,042,822

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures (continued)				
<u>Public Safety:</u>				
Clerk of Court:				
Personal services	1,713,375	1,671,209	42,166	1,631,447
Contractual services	217,254	170,013	47,241	178,221
Supplies and material	135,037	107,894	27,143	83,884
Business and transportation	8,000	7,850	150	1,701
Other	57,159	-	57,159	6,768
Total	2,130,825	1,956,966	173,859	1,902,021
Clerk of Court - DSS Family Court:				
Personal services	650,281	622,958	27,323	616,868
Contractual services	8,522	-	8,522	4,307
Supplies and material	25,646	13,118	12,528	12,913
Business and transportation	2,334	30	2,304	-
Total	686,783	636,106	50,677	634,088
Clerk of Court - Family Court:				
Personal services	334,680	328,238	6,442	295,517
Contractual services	545	501	44	626
Supplies and material	6,178	5,669	509	2,214
Business and transportation	98	30	68	-
Capital outlay	27,072	27,072	-	-
Other	394,737	21,513	373,224	20,284
Total	763,310	383,023	380,287	318,641
Magistrates				
Personal services	2,910,594	2,891,010	19,584	2,666,117
Contractual services	198,389	179,784	18,605	198,791
Supplies and material	97,646	74,683	22,963	69,254
Business and transportation	52,417	44,506	7,911	40,510
Total	3,259,046	3,189,983	69,063	2,974,672
Communications:				
Contractual services	29,779	-	29,779	-
Supplies and material	185,378	185,378	-	30,896
Other	1,180,181	1,180,181	-	1,181,831
Total	1,395,338	1,365,559	29,779	1,212,727

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Public Safety Division:				
Personal services	270,287	243,170	27,117	29,484
Contractual services	744,582	697,974	46,608	692,934
Supplies and material	2,403,605	2,299	2,401,306	1,430
Business and transportation	3,105	2,414	691	3,653
Total	<u>3,421,579</u>	<u>945,857</u>	<u>2,475,722</u>	<u>727,501</u>
Sheriff:				
Personal services	6,156,661	6,142,612	14,049	5,377,896
Contractual services	110,755	110,755	-	82,541
Supplies and material	117,045	114,102	2,943	143,468
Business and transportation	334,446	376,597	(42,151)	282,355
Capital outlay	6,809	6,809	-	112,592
Other	214,969	211,489	3,480	179,340
Programs	95,726	43,389	52,337	21,906
Disaster	-	-	-	75,564
Total	<u>7,036,411</u>	<u>7,005,753</u>	<u>30,658</u>	<u>6,275,662</u>
Police:				
Personal services	17,731,705	17,370,996	360,709	16,669,770
Contractual services	1,045,967	1,004,734	41,233	997,336
Supplies and material	701,486	587,567	113,919	529,599
Business and transportation	1,539,430	1,468,219	71,211	1,430,231
Capital outlay	103,350	-	103,350	315,953
Other	1,881,913	1,850,684	31,229	1,937,209
Programs	585,774	261,244	324,530	310,823
Disaster	-	-	-	284,916
Total	<u>23,589,625</u>	<u>22,543,444</u>	<u>1,046,181</u>	<u>22,475,837</u>
Emergency Management:				
Personal services	446,784	408,738	38,046	365,602
Contractual services	39,968	39,308	660	37,538
Supplies and material	30,633	24,399	6,234	50,786
Business and transportation	17,956	11,710	6,246	13,500
Other	22,800	22,800	-	22,800
Disaster	-	694	(694)	20,345
Total	<u>558,141</u>	<u>507,649</u>	<u>50,492</u>	<u>510,571</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Emergency 911 Communications:				
Personal services	3,360,332	3,146,612	213,720	2,893,861
Contractual services	23,953	23,243	710	22,935
Supplies and material	17,675	17,199	476	16,947
Business and transportation	4,425	4,250	175	11,531
Disaster	-	-	-	256
Total	<u>3,406,385</u>	<u>3,191,304</u>	<u>215,081</u>	2,945,530
Coroner:				
Personal services	534,363	513,340	21,023	487,110
Contractual services	444,175	402,685	41,490	396,645
Supplies and material	42,705	40,319	2,386	13,965
Business and transportation	25,330	13,432	11,898	24,995
Capital outlay	14,845	14,845	-	-
Other	20,910	20,910	-	5,200
Total	<u>1,082,328</u>	<u>1,005,531</u>	<u>76,797</u>	927,915
Detention Center:				
Personal services	18,116,767	18,095,550	21,217	17,204,912
Contractual services	3,881,519	3,881,519	-	3,212,665
Supplies and material	2,070,558	2,070,558	-	1,977,637
Business and transportation	288,013	302,326	(14,313)	301,928
Capital outlay	135,340	75,940	59,400	257,990
Other	952,563	344,731	607,832	235,384
Disaster	42,790	41,120	1,670	184,867
Programs	537,809	306,394	231,415	654,262
Total	<u>26,025,359</u>	<u>25,118,138</u>	<u>907,221</u>	24,029,645
Emergency Medical Services:				
Personal services	13,575,619	12,469,330	1,106,289	11,972,704
Contractual services	888,881	840,823	48,058	844,416
Supplies and material	870,466	845,523	24,943	890,287
Business and transportation	567,223	510,007	57,216	508,071
Capital outlay	160,600	160,313	287	146,841
Disaster	-	590	(590)	408,732
Other	855,337	852,300	3,037	677,692
Programs	49,408	21,418	27,990	34,226
Total	<u>16,967,534</u>	<u>15,700,304</u>	<u>1,267,230</u>	15,482,969

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Animal Care Center				
Personal services	1,007,251	945,790	61,461	895,712
Contractual services	57,104	48,170	8,934	45,542
Supplies and material	173,110	171,187	1,923	132,660
Business and transportation	19,315	13,231	6,084	15,146
Capital outlay	-	-	-	21,368
Disaster	-	-	-	2,616
Other	18,568	-	18,568	22,699
Total	1,275,348	1,178,378	96,970	1,135,743
Parking Program				
Contractual services	28,383	26,872	1,511	13,600
Supplies and material	33,667	24,410	9,257	158,056
Programs	219,405	-	219,405	-
Total	281,455	51,282	230,173	171,656
Total public safety	91,879,467	84,779,277	7,100,190	81,725,178
Expenditures				
<u>Infrastructure & Regulation</u>				
Assistant County Administrator - Infrastructure & Regulation:				
Personal services	295,806	271,288	24,518	265,829
Contractual services	208,305	176,083	32,222	187,751
Supplies and material	2,399	1,731	668	2,519
Business and transportation	3,049	2,575	474	1,066
Capital outlay	-	-	-	25,079
Total	509,559	451,677	57,882	482,244
County Engineer:				
Personal services	1,177,922	1,070,634	107,288	889,262
Contractual services	395,868	214,605	181,263	204,118
Supplies and material	18,776	17,808	968	11,708
Business and transportation	40,548	39,948	600	29,299
Disaster	-	-	-	27,408
Other	11,650	11,522	128	13,200
Total	1,644,764	1,354,517	290,247	1,174,995

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - Infrastructure & Regulation (continued)				
Public Works:				
Personal services	4,571,577	4,188,994	382,583	3,872,756
Contractual services	1,157,157	981,863	175,294	549,346
Supplies and material	1,798,296	930,956	867,340	1,238,118
Business and transportation	1,362,406	1,248,386	114,020	1,143,484
Capital outlay	-	-	-	6,700
Disaster	-	54,502	(54,502)	778,717
Other	1,219,000	1,219,000	-	1,209,915
Total	10,108,436	8,623,701	1,484,735	8,799,036
Code Enforcement:				
Personal services	2,944,819	2,659,713	285,106	2,585,681
Contractual services	54,747	52,343	2,404	54,289
Supplies and material	53,421	45,368	8,053	43,624
Business and transportation	118,475	103,461	15,014	96,876
Other	92,260	92,260	-	71,208
Total	3,263,722	2,953,145	310,577	2,851,678
Planning:				
Personal services	1,965,328	1,904,025	61,303	1,708,139
Contractual services	54,490	47,252	7,238	38,249
Supplies and material	31,932	24,414	7,518	16,010
Business and transportation	21,120	16,623	4,497	16,747
Capital outlay	6,500	6,312	188	-
Other	17,475	17,475	-	4,400
Total	2,096,845	2,016,101	80,744	1,783,545
Environmental Services:				
Personal services	153,739	151,326	2,413	129,023
Contractual services	6,270	6,154	116	5,876
Supplies and material	18,159	14,707	3,452	11,732
Capital outlay	17,926	17,926	-	-
Total	196,094	190,113	5,981	146,631
Railroad:				
Supplies and material	50,687	50,687	-	137,224
Total	50,687	50,687	-	137,224
Abatement/Demolition:				
Supplies and material	500,000	21,943	478,057	-
Total	500,000	21,943	478,057	-
Total infrastructure & regulation	18,370,107	15,661,884	2,708,223	15,375,353

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	375,651	369,503	6,148	361,065
Contractual services	3,837	2,136	1,701	3,701
Supplies and material	27,301	6,853	20,448	6,548
Business and transportation	10,263	9,100	1,163	7,778
Total	<u>417,052</u>	<u>387,592</u>	<u>29,460</u>	379,092
Medically Indigent Assistance Program				
Personal services	68,445	68,346	99	65,578
Contractual services	485	335	150	639
Supplies and material	1,134	593	541	271
Other	821,671	821,671	-	832,354
Total	<u>891,735</u>	<u>890,945</u>	<u>790</u>	898,842
Health Department				
Contractual services	133,116	115,537	17,579	112,882
Total	<u>133,116</u>	<u>115,537</u>	<u>17,579</u>	112,882
Department of Social Services				
Contractual services	100,705	94,950	5,755	76,364
Supplies and material	4,647	-	4,647	9,183
Other	8,284	8,284	-	8,284
Total	<u>113,636</u>	<u>103,234</u>	<u>10,402</u>	93,831
Total health and social services	<u>1,555,539</u>	<u>1,497,308</u>	<u>58,231</u>	1,484,647

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

UNAUDITED

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	3,080,607	2,941,723	138,884	2,817,030
Contractual services	622,588	504,884	117,704	532,011
Supplies and material	1,007,782	943,540	64,242	862,608
Business and transportation	32,399	28,843	3,556	22,491
Capital outlay	82,211	-	82,211	-
Other	34,730	34,730	-	34,730
Programs	20,442	1,420	19,022	400
Total	<u>4,880,759</u>	<u>4,455,140</u>	<u>425,619</u>	4,269,270
Museum:				
Personal services	485,793	459,061	26,732	458,193
Contractual services	244,870	235,506	9,364	223,627
Supplies and material	52,024	45,313	6,711	26,168
Business and transportation	22,918	22,004	914	14,848
Disaster	-	-	-	1,807
Other	93,473	43,729	49,744	44,728
Total	<u>899,078</u>	<u>805,613</u>	<u>93,465</u>	769,371
Total culture, recreation and tourism	<u>5,779,837</u>	<u>5,260,753</u>	<u>519,084</u>	5,038,641
<u>Other agencies</u>	<u>2,119,308</u>	<u>1,559,444</u>	<u>559,864</u>	1,154,308
Total other agencies	<u>2,119,308</u>	<u>1,559,444</u>	<u>559,864</u>	1,154,308
Total expenditures	<u>156,870,664</u>	<u>141,378,324</u>	<u>15,492,340</u>	136,820,949
Excess of revenue over expenditures	<u>4,982,385</u>	<u>24,220,794</u>	<u>19,238,409</u>	23,034,798
Other Financing Sources (Uses)				
Sale of assets	100,000	19,320	(80,680)	79,719
Transfers in	669,038	688,541	19,503	649,058
Transfer out	(10,607,565)	(10,607,565)	-	(14,592,019)
Total other financing sources (uses)	<u>(9,838,527)</u>	<u>(9,899,704)</u>	<u>(61,177)</u>	(13,863,242)
Net change in fund balance	<u>(4,856,142)</u>	<u>14,321,090</u>	<u>19,177,232</u>	9,171,556
Fund balance at beginning of year	<u>63,808,960</u>	<u>63,808,960</u>	-	54,637,404
Fund balance at end of year	<u>\$ 58,952,818</u>	<u>\$ 78,130,050</u>	<u>\$ 19,177,232</u>	\$ 63,808,960

SPECIAL REVENUE FUNDS

Special revenue funds are used accounts for specific revenue received which are restricted to expenditures for particular purposes (other than capital projects). The County currently has established the following special revenue funds:

Fire – accounts for operations of thirty-three (33) stations throughout unincorporated areas of Horry County. Revenue is collected from 19.5 mills levied on property tax on the unincorporated area of the County.

Tourism and Promotion – accounts for the revenue derived from a state-wide 2% levied room tax earmarked for the promotion of tourism in South Carolina.

Waste Management Recycling – accounts for solid waste collection and recycling programs of Horry County. Revenue is collected from 6.0 mills levied on property tax on the unincorporated areas of the County.

Higher Education – accounts for revenue collected from 0.7 mills levied on real and personal property for debt payment requirements of the Higher Education Commission and for the purpose of providing tuition assistance for students.

Horry-Georgetown Tech – accounts for revenue collected from 1.8 mills levied on real and personal property for debt payment requirements of Horry-Georgetown Technical Education Center and for the purpose of providing maintenance on the grounds & buildings owned by the County.

Watershed – accounts for revenue collected from property taxes for maintenance of the following watersheds: Cartwheel – 3.4 mills, Crab Tree – 3.2 mills, Todd Swamp – 3.1 mills, Simpson Creek – 2.9 mills, Buck Creek – 3.2 mills, and Gapway – 3.1 mills.

Mt. Gilead – accounts for revenue collected from 30.0 mills levied on property taxes for road improvements in the Mt. Gilead Community.

Socastee Recreation – accounts for FY 2017 revenue collected from 1.8 mills levied on property taxes earmarked for recreation facilities in the Socastee Community.

Road Maintenance & CTC – accounts for revenue derived from a \$50 fee on registered vehicles, intergovernmental revenue, and operating transfers-in earmarked for the maintenance and/or improvements of the County's road system and public works operation.

Beach Renourishment – accounts for beach nourishment and re-nourishment projects on the unincorporated beaches of the County and is funded from Accommodations Tax and Intergovernmental Revenue.

Grants – accounts for revenue earmarked for all grants.

Admissions Tax – accounts for revenue derived from Admissions Tax District established in the Waccamaw Pottery area. These funds are earmarked by state law for infrastructure improvements.

Victim Witness Assistance – accounts for collection of assessments and surcharges imposed by the courts. These funds are earmarked by State law for the provision of victim services.

SPECIAL REVENUE FUNDS

- CONTINUED -

Senior Citizen – accounts for revenue collected from 0.4 mills levied on property taxes earmarked for senior citizen programs.

Arcadian Shores – accounts for revenue collected from 35.0 mills levied on property taxes associated with the Arcadian Shores Special Tax District. These funds are designated for infrastructure improvements.

Baseball Stadium – accounts for revenue and expenditures associated with the County's undivided 30% ownership in the baseball stadium project.

Economic Development – accounts for revenue and expenditures for the operation, economic development and property management of the Atlantic Center, Hwy. 701 (Pineridge Business Center) and the Hwy. 319 (Cool Spring) industrial parks.

Stormwater Management – accounts for revenue derived from a utility fee paid on the unincorporated areas of the County and expenditures associated with the County's stormwater management and mosquito control programs.

Hidden Woods - accounts for revenue collected from 84.6 mills levied on property taxes for road improvements in the Hidden Woods Community. Terminated by Council on June 7, 2016.

Solicitor – accounts for revenue derived from the State, Horry County, Georgetown County, client fines and fees from intervention programs and seized monies from the Drug Enforcement Unit.

Public Defender – accounts for revenue derived from the State, Horry County, and Georgetown County.

Fire Insurance – accounts for intergovernmental revenue and expenditures associated with 1% fire insurance revenue share from state dedicated to Fire operations.

Multi-County Business Park Rollback – accounts for revenue and expenditures associated with the Multi-County Business Park rollback for infrastructure.

E-911 – accounts for revenue and expenditures of funds for landline and wireless telephones. These funds are totally restricted for use in the 911 system.

CDBG Grant Program – accounts for revenue and expenditures of Housing Urban Development entitlement program. These funds are totally restricted for use only on HUD approved programs.

Recreation – accounts for revenue collected from 1.7 mills levied on property taxes and expenditures associated with the County's recreation programs.

HORRY COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2018

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	10,739,153	-	1,799,614	127,580	230,710	713,502
Receivables, net:						
Property taxes	802,789	-	268,391	49,218	126,324	3,622
Accounts and other	178	40,561	-	-	-	-
Fees	631	39,673	196	1,683	4,326	-
Due from other governments	441,245	2,243,712	6,934,894	2,851	3,963	-
Prepaid items	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total assets	\$ 11,983,996	\$ 2,323,946	\$ 9,003,095	\$ 181,332	\$ 365,323	\$ 717,124
Liabilities						
Liabilities						
Accounts payable-trade	\$ 399,103	\$ 498,804	\$ 818,839	\$ -	\$ -	\$ -
Accounts payable-other	-	-	-	-	-	-
Accrued salaries and wages	310,659	34,982	-	-	-	-
Due to other funds	-	578,146	-	-	-	-
Due to other governments	-	-	-	-	-	-
Total liabilities	709,762	1,111,932	818,839	-	-	-
Deferred Inflows of Resources						
Unavailable revenue-fees and other	434,597	966,538	4,310,033	-	-	-
Unavailable revenue-property taxes	718,161	-	240,606	42,450	108,916	2,777
Total deferred inflows of resources	1,152,758	966,538	4,550,639	42,450	108,916	2,777
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Restricted for public safety	10,121,476	-	-	-	-	-
Restricted for culture, recreation and tourism	-	245,476	-	138,882	256,407	-
Restricted for infrastructure and regulation	-	-	3,633,617	-	-	714,347
Restricted for economic development	-	-	-	-	-	-
Restricted for health and social services	-	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-	-
Committed to economic development	-	-	-	-	-	-
Committed to other purposes	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	-
Total fund balances / (deficits)	10,121,476	245,476	3,633,617	138,882	256,407	714,347
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 11,983,996	\$ 2,323,946	\$ 9,003,095	\$ 181,332	\$ 365,323	\$ 717,124

Non-Major Funds

Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen
\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
306,012	159,889	36,387,806	6,702,296	444,009	387,662	77,442	82,489
499	161	-	-	-	-	-	28,075
-	-	-	11,193	97	-	-	961
-	-	1,641,796	185,013	-	-	25,874	-
-	-	275,395	-	725,084	-	-	110
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 306,511</u>	<u>\$ 160,050</u>	<u>\$ 38,305,097</u>	<u>\$ 6,898,502</u>	<u>\$ 1,169,190</u>	<u>\$ 387,662</u>	<u>\$ 103,316</u>	<u>\$ 111,635</u>
\$ 1,446	622	\$ 1,144,162	\$ 21,321	\$ 131,519	\$ -	\$ 1,095	35,728
-	-	-	-	-	-	-	-
-	-	9,721	-	15,074	-	10,247	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,446</u>	<u>622</u>	<u>1,153,883</u>	<u>21,321</u>	<u>146,593</u>	<u>-</u>	<u>11,342</u>	<u>35,728</u>
-	-	1,917,190	11,193	343,669	-	-	-
499	108	-	-	-	-	-	24,210
<u>499</u>	<u>108</u>	<u>1,917,190</u>	<u>11,193</u>	<u>343,669</u>	<u>-</u>	<u>-</u>	<u>24,210</u>
-	-	-	-	-	-	-	-
-	-	17,200,265	-	-	-	-	-
-	-	-	-	-	-	91,974	-
-	159,320	-	2,870,990	-	-	-	-
304,566	-	-	-	-	-	-	-
-	-	-	-	-	387,662	-	-
-	-	-	-	-	-	-	51,697
-	-	-	3,994,998	-	-	-	-
-	-	18,033,759	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	678,928	-	-	-
-	-	-	-	-	-	-	-
<u>304,566</u>	<u>159,320</u>	<u>35,234,024</u>	<u>6,865,988</u>	<u>678,928</u>	<u>387,662</u>	<u>91,974</u>	<u>51,697</u>
<u>\$ 306,511</u>	<u>\$ 160,050</u>	<u>\$ 38,305,097</u>	<u>\$ 6,898,502</u>	<u>\$ 1,169,190</u>	<u>\$ 387,662</u>	<u>\$ 103,316</u>	<u>\$ 111,635</u>

HORRY COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2018

Non-Major Funds

	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	90,249	175,124	2,986,020	2,048,299	-
Receivables, net:					
Property taxes	749	-	-	-	-
Accounts and other	-	18,934	22,116	1,887	-
Fees	-	-	53,858	119,583	-
Due from other governments	-	-	-	672,026	-
Prepaid items	-	-	-	-	-
Restricted assets	-	101,977	-	-	-
Total assets	<u>\$ 90,998</u>	<u>\$ 296,035</u>	<u>\$ 3,061,994</u>	<u>\$ 2,841,795</u>	<u>\$ -</u>
Liabilities					
Liabilities					
Accounts payable-trade	\$ 4,515	\$ -	\$ 27,701	\$ 120,309	\$ -
Accounts payable-other	-	-	-	-	-
Accrued salaries and wages	-	-	13,385	32,391	-
Due to other funds	69,784	-	-	-	-
Due to other governments	-	114,090	-	-	-
Total liabilities	<u>74,299</u>	<u>114,090</u>	<u>41,086</u>	<u>152,700</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue-fees and other	-	-	53,858	652,742	-
Unavailable revenue-property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>53,858</u>	<u>652,742</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted for public safety	-	-	-	-	-
Restricted for culture, recreation and tourism	-	181,945	-	-	-
Restricted for infrastructure and regulation	16,699	-	-	2,036,353	-
Restricted for economic development	-	-	1,155,521	-	-
Restricted for health and social services	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-
Committed to economic development	-	-	1,811,529	-	-
Committed to other purposes	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-
Total fund balances / (deficits)	<u>16,699</u>	<u>181,945</u>	<u>2,967,050</u>	<u>2,036,353</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances / (deficits)	<u>\$ 90,998</u>	<u>\$ 296,035</u>	<u>\$ 3,061,994</u>	<u>\$ 2,841,795</u>	<u>\$ -</u>

Non-Major Funds

Solicitor	Public Defender	Fire Insurance	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	Total Non-Major Funds
\$ 978,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 979,138
2,374,382	1,312,735	-	531,971	3,081,673	-	2,353,843	73,112,460
-	-	-	-	-	-	119,086	1,398,914
363,977	-	-	-	29,800	-	-	489,704
-	-	-	-	-	-	4,086	2,076,719
108,966	74,912	-	-	693,571	636,926	105,258	12,918,913
-	-	-	-	-	-	4,712	4,712
166,426	-	-	-	-	-	-	268,403
<u>\$ 3,991,989</u>	<u>\$ 1,387,647</u>	<u>\$ -</u>	<u>\$ 531,971</u>	<u>\$ 3,805,044</u>	<u>\$ 636,926</u>	<u>\$ 2,587,785</u>	<u>\$ 91,248,963</u>
\$ 23,199	\$ 2,843	\$ -	\$ -	\$ 58,292	\$ 112,080	\$ 61,677	\$ 3,463,255
169,231	-	-	-	-	-	-	169,231
294,505	37,390	-	-	10,584	6,959	56,608	832,505
-	-	-	-	-	1,019,141	-	1,667,071
11,778	-	-	-	-	-	-	125,868
<u>498,713</u>	<u>40,233</u>	<u>-</u>	<u>-</u>	<u>68,876</u>	<u>1,138,180</u>	<u>118,285</u>	<u>6,257,930</u>
-	-	-	-	-	94,222	3,823	8,787,865
-	-	-	-	382,129	-	102,579	1,622,435
-	-	-	-	<u>382,129</u>	<u>94,222</u>	<u>106,402</u>	<u>10,410,300</u>
-	-	-	-	-	-	4,712	4,712
-	-	-	-	-	-	-	17,200,265
3,493,276	1,347,414	-	-	3,354,039	-	-	18,408,179
-	-	-	-	-	-	2,358,386	6,211,406
-	-	-	531,971	-	-	-	7,237,553
-	-	-	-	-	-	-	1,543,183
-	-	-	-	-	-	-	51,697
-	-	-	-	-	-	-	3,994,998
-	-	-	-	-	-	-	18,033,759
-	-	-	-	-	-	-	1,811,529
-	-	-	-	-	-	-	678,928
-	-	-	-	-	(595,476)	-	(595,476)
<u>3,493,276</u>	<u>1,347,414</u>	<u>-</u>	<u>531,971</u>	<u>3,354,039</u>	<u>(595,476)</u>	<u>2,363,098</u>	<u>74,580,733</u>
<u>\$ 3,991,989</u>	<u>\$ 1,387,647</u>	<u>\$ -</u>	<u>\$ 531,971</u>	<u>\$ 3,805,044</u>	<u>\$ 636,926</u>	<u>\$ 2,587,785</u>	<u>\$ 91,248,963</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS

For the Year ended June 30, 2018

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Revenues						
Real property taxes	\$ 17,370,283	\$ -	\$ 6,163,153	\$ 1,295,001	\$ 3,329,837	\$ 103,629
Personal property taxes	1,475,676	-	484,312	90,721	233,220	1,256
Vehicle taxes	2,467,680	-	832,104	137,622	352,615	-
Fee in lieu of tax	104,113	-	36,157	9,543	29,876	-
Intergovernmental	69,012	-	2,634,856	11,056	14,956	-
Accommodations tax	-	4,034,525	-	-	-	-
Fees and fines	-	-	-	-	-	-
Hospitality fees	-	288,099	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	145,170	3,433	35,237	10,290	16,836	15,759
Other	12,800	55,446	-	-	-	-
Total revenues	21,644,734	4,381,503	10,185,819	1,554,233	3,977,340	120,644
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	18,570,497	1,739,598	-	-	-	-
Infrastructure and regulation	-	-	9,023,165	-	-	37,513
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	2,449,648	-	-	-	-
HGTC and Higher Education Commission	-	-	-	1,447,169	4,058,841	-
Economic development	-	-	-	-	-	-
Capital outlay	143,624	32,111	-	-	-	-
Total expenditures	18,714,121	4,221,357	9,023,165	1,447,169	4,058,841	37,513
Excess (deficiency) of revenues over (under) expenditures	2,930,613	160,146	1,162,654	107,064	(81,501)	83,131
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Sale of Assets	8,674	-	-	-	-	-
Transfers out	(1,894,510)	(103,474)	-	(222,400)	(240,625)	(567,829)
Total other financing sources (uses)	(1,885,836)	(103,474)	-	(222,400)	(240,625)	(567,829)
Net change in fund balance	1,044,777	56,672	1,162,654	(115,336)	(322,126)	(484,698)
Fund balances (deficits), at beginning of year	9,076,699	188,804	2,470,963	254,218	578,533	1,199,045
Fund balances (deficits), at end of year	\$ 10,121,476	\$ 245,476	\$ 3,633,617	\$ 138,882	\$ 256,407	\$ 714,347

Non-Major Funds

Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen
\$ 29,218	\$ 6,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,955
427	-	-	-	-	-	-	51,800
-	-	-	-	-	-	-	78,365
-	-	-	-	-	-	-	6,680
-	-	1,341,537	-	2,323,538	-	-	239
-	-	-	-	-	-	-	-
-	-	15,604,940	-	12,730	-	354,333	-
-	-	-	-	-	-	-	-
-	-	-	976,671	-	-	-	-
3,941	2,313	424,884	81,909	6,365	4,898	784	2,253
589	7,904	-	-	49,973	-	6,950	-
<u>34,175</u>	<u>16,266</u>	<u>17,371,361</u>	<u>1,058,580</u>	<u>2,392,606</u>	<u>4,898</u>	<u>362,067</u>	<u>879,292</u>
-	-	-	-	42,936	-	-	-
-	-	-	-	1,742,382	-	631,777	-
33,462	-	4,900,802	-	179,852	-	-	-
-	-	-	-	-	-	-	873,560
-	41,034	-	198,658	117,913	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,435,313	-	121,378	-	-	-
<u>33,462</u>	<u>41,034</u>	<u>12,336,115</u>	<u>198,658</u>	<u>2,204,461</u>	<u>-</u>	<u>631,777</u>	<u>873,560</u>
713	(24,768)	5,035,246	859,922	188,145	4,898	(269,710)	5,732
-	-	752,372	-	184,097	-	299,313	-
-	-	-	-	-	-	-	-
-	(22,237)	-	-	(26,928)	-	-	-
-	<u>(22,237)</u>	<u>752,372</u>	<u>-</u>	<u>157,169</u>	<u>-</u>	<u>299,313</u>	<u>-</u>
713	(47,005)	5,787,618	859,922	345,314	4,898	29,603	5,732
303,853	206,325	29,446,406	6,006,066	333,614	382,764	62,371	45,965
<u>\$ 304,566</u>	<u>\$ 159,320</u>	<u>\$ 35,234,024</u>	<u>\$ 6,865,988</u>	<u>\$ 678,928</u>	<u>\$ 387,662</u>	<u>\$ 91,974</u>	<u>\$ 51,697</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS

For the Year ended June 30, 2018

	Non-Major Funds					
	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods	Solicitor
Revenues						
Real property taxes	\$ 62,585	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	103	-	-	-	-	-
Vehicle taxes	-	-	-	-	-	-
Fee in lieu of tax	-	-	566,385	-	-	-
Intergovernmental	-	-	-	140,835	-	2,507,903
Accommodations tax	-	-	-	-	-	-
Fees and fines	-	-	391,298	4,988,812	-	2,127,693
Hospitality fees	-	137,500	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	1,094	3,305	35,463	30,366	-	46,916
Other	1,000	28,296	-	243	-	-
Total revenues	64,782	169,101	993,146	5,160,256	-	4,682,512
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	8,479,198
Infrastructure and regulation	26,963	-	-	6,051,591	-	-
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	71,407	-	-	-	-
HGTC and Higher Education Commission	-	-	-	-	-	-
Economic development	-	-	879,045	-	-	-
Capital outlay	-	72,534	-	-	-	553
Total expenditures	26,963	143,941	879,045	6,051,591	-	8,479,751
Excess (deficiency) of revenues over (under) expenditures	37,819	25,160	114,101	(891,335)	-	(3,797,239)
Other Financing Sources (Uses)						
Transfers in	-	-	-	567,828	-	4,092,829
Sale of Assets	-	-	327,360	-	-	-
Transfers out	-	-	(80,860)	(558,727)	-	(3,700)
Total other financing sources (uses)	-	-	246,500	9,101	-	4,089,129
Net change in fund balance	37,819	25,160	360,601	(882,234)	-	291,890
Fund balances (deficits), at beginning of year	(21,120)	156,785	2,606,449	2,918,587	-	3,201,386
Fund balances (deficits), at end of year	\$ 16,699	\$ 181,945	\$ 2,967,050	\$ 2,036,353	\$ -	\$ 3,493,276

Non-Major Funds

Public Defender	Fire Insurance	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,145,202	\$ 32,244,912
-	-	-	-	-	220,368	2,557,883
-	-	-	-	-	331,897	4,200,283
-	-	-	-	-	28,210	780,964
1,389,222	-	-	1,393,318	2,015,438	207,377	14,049,287
-	-	-	-	-	-	4,034,525
126,099	-	-	704,155	-	-	24,310,060
-	-	-	-	-	-	425,599
-	-	-	-	-	-	976,671
15,585	-	6,731	45,973	-	33,489	972,994
-	-	-	9,336	-	966,330	1,138,867
<u>1,530,906</u>	<u>-</u>	<u>6,731</u>	<u>2,152,782</u>	<u>2,015,438</u>	<u>4,932,873</u>	<u>85,692,045</u>
-	-	-	-	-	-	42,936
2,393,351	-	-	1,515,755	-	-	35,072,558
-	-	8,600	-	-	-	20,261,948
-	-	-	-	-	-	873,560
-	-	-	-	-	4,741,876	7,620,536
-	-	-	-	-	-	5,506,010
-	-	-	-	1,760,126	-	2,639,171
-	-	-	-	272,507	-	8,078,020
<u>2,393,351</u>	<u>-</u>	<u>8,600</u>	<u>1,515,755</u>	<u>2,032,633</u>	<u>4,741,876</u>	<u>80,094,739</u>
(862,445)	-	(1,869)	637,027	(17,195)	190,997	5,597,306
1,157,077	-	-	-	-	88,737	7,142,253
-	-	-	-	-	-	336,034
-	-	-	(2,688,000)	(301,235)	(162,932)	(6,873,457)
<u>1,157,077</u>	<u>-</u>	<u>-</u>	<u>(2,688,000)</u>	<u>(301,235)</u>	<u>(74,195)</u>	<u>604,830</u>
294,632	-	(1,869)	(2,050,973)	(318,430)	116,802	6,202,136
1,052,782	-	533,840	5,405,012	(277,046)	2,246,296	68,378,597
<u>\$ 1,347,414</u>	<u>\$ -</u>	<u>\$ 531,971</u>	<u>\$ 3,354,039</u>	<u>\$ (595,476)</u>	<u>\$ 2,363,098</u>	<u>\$ 74,580,733</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 10,739,153	\$ 9,366,841
Receivables, net:		
Property taxes	802,789	982,561
Fees	631	1,632
Accounts and Other	178	-
Due from other governments	441,245	461,052
Total assets	<u>\$ 11,983,996</u>	<u>\$ 10,812,086</u>
Liabilities		
Accounts payable - trade	\$ 399,103	\$ 91,212
Accrued salaries and wages	310,659	255,395
Total liabilities	<u>709,762</u>	<u>346,607</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	434,597	454,404
Unavailable revenue-property taxes	718,161	934,376
Total deferred inflows of resources	<u>1,152,758</u>	<u>1,388,780</u>
Fund Balance		
Restricted for public safety	<u>10,121,474</u>	<u>9,076,699</u>
Total fund balance	<u>10,121,476</u>	<u>9,076,699</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 11,983,996</u>	<u>\$ 10,812,086</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 17,086,359	\$ 17,370,283	\$ 283,924	\$ 16,616,029
Personal property taxes	1,441,903	1,475,676	33,773	1,455,697
Vehicle taxes	2,464,072	2,467,680	3,608	2,529,325
Fee in lieu of tax	75,397	104,113	28,716	48,455
Intergovernmental - federal	-	31,500	31,500	19,200
Intergovernmental - state	26,594	37,512	10,918	38,037
Interest	25,000	145,170	120,170	46,354
Other	4,114	12,800	8,686	63,179
Total revenues	<u>21,123,439</u>	<u>21,644,734</u>	<u>521,295</u>	<u>20,816,276</u>
Expenditures				
Current:				
Public safety:				
Personal services	14,282,150	13,956,605	325,545	12,745,408
Contractual services	1,256,217	1,210,157	46,060	1,153,041
Supplies and materials	1,180,645	975,793	204,852	815,628
Business and transportation	818,974	780,848	38,126	868,413
Capital outlay	189,464	143,624	45,840	15,839
Disaster	-	35,817	(35,817)	509,867
Indirect cost allocation	1,469,176	1,469,176	-	1,308,619
Total expenditures	<u>19,416,367</u>	<u>18,714,121</u>	<u>702,246</u>	<u>17,561,678</u>
Excess of revenues over expenditures	<u>1,707,072</u>	<u>2,930,613</u>	<u>1,223,541</u>	<u>3,254,598</u>
Other Financing Sources (Uses)				
Sale of Assets	-	8,674	8,674	-
Transfers out	(1,894,985)	(1,894,510)	475	(1,758,836)
Total other financing sources (uses)	<u>(1,894,985)</u>	<u>(1,885,836)</u>	<u>9,149</u>	<u>(1,758,836)</u>
Net change in fund balance	(187,913)	1,044,777	1,232,690	1,495,762
Fund balance at beginning of year	9,076,699	9,076,699	-	7,580,937
Fund balance at end of year	<u>\$ 8,888,786</u>	<u>\$ 10,121,476</u>	<u>\$ 1,232,690</u>	<u>\$ 9,076,699</u>

HORRY COUNTY, SOUTH CAROLINA
 TOURISM & PROMOTION SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative amounts for June 30, 2017)

	2018	2017
Assets		
Receivables, net:		
Accounts and other	\$ 40,561	\$ 616
Fees	39,673	97,048
Due from other governments	2,243,712	2,157,741
Total assets	\$ 2,323,946	\$ 2,255,405
Liabilities		
Accounts payable - trade	\$ 498,804	\$ 489,323
Accrued salaries and wages	34,982	30,020
Due to other funds	578,146	698,939
Total liabilities	1,111,932	1,218,282
Deferred Inflows of Resources		
Unavailable revenue-fees and other	966,538	848,319
Total deferred inflows of resources	966,538	848,319
Fund Balance		
Restricted for culture, recreation and tourism	245,476	188,804
Total fund balance	245,476	188,804
Total liabilities, deferred inflows of resources and fund balance	\$ 2,323,946	\$ 2,255,405

HORRY COUNTY, SOUTH CAROLINA

TOURISM & PROMOTION SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Accommodations tax	\$ 3,951,966	\$ 4,034,525	\$ 82,559	\$ 3,395,313
Hospitality fees	288,099	288,099	-	737,954
Interest	-	3,433	3,433	-
Other	48,837	55,446	6,609	472
Total revenues	<u>4,288,902</u>	<u>4,381,503</u>	<u>92,601</u>	<u>4,133,739</u>
Expenditures				
Current:				
Public safety				
Beach Patrol:				
Personal services	1,468,476	1,464,491	3,985	1,202,176
Contractual services	20,490	18,811	1,679	16,595
Supplies and materials	35,357	34,194	1,163	43,440
Business and transportation	112,436	100,902	11,534	106,187
Capital outlay	15,402	15,402	-	21,193
Other	121,200	121,200	-	142,167
Disaster	-	-	-	37,503
Total public safety	<u>1,773,361</u>	<u>1,755,000</u>	<u>18,361</u>	<u>1,569,261</u>
Culture, recreation and tourism:				
Personal services	651,196	642,950	8,246	609,932
Contractual services	106,101	102,935	3,166	72,726
Supplies and materials	49,483	45,408	4,075	22,460
Business and transportation	179,104	196,983	(17,879)	133,562
Capital outlay	16,709	16,709	-	-
Capital lease principal	-	-	-	22,396
Other	97,215	97,215	-	56,950
Disaster	-	-	-	47,006
Contributions to other agencies	1,367,458	1,364,157	3,301	1,318,371
Total culture, recreation and tourism	<u>2,467,266</u>	<u>2,466,357</u>	<u>909</u>	<u>2,283,403</u>
Total expenditures	<u>4,240,627</u>	<u>4,221,357</u>	<u>19,270</u>	<u>3,852,664</u>
Excess of revenues over expenditures	<u>48,275</u>	<u>160,146</u>	<u>111,871</u>	<u>281,075</u>
Other Financing Sources (Uses)				
Transfers out	(103,474)	(103,474)	-	(147,491)
Total other financing sources (uses)	<u>(103,474)</u>	<u>(103,474)</u>	<u>-</u>	<u>(147,491)</u>
Net change in fund balance	(55,199)	56,672	111,871	133,584
Fund balance at beginning of year	188,804	188,804	-	55,220
Fund balance at end of year	<u>\$ 133,605</u>	<u>\$ 245,476</u>	<u>\$ 111,871</u>	<u>\$ 188,804</u>

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 1,799,614	\$ 3,914,532
Receivables, net:		
Property taxes	268,391	325,141
Fees	196	502
Due from other governments	6,934,894	5,359,307
Total assets	<u>\$ 9,003,095</u>	<u>\$ 9,599,482</u>
Liabilities		
Accounts payable - trade	\$ 818,839	\$ 259,365
Due to component unit	-	1,200,453
Total liabilities	<u>818,839</u>	<u>1,459,818</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	4,310,033	5,359,307
Unavailable revenue-property taxes	240,606	309,394
Total deferred inflows of resources	<u>4,550,639</u>	<u>5,668,701</u>
Fund Balance		
Restricted for infrastructure and regulation	3,633,617	2,470,963
Total fund balance	<u>3,633,617</u>	<u>2,470,963</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 9,003,095</u>	<u>\$ 9,599,482</u>

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 5,999,760	\$ 6,163,153	\$ 163,393	\$ 5,896,693
Personal property taxes	480,203	484,312	4,109	479,401
Vehicle taxes	817,811	832,104	14,293	846,777
Fee in lieu of tax	32,000	36,157	4,157	38,674
Intergovernmental	-	2,634,856	2,634,856	9,897
Interest	27,000	35,237	8,237	47,298
Total revenues	<u>7,356,774</u>	<u>10,185,819</u>	<u>2,829,045</u>	<u>7,318,740</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	8,774,223	9,010,004	(235,781)	8,608,574
Capital outlay	181,523	-	181,523	-
Indirect cost allocation	3,900	13,161	(9,261)	5,638
Disaster	237,116	-	237,116	6,757,372
Total expenditures	<u>9,196,762</u>	<u>9,023,165</u>	<u>(63,519)</u>	<u>15,371,584</u>
Excess (deficiency) of revenues over expenditures	<u>(1,839,988)</u>	<u>1,162,654</u>	<u>2,765,526</u>	<u>(8,052,844)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,553,476
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553,476</u>
Net change in fund balance	<u>(1,839,988)</u>	<u>1,162,654</u>	<u>2,765,526</u>	<u>(6,499,368)</u>
Fund balance at beginning of year	<u>2,470,963</u>	<u>2,470,963</u>	<u>-</u>	<u>8,970,331</u>
Fund balance at end of year	<u>\$ 630,975</u>	<u>\$ 3,633,617</u>	<u>\$ 2,765,526</u>	<u>\$ 2,470,963</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 127,580	\$ 246,105
Receivables, net:		
Property taxes	49,218	61,079
Fees	1,683	216
Due from other governments	2,851	2,726
Total assets	<u>\$ 181,332</u>	<u>\$ 310,126</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 42,450	\$ 55,908
Total deferred inflows of resources	<u>42,450</u>	<u>55,908</u>
Fund Balance		
Restricted for culture, recreation and tourism	138,882	254,218
Total fund balance	<u>138,882</u>	<u>254,218</u>
Total deferred inflows of resources and fund balance	<u>\$ 181,332</u>	<u>\$ 310,126</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,272,626	\$ 1,295,001	\$ 22,375	\$ 1,245,917
Personal property taxes	89,088	90,721	1,633	89,823
Vehicle taxes	134,132	137,622	3,490	137,432
Fee in lieu of tax	10,500	9,543	(957)	11,801
Intergovernmental	10,638	11,056	418	10,704
Interest	1,400	10,290	8,890	1,662
Total revenues	<u>1,518,384</u>	<u>1,554,233</u>	<u>35,849</u>	<u>1,497,339</u>
Expenditures				
Current:				
Higher Education Commission	1,447,169	1,447,169	-	1,132,621
Total expenditures	<u>1,447,169</u>	<u>1,447,169</u>	<u>-</u>	<u>1,132,621</u>
Excess (deficiency) of revenues over expenditures	<u>71,215</u>	<u>107,064</u>	<u>35,849</u>	<u>364,718</u>
Other Financing Sources (Uses)				
Transfers out	(223,150)	(222,400)	750	(228,700)
Total other financing sources	<u>(223,150)</u>	<u>(222,400)</u>	<u>750</u>	<u>(228,700)</u>
Net change in fund balance	(151,935)	(115,336)	36,599	136,018
Fund balance at beginning of year	<u>254,218</u>	<u>254,218</u>	<u>-</u>	<u>118,200</u>
Fund balance at end of year	<u>\$ 102,283</u>	<u>\$ 138,882</u>	<u>\$ 36,599</u>	<u>\$ 254,218</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 230,710	\$ 561,029
Receivables, net:		
Property taxes	126,324	157,084
Fees	4,326	555
Due from other governments	3,963	3,640
Total assets	<u>\$ 365,323</u>	<u>\$ 722,308</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 108,916	\$ 143,775
Total deferred inflows of resources	<u>108,916</u>	<u>143,775</u>
 Fund Balance		
Restricted for culture, recreation and tourism	256,407	578,533
Total fund balance	<u>256,407</u>	<u>578,533</u>
Total deferred inflows of resources and fund balance	<u>\$ 365,323</u>	<u>\$ 722,308</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,266,441	\$ 3,329,837	\$ 63,396	\$ 3,203,634
Personal property taxes	229,400	233,220	3,820	230,943
Vehicle taxes	343,765	352,615	8,850	352,211
Fee in lieu of tax	26,900	29,876	2,976	30,239
Intergovernmental	13,880	14,956	1,076	14,051
Interest	4,000	16,836	12,836	9,675
Total revenues	<u>3,884,386</u>	<u>3,977,340</u>	<u>92,954</u>	<u>3,840,753</u>
Expenditures				
Current:				
Horry-Georgetown Tech	4,058,841	4,058,841	-	3,400,000
Total expenditures	<u>4,058,841</u>	<u>4,058,841</u>	<u>-</u>	<u>3,400,000</u>
Excess (deficiency) of revenues over expenditures	<u>(174,455)</u>	<u>(81,501)</u>	<u>92,954</u>	<u>440,753</u>
Other Financing Sources (Uses)				
Transfers out	(241,100)	(240,625)	475	(239,850)
Total other financing sources (uses)	<u>(241,100)</u>	<u>(240,625)</u>	<u>475</u>	<u>(239,850)</u>
Net change in fund balance	(415,555)	(322,126)	93,429	200,903
Fund balance at beginning of year	<u>578,533</u>	<u>578,533</u>	<u>-</u>	<u>377,630</u>
Fund balance at end of year	<u>\$ 162,978</u>	<u>\$ 256,407</u>	<u>\$ 93,429</u>	<u>\$ 578,533</u>

HORRY COUNTY, SOUTH CAROLINA
WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ 713,502	\$ 1,198,821
Receivables, net:		
Property taxes	3,622	3,523
Total assets	\$ 717,124	\$ 1,202,344
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 2,777	\$ 3,299
Total deferred inflows of resources	2,777	3,299
 Fund Balance		
Restricted for infrastructure and regulation	714,347	1,199,045
Total fund balance	714,347	1,199,045
Total deferred inflows of resources and fund balance	\$ 717,124	\$ 1,202,344

HORRY COUNTY, SOUTH CAROLINA

WATERSHED SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 96,429	\$ 103,629	\$ 7,200	\$ 97,310
Personal property taxes	-	1,256	1,256	1,309
Interest	2,590	15,759	13,169	5,985
Total revenues	99,019	120,644	21,625	104,604
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	224,798	10,407	214,391	5,225
Indirect cost allocation	27,106	27,106	-	9,940
Total expenditures	251,904	37,513	214,391	15,165
Excess (deficiency) of revenues over expenditures	(152,885)	83,131	236,016	89,439
Other Financing Sources (Uses)				
Transfers out	(567,829)	(567,829)	-	-
Total other financing sources (uses)	(567,829)	(567,829)	-	-
Net change in fund balance	(720,714)	(484,698)	236,016	89,439
Fund balance at beginning of year	1,199,045	1,199,045	-	1,109,606
Fund balance at end of year	\$ 478,331	\$ 714,347	\$ 236,016	\$ 1,199,045

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 306,012	\$ 359,434
Receivables, net:		
Property taxes	499	553
Total assets	<u>\$ 306,511</u>	<u>\$ 359,987</u>
Liabilities		
Accounts payable - trade	\$ 1,446	\$ 55,601
Total liabilities	<u>1,446</u>	<u>55,601</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	499	533
Total deferred inflows of resources	<u>499</u>	<u>533</u>
Fund Balance		
Restricted for infrastructure and regulation	304,566	303,853
Total fund balance	<u>304,566</u>	<u>303,853</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 306,511</u>	<u>\$ 359,987</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 28,860	\$ 29,218	\$ 358	\$ 28,683
Personal property taxes	-	427	427	432
Interest	1,000	3,941	2,941	1,942
Other	-	589	589	-
Total revenues	<u>29,860</u>	<u>34,175</u>	<u>4,315</u>	<u>31,057</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	2,805	2,550	255	602
Contractual services	21,471	19,225	2,246	14,273
Supplies and materials	24,500	6,815	17,685	11,220
Capital outlay	6,000	-	6,000	-
Programs	8,807	-	8,807	-
Disaster	-	-	-	72,500
Indirect cost allocation	4,872	4,872	-	2,390
Total expenditures	<u>68,455</u>	<u>33,462</u>	<u>34,993</u>	<u>100,985</u>
Excess (deficiency) of revenues over expenditures	<u>(38,595)</u>	<u>713</u>	<u>39,308</u>	<u>(69,928)</u>
Net change in fund balance	(38,595)	713	39,308	(69,928)
Fund balance at beginning of year	<u>303,853</u>	<u>303,853</u>	-	373,781
Fund balance at end of year	<u>\$ 265,258</u>	<u>\$ 304,566</u>	<u>\$ 39,308</u>	<u>\$ 303,853</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 159,889	\$ 208,637
Receivables, net:		
Property taxes	161	5,966
Total assets	<u>\$ 160,050</u>	<u>\$ 214,603</u>
Liabilities		
Accounts payable - trade	\$ 622	\$ 3,226
Total liabilities	<u>622</u>	<u>3,226</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	108	5,052
Total deferred inflows of resources	<u>108</u>	<u>5,052</u>
Fund Balance		
Restricted for culture, recreation and tourism	159,320	206,325
Total fund balance	<u>159,320</u>	<u>206,325</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 160,050</u>	<u>\$ 214,603</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASSTEE RECREATION SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ -	\$ 6,049	\$ 6,049	\$ 204,854
Personal property taxes	-	-	-	910
Interest	-	2,313	2,313	2,631
Other	-	7,904	7,904	13,819
Total revenues	-	16,266	16,266	222,214
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	1,932	1,932	-	1,932
Contractual services	31,724	25,544	6,180	20,589
Supplies and materials	10,000	5,247	4,753	5,900
Capital outlay	30,680	-	30,680	-
Other	-	-	-	457,903
Indirect cost allocation	13,248	8,311	4,937	15,797
Total expenditures	87,584	41,034	46,550	502,121
Excess (deficiency) of revenues over expenditures	(87,584)	(24,768)	62,816	(279,907)
Other Financing Sources (Uses)				
Transfers out	(22,237)	(22,237)	-	(21,589)
Total other financing sources (uses)	(22,237)	(22,237)	-	(21,589)
Net change in fund balance	(109,821)	(47,005)	62,816	(301,496)
Fund balance at beginning of year	206,325	206,325	-	507,821
Fund balance at end of year	\$ 96,504	\$ 159,320	\$ 62,816	\$ 206,325

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	36,387,806	30,898,575
Receivables, net:		
Fees	1,641,796	1,428,960
Due from other governments	275,395	827,482
Total assets	<u>\$ 38,305,097</u>	<u>\$ 33,155,117</u>
 Liabilities		
Accounts payable - trade	\$ 1,144,162	\$ 1,691,806
Accrued salaries and wages	9,721	10,565
Total liabilities	<u>1,153,883</u>	<u>1,702,371</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	1,917,190	2,006,340
Total deferred inflows of resources	<u>1,917,190</u>	<u>2,006,340</u>
 Fund Balances		
Restricted for capital projects	17,200,265	11,412,647
Committed for infrastructure and regulation	18,033,759	18,033,759
Total fund balances	<u>35,234,024</u>	<u>29,446,406</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,305,097</u>	<u>\$ 33,155,117</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 4,479,061	\$ 1,341,537	\$ (3,137,524)	\$ 1,677,164
Fees	15,120,936	15,604,940	484,004	15,207,819
Interest	75,000	424,884	349,884	153,704
Other	-	-	-	25,000
Total revenues	<u>19,674,997</u>	<u>17,371,361</u>	<u>(2,303,636)</u>	<u>17,063,687</u>
Expenditures				
Current:				
Engineer:				
Construction contracts	4,559,921	1,348,517	3,211,404	1,448,965
Capital outlay-infrastructure	29,426,371	4,381,560	25,044,811	6,720,118
Indirect cost allocation	515,582	515,582	-	474,934
Total engineer	<u>34,501,874</u>	<u>6,245,659</u>	<u>28,256,215</u>	<u>8,644,017</u>
Operations:				
Personal services	682,754	597,907	84,847	489,258
Contractual services	17,304	13,733	3,571	12,524
Supplies and materials	12,018	7,219	4,799	9,792
Business and transportation	144,060	146,175	(2,115)	42,347
Capital outlay-infrastructure	7,337,551	1,705,236	5,632,315	1,816,628
Distributions to municipalities	3,067,909	3,313,594	(245,685)	3,136,365
Other	197,302	197,302	-	(80,384)
Disaster	-	-	-	28,401
Indirect cost allocation	136,930	109,290	27,640	141,161
Total operations	<u>11,595,828</u>	<u>6,090,456</u>	<u>5,505,372</u>	<u>5,596,092</u>
Total expenditures	<u>46,097,702</u>	<u>12,336,115</u>	<u>33,761,587</u>	<u>14,240,109</u>
Excess (deficiency) of revenues over expenditures	<u>(26,422,705)</u>	<u>5,035,246</u>	<u>31,457,951</u>	<u>2,823,578</u>
Other Financing Sources (Uses)				
Transfers in	752,372	752,372	-	200,000
Transfers out	-	-	-	(10,000)
Total other financing sources (uses)	<u>752,372</u>	<u>752,372</u>	<u>-</u>	<u>190,000</u>
Net change in fund balance	<u>(25,670,333)</u>	<u>5,787,618</u>	<u>31,457,951</u>	<u>3,013,578</u>
Fund balance at beginning of year	<u>29,446,406</u>	<u>29,446,406</u>	<u>-</u>	<u>26,432,828</u>
Fund balance at end of year	<u>\$ 3,776,073</u>	<u>\$ 35,234,024</u>	<u>\$ 31,457,951</u>	<u>\$ 29,446,406</u>

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 6,702,296	\$ 5,970,415
Receivables, net:		
Fees	185,013	44,408
Accounts and other	11,193	11,193
Total assets	<u>\$ 6,898,502</u>	<u>\$ 6,026,016</u>
Liabilities		
Accounts payable-trade	\$ 21,321	\$ 8,757
Total liabilities	<u>21,321</u>	<u>8,757</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	11,193	11,193
Total deferred inflows of resources	<u>11,193</u>	<u>11,193</u>
Fund Balances		
Restricted for culture, recreation and tourism	2,870,990	3,069,648
Committed to culture, recreation and tourism	3,994,998	2,936,418
Total fund balances	<u>6,865,988</u>	<u>6,006,066</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,898,502</u>	<u>\$ 6,026,016</u>

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - state	\$ -	\$ -	\$ -	\$ 2,400,000
State accommodations tax	-	-	-	510,000
Local accommodations tax	1,000,000	976,671	(23,329)	252,987
Interest	9,000	81,909	72,909	26,296
Other	-	-	-	1,189,692
Total revenues	1,009,000	1,058,580	49,580	4,378,975
Current:				
Culture, recreation and tourism:				
Contractual services	5,414,562	198,158	5,216,404	5,420,331
Business & transportation	590	500	90	500
Capital Outlay	1,339,537	-	1,339,537	-
Total expenditures	6,754,689	198,658	6,556,031	5,420,831
Excess (deficiency) of revenues over expenditures	(5,745,689)	859,922	6,605,611	(1,041,856)
Other Financing Sources (Uses)				
Transfers in	-	-	-	188,253
Total other financing sources (uses)	-	-	-	188,253
Net change in fund balance	(5,745,689)	859,922	6,605,611	(853,603)
Fund balance at beginning of year	6,006,066	6,006,066	-	6,859,669
Fund balance at end of year	\$ 260,377	\$ 6,865,988	\$ 6,605,611	\$ 6,006,066

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 444,009	\$ 374,851
Receivables, net:		
Other	97	-
Due from other governments	<u>725,084</u>	<u>922,409</u>
Total assets	<u>\$ 1,169,190</u>	<u>\$ 1,297,260</u>
Liabilities		
Accounts payable - trade	\$ 131,519	\$ 188,344
Accrued salaries and wages	<u>15,074</u>	<u>13,233</u>
Total liabilities	<u>146,593</u>	<u>201,577</u>
Deferred Inflows of Resources		
Unavailable revenue-grants	<u>343,669</u>	<u>762,069</u>
Total deferred inflows of resources	<u>343,669</u>	<u>762,069</u>
Fund Balance		
Committed to other purposes	<u>678,928</u>	<u>333,614</u>
Total fund balance	<u>678,928</u>	<u>333,614</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,169,190</u>	<u>\$ 1,297,260</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ 13,579,390	\$ 2,262,678	\$ (11,316,712)	\$ 1,300,410
Intergovernmental - state	4,517,213	60,860	(4,456,353)	381,435
Fees	12,730	12,730	-	19,920
Interest	-	6,365	6,365	964
Other	3,549,202	49,973	(3,499,229)	141,711
Total revenues	<u>21,658,535</u>	<u>2,392,606</u>	<u>(19,265,929)</u>	<u>1,844,440</u>
Expenditures				
Current:				
General government:				
Contractual services	267,934	42,936	224,998	12,066
Other	125,000	-	125,000	350,000
Total general government	<u>392,934</u>	<u>42,936</u>	<u>349,998</u>	<u>362,066</u>
Public safety:				
Personal services	1,369,865	933,514	436,351	658,345
Contractual services	90,664	47,567	43,097	25,439
Supplies and materials	803,067	553,863	249,204	296,754
Business and transportation	68,595	12,686	55,909	15,563
Capital outlay	421,809	121,378	300,431	317,368
Other	406,152	194,752	211,400	231,189
Total public safety	<u>3,160,152</u>	<u>1,863,760</u>	<u>1,296,392</u>	<u>1,544,658</u>
Infrastructure and regulation:				
Contractual services	17,985,984	71,815	17,914,169	96,636
Capital outlay	4,000	-	4,000	-
Other	969,003	108,037	860,966	110,890
Total infrastructure and regulation	<u>18,958,987</u>	<u>179,852</u>	<u>18,779,135</u>	<u>207,526</u>
Culture, recreation and tourism				
Contractual services	49,984	-	49,984	-
Other	102,843	117,913	(15,070)	362,323
Total culture, recreation and tourism	<u>152,827</u>	<u>117,913</u>	<u>34,914</u>	<u>362,323</u>
Total expenditures	<u>22,664,900</u>	<u>2,204,461</u>	<u>20,460,439</u>	<u>2,476,573</u>
Excess (deficiency) of revenues over expenditures	<u>(1,006,365)</u>	<u>188,145</u>	<u>1,194,510</u>	<u>(632,133)</u>
Other Financing Sources (Uses)				
Transfers in	184,097	184,097	-	646,651
Transfers out	(26,928)	(26,928)	-	-
Total other financing sources (uses)	<u>157,169</u>	<u>157,169</u>	<u>-</u>	<u>646,651</u>
Net change in fund balance	<u>(849,196)</u>	<u>345,314</u>	<u>1,194,510</u>	<u>14,518</u>
Fund balance at beginning of year	333,614	333,614	-	319,096
Fund balance at end of year	<u>\$ (515,582)</u>	<u>\$ 678,928</u>	<u>\$ 1,194,510</u>	<u>\$ 333,614</u>

HORRY COUNTY, SOUTH CAROLINA
 ADMISSIONS TAX SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ 387,662	\$ 382,764
Total assets	\$ 387,662	\$ 382,764
 Fund Balance		
Restricted for economic development	\$ 387,662	\$ 382,764
Total fund balance	\$ 387,662	\$ 382,764

HORRY COUNTY, SOUTH CAROLINA

ADMISSIONS TAX SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Interest	\$ -	\$ 4,898	\$ 4,898	\$ 1,967
Total revenues	-	4,898	4,898	1,967
Expenditures				
Current:				
Culture, recreation and tourism				
Programs	380,510	-	380,510	-
Total expenditures	380,510	-	380,510	-
Excess (deficiency) of revenues over expenditures	(380,510)	4,898	385,408	1,967
Net change in fund balance	(380,510)	4,898	385,408	1,967
Fund balance at beginning of year	382,764	382,764	-	380,797
Fund balance at end of year	\$ 2,254	\$ 387,662	\$ 385,408	\$ 382,764

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 77,442	\$ 48,721
Receivables, net:		
Fees	<u>25,874</u>	24,619
Total assets	<u>\$ 103,316</u>	<u>\$ 73,340</u>
Liabilities		
Accounts payable	\$ 1,095	\$ 1,263
Accrued salaries and wages	<u>10,247</u>	9,706
Total liabilities	<u>11,342</u>	<u>10,969</u>
Fund Balance		
Restricted for Public safety	<u>91,974</u>	62,371
Total fund balance	<u>91,974</u>	62,371
Total liabilities and fund balance	<u>\$ 103,316</u>	<u>\$ 73,340</u>

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 162,137	\$ 166,976	\$ 4,839	\$ 150,403
Fines	192,000	187,357	(4,643)	180,205
Interest	-	784	784	208
Other	6,950	6,950	-	(181,984)
Total revenues	361,087	362,067	980	330,816
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	250,305	243,849	6,456	224,941
Contractual services	600	600	-	638
Supplies and materials	16,663	13,713	2,950	6,620
Business and transportation	1,500	1,373	127	2,196
Other	6,950	-	6,950	-
Total detention	276,018	259,535	16,483	234,395
Solicitor - Georgetown:				
Personal services	51,391	46,297	5,094	41,348
Contractual services	730	585	145	585
Supplies and materials	2,516	1,989	527	1,191
Business and transportation	3,500	3,118	382	1,418
Total Solicitor - Georgetown	58,137	51,989	6,148	44,542
Solicitor:				
Personal services	310,099	294,168	15,931	263,668
Contractual services	32,970	21,353	11,617	1,921
Supplies and materials	3,407	3,194	213	6,227
Business and transportation	1,665	1,538	127	1,731
Storm expenditures	-	-	-	1,134
Total solicitor	348,141	320,253	27,888	274,681
Total expenditures	682,296	631,777	50,519	553,618
Excess (deficiency) of revenues over expenditures	(321,209)	(269,710)	51,499	(222,802)
Other Financing Sources (Uses)				
Transfers in	299,313	299,313	-	263,277
Total other financing sources (uses)	299,313	299,313	-	263,277
Net change in fund balance	(21,896)	29,603	51,499	40,475
Fund balance at beginning of year	62,371	62,371	-	21,896
Fund balance at end of year	\$ 40,475	\$ 91,974	\$ 51,499	\$ 62,371

HORRY COUNTY, SOUTH CAROLINA
 SENIOR CITIZEN SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ 82,489	\$ 87,739
Receivables, net:		
Property taxes	28,075	34,850
Accounts and other	961	123
Due from other governments	110	38
Total assets	\$ 111,635	\$ 122,750
 Liabilities		
Accounts payable	\$ 35,728	\$ 44,890
Total liabilities	35,728	44,890
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	24,210	31,895
Total deferred inflows of resources	24,210	31,895
 Fund balance		
Restricted for health and social services	51,697	45,965
Total fund balance	51,697	45,965
Total liabilities, deferred inflows of resources and fund balance	\$ 111,635	\$ 122,750

HORRY COUNTY, SOUTH CAROLINA

SENIOR CITIZEN SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 725,578	\$ 739,955	\$ 14,377	\$ 711,906
Personal property taxes	50,924	51,800	876	51,288
Vehicle taxes	76,377	78,365	1,988	78,275
Fee in lieu of tax	6,028	6,680	652	6,761
Intergovernmental - state	-	239	239	38
Interest	300	2,253	1,953	697
Total revenues	<u>859,207</u>	<u>879,292</u>	<u>20,085</u>	<u>848,965</u>
Expenditures				
Current:				
Health and social services:				
Contributions to agencies	857,282	864,571	(7,289)	844,123
Indirect cost allocation	1,925	8,989	(7,064)	3,601
Total expenditures	<u>859,207</u>	<u>873,560</u>	<u>(14,353)</u>	<u>847,724</u>
Excess of revenues over expenditures	-	5,732	5,732	1,241
Net change in fund balance	-	5,732	5,732	1,241
Fund balance at beginning of year	45,965	45,965	-	44,724
Fund balance at end of year	<u>\$ 45,965</u>	<u>\$ 51,697</u>	<u>\$ 5,732</u>	<u>\$ 45,965</u>

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 90,249	\$ 81,528
Receivables, net:		
Property taxes	749	3,700
Total assets	<u>\$ 90,998</u>	<u>\$ 85,228</u>
Liabilities		
Accounts payable - trade	\$ 4,515	\$ 1,200
Due to other funds	69,784	102,198
Total liabilities	<u>74,299</u>	<u>103,398</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	2,950
Total deferred inflows of resources	<u>-</u>	<u>2,950</u>
Fund Balance (deficit)		
Restricted for infrastructure and regulation	16,699	-
Unassigned	-	(21,120)
Total fund balance (deficit)	<u>16,699</u>	<u>(21,120)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 90,998</u>	<u>\$ 85,228</u>

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 62,300	\$ 62,585	\$ 285	\$ 64,887
Personal property taxes	-	103	103	134
Interest	250	1,094	844	385
Other	-	1,000	1,000	-
Total revenues	<u>62,550</u>	<u>64,782</u>	<u>2,232</u>	<u>65,406</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal Services	2,805	2,550	255	602
Contractual services	6,369	1,128	5,241	13,348
Supplies and materials	13,739	13,389	350	9,416
Indirect cost allocation	5,232	5,232	-	2,254
Other	37,078	4,664	32,414	6,210
Total expenditures	<u>65,223</u>	<u>26,963</u>	<u>38,260</u>	<u>31,830</u>
Excess (deficiency) of revenues over expenditures	<u>(2,673)</u>	<u>37,819</u>	<u>40,492</u>	<u>33,576</u>
Net change in fund balance	<u>(2,673)</u>	<u>37,819</u>	<u>40,492</u>	<u>33,576</u>
Fund balance (deficit) at beginning of year	<u>(21,120)</u>	<u>(21,120)</u>	-	<u>(54,696)</u>
Fund balance (deficit) at end of year	<u>\$ (23,793)</u>	<u>\$ 16,699</u>	<u>\$ 40,492</u>	<u>\$ (21,120)</u>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 175,124	\$ 132,389
Receivables, net:		
Fees and other	18,934	18,082
Restricted assets	<u>101,977</u>	<u>101,977</u>
Total assets	<u>\$ 296,035</u>	<u>\$ 252,448</u>
Liabilities		
Due to other governments	\$ 114,090	\$ 95,663
Total liabilities	<u>114,090</u>	<u>95,663</u>
Fund Balance		
Restricted for culture, recreation and tourism	<u>181,945</u>	156,785
Total fund balance	<u>181,945</u>	<u>156,785</u>
Total liabilities and fund balance	<u>\$ 296,035</u>	<u>\$ 252,448</u>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 137,500	\$ 137,500	\$ -	\$ 137,500
Interest	-	3,305	3,305	1,526
Other	24,000	28,296	4,296	25,915
Total revenues	<u>161,500</u>	<u>169,101</u>	<u>7,601</u>	<u>164,941</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	-	-	-	5,314
Contractual services	16,619	16,619	-	17,115
Supplies and materials	36,352	48,859	(12,507)	34,500
Capital Outlay	134,255	72,534	61,721	62,845
Other	5,929	5,929	-	2,763
Total expenditures	<u>193,155</u>	<u>143,941</u>	<u>49,214</u>	<u>122,537</u>
Excess (deficiency) of revenues over expenditures	<u>(31,655)</u>	<u>25,160</u>	<u>56,815</u>	<u>42,404</u>
Net change in fund balance	(31,655)	25,160	56,815	42,404
Fund balance at beginning of year	156,785	156,785	-	114,381
Fund balance at end of year	<u>\$ 125,130</u>	<u>\$ 181,945</u>	<u>\$ 56,815</u>	<u>\$ 156,785</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 2,986,020	\$ 2,589,076
Receivables, net:		
Accounts and other	22,116	-
Fees	53,858	-
Restricted assets	-	39,669
Total assets	<u>\$ 3,061,994</u>	<u>\$ 2,628,745</u>
Liabilities		
Accounts payable - trade	\$ 27,701	\$ 16,102
Accrued salaries and wages	13,385	6,194
Total liabilities	<u>41,086</u>	<u>22,296</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	53,858	-
Total deferred inflows of resources	<u>53,858</u>	<u>-</u>
Fund Balances		
Restricted for economic development	1,155,521	676,380
Committed to economic development	1,811,529	1,930,069
Total fund balances	<u>2,967,050</u>	<u>2,606,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,061,994</u>	<u>\$ 2,628,745</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Fee in lieu of tax	\$ 672,300	\$ 566,385	\$ (105,915)	\$ 651,400
Intergovernmental	-	-	-	125,191
Fees - Rents	391,298	391,298	-	369,182
Interest	5,200	35,463	30,263	12,853
Total revenues	<u>1,068,798</u>	<u>993,146</u>	<u>(75,652)</u>	<u>1,158,626</u>
Expenditures				
Current:				
Economic development:				
Personal Services	392,116	392,116	-	305,685
Contractual services	2,223,092	388,925	1,834,167	528,675
Supplies and materials	150,068	29,566	120,502	-
Disaster	-	-	-	914
Indirect cost allocation	74,427	68,438	5,989	62,910
Total expenditures	<u>2,839,703</u>	<u>879,045</u>	<u>1,960,658</u>	<u>898,184</u>
Excess (deficiency) of revenues over expenditures	<u>(1,770,905)</u>	<u>114,101</u>	<u>1,885,006</u>	<u>260,442</u>
Other Financing Sources (Uses)				
Sale of Assets	9,807	327,360	317,553	-
Transfers in	-	-	-	276,271
Transfers out	(80,860)	(80,860)	-	(276,271)
Total other financing sources (uses)	<u>(71,053)</u>	<u>246,500</u>	<u>317,553</u>	<u>-</u>
Net change in fund balance	(1,841,958)	360,601	1,885,006	260,442
Fund balance at beginning of year	2,606,449	2,606,449	-	2,346,007
Fund balance at end of year	<u>\$ 764,491</u>	<u>\$ 2,967,050</u>	<u>\$ 1,885,006</u>	<u>\$ 2,606,449</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 2,048,299	\$ 3,347,657
Receivables, net:		
Accounts and other	1,887	8,972
Fees	119,583	43,010
Due from other governments	672,026	695,708
Total assets	<u>\$ 2,841,795</u>	<u>\$ 4,095,347</u>
 Liabilities		
Accounts payable - trade	\$ 120,309	\$ 433,527
Accrued salaries and wages	32,391	28,338
Total liabilities	<u>152,700</u>	<u>461,865</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	652,742	714,895
Total deferred inflows of resources	<u>652,742</u>	<u>714,895</u>
 Fund Balance		
Restricted for infrastructure and regulation	2,036,353	2,918,587
Total fund balance	<u>2,036,353</u>	<u>2,918,587</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,841,795</u>	<u>\$ 4,095,347</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 5,002,925	\$ 4,988,812	\$ (14,113)	\$ 4,838,074
Intergovernmental	-	140,835	140,835	52,413
Interest	10,045	30,366	20,321	17,536
Other	-	243	243	-
Total revenues	<u>5,012,970</u>	<u>5,160,256</u>	<u>147,286</u>	<u>4,908,023</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	2,153,361	1,976,277	177,084	1,804,138
Contractual services	1,346,821	1,168,960	177,861	1,300,787
Supplies and materials	404,530	347,691	56,839	270,499
Business and transportation	246,800	258,755	(11,955)	195,856
Construction contracts	383,000	382,989	11	-
Non-capital infrastructure	229,476	154,898	74,578	627,473
Indirect cost allocation	330,000	277,846	52,154	260,856
Disaster	567,828	909,432	(341,604)	40,283
Other	574,808	574,743	65	397,532
Total expenditures	<u>6,236,624</u>	<u>6,051,591</u>	<u>185,033</u>	<u>4,897,424</u>
Excess (deficiency) of revenues over expenditures	<u>(1,223,654)</u>	<u>(891,335)</u>	<u>332,319</u>	<u>10,599</u>
Other Financing Sources (Uses)				
Transfers in	567,828	567,828	-	-
Transfers out	(558,727)	(558,727)	-	(469,064)
Total other financing sources (uses)	<u>9,101</u>	<u>9,101</u>	<u>-</u>	<u>(469,064)</u>
Net change in fund balance	<u>(1,214,553)</u>	<u>(882,234)</u>	<u>332,319</u>	<u>(458,465)</u>
Fund balance at beginning of year	<u>2,918,587</u>	<u>2,918,587</u>	<u>-</u>	<u>3,377,052</u>
Fund balance at end of year	<u>\$ 1,704,034</u>	<u>\$ 2,036,353</u>	<u>\$ 332,319</u>	<u>\$ 2,918,587</u>

HORRY COUNTY, SOUTH CAROLINA
HIDDEN WOODS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ -	\$ -
Receivables, net:		
Property taxes	-	-
Interest receivable	-	-
Total assets	\$ -	\$ -
 Liabilities		
Accounts payable - trade	\$ -	\$ -
Total liabilities	-	-
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	-
Total deferred inflows of resources	-	-
 Fund Balance		
Restricted for infrastructure and regulation	-	-
Total fund balance	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ -

**Special Tax District terminated By Council on June 7, 2016.*

HORRY COUNTY, SOUTH CAROLINA

HIDDEN WOODS SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ -	\$ -	\$ -	\$ 495
Interest	-	-	-	12
Total revenues	-	-	-	507
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	-	-	-	507
Contractual services	-	-	-	-
Indirect cost allocation	-	-	-	-
Total expenditures	-	-	-	507
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**Special Tax District terminated By Council on June 7, 2016.*

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 978,238	\$ 969,271
Pooled cash and investments	2,374,382	2,185,720
Receivables, net:		
Accounts and other	363,977	370,829
Due from other governments	108,966	122,483
Restricted cash	166,426	218,023
Total assets	<u>\$ 3,991,989</u>	<u>\$ 3,866,326</u>
Liabilities		
Accounts payable - trade	\$ 23,199	\$ 29,014
Accounts payable - other	169,231	278,339
Due to other governments	11,778	11,778
Accrued salaries and wages	294,505	345,809
Total liabilities	<u>498,713</u>	<u>664,940</u>
Fund Balance		
Restricted for public safety	<u>3,493,276</u>	<u>3,201,386</u>
Total fund balance	<u>3,493,276</u>	<u>3,201,386</u>
Total liabilities and fund balance	<u>\$ 3,991,989</u>	<u>\$ 3,866,326</u>

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ -	\$ 83,690	\$ 83,690	\$ 28,105
Intergovernmental - state	2,079,031	2,424,213	345,182	2,426,892
Interest	-	46,916	46,916	24,210
Fees and fines	2,100,877	2,127,693	26,816	2,780,920
Total revenues	4,179,908	4,682,512	502,604	5,260,127
Expenditures				
Current:				
Public Safety:				
Victim Witness:				
Personal services	92,722	45,543	47,179	107,205
Contractual services	-	-	-	116
Supplies & Materials	3,018	2,835	183	2,111
Business & Transportation	1,748	1,748	-	1,000
Total Public Safety	97,488	50,126	47,362	110,432
State Appropriation:				
Personal services	1,524,388	1,403,297	121,091	951,939
Contractual services	84,029	28,969	55,060	20,277
Supplies and materials	59,912	489	59,423	7,238
Business and transportation	14,578	6,259	8,319	-
Other	1,564,439	194,394	1,370,045	170,545
Total State Appropriation	3,247,346	1,633,408	1,613,938	1,149,999
Solicitor Georgetown:				
Personal services	973,163	965,252	7,911	927,402
Contractual services	83,374	79,815	3,559	44,162
Supplies and materials	25,450	23,073	2,377	43,019
Business and transportation	14,271	14,671	(400)	12,617
Other	8,800	8,800	-	8,800
Total Solicitor Georgetown	1,105,058	1,091,611	13,447	1,036,000

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)
 - CONTINUED -

	2018			2017
	Budget	Actual	Variance	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Solicitor Horry County:				
Personal services	3,341,588	3,323,484	18,104	3,139,950
Contractual services	249,585	248,866	719	225,189
Supplies and materials	102,733	102,733	-	120,222
Business and transportation	48,218	49,709	(1,491)	50,908
Other	16,008	16,008	-	13,700
Total Solicitor Horry County	3,758,132	3,740,800	17,332	3,549,969
Pre-Trial Intervention:				
Personal services	813,717	640,387	173,330	1,423,198
Contractual services	5,274	103,534	(98,260)	31,544
Supplies and materials	-	-	-	28,725
Business and transportation	1,000	98,646	(97,646)	50,427
Capital outlay	-	553	(553)	81,157
Other	13,763	13,763	-	29,384
Total Pre-Trial Intervention	833,754	856,883	(23,129)	1,644,435
Drug Enforcement Unit:				
Personal services	249,626	249,626	-	234,224
Contractual services	51,011	50,426	585	54,282
Supplies and materials	61,347	61,347	-	51,761
Business and transportation	13,623	16,104	(2,481)	5,130
Disaster	-	-	-	5,811
Other	23,200	23,200	-	21,200
Total Drug Enforcement Unit	398,807	400,703	(1,896)	372,408
Drug Court:				
Personal services	383,420	374,269	9,151	324,022
Contractual services	59,975	58,334	1,641	32,829
Supplies and materials	49,648	49,118	530	44,231
Business and transportation	26,306	26,233	73	13,825
Other	194,988	9,200	185,788	9,200
Total Drug Court	714,337	517,154	197,183	424,107

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)
 - CONTINUED -

	2018			2017
	Budget	Actual	Variance	Actual
Public Safety:				
Worthless Check:				
Personal services	107,517	55,980	51,537	69,658
Contractual services	8,184	6,883	1,301	7,067
Supplies and materials	5,842	1,579	4,263	2,007
Business and transportation	1,300	525	775	-
Other	122,893	-	122,893	-
Total Worthless Check	245,736	64,967	180,769	78,732
Georgetown Drug Enforcement Units:				
Personal services	81,401	81,336	65	73,369
Contractual services	18,930	18,791	139	8,873
Supplies and materials	19,330	19,150	180	12,094
Business and transportation	4,834	4,615	219	4,312
Other	5,886	207	5,679	-
Total GT DEU	130,381	124,099	6,282	98,648
Total Public Safety expenditures	10,531,039	8,479,751	2,051,288	8,464,730
Excess (deficiency) of revenues over expenditures	(6,351,131)	(3,797,239)	2,553,892	(3,204,603)
Other Financing Sources (Uses)				
Transfers in	4,092,829	4,092,829	-	4,025,798
Transfers out	(3,700)	(3,700)	-	(134,068)
Total other financing sources (uses)	4,089,129	4,089,129	-	3,891,730
Net change in fund balance	(2,262,002)	291,890	2,553,892	687,127
Fund balance at beginning of year	3,201,386	3,201,386	-	2,514,259
Fund balance at end of year	<u>\$ 939,384</u>	<u>\$ 3,493,276</u>	<u>\$ 2,553,892</u>	<u>\$ 3,201,386</u>

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 1,312,735	\$ 1,026,555
Due from other governments	74,912	62,527
Total assets	<u>\$ 1,387,647</u>	<u>\$ 1,089,082</u>
Liabilities		
Accounts payable - trade	\$ 2,843	\$ 1,829
Accrued salaries and wages	37,390	34,471
Total liabilities	<u>40,233</u>	<u>36,300</u>
Fund Balance		
Restricted for public safety	1,347,414	1,052,782
Total fund balance	<u>1,347,414</u>	<u>1,052,782</u>
Total liabilities and fund balance	<u>\$ 1,387,647</u>	<u>\$ 1,089,082</u>

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 1,294,550	\$ 1,389,222	\$ 94,672	\$ 1,422,234
Interest	1,200	15,585	14,385	4,123
Fees and fines	96,100	126,099	29,999	126,100
Total revenues	<u>1,391,850</u>	<u>1,530,906</u>	<u>139,056</u>	<u>1,552,457</u>
Expenditures				
Current:				
Public Safety:				
Horry County:				
Personal services	1,915,770	1,802,754	113,016	1,603,047
Contractual services	105,561	91,848	13,713	103,997
Supplies & Materials	83,870	74,326	9,544	70,407
Business & Transportation	75,900	70,145	5,755	43,783
Other	893,430	15,360	878,070	11,120
Total Horry County operations	<u>3,074,531</u>	<u>2,054,433</u>	<u>1,020,098</u>	<u>1,832,354</u>
Georgetown:				
Personal services	274,629	258,899	15,730	245,902
Contractual services	73,400	70,914	2,486	32,910
Supplies and materials	8,850	3,022	5,828	4,698
Business and transportation	6,900	6,083	817	3,618
Other	163,399	-	163,399	2,500
Total Georgetown County operations	<u>527,178</u>	<u>338,918</u>	<u>188,260</u>	<u>289,628</u>
Total expenditures	<u>3,601,709</u>	<u>2,393,351</u>	<u>1,208,358</u>	<u>2,121,982</u>
Excess (deficiency) of revenues over expenditures	<u>(2,209,859)</u>	<u>(862,445)</u>	<u>1,347,414</u>	<u>(569,525)</u>
Other Financing Sources				
Transfers in	1,157,077	1,157,077	-	1,092,214
Total other financing sources	<u>1,157,077</u>	<u>1,157,077</u>	<u>-</u>	<u>1,092,214</u>
Net change in fund balance	<u>(1,052,782)</u>	<u>294,632</u>	<u>1,347,414</u>	<u>522,689</u>
Fund balance at beginning of year	<u>1,052,782</u>	<u>1,052,782</u>	<u>-</u>	<u>530,093</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,347,414</u>	<u>\$ 1,347,414</u>	<u>\$ 1,052,782</u>

HORRY COUNTY, SOUTH CAROLINA
 FIRE INSURANCE SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	-	\$ -
Total assets	\$ -	\$ -
 Fund Balance		
Restricted for public safety	-	-
Total fund balance	\$ -	\$ -

HORRY COUNTY, SOUTH CAROLINA

FIRE INSURANCE SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 826,780
Total revenues	-	-	-	826,780
Expenditures				
Current:				
Public safety:				
Other	-	-	-	936,634
Total expenditures	-	-	-	936,634
Excess (deficiency) of revenues over expenditures	-	-	-	(109,854)
Net change in fund balance	-	-	-	(109,854)
Fund balance at beginning of year	-	-	-	109,854
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

HORRY COUNTY, SOUTH CAROLINA
 MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ 531,971	\$ 533,840
Total assets	\$ 531,971	\$ 533,840
 Fund Balance		
Restricted for infrastructure and regulation	\$ 531,971	\$ 533,840
Total fund balance	\$ 531,971	\$ 533,840

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Interest	\$ -	\$ 6,731	\$ 6,731	\$ 2,743
Total revenues	-	6,731	6,731	2,743
Expenditures				
Current:				
Infrastructure and regulation:				
Construction contracts	250,000	8,600	241,400	-
Total expenditures	250,000	8,600	241,400	-
Excess (deficiency) of revenues over expenditures	(250,000)	(1,869)	248,131	2,743
Net change in fund balance	(250,000)	(1,869)	248,131	2,743
Fund balance at beginning of year	533,840	533,840	-	531,097
Fund balance at end of year	\$ 283,840	\$ 531,971	\$ 248,131	\$ 533,840

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 3,081,673	\$ 5,082,375
Receivables, net:		
Accounts and other	29,800	49,605
Due from other governments	693,571	336,484
Prepaid items	-	26,844
Total assets	<u>\$ 3,805,044</u>	<u>\$ 5,495,308</u>
 Liabilities		
Accounts payable - trade	\$ 58,292	\$ 75,552
Accrued salaries and wages	10,584	14,744
Total liabilities	<u>68,876</u>	<u>90,296</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>382,129</u>	-
Total deferred inflows of resources	<u>382,129</u>	<u>-</u>
 Fund Balances		
Nonspendable	-	26,844
Restricted for public safety	<u>3,354,039</u>	<u>5,378,168</u>
Total fund balances	<u>3,354,039</u>	<u>5,405,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,805,044</u>	<u>\$ 5,495,308</u>

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 4,277,400	\$ 1,393,318	\$ (2,884,082)	\$ 1,476,724
Fees and fines	680,000	704,155	24,155	721,574
Interest	13,000	45,973	32,973	23,817
Other	-	9,336	9,336	-
Total revenues	<u>4,970,400</u>	<u>2,152,782</u>	<u>(2,817,618)</u>	<u>2,222,115</u>
Expenditures				
Current:				
Public safety:				
Personal services	580,103	565,902	14,201	287,939
Contractual services	1,081,209	787,737	293,472	693,043
Supplies and materials	111,741	104,181	7,560	52,757
Business and transportation	65,755	57,935	7,820	41,816
Disaster	-	-	-	39,475
Total expenditures	<u>1,838,808</u>	<u>1,515,755</u>	<u>323,053</u>	<u>1,115,030</u>
Excess (deficiency) of revenues over expenditures	<u>3,131,592</u>	<u>637,027</u>	<u>(2,494,565)</u>	<u>1,107,085</u>
Other Financing Sources (Uses)				
Transfers out	<u>(4,288,000)</u>	<u>(2,688,000)</u>	<u>1,600,000</u>	<u>(1,247,000)</u>
Net change in fund balance	<u>(1,156,408)</u>	<u>(2,050,973)</u>	<u>(894,565)</u>	<u>(139,915)</u>
Fund balance at beginning of year	<u>5,405,012</u>	<u>5,405,012</u>	<u>-</u>	<u>5,544,927</u>
Fund balance at end of year	<u>\$ 4,248,604</u>	<u>\$ 3,354,039</u>	<u>\$ (894,565)</u>	<u>\$ 5,405,012</u>

HORRY COUNTY, SOUTH CAROLINA
 CDBG GRANT PROGRAM SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018	2017
Assets		
Due from other governments	\$ 636,926	\$ 158,968
Total assets	\$ 636,926	\$ 158,968
 Liabilities		
Accounts payable - trade	\$ 112,080	\$ 137,484
Due to other funds	1,019,141	120,198
Due to other governments	-	137,184
Accrued salaries and wages	6,959	4,747
Total liabilities	1,138,180	399,613
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	94,222	36,401
Total deferred inflows of resources	94,222	36,401
 Fund Balance (Deficit)		
Unassigned	(595,476)	(277,046)
Total fund balance (deficit)	(595,476)	(277,046)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 636,926	\$ 158,968

HORRY COUNTY, SOUTH CAROLINA

CDBG GRANT PROGRAM SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 5,259,153	\$ 2,015,438	\$ (3,243,715)	\$ 1,936,057
Total revenues	<u>5,259,153</u>	<u>2,015,438</u>	<u>(3,243,715)</u>	<u>1,936,057</u>
Expenditures				
Current:				
Economic development:				
Personal services	362,575	306,091	56,484	249,805
Contractual services	239,438	45,488	193,950	55,677
Supplies and materials	21,383	3,282	18,101	6,165
Business and transportation	3,717	3,638	79	5,760
Indirect cost allocation	38,000	33,462	4,538	42,512
Capital outlay	347,507	272,507	75,000	-
Programs	444,129	-	444,129	-
Disaster	-	-	-	1,926
Contributions to agencies	3,501,169	1,368,165	2,133,004	1,519,259
Total expenditures	<u>4,957,918</u>	<u>2,032,633</u>	<u>2,925,285</u>	<u>1,881,104</u>
Excess (deficiency) of revenues over expenditures	<u>301,235</u>	<u>(17,195)</u>	<u>(318,430)</u>	<u>54,953</u>
Other Financing Sources (Uses)				
Transfers out	(301,235)	(301,235)	-	(50,486)
Total other financing sources (uses)	<u>(301,235)</u>	<u>(301,235)</u>	<u>-</u>	<u>(50,486)</u>
Net change in fund balance	-	(318,430)	(318,430)	4,467
Fund balance (deficit) at beginning of year	<u>(277,046)</u>	<u>(277,046)</u>	<u>-</u>	<u>(281,513)</u>
Fund balance (deficit) at end of year	<u>\$ (277,046)</u>	<u>\$ (595,476)</u>	<u>\$ (318,430)</u>	<u>\$ (277,046)</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2018

(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 800	\$ 800
Pooled cash and investments	2,353,843	2,290,798
Receivables, net:		
Property taxes	119,086	148,182
Fees	4,086	524
Due from other governments	105,258	182,588
Prepaid items	4,712	-
Total assets	<u>\$ 2,587,785</u>	<u>\$ 2,622,892</u>
Liabilities		
Accounts payable - trade	\$ 61,677	\$ 54,359
Accrued salaries and wages	56,608	48,284
Total liabilities	<u>118,285</u>	<u>102,643</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	3,823	138,383
Unavailable revenue-property taxes	102,579	135,570
Total deferred inflows of resources	<u>106,402</u>	<u>273,953</u>
Fund Balances		
Nonspendable	4,712	-
Restricted for culture, recreation and tourism	2,358,386	2,246,296
Total fund balances	<u>2,363,098</u>	<u>2,246,296</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,587,785</u>	<u>\$ 2,622,892</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,091,222	\$ 3,145,202	\$ 53,980	\$ 3,025,534
Personal property taxes	215,338	220,368	5,030	218,266
Vehicle taxes	320,806	331,897	11,091	331,578
Fee in lieu of tax	25,480	28,210	2,730	28,433
Intergovernmental	-	207,377	207,377	51,030
Interest	7,000	33,489	26,489	13,512
Other	850,416	966,330	115,914	873,553
Total revenues	4,510,262	4,932,873	422,611	4,541,906
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	2,413,843	2,264,318	149,525	1,948,200
Contractual services	507,530	507,530	-	477,696
Supplies and materials	194,117	188,570	5,547	185,704
Business and transportation	115,806	127,485	(11,679)	121,546
Capital outlay	9,000	-	9,000	24,343
Indirect cost allocation	901,045	901,045	-	860,596
Distributions to municipalities	200,000	200,000	-	200,000
Distributions to agencies	500	-	500	45,988
Programs	252,083	251,153	930	287,327
Athletics	132,625	132,625	-	165,280
Other	190,399	160,842	29,557	71,684
Disaster	-	8,308	(8,308)	76,679
Total expenditures	4,916,948	4,741,876	175,072	4,465,043
Excess (deficiency) of revenues over expenditures	(406,686)	190,997	597,683	76,863
Other Financing Sources (Uses)				
Transfers in	88,737	88,737	-	39,589
Transfers out	(162,932)	(162,932)	-	(30,103)
Total other financing sources (uses)	(74,195)	(74,195)	-	9,486
Net change in fund balance	(480,881)	116,802	597,683	86,349
Fund balance at beginning of year	2,246,296	2,246,296	-	2,159,947
Fund balance at end of year	\$ 1,765,415	\$ 2,363,098	\$ 597,683	\$ 2,246,296

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for all financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds). The primary sources of money in this fund are the proceeds from general obligation bond issues, State and Local Option Sales Tax, Federal and State grants and interest earnings.

General Improvement – accounts for financial resources and contribution of major capital facilities and equipment of the County.

Capital Project Sales Tax (RIDE II) – accounts for the one cent sales tax increase that is to be used to upgrade specific roads over a seven year period beginning May 1, 2007.

Capital Project Sales Tax (RIDE III) – accounts for the one cent sales tax increase that is to be used to upgrade specific roads over a seven year period beginning May 1, 2017.

Fire Apparatus Replacement – accounts for property tax revenue collected from 1.7 mills levied only against areas of the County that are provided with fire protection in the unincorporated areas of the County. The purpose is for providing fire apparatus replacement (pumpers, air trucks, aerials, brush trucks, tankers and heavy rescue).

Voluntary Developer Contributions – accounts for the monies donated by the developers to help offset the impact to the community because of increased housing and development in certain areas of the County. These contributions have designated uses as stated in the agreements. These designated uses can range from park developments/improvements, road improvements or support for fire protection in the developed area.

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2018

	Major Funds			
	General Improvement Capital Projects	Capital Projects Sales Tax - RIDE II	Capital Projects Sales Tax - RIDE III	Total Major Funds
Assets				
Pooled cash and investments	\$ 20,245,458	\$ 99,381,499	\$ 54,840,988	\$ 174,467,945
Receivables, net:				
Accounts and other	-	5,520	-	5,520
Due from other governments	385,750	85,743	33,648,081	34,119,574
Total assets	<u>\$ 20,631,208</u>	<u>\$ 99,472,762</u>	<u>\$ 88,489,069</u>	<u>\$ 208,593,039</u>
Liabilities				
Accounts payable - trade	\$ 439,291	\$ 4,877,038	\$ 268,679	\$ 5,585,008
Accrued salaries and wages	-	1,118	3,918	5,036
Total liabilities	<u>439,291</u>	<u>4,878,156</u>	<u>272,597</u>	<u>5,590,044</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	-	85,743	15,690,414	15,776,157
Total deferred inflows of resources	<u>-</u>	<u>85,743</u>	<u>15,690,414</u>	<u>15,776,157</u>
Fund balance				
Restricted for capital projects	5,597,613	94,508,863	72,526,058	172,632,534
Committed to other capital projects	14,594,304	-	-	14,594,304
Total fund balance	<u>20,191,917</u>	<u>94,508,863</u>	<u>72,526,058</u>	<u>187,226,838</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 20,631,208</u>	<u>\$ 99,472,762</u>	<u>\$ 88,489,069</u>	<u>\$ 208,593,039</u>

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018

	Major Funds			
	General Improvement Capital Projects	Capital Projects Sales Tax -RIDE II	Capital Projects Sales Tax -RIDE III	Total Major Funds
Revenues				
Intergovernmental	\$ 1,017,686	\$ -	\$ -	\$ 1,017,686
Sales tax	-	-	75,818,838	75,818,838
Interest	339,205	1,363,496	396,868	2,099,569
Other	1,011,790	-	-	1,011,790
Total revenues	<u>2,368,681</u>	<u>1,363,496</u>	<u>76,215,706</u>	<u>79,947,883</u>
Expenditures				
General government	816,948	-	-	816,948
Public safety	31,525	-	-	31,525
Infrastructure and regulation	919	2,191,892	313,049	2,505,860
Improvements to state roadways	-	26,971,683	236,281	27,207,964
Culture, recreation and tourism	19,371	-	-	19,371
Capital lease payments	578,994	-	-	578,994
Capital outlay	5,792,218	35,019,267	3,140,318	43,951,803
Total expenditures	<u>7,239,975</u>	<u>64,182,842</u>	<u>3,689,648</u>	<u>75,112,465</u>
Excess (deficiency) of revenue over expenditures	<u>(4,871,294)</u>	<u>(62,819,346)</u>	<u>72,526,058</u>	<u>4,835,418</u>
Other Financing Sources (Uses)				
Sale of assets	349,570	-	-	349,570
Transfers in	8,082,153	-	-	8,082,153
Transfers out	(654,049)	(370,773)	-	(1,024,822)
Total other financing sources (uses)	<u>7,777,674</u>	<u>(370,773)</u>	<u>-</u>	<u>7,406,901</u>
Net change in fund balance	<u>2,906,380</u>	<u>(63,190,119)</u>	<u>72,526,058</u>	<u>12,242,319</u>
Fund balance at beginning of year	<u>17,285,537</u>	<u>157,698,982</u>	<u>-</u>	<u>174,984,519</u>
Fund balance at end of year	<u>\$ 20,191,917</u>	<u>\$ 94,508,863</u>	<u>\$ 72,526,058</u>	<u>\$ 187,226,838</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2018

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 2,986,858	\$ 516,236	\$ 3,503,094
Receivables, net:			
Property taxes	70,100	-	70,100
Total assets	<u>\$ 3,056,958</u>	<u>\$ 516,236</u>	<u>\$ 3,573,194</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 62,735	-	\$ 62,735
Total deferred inflows of resources	<u>62,735</u>	<u>-</u>	<u>62,735</u>
Fund balance			
Restricted for capital projects	2,994,223	-	2,994,223
Restricted for culture, recreation and tourism	-	9,567	9,567
Restricted for infrastructure and regulation	-	506,669	506,669
Total fund balance	<u>2,994,223</u>	<u>516,236</u>	<u>3,510,459</u>
Total deferred inflows of resources and fund balance	<u>\$ 3,056,958</u>	<u>\$ 516,236</u>	<u>\$ 3,573,194</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Revenues			
Real property taxes	\$ 1,514,176	\$ -	\$ 1,514,176
Personal property taxes	128,251	-	128,251
Vehicle taxes	215,403	-	215,403
Fee in lieu of tax	9,124	-	9,124
Interest	39,874	6,073	45,947
Other	-	82,500	82,500
Total revenues	<u>1,906,828</u>	<u>88,573</u>	<u>1,995,401</u>
Expenditures			
Public Safety	30,000	-	30,000
Culture, recreation and tourism	-	24,301	24,301
Capital lease payments	1,529,066	-	1,529,066
Capital outlay	833,022	-	833,022
Total expenditures	<u>2,392,088</u>	<u>24,301</u>	<u>2,416,389</u>
Excess (deficiency) of revenue over expenditures	<u>(485,260)</u>	<u>64,272</u>	<u>(420,988)</u>
Net change in fund balance	(485,260)	64,272	(420,988)
Fund balance at beginning of year	<u>3,479,483</u>	<u>451,964</u>	<u>3,931,447</u>
Fund balance at end of year	<u>\$ 2,994,223</u>	<u>\$ 516,236</u>	<u>\$ 3,510,459</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 20,245,458	\$ 19,908,422
Due from other governments	385,750	448,330
Prepaid contracts	-	40,152
Total assets	<u>\$ 20,631,208</u>	<u>\$ 20,396,904</u>
Liabilities		
Accounts payable - trade	\$ 439,291	\$ 3,111,367
Total liabilities	<u>439,291</u>	<u>3,111,367</u>
Fund balance		
Nonspendable	-	40,152
Restricted for capital projects	5,597,613	5,313,647
Committed to capital projects	14,594,304	11,931,738
Total fund balance	<u>20,191,917</u>	<u>17,285,537</u>
Total liabilities and fund balance	<u>\$ 20,631,208</u>	<u>\$ 20,396,904</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018
(With comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
	<u>Actual</u>	<u>Actual</u>
Revenues		
Intergovernmental - state	\$ 617,686	\$ 816,360
Intergovernmental - other	400,000	400,240
Interest	339,205	182,865
Other	1,011,790	-
Total revenues	<u>2,368,681</u>	<u>1,399,465</u>
Expenditures		
General government:		
Supplies and materials	816,948	488,234
Capital outlay	2,304,555	1,573,856
Capital lease - principal	351,813	3,170,405
Capital lease - interest	227,181	267,383
Total general government	<u>3,700,497</u>	<u>5,499,878</u>
Public safety:		
Contractual services	-	26,836
Supplies and materials	31,525	190,982
Capital outlay	3,328,751	9,967,946
Capital lease - principal	-	821,424
Capital lease - interest	-	15,442
Total public safety	<u>3,360,276</u>	<u>11,022,630</u>
Infrastructure and regulation:		
Supplies and materials	919	47,769
Capital outlay	56,476	465,266
Total infrastructure and regulation	<u>57,395</u>	<u>513,035</u>
Culture, recreation and tourism:		
Supplies and materials	19,371	47,392
Capital outlay	102,436	374,510
Total culture, recreation and tourism	<u>121,807</u>	<u>421,902</u>
Total expenditures	<u>7,239,975</u>	<u>17,457,445</u>
Excess (deficiency) of revenue over expenditures	<u>(4,871,294)</u>	<u>(16,057,980)</u>

CONTINUED

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for the year ended June 30, 2017)

CONTINUED

	<u>2018</u>	<u>2017</u>
	<u>Actual</u>	<u>Actual</u>
Other Financing Sources (Uses)		
Issuance of bonded debt	-	3,000,000
Sale of Assets	349,570	-
Transfers in	8,082,153	8,727,409
Transfers out	(654,049)	(777,687)
Total other financing sources (uses)	<u>7,777,674</u>	<u>10,949,722</u>
Net change in fund balance	<u>2,906,380</u>	<u>(5,108,258)</u>
Fund balance at beginning of year	<u>17,285,537</u>	<u>22,393,795</u>
Fund balance at end of year	<u>\$ 20,191,917</u>	<u>\$ 17,285,537</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECT SALES TAX FUND - RIDE II
 BALANCE SHEETS

June 30, 2018
 (with comparative amounts for June 30, 2017)

	2018	2017
Assets		
Pooled cash and investments	\$ 99,381,499	\$ 161,462,099
Receivables, net:		
Accounts and other	5,520	21,329
Due from other governments	85,743	230,590
Total assets	\$ 99,472,762	\$ 161,714,018
Liabilities		
Accounts payable - trade	\$ 4,877,038	\$ 3,929,293
Accrued salaries and wages	1,118	-
Total liabilities	4,878,156	3,929,293
Deferred Inflows of Resources		
Unavailable revenue-fees and other	85,743	85,743
Total deferred inflows of resources	85,743	85,743
Fund balance		
Restricted for capital projects	94,508,863	157,698,982
Total fund balance	94,508,863	157,698,982
Total liabilities, deferred inflows of resources and fund balance	\$ 99,472,762	\$ 161,714,018

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND - RIDE II
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Revenues		
Sales tax	\$ -	\$ 403,028
Investment earnings	1,363,496	580,972
Total revenues	<u>1,363,496</u>	<u>984,000</u>
Expenditures		
Infrastructure and regulation:		
Personal services	44,301	58,137
Contractual services	1,943,036	-
Construction contracts - State	26,971,683	36,039,351
Capital outlay	11,772,325	-
Capital outlay - infrastructure	23,246,942	7,119,817
Disaster	-	4,094
Indirect cost allocation	204,555	136,275
Total expenditures	<u>64,182,842</u>	<u>43,357,674</u>
Excess (deficiency) of revenue over expenditures	<u>(62,819,346)</u>	<u>(42,373,674)</u>
Other Financing Sources (Uses)		
Transfers Out	<u>(370,773)</u>	<u>(37,948)</u>
Total other financing sources (uses)	<u>(370,773)</u>	<u>(37,948)</u>
Net change in fund balance	(63,190,119)	(42,411,622)
Fund balance at beginning of year	<u>157,698,982</u>	<u>200,110,604</u>
Fund balance at end of year	<u>\$ 94,508,863</u>	<u>\$ 157,698,982</u>

HORRY COUNTY, SOUTH CAROLINA
CAPITAL PROJECT SALES TAX FUND - RIDE III
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	2018	2017	
Assets			
Pooled cash and investments	\$ 54,840,988	\$ 4,009	
Due from other governments	33,648,081	14,219,841	
Total assets	\$ 88,489,069	\$ 14,223,850	
Liabilities			
Accounts payable - trade	\$ 268,679	\$ 151	
Accrued salaries and wages	3,918	3,858	
Total liabilities	272,597	4,009	
Deferred Inflows of Resources			
Unavailable revenue-fees and other	15,690,414	14,219,841	
Total deferred inflows of resources	15,690,414	14,219,841	
Fund balance			
Restricted for capital projects	72,526,058	-	
Total fund balance	72,526,058	-	
Total liabilities, deferred inflows of resources and fund balance	\$ 88,489,069	\$ 14,223,850	

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND - RIDE III
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Revenues		
Sales tax	\$ 75,818,838	\$ -
Investment earnings	396,868	-
Total revenues	<u>76,215,706</u>	<u>-</u>
Expenditures		
Infrastructure and regulation:		
Personal services	213,914	31,857
Contractual services	1,090	326
Supplies and materials	486	5,765
Business & transportation	403	-
Construction contracts	236,281	-
Capital outlay-infrastructure	3,140,318	-
Indirect cost allocation	2,585	-
Contributions to agencies	94,571	-
Total expenditures	<u>3,689,648</u>	<u>37,948</u>
Excess (deficiency) of revenue over expenditures	<u>72,526,058</u>	<u>(37,948)</u>
Other Financing Sources (Uses)		
Transfers in	-	37,948
Total other financing sources (uses)	<u>-</u>	<u>37,948</u>
Net change in fund balance	72,526,058	-
Fund balance at beginning of year	-	-
Fund balance at end of year	<u>\$ 72,526,058</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 2,986,858	\$ 2,122,246
Receivables, net:		
Property taxes	70,100	85,812
Restricted assets	-	1,353,127
Total assets	<u>\$ 3,056,958</u>	<u>\$ 3,561,185</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 62,735	\$ 81,702
Total deferred inflows of resources	<u>62,735</u>	<u>81,702</u>
Fund balance		
Restricted for capital projects	<u>2,994,223</u>	<u>3,479,483</u>
Total fund balance	<u>2,994,223</u>	<u>3,479,483</u>
Total deferred inflows of resources and fund balance	<u>\$ 3,056,958</u>	<u>\$ 3,561,185</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,499,935	\$ 1,514,176	\$ 14,241	\$ 1,447,783
Personal property taxes	123,413	128,251	4,838	125,854
Vehicle taxes	214,243	215,403	1,160	220,727
Fee in lieu of tax	8,667	9,124	457	9,967
Interest	10,000	39,874	29,874	17,856
Total revenues	<u>1,856,258</u>	<u>1,906,828</u>	<u>50,570</u>	<u>1,822,187</u>
Expenditures				
Current:				
Public Safety:				
Contractual services	-	-	-	1,500
Capital outlay	2,048,785	833,022	1,215,763	5,664,385
Indirect cost allocation	30,000	30,000	-	30,000
Capital lease - principal	1,325,000	1,325,000	-	1,325,000
Capital lease - interest	204,066	204,066	-	225,296
Total expenditures	<u>3,607,851</u>	<u>2,392,088</u>	<u>1,215,763</u>	<u>7,246,181</u>
Excess (deficiency) of revenues over expenditures	<u>(1,751,593)</u>	<u>(485,260)</u>	<u>1,266,333</u>	<u>(5,423,994)</u>
Net change in fund balance	(1,751,593)	(485,260)	1,266,333	(5,423,994)
Fund balance at beginning of year	3,479,483	3,479,483	-	8,903,477
Fund balance at end of year	<u>\$ 1,727,890</u>	<u>\$ 2,994,223</u>	<u>\$ 1,266,333</u>	<u>\$ 3,479,483</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 516,236	\$ 451,964
Total assets	<u>\$ 516,236</u>	<u>\$ 451,964</u>
Fund balance		
Restricted for culture, recreation and tourism	\$ 9,567	\$ 33,868
Restricted for infrastructure and regulation	<u>506,669</u>	<u>418,096</u>
Total fund balance	<u>\$ 516,236</u>	<u>\$ 451,964</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
 (With comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Revenues		
Interest	\$ 6,073	\$ 2,076
Other	82,500	88,979
Total revenues	<u>88,573</u>	<u>91,055</u>
Expenditures		
Culture, recreation and tourism:		
Other	24,301	-
Total expenditures	<u>24,301</u>	<u>-</u>
Excess of revenue over expenditures	<u>64,272</u>	<u>91,055</u>
Net change in fund balance	64,272	91,055
Fund balance at beginning of year	<u>451,964</u>	<u>360,909</u>
Fund balance at end of year	<u>\$ 516,236</u>	<u>\$ 451,964</u>

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of funds for, and payment of, all general long-term debt principal, interest and fees, exclusive of those relating to the proprietary funds. The County currently has established the following debt service funds:

RIDE Program – accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects.

General Debt – accounts for revenue collected from 5.0 mills levied on real and personal property and the funds accumulated for, and payment of, all general obligation long-term debt principal, interest and fees other than those accounted for in other funds.

Special Obligation Debt – accounts for the funds accumulated for, and payment of, all special obligation debt principal, interest and fees other than those accounted for in other funds.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 5,786,272	\$ 4,286,497
Receivables (net):		
Fees	6,030,866	5,748,839
Funds held in trust (restricted):		
Loan reserve account	65,885,348	49,282,559
Total assets	<u>\$ 77,702,486</u>	<u>\$ 59,317,895</u>
 Fund Balance		
Restricted for debt service	<u>\$ 77,702,486</u>	<u>\$ 59,317,895</u>
Total fund balance	<u>\$ 77,702,486</u>	<u>\$ 59,317,895</u>

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND- MAJOR FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Hospitality Fees	\$ 39,706,000	\$ 41,667,715	\$ 1,961,715	\$ 40,868,582
Interest	680,000	1,004,623	324,623	796,417
Total revenues	<u>40,386,000</u>	<u>42,672,338</u>	<u>2,286,338</u>	41,664,999
Expenditures				
Debt Service:				
Contractual Services	42,000	-	42,000	-
Principal	20,843,094	20,843,094	-	33,581,667
Interest	3,028,040	3,028,040	-	3,905,324
Contingency	16,075,756	-	16,075,756	-
Total debt service	<u>39,988,890</u>	<u>23,871,134</u>	<u>16,117,756</u>	37,486,991
Excess of revenue over expenditures	<u>397,110</u>	<u>18,801,204</u>	<u>18,404,094</u>	4,178,008
Other Financing Sources (Uses)				
Transfers out	(397,110)	(416,613)	(19,503)	(403,656)
Total other financing sources (uses)	<u>(397,110)</u>	<u>(416,613)</u>	<u>(19,503)</u>	(403,656)
Net change in fund balance	-	18,384,591	18,384,591	3,774,352
Fund balance, beginning of year	<u>59,317,895</u>	<u>59,317,895</u>	-	55,543,543
Fund balance, end of year	<u>\$ 59,317,895</u>	<u>\$ 77,702,486</u>	<u>\$ 18,384,591</u>	<u>\$ 59,317,895</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2018

	Non-Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 7,663,344	\$ -	\$ 7,663,344
Receivables, net:			
Taxes	350,903	-	350,903
Fees	12,017	10,009	22,026
Due from other governments	10,126	-	10,126
Restricted assets	-	239,049	239,049
Total assets	<u>\$ 8,036,390</u>	<u>\$ 249,058</u>	<u>\$ 8,285,448</u>
Liabilities			
Due to other funds	\$ -	\$ 12,283	\$ 12,283
Total liabilities	<u>-</u>	<u>12,283</u>	<u>12,283</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	302,546	-	302,546
Total deferred inflows of resources	<u>302,546</u>	<u>-</u>	<u>302,546</u>
Fund Balance			
Restricted for debt service	7,733,844	236,775	7,970,619
Total fund balance	<u>7,733,844</u>	<u>236,775</u>	<u>7,970,619</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,036,390</u>	<u>\$ 249,058</u>	<u>\$ 8,285,448</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Non- Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Revenues			
Real property taxes	\$ 9,249,506	\$ -	\$ 9,249,506
Personal property taxes	647,769	-	647,769
Vehicle taxes	979,528	-	979,528
Fee in lieu of tax	82,994	-	82,994
Intergovernmental	38,013	-	38,013
Hospitality fees	-	51,524	51,524
Interest	124,591	2,326	126,917
Total revenues	<u>11,122,401</u>	<u>53,850</u>	<u>11,176,251</u>
Expenditures			
Debt service:			
Principal	11,175,000	220,500	11,395,500
Interest	1,781,376	17,062	1,798,438
Agents fees	2,163	-	2,163
Total debt service	<u>12,958,539</u>	<u>237,562</u>	<u>13,196,101</u>
Total expenditures	<u>12,958,539</u>	<u>237,562</u>	<u>13,196,101</u>
Excess (deficiency) of revenues over expenditures	<u>(1,836,138)</u>	<u>(183,712)</u>	<u>(2,019,850)</u>
Other Financing Sources (Uses)			
Transfers in	1,791,982	-	1,791,982
Total other financing sources	<u>1,791,982</u>	<u>-</u>	<u>1,791,982</u>
Net change in fund balance	(44,156)	(183,712)	(227,868)
Fund balance at beginning of year	<u>7,778,000</u>	<u>420,487</u>	<u>8,198,487</u>
Fund balance at end of year	<u>\$ 7,733,844</u>	<u>\$ 236,775</u>	<u>\$ 7,970,619</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ 7,663,344	\$ 7,730,260
Receivables, net:		
Property taxes	350,903	436,742
Fees	12,017	1,542
Due from other governments	10,126	9,230
Total assets	<u>\$ 8,036,390</u>	<u>\$ 8,177,774</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 302,546	\$ 399,774
Total deferred inflows of resources	<u>302,546</u>	<u>399,774</u>
Fund Balance		
Restricted for debt service	7,733,844	7,778,000
Total fund balance	<u>7,733,844</u>	<u>7,778,000</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,036,390</u>	<u>\$ 8,177,774</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 9,073,283	\$ 9,249,506	\$ 176,223	\$ 8,898,944
Personal property taxes	636,606	647,769	11,163	641,445
Vehicle taxes	954,922	979,528	24,606	978,401
Fee in lieu of tax	74,904	82,994	8,090	84,044
Intergovernmental	35,026	38,013	2,987	35,499
Interest	25,000	124,591	99,591	168,105
Other	-	-	-	13,246
Total revenues	<u>10,799,741</u>	<u>11,122,401</u>	<u>322,660</u>	<u>10,819,684</u>
Expenditures				
Debt Service:				
Principal	11,175,000	11,175,000	-	9,933,000
Interest	1,781,376	1,781,376	-	2,242,256
Agents fees	4,500	2,163	2,337	2,162
Bond issuance costs	-	-	-	36,765
Total expenditures	<u>12,960,876</u>	<u>12,958,539</u>	<u>2,337</u>	<u>12,214,183</u>
Excess (deficiency) of revenues over expenditures	<u>(2,161,135)</u>	<u>(1,836,138)</u>	<u>324,997</u>	<u>(1,394,499)</u>
Other Financing Sources (Uses)				
Transfers in	1,793,682	1,791,982	(1,700)	1,792,848
Proceeds of Refunding Bonds	-	-	-	6,985,000
Debt Service-Principal	-	-	-	(6,960,000)
Total other financing sources	<u>1,793,682</u>	<u>1,791,982</u>	<u>(1,700)</u>	<u>1,817,848</u>
Net change in fund balance	<u>(367,453)</u>	<u>(44,156)</u>	<u>323,297</u>	<u>423,349</u>
Fund balance at beginning of year	<u>7,778,000</u>	<u>7,778,000</u>	<u>-</u>	<u>7,354,651</u>
Fund balance at end of year	<u>\$ 7,410,547</u>	<u>\$ 7,733,844</u>	<u>\$ 323,297</u>	<u>\$ 7,778,000</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Pooled cash and investments	\$ -	\$ 156,397
Receivables, net:		
Fees	10,009	32,046
Restricted assets	<u>239,049</u>	<u>232,044</u>
Total assets	<u>\$ 249,058</u>	<u>\$ 420,487</u>
 Liabilities		
Due to other funds	<u>\$ 12,283</u>	<u>\$ -</u>
Total Liabilities	<u>12,283</u>	<u>-</u>
 Fund Balance		
Restricted for debt service	<u>236,775</u>	<u>420,487</u>
Total liabilities and fund balance	<u>\$ 249,058</u>	<u>\$ 420,487</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
 (with comparative actual amounts for the year ended June 30, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 72,600	\$ 51,524	\$ (21,076)	\$ 243,675
Interest	-	2,326	2,326	692
Total revenues	<u>72,600</u>	<u>53,850</u>	<u>(18,750)</u>	<u>244,367</u>
Expenditures				
Debt Service:				
Principal	220,500	220,500	-	210,000
Interest	22,575	17,062	5,513	27,825
Agents fees	750	-	750	-
Total debt service	<u>243,825</u>	<u>237,562</u>	<u>6,263</u>	<u>237,825</u>
Net change in fund balance	(171,225)	(183,712)	(12,487)	6,542
Fund balance at beginning of year	<u>420,487</u>	<u>420,487</u>	-	<u>413,945</u>
Fund balance at end of year	<u>\$ 249,262</u>	<u>\$ 236,775</u>	<u>\$ (12,487)</u>	<u>\$ 420,487</u>

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY (ENTERPRISE) FUND

Proprietary (enterprise) funds account for operations that are financed and operated in a manner similar to private business enterprises. In a proprietary fund the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Department of Airports – accounts for revenue and expenses for the operations of the Conway, Loris, Grand Strand general aviation airports, and the Myrtle Beach International Airport.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

JUNE 30, 2018

(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u> (as restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,129,460	\$ 32,788,974
Pooled cash and investments	4,169,288	-
Investments	10,064,256	-
Accounts receivable (net of allowance of \$176,546 in 2018 and \$150,474 in 2017)	2,487,167	1,454,327
Accounts receivable-insurance	-	91,144
Due from other governments	308,376	599,957
Inventories	1,204,254	1,031,701
Prepaid items	207,859	223,489
Total current assets	<u>37,570,660</u>	<u>36,189,592</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	16,227,823	45,833,041
Investments	37,499,509	22,363,605
Receivables - PFC and CFC	1,418,159	970,503
Total restricted assets	<u>55,145,491</u>	<u>69,167,149</u>
Investments	<u>22,147,445</u>	<u>22,363,605</u>
Capital assets:		
Land, easements and infrastructure	32,455,493	32,455,493
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	205,328,249	208,854,469
Construction-in-progress	3,845,483	872,045
Total capital assets, net	<u>241,629,225</u>	<u>242,182,007</u>
Service concession arrangement (SCA)	<u>6,159,404</u>	<u>7,825,057</u>
Total assets	<u>362,652,225</u>	<u>355,363,805</u>
Deferred outflows of resources:		
Deferred Outflows-Pension	2,192,306	2,298,928
Deferred Outflows-OPEB	52,346	-
Total deferred outflows of resources	<u>2,244,652</u>	<u>2,298,928</u>
Total assets and deferred outflows of resources	<u>\$ 364,896,877</u>	<u>\$ 357,662,733</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

- CONTINUED -

	<u>2018</u>	<u>2017</u> (as restated)
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,141,045	\$ 1,442,845
Accrued salaries, wages and compensated absences	380,871	419,390
Other accrued expenses	344,765	338,762
Due to other funds	933,604	1,141,465
Unearned revenue from operating agreements	429,229	459,836
Due to other governments	50,500	50,500
Capital lease payable - current portion	56,262	55,623
Amounts due to tenants, airlines, car rentals	648,372	587,975
Total current liabilities	<u>3,984,648</u>	<u>4,496,396</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,415,000	1,370,000
Accrued interest payable	1,446,447	1,466,997
Total current liabilities payable from restricted assets	<u>2,861,447</u>	<u>2,836,997</u>
Noncurrent liabilities:		
Revenue bonds payable	53,841,255	55,249,353
Compensated absences - long term	886,857	944,881
Net other post-employment benefits obligation (NOO)	1,266,906	831,402
Net pension liability	13,423,046	12,518,662
Present value of payments under Service Concession Arrangement	6,159,404	7,825,057
Capital lease payable	221,730	277,993
Total non-current liabilities	<u>75,799,198</u>	<u>77,647,348</u>
Total liabilities	<u>82,645,293</u>	<u>84,980,741</u>
Deferred Inflows of Resources		
Deferred Inflows - pension	(320,339)	11,326
Deferred Inflows - OPEB	95,330	-
Total deferred inflows of resources	<u>(225,009)</u>	<u>11,326</u>
Net position		
Net investment in capital assets	187,509,978	186,599,038
Restricted for:		
Debt service	27,798,732	22,956,681
Capital projects	24,477,597	21,007,757
Unrestricted	42,690,286	42,107,190
Total net position	<u>282,476,593</u>	<u>272,670,666</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 364,896,877</u>	<u>\$ 357,662,733</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u> (as restated)
Operating Revenues		
Landing fees	\$ 2,378,344	\$ 1,595,249
Airline terminal rents	6,754,306	6,309,725
Concessions and rentals	11,107,992	10,113,063
Baggage Handling System	829,675	809,144
Security fees	270,682	236,605
Leases	902,131	908,524
Fuel sales - FBO	9,039,324	5,397,309
Other airline services	623,804	536,733
Federal revenue- TSA LEO reimbursement program	120,523	115,570
Other	839,729	800,420
Total operating revenues	<u>32,866,510</u>	<u>26,822,342</u>
Less, signatory airline rebate and incentive fee waivers	<u>(984,707)</u>	<u>(332,614)</u>
Net operating revenues	<u>31,881,803</u>	<u>26,489,728</u>
Operating Expenses		
Salaries and benefits	10,045,260	8,825,459
Utilities	1,800,941	1,714,881
Baggage Handling System	829,675	809,144
Outside and professional services	1,403,200	1,257,770
Maintenance and supplies	1,889,717	1,642,293
Fuel cost of sales	5,904,129	3,375,877
Vehicle and equipment (non-capital) expense	501,285	461,816
Insurance	391,699	427,470
Dues, memberships and travel	277,311	244,878
Office supplies	39,879	39,269
Indirect cost allocation	125,000	400,000
Depreciation and amortization	12,007,277	11,750,454
Bad debt expense	28,447	(67,669)
Total operating expenses	<u>35,243,820</u>	<u>30,881,642</u>
Operating loss	<u>(3,362,017)</u>	<u>(4,391,914)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

- CONTINUED -

	<u>2018</u>	<u>2017</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC)	5,428,485	4,388,439
Contract Facility Charges (CFC)	3,396,212	3,312,600
Intergovernmental revenues - City of Myrtle Beach	2,366,189	2,168,152
Gain / (loss) on disposal/sale of capital assets	11,660	27,093
Other expense	-	(144,152)
Interest income	1,157,286	663,970
Interest expense	(2,903,268)	(2,945,001)
Other income	33,010	-
Interest subsidy on Recovery Zone Economic Bonds	299,372	298,410
Net non-operating revenues (expenses)	<u>9,788,946</u>	<u>7,769,511</u>
 Income before capital contributions	 <u>6,426,929</u>	 <u>3,377,597</u>
Capital Contributions		
Federal grant revenue - capital projects	3,500,915	3,959,468
State grant revenue - capital projects	226,738	37,027
Net capital contributions	<u>3,727,653</u>	<u>3,996,495</u>
 Increase in net position	 <u>10,154,582</u>	 <u>7,374,092</u>
Net Position		
Beginning of year	272,670,666	265,296,574
Effect of restatement for GASB 75 implementation	(348,655)	-
End of year, as restated	<u>\$ 282,476,593</u>	<u>\$ 272,670,666</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows provided by (used for) operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 20,873,529	\$ 20,678,278
FBO fuel sales and airline services	9,350,187	5,880,750
Vending, FBO Ramp fees, hanger fees and other	626,591	784,791
Cash paid for:		
Salaries and benefits	(9,332,629)	(8,688,077)
Maintenance, supplies, fuel, utilities and equipment	(13,823,417)	(10,209,895)
Net cash provided by operating activities	<u>7,694,261</u>	<u>8,445,847</u>
Cash flows from non-capital financing activities		
Settlement-insurance	99,317	(78,202)
Building demolition and tree removal	-	(157,093)
Other nonoperating income	24,837	-
Net cash used in non-capital financing activities	<u>124,154</u>	<u>(235,295)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	8,377,041	7,760,717
Acquisition and construction of capital assets	(11,454,495)	(8,684,882)
Sale of capital assets	11,660	27,093
Interest paid on bonds and notes	(2,916,917)	(2,964,500)
Principal payments on bonds and notes	(1,370,000)	(1,320,000)
Receipt of federal subsidy for "RZEDB" (Series 2010B)	299,372	298,410
Principal payments on capital lease obligation	(55,624)	(54,989)
Receipt of intergovernmental and private grants	2,366,189	2,168,152
Proceeds from Airport Improvement Program, TSA and State grants	4,019,234	4,680,640
Net cash used in capital and related financing activities	<u>(723,540)</u>	<u>1,910,641</u>
Cash flows from investing activities		
Investment purchases	(10,000,000)	(9,433,389)
Interest on investments	1,309,190	699,201
Net cash provided by investing activities	<u>(8,690,810)</u>	<u>(8,734,188)</u>
Net increase in cash and cash equivalents	<u>(1,595,935)</u>	<u>1,387,005</u>
Cash and cash equivalents, beginning of year as restated		
Unrestricted	32,788,974	49,250,297
Restricted	45,833,041	27,984,713
	<u>78,622,015</u>	<u>77,235,010</u>
Cash and cash equivalents, end of year		
Unrestricted	23,298,748	32,788,974
Restricted	53,727,332	45,833,041
	<u>\$ 77,026,080</u>	<u>\$ 78,622,015</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	<u>2018</u>	<u>2017</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (3,362,017)	\$ (4,391,914)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	12,007,277	11,750,454
Bad debt expense	28,447	(67,669)
(Increase) decrease in certain assets:		
Accounts receivable	(1,061,286)	971,909
Prepaid items	15,630	(88,909)
Inventories	(172,553)	(49,842)
(Decrease) increase in certain liabilities:		
Accounts payable	(301,800)	186,130
Accrued salaries, wages and compensated absences	(96,543)	(16,907)
Net other post-employment benefit obligation	129,833	12,820
Net pension obligation and related deferred inflows and outflows	679,341	141,469
Other accrued expenses	6,003	35,804
Due to Horry County - General Fund	(207,861)	80,320
Unearned revenue	(30,607)	184,698
Amounts due to tenants, airlines, car rentals	60,397	(302,516)
Net cash provided by operating activities	<u>\$ 7,694,261</u>	<u>\$ 8,445,847</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods and services provided by one department to other departments of the government and to other units, on a cost reimbursement basis.

Fleet Service – accounts for the maintenance and replacement of County vehicles including heavy and light equipment.

Communications – accounts for the maintenance and replacement of County communications equipment.

HORRY COUNTY, SOUTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

June 30, 2018

	<u>Fleet Service</u>	<u>Communications</u>	<u>Total</u>
Assets			
Current assets:			
Pooled cash and investments	\$ 27,052,555	\$ 1,124,146	\$ 28,176,701
Accounts receivable	11,791	80,452	92,243
Prepaid	-	87,021	87,021
Inventory	188,672	-	188,672
Total current assets	<u>27,253,018</u>	<u>1,291,619</u>	<u>28,544,637</u>
Non-current assets:			
Capital assets:			
Land improvements	17,750	-	17,750
Buildings and improvements	362,735	-	362,735
Machinery and equipment	38,197,506	13,794,864	51,992,370
Less, accumulated depreciation	<u>(25,748,670)</u>	<u>(2,430,864)</u>	<u>(28,179,534)</u>
Net capital assets	<u>12,829,321</u>	<u>11,364,000</u>	<u>24,193,321</u>
Total assets	<u>40,082,339</u>	<u>12,655,619</u>	<u>52,737,958</u>
Deferred outflows of resources:			
Deferred outflows - pension	513,375	66,473	579,848
Deferred outflows - OPEB	21,340	-	21,340
Total deferred outflows of resources	<u>534,715</u>	<u>66,473</u>	<u>601,188</u>
Total assets and deferred outflows of resources	<u>\$ 40,617,054</u>	<u>\$ 12,722,092</u>	<u>\$ 53,339,146</u>
Liabilities			
Current liabilities:			
Accounts payable-trade	\$ 108,916	\$ 11,790	\$ 120,706
Accrued interest payable	-	26,078	26,078
Accrued salaries, wages and compensated absences	20,174	2,692	22,866
Capital lease payable - current portion	-	530,949	530,949
Total current liabilities	<u>129,090</u>	<u>571,509</u>	<u>700,599</u>
Non-current liabilities:			
Compensated absences - long term	98,099	24,987	123,086
Capital lease payable	-	1,686,404	1,686,404
Total OPEB liability	310,153	7,081	317,234
Net pension liability	<u>1,812,309</u>	<u>22,918</u>	<u>1,835,227</u>
Total non-current liabilities	<u>2,220,561</u>	<u>1,741,390</u>	<u>3,961,951</u>
Total Liabilities	<u>2,349,651</u>	<u>2,312,899</u>	<u>4,662,550</u>
Deferred inflows of resources			
Deferred inflows - pension	1,005	23,046	24,051
Deferred inflows - OPEB	24,186	321	24,507
Total deferred inflows of resources	<u>25,191</u>	<u>23,367</u>	<u>48,558</u>
Net position			
Net investment in capital assets	12,829,321	9,146,647	21,975,968
Restricted for capital	<u>25,412,891</u>	<u>1,239,179</u>	<u>26,652,070</u>
Total net position	<u>38,242,212</u>	<u>10,385,826</u>	<u>48,628,038</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 40,617,054</u>	<u>\$ 12,722,092</u>	<u>\$ 53,339,146</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2018

	Fleet Service	Communications	Total
Operating Revenues			
Charges for services	\$ 8,628,445	\$ 1,528,845	\$ 10,157,290
Fees	-	835,465	835,465
Intergovernmental-Other	-	115,269	115,269
Total operating revenues	<u>8,628,445</u>	<u>2,479,579</u>	<u>11,108,024</u>
Operating Expenses			
Personal services	1,381,136	281,527	1,662,663
Contractual services	39,953	336,185	376,138
Supplies and materials	44,973	51,560	96,533
Business and transportation	1,596,014	14,181	1,610,195
Indirect cost allocation	16,207	32,044	48,251
Cost Allocation	391,594	17,649	409,243
Depreciation	4,191,421	1,002,257	5,193,678
Other	11,073	5,200	16,273
Total operating expenses	<u>7,672,371</u>	<u>1,740,603</u>	<u>9,412,974</u>
Operating income (loss)	<u>956,074</u>	<u>738,976</u>	<u>1,695,050</u>
Nonoperating revenues (expenses)			
Gain (loss) on disposal of assets	395,028	28,049	423,077
Other	381,150	10,869	392,019
Interest revenue	316,061	9,083	325,144
Interest expense	-	(104,828)	(104,828)
Net non-operating revenues	<u>1,092,239</u>	<u>(56,827)</u>	<u>1,035,412</u>
Income before capital contributions and transfers	<u>2,048,313</u>	<u>682,149</u>	<u>2,730,462</u>
Capital Contributions	362,735	9,213,544	9,576,279
Transfers in	842,709	-	842,709
Transfers out	(34,231)	(245,000)	(279,231)
Change in net position	3,219,526	9,650,693	12,870,219
Net position, beginning of year	35,123,922	736,478	35,860,400
Effect of restatement for GASB 75 implementation	(101,236)	(1,345)	(102,581)
Net position, end of year	<u>\$ 38,242,212</u>	<u>\$ 10,385,826</u>	<u>\$ 48,628,038</u>

HORRY COUNTY, SOUTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Fleet Service</u>	<u>Communications</u>	<u>Total</u>
Cash flows provided by (used for) operating activities			
Cash received from:			
Services	\$ 8,628,445	\$ 1,528,845	\$ 10,157,290
Fees and Other	-	855,724	855,724
Intergovernmental	-	119,336	119,336
Cash paid for:			
Salaries and benefits	(1,220,241)	(252,749)	(1,472,990)
Maintenance, supplies, fuel, utilities and equipment	(2,179,166)	(408,505)	(2,587,671)
Other supplies and miscellaneous costs	(11,073)	(54,893)	(65,966)
Net cash provided by operating activities	<u>5,217,965</u>	<u>1,787,758</u>	<u>7,005,723</u>
Cash flows from non-capital and related financing activities			
Transfers in	842,709	-	842,709
Transfers out	(34,231)	(245,000)	(279,231)
Other nonoperating income		10,869	10,869
Net cash provided by (used for) non-capital and related financing activities	<u>808,478</u>	<u>(234,131)</u>	<u>574,347</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(4,188,861)	(307,848)	(4,496,709)
Proceeds from disposition of capital assets	559,367	28,049	587,416
Principal paid on capital debt	-	(516,081)	(516,081)
Interest paid on capital debt	-	(78,750)	(78,750)
Miscellaneous proceeds	369,359	-	369,359
Net cash used for capital and other related financing activities	<u>(3,260,135)</u>	<u>(874,630)</u>	<u>(4,134,765)</u>
Cash flows from investing activities			
Interest income	316,061	9,083	325,144
Net cash provided by investing activities	<u>316,061</u>	<u>9,083</u>	<u>325,144</u>
Net change in cash and cash equivalents	3,082,369	688,080	3,770,449
Cash and cash equivalents, beginning of year	23,970,186	436,066	24,406,252
Cash and cash equivalents, end of year	<u>\$ 27,052,555</u>	<u>\$ 1,124,146</u>	<u>\$ 28,176,701</u>
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income	\$ 956,074	\$ 738,976	\$ 1,695,050
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	4,191,421	1,002,257	5,193,678
(Increase) decrease in assets and deferred outflows of resources:			
Fee receivable	-	20,259	20,259
Due from other governments	-	4,067	4,067
Prepaid	-	(7,221)	(7,221)
Inventories	51,817	-	51,817
Deferred outflows of resources	(275,283)	(43,903)	(319,186)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	(142,242)	642	(141,600)
Accrued salaries, wages and compensated absences	2,263	49,314	51,577
Net other post-employment benefits obligation	(2,019)	-	(2,019)
Net pension liability	412,263	-	412,263
Deferred inflows of resources	23,671	23,367	47,038
Net cash provided by operating activities	<u>\$ 5,217,965</u>	<u>\$ 1,787,758</u>	<u>\$ 7,005,723</u>
Noncash capital and financing activities			
Capital contribution received	<u>\$ 362,735</u>	<u>\$ 9,213,544</u>	<u>\$ 9,576,279</u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2018
(with comparative amounts for June 30, 2017)

	<u>2018</u>	<u>2017</u> (as restated)
Assets		
Current assets:		
Pooled cash and investments	\$ 27,052,555	\$ 23,970,186
Accounts receivable	11,791	-
Inventory	188,672	240,489
Total current assets	<u>27,253,018</u>	<u>24,210,675</u>
Non-current assets:		
Capital assets:		
Land improvements	17,750	17,750
Buildings and improvements	362,735	-
Machinery and equipment	38,197,506	35,948,017
Construction-in-progress	-	3,338
Less, accumulated depreciation	<u>(25,748,670)</u>	<u>(23,335,620)</u>
Net capital assets	<u>12,829,321</u>	<u>12,633,485</u>
Total assets	<u>40,082,339</u>	<u>36,844,160</u>
Deferred outflows of resources:		
Deferred outflows - pension	513,375	259,432
Deferred outflows - OPEB	21,340	-
Total deferred outflows of resources	<u>534,715</u>	<u>259,432</u>
Total assets and deferred outflows of resources	<u>\$ 40,617,054</u>	<u>\$ 37,103,592</u>
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 108,916	\$ 251,158
Accrued salaries, wages and compensated absences	20,174	19,271
Total current liabilities	<u>129,090</u>	<u>270,429</u>
Non-current liabilities:		
Compensated absences - long term	98,099	96,739
Total OPEB liability	310,153	312,172
Net pension liability	1,812,309	1,400,046
Total non-current liabilities	<u>2,220,561</u>	<u>1,808,957</u>
Total Liabilities	<u>2,349,651</u>	<u>2,079,386</u>
Deferred inflows of resources		
Deferred inflows - pension	1,005	1,520
Deferred inflows - OPEB	24,186	-
Total deferred inflows of resources	<u>25,191</u>	<u>1,520</u>
Net position		
Net investment in capital assets	12,829,321	12,633,485
Restricted for capital	25,412,891	22,389,201
Total net position	<u>38,242,212</u>	<u>35,022,686</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 40,617,054</u>	<u>\$ 37,103,592</u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Charges for services	\$ 8,628,445	\$ 8,439,851
Total operating revenues	<u>8,628,445</u>	<u>8,439,851</u>
Operating Expenses		
Personal services	1,381,136	1,317,109
Contractual services	39,953	35,492
Supplies and materials	44,973	37,707
Business and transportation	1,596,014	1,747,642
Indirect cost allocation	16,207	9,336
Cost allocation	391,594	-
Depreciation	4,191,421	3,984,481
Other	11,073	11,073
Disaster	-	8,667
Total operating expenses	<u>7,672,371</u>	<u>7,151,507</u>
Operating income	<u>956,074</u>	<u>1,288,344</u>
Nonoperating revenues		
Gain (loss) on disposal of assets	395,028	97,629
Other	381,150	75,252
Interest	316,061	117,261
Net non-operating revenues	<u>1,092,239</u>	<u>290,142</u>
Income before capital contributions and transfers	<u>2,048,313</u>	<u>1,578,486</u>
Capital contributions	362,735	-
Transfers in	842,709	393,806
Transfers out	<u>(34,231)</u>	<u>(4,147)</u>
Change in net position,	3,219,526	1,968,145
Net position, beginning of year	35,123,922	33,155,777
Effect of restatement for GASB 75 implementation	(101,236)	-
Net position, end of year, as restated	<u><u>\$ 38,242,212</u></u>	<u><u>\$ 35,123,922</u></u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows provided by (used for) operating activities		
Cash received from:		
Services	\$ 8,628,445	\$ 8,439,851
Cash paid for:		
Salaries and benefits	(1,220,241)	(1,156,388)
Maintenance, supplies, fuel, utilities and equipment	(2,179,166)	(2,204,469)
Other supplies and miscellaneous costs	(11,073)	(11,073)
Net cash provided by operating activities	<u>5,217,965</u>	<u>5,067,921</u>
Cash flows from non-capital and related financing activities		
Transfers in	842,709	393,806
Transfers out	(34,231)	(4,147)
Net cash provided by non-capital and related financing activities	<u>808,478</u>	<u>389,659</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(4,188,861)	(4,459,915)
Proceeds from disposition of capital assets	559,367	176,638
Miscellaneous proceeds	369,359	75,252
Net cash used for capital and other related financing activities	<u>(3,260,135)</u>	<u>(4,208,025)</u>
Cash flows from investing activities		
Interest income	316,061	117,261
Net cash provided by investing activities	<u>316,061</u>	<u>117,261</u>
Net change in cash and cash equivalents	3,082,369	1,366,816
Cash and cash equivalents, beginning of year	23,970,186	22,603,370
Cash and cash equivalents, end of year	<u>\$ 27,052,555</u>	<u>\$ 23,970,186</u>
Reconciliation of operating income to net cash provided by (used for) by operating activities		
Operating income	\$ 956,074	\$ 1,288,344
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,191,421	3,984,481
(Increase) decrease in assets and deferred outflow of resources		
Inventories	51,817	194,612
Deferred outflows of resources	(275,283)	-
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(142,242)	(560,237)
Accrued salaries, wages and compensated absences	2,263	160,721
Net other post-employment benefits obligation	(2,019)	-
Net pension liability	412,263	-
Deferred inflows of resources	23,671	-
Net cash provided by operating activities	<u>\$ 5,217,965</u>	<u>\$ 5,067,921</u>
Noncash capital and financing activities		
Capital contribution received	<u>\$ 362,735</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA
COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2018
(with comparative amounts for June 30, 2017)

	2018	2017 (as restated)
Assets		
Current assets:		
Pooled cash and investments	\$ 1,124,146	\$ 436,066
Fee receivable	80,452	100,711
Due from other governments	-	4,067
Prepaid	87,021	79,800
Total current assets	1,291,619	620,644
Non-current assets:		
Capital assets:		
Machinery and equipment	13,794,864	4,273,472
Less, accumulated depreciation	(2,430,864)	(1,428,607)
Net capital assets	11,364,000	2,844,865
Total assets	12,655,619	3,465,509
Deferred outflows of resources:		
Deferred outflows - pension	66,473	22,570
Total deferred outflows of resources	66,473	22,570
Total assets and deferred outflows of resources	\$ 12,722,092	\$ 3,488,079
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 11,790	\$ 11,148
Accrued salaries, wages and compensated absences	2,692	4,217
Accrued interest payable	26,078	-
Capital lease payable	530,949	516,081
Total current liabilities	571,509	531,446
Non-current liabilities:		
Compensated absences - long term	24,987	-
Total OPEB liability	7,081	4,147
Net pension liability	22,918	-
Capital lease payable	1,686,404	2,217,353
Total non-current liabilities	1,741,390	2,221,500
Total Liabilities	2,312,899	2,752,946
Deferred inflows of resources		
Deferred inflows - pension	23,046	-
Deferred inflows - OPEB	321	-
Total deferred inflows of resources	23,367	-
Net position		
Net investment in capital assets	9,146,647	111,431
Restricted for capital	1,239,179	623,702
Total net position	10,385,826	735,133
Total liabilities, deferred inflows of resources and net position	\$ 12,722,092	\$ 3,488,079

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017 (as restated)</u>
Operating Revenues		
Charges for services	\$ 1,528,845	\$ 1,333,834
Fees	835,465	899,075
Intergovernmental-Other	115,269	20,436
Total operating revenues	<u>2,479,579</u>	<u>2,253,345</u>
Operating Expenses		
Personal services	281,527	219,211
Contractual services	336,185	911,111
Supplies and materials	51,560	33,748
Business and transportation	14,181	15,617
Indirect cost allocation	32,044	33,986
Cost Allocation	17,649	-
Depreciation	1,002,257	530,726
Other	5,200	5,200
Disaster	-	2,657
Total operating expenses	<u>1,740,603</u>	<u>1,752,256</u>
Operating income	<u>738,976</u>	<u>501,089</u>
Nonoperating revenues (expenses)		
Gain (loss) on disposal of assets	28,049	-
Interest revenue	9,083	-
Other	10,869	1,122
Interest expense	(104,828)	(93,202)
Net non-operating revenues (expenses)	<u>(56,827)</u>	<u>(92,080)</u>
Income before capital contributions and transfers	<u>682,149</u>	<u>409,009</u>
Capital Contribution	9,213,544	-
Transfers in	-	567,439
Transfers out	<u>(245,000)</u>	<u>(239,970)</u>
Change in net position, as restated	<u>9,650,693</u>	<u>736,478</u>
Net position, beginning of year,	736,478	-
Effect of restatement for GASB 75 implementation	<u>(1,345)</u>	-
Net position, end of year, as restated	<u>\$ 10,385,826</u>	<u>\$ 736,478</u>

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows provided by (used for) operating activities		
Cash received from:		
Services	\$ 1,528,845	\$ 1,229,056
Fees and Other	855,724	899,075
Intergovernmental	119,336	20,436
Cash paid for:		
Salaries and benefits	(252,749)	(234,762)
Maintenance, supplies, fuel, utilities and equipment	(408,505)	(1,029,128)
Other supplies and miscellaneous costs	(54,893)	(41,843)
Net cash provided by operating activities	<u>1,787,758</u>	<u>842,834</u>
Cash flows from non-capital and related financing activities		
Transfers in	-	782,287
Transfers out	(245,000)	(239,970)
Other nonoperating income	10,869	1,122
Net cash provided by (used for) non-capital and related financing activities	<u>(234,131)</u>	<u>543,439</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(307,848)	(355,376)
Proceeds from disposition of capital assets	28,049	-
Principal paid on capital debt	(516,081)	(501,629)
Interest paid on capital debt	(78,750)	(93,202)
Net cash used for capital and other related financing activities	<u>(874,630)</u>	<u>(950,207)</u>
Cash flows from investing activities		
Interest income	9,083	-
Net cash provided by investing activities	<u>9,083</u>	<u>-</u>
Net change in cash and cash equivalents	688,080	436,066
Cash and cash equivalents, beginning of year	436,066	-
Cash and cash equivalents, end of year	<u>\$ 1,124,146</u>	<u>\$ 436,066</u>

Continued

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Reconciliation of operating income to net cash provided by (used for) operating activities		
Operating income, as restated	\$ 738,976	\$ 501,089
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,002,257	530,726
(Increase) decrease in assets and deferred outflow of resources		
Fees receivable	20,259	(100,711)
Due from other governments	4,067	(4,067)
Prepaid	(7,221)	(79,800)
Deferred outflow of resources	(43,903)	(22,570)
Increase (decrease) in liabilities and deferred inflow of resources		
Accounts payable	642	11,148
Accrued salaries, wages and compensated absences	49,314	7,019
Deferred Inflow of resources	23,367	-
Net cash provided by operating activities	<u>\$ 1,787,758</u>	<u>\$ 842,834</u>
Noncash capital and financing activities		
Capital lease transferred from General Liabilities	\$ -	\$ 3,235,063
Capital assets transferred from General Assets	-	3,020,215
Capital contribution received	9,213,544	-
	<u>\$ 9,213,544</u>	<u>\$ 6,255,278</u>

FIDUCIARY (AGENCY) FUNDS

Fiduciary (agency) funds account for assets held by the County as an agent for other taxing units or other entities. Agency funds are custodial in nature; assets equal liabilities, and do not measure the results of operations. Interest earned on agency fund investments is credited and received by the General Fund unless an agreement provides otherwise.

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Totals-Agency Funds				
Assets:				
Cash and investments	\$ 15,084,119	\$ 45,605,002	\$ 49,925,653	\$ 10,763,468
Pooled cash and investments	298,562,434	619,080,784	630,804,489	286,838,729
Taxes receivable	52,129,068	589,617,136	598,190,659	43,555,545
Fees receivable	781,929	12,428,297	12,443,481	766,745
Total assets	<u>\$ 366,557,550</u>	<u>\$ 1,266,731,219</u>	<u>\$ 1,291,364,282</u>	<u>\$ 341,924,487</u>
Liabilities:				
Due to others	\$ 366,557,550	\$ 1,266,731,219	\$ 1,291,364,282	\$ 341,924,487
Total liabilities	<u>\$ 366,557,550</u>	<u>\$ 1,266,731,219</u>	<u>\$ 1,291,364,282</u>	<u>\$ 341,924,487</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>City of Conway</u>				
Assets:				
Pooled cash and investments	\$ 87,424	\$ 6,189,702	\$ 6,234,413	\$ 42,713
Taxes receivable	1,055,174	6,135,603	6,189,702	1,001,075
Total	<u>\$ 1,142,598</u>	<u>\$ 12,325,305</u>	<u>\$ 12,424,115</u>	<u>\$ 1,043,788</u>
Liabilities:				
Due to others	<u>\$ 1,142,598</u>	<u>\$ 12,325,305</u>	<u>\$ 12,424,115</u>	<u>\$ 1,043,788</u>
<u>City of Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 199,748	\$ 33,821,899	\$ 33,840,006	\$ 181,641
Taxes receivable	5,206,385	32,215,470	33,149,552	4,272,303
Fees receivable	52,472	651,651	672,347	31,776
Total	<u>\$ 5,458,605</u>	<u>\$ 66,689,020</u>	<u>\$ 67,661,905</u>	<u>\$ 4,485,720</u>
Liabilities:				
Due to others	<u>\$ 5,458,605</u>	<u>\$ 66,689,020</u>	<u>\$ 67,661,905</u>	<u>\$ 4,485,720</u>
<u>Town of Loris</u>				
Assets:				
Pooled cash and investments	\$ 9,454	\$ 1,035,114	\$ 1,034,970	\$ 9,598
Taxes receivable	259,021	1,015,108	1,035,114	239,015
Total	<u>\$ 268,475</u>	<u>\$ 2,050,222</u>	<u>\$ 2,070,084</u>	<u>\$ 248,613</u>
Liabilities:				
Due to others	<u>\$ 268,475</u>	<u>\$ 2,050,222</u>	<u>\$ 2,070,084</u>	<u>\$ 248,613</u>
<u>City of North Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 91,246	\$ 16,022,527	\$ 16,006,818	\$ 106,955
Taxes receivable	1,272,330	15,939,840	16,022,527	1,189,643
Fees receivable	-	1,329,360	1,322,160	7,200
Total	<u>\$ 1,363,576</u>	<u>\$ 33,291,727</u>	<u>\$ 33,351,505</u>	<u>\$ 1,303,798</u>
Liabilities:				
Due to others	<u>\$ 1,363,576</u>	<u>\$ 33,291,727</u>	<u>\$ 33,351,505</u>	<u>\$ 1,303,798</u>
<u>Town of Surfside Beach</u>				
Assets:				
Pooled cash and investments	\$ 17,449	\$ 3,048,610	\$ 3,044,664	\$ 21,395
Taxes receivable	271,280	3,036,062	3,048,610	258,732
Total	<u>\$ 288,729</u>	<u>\$ 6,084,672</u>	<u>\$ 6,093,274</u>	<u>\$ 280,127</u>
Liabilities:				
Due to others	<u>\$ 288,729</u>	<u>\$ 6,084,672</u>	<u>\$ 6,093,274</u>	<u>\$ 280,127</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Town of Atlantic Beach</u>				
Assets:				
Pooled cash and investments	\$ 3,965	\$ 222,487	\$ 221,274	\$ 5,178
Taxes receivable	27,174	241,801	222,487	46,488
Total	<u>\$ 31,139</u>	<u>\$ 464,288</u>	<u>\$ 443,761</u>	<u>\$ 51,666</u>
Liabilities:				
Due to others	<u>\$ 31,139</u>	<u>\$ 464,288</u>	<u>\$ 443,761</u>	<u>\$ 51,666</u>
<u>Town of Aynor</u>				
Assets:				
Pooled cash and investments	\$ 1,894	\$ 226,377	\$ 226,522	\$ 1,749
Taxes receivable	46,704	214,976	226,377	35,303
Total	<u>\$ 48,598</u>	<u>\$ 441,353</u>	<u>\$ 452,899</u>	<u>\$ 37,052</u>
Liabilities:				
Due to others	<u>\$ 48,598</u>	<u>\$ 441,353</u>	<u>\$ 452,899</u>	<u>\$ 37,052</u>
<u>Town of Briarcliff Acres</u>				
Assets:				
Pooled cash and investments	\$ 3,400	\$ 313,199	\$ 315,402	\$ 1,197
Taxes receivable	13,160	312,697	313,199	12,658
Total	<u>\$ 16,560</u>	<u>\$ 625,896</u>	<u>\$ 628,601</u>	<u>\$ 13,855</u>
Liabilities:				
Due to others	<u>\$ 16,560</u>	<u>\$ 625,896</u>	<u>\$ 628,601</u>	<u>\$ 13,855</u>
<u>Horry County School District</u>				
<u>Horry County School District Operations/Debt</u>				
Assets:				
Pooled cash and investments	\$ 283,508,658	\$ 543,073,594	\$ 551,166,384	\$ 275,415,868
Taxes receivable	43,798,582	528,005,057	535,484,203	36,319,436
Fees receivable	506,311	7,675,265	7,589,390	592,186
Total	<u>\$ 327,813,551</u>	<u>\$ 1,078,753,916</u>	<u>\$ 1,094,239,977</u>	<u>\$ 312,327,490</u>
Liabilities:				
Due to others	<u>\$ 327,813,551</u>	<u>\$ 1,078,753,916</u>	<u>\$ 1,094,239,977</u>	<u>\$ 312,327,490</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Murrells Inlet-Garden City</u>				
<u>Murrells Inlet-Garden City Fire District</u>				
Assets:				
Pooled cash and investments	\$ 29,726	\$ 2,498,888	\$ 2,283,723	\$ 244,891
Taxes receivable	179,258	2,500,522	2,498,888	180,892
Total	<u>\$ 208,984</u>	<u>\$ 4,999,410</u>	<u>\$ 4,782,611</u>	<u>\$ 425,783</u>
Liabilities:				
Due to others	<u>\$ 208,984</u>	<u>\$ 4,999,410</u>	<u>\$ 4,782,611</u>	<u>\$ 425,783</u>
<u>Grand Strand Water and Sewer Authority</u>				
Assets:				
Front footage assessment	\$ -	\$ 7,470	\$ -	\$ 7,470
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 7,470</u>	<u>\$ -</u>	<u>\$ 7,470</u>
<u>Fireman's Fund</u>				
Assets:				
Cash	<u>\$ 137,877</u>	<u>\$ 815,278</u>	<u>\$ 863,038</u>	<u>\$ 90,117</u>
Liabilities:				
Due to others	<u>\$ 137,877</u>	<u>\$ 815,278</u>	<u>\$ 863,038</u>	<u>\$ 90,117</u>
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	<u>\$ 145,892</u>	<u>\$ 324,583</u>	<u>\$ 110,960</u>	<u>\$ 359,515</u>
Liabilities:				
Due to others	<u>\$ 145,892</u>	<u>\$ 324,583</u>	<u>\$ 110,960</u>	<u>\$ 359,515</u>
<u>Police Fund</u>				
Assets:				
Cash	<u>\$ 277</u>	<u>\$ 54,296</u>	<u>\$ 54,573</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 277</u>	<u>\$ 54,296</u>	<u>\$ 54,573</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ -	\$ 3	\$ 3	\$ -
Liabilities:				
Due to others	\$ -	\$ 3	\$ 3	\$ -
<u>Sheriff Seizure</u>				
Assets:				
Cash	\$ -	\$ 217,867	\$ 200,141	\$ 17,726
Liabilities:				
Due to others	\$ -	\$ 217,867	\$ 200,141	\$ 17,726
<u>Environmental Services</u>				
Assets:				
Cash	\$ 46,378	\$ 106	\$ -	\$ 46,484
Liabilities:				
Due to others	\$ 46,378	\$ 106	\$ -	\$ 46,484
<u>Library Endowment</u>				
Assets:				
Cash	\$ 53,384	\$ 1,879	\$ -	\$ 55,263
Liabilities:				
Due to others	\$ 53,384	\$ 1,879	\$ -	\$ 55,263
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 65,039	\$ 102,614	\$ 91,859	\$ 75,794
Liabilities:				
Due to others	\$ 65,039	\$ 102,614	\$ 91,859	\$ 75,794
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ 59,037	\$ 76,138	\$ 58,670	\$ 76,505
Liabilities:				
Due to others	\$ 59,037	\$ 76,138	\$ 58,670	\$ 76,505

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Solicitor DEU Asset Forfeiture</u>				
Assets:				
Cash	\$ 254,566	\$ 148,949	\$ 198,874	\$ 204,641
Liabilities:				
Due to others	\$ 254,566	\$ 148,949	\$ 198,874	\$ 204,641
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Pooled cash and investments	\$ 6,175	\$ 118,296	\$ -	\$ 124,471
Cash	7,401,851	2,859,584	7,731,340	2,530,095
Fees receivable	223,146	2,764,551	2,859,584	128,113
Total	<u>\$ 7,631,172</u>	<u>\$ 5,742,431</u>	<u>\$ 10,590,924</u>	<u>\$ 2,782,679</u>
Liabilities:				
Due to others	<u>\$ 7,631,172</u>	<u>\$ 5,742,431</u>	<u>\$ 10,590,924</u>	<u>\$ 2,782,679</u>
<u>Developer LOC</u>				
Assets:				
Pooled cash and investments	<u>\$ 14,603,295</u>	<u>\$ 12,510,091</u>	<u>\$ 16,430,313</u>	<u>\$ 10,683,073</u>
Liabilities:				
Due to others	<u>\$ 14,603,295</u>	<u>\$ 12,510,091</u>	<u>\$ 16,430,313</u>	<u>\$ 10,683,073</u>
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash and investments	<u>\$ 6,919,818</u>	<u>\$ 41,003,705</u>	<u>\$ 40,616,195</u>	<u>\$ 7,307,328</u>
Liabilities:				
Due to others	<u>\$ 6,919,818</u>	<u>\$ 41,003,705</u>	<u>\$ 40,616,195</u>	<u>\$ 7,307,328</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represent actual costs of construction and/or estimated values of deeded properties by developers

HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE

June 30, 2018

(With comparative amounts for June 30, 2017)

Governmental funds- capital assets	2018	2017
Land and easements	\$ 24,437,008	\$ 23,877,800
Land improvements	9,896,634	9,625,955
Buildings and improvements	239,760,341	237,905,570
Machinery, equipment and vehicles	99,712,732	96,252,242
Intangible Assets	552,070	552,070
Infrastructure	560,587,429	488,432,623
Construction-in-progress	47,598,142	66,284,129
Total governmental funds capital assets	\$ 982,544,356	\$ 922,930,389
Investment in governmental funds		
capital assets by source		
General Obligations Bonds	\$ 185,713,571	\$ 185,713,571
General Fund Revenue	138,947,550	133,386,060
Special Revenue Fund Revenue	55,200,767	53,058,955
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	592,632,165	540,721,500
Total investment in governmental funds capital assets	\$ 982,544,356	\$ 922,930,389

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

June 30, 2018

	Land	Land improvements	Buildings and improvements	Machinery Equipment & Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
Function and Activity:								
General government	\$ 13,984,853	\$ 1,926,619	\$ 79,431,418	\$ 29,174,024	\$ 552,070	\$ -	\$ -	\$ 125,068,984
Public safety	2,820,004	144,057	102,269,682	63,511,666	-	-	-	168,745,409
Infrastructure	853,532	1,474,314	3,628,448	3,146,411	-	560,587,429	-	569,690,134
Health and social services	90,000	-	8,516,304	20,910	-	-	-	8,627,214
Cultural and recreation	6,688,619	6,351,644	45,914,489	3,859,721	-	-	-	62,814,473
Construction-in-progress	-	-	-	-	-	-	47,598,142	47,598,142
Total governmental funds capital assets	\$ 24,437,008	\$ 9,896,634	\$ 239,760,341	\$ 99,712,732	\$ 552,070	\$ 560,587,429	\$ 47,598,142	\$ 982,544,356

HORRY COUNTY, SOUTH CAROLINA

SCHEDULES OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2018

	Balances June 30, 2017	Additions	Deletions/ Transfers	Balances June 30, 2018
Functions and Activity:				
General government	\$ 123,176,624	263,848	1,628,512	\$ 125,068,984
Public Safety	164,370,252	1,477,730	2,897,427	168,745,409
Infrastructure & Regulation	498,025,536	18,917,607	52,746,991	569,690,134
Health and Social Services	8,627,214	-	-	8,627,214
Cultural and Recreation	62,446,634	202,188	165,651	62,814,473
Construction-in-progress	66,284,129	51,392,812	(70,078,799)	47,598,142
Total governmental funds capital assets	<u>\$ 922,930,389</u>	<u>\$ 72,254,185</u>	<u>\$ (12,640,218)</u>	<u>\$ 982,544,356</u>
Class:				
Land and easements	\$ 23,877,800	273,507	285,701	\$ 24,437,008
Land improvements	\$ 9,625,955	71,534	199,145	\$ 9,896,634
Buildings and improvements	237,905,570	-	1,854,771	239,760,341
Machinery, equipment and vehicles	96,252,242	1,639,672	1,820,818	99,712,732
Intangible Assets	552,070	-	-	552,070
Infrastructure	488,432,623	18,876,660	53,278,146	560,587,429
Construction-in-progress	66,284,129	51,392,812	(70,078,799)	47,598,142
Total governmental funds capital assets	<u>\$ 922,930,389</u>	<u>\$ 72,254,185</u>	<u>\$ (12,640,218)</u>	<u>\$ 982,544,356</u>

VICTIM'S RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2018
(with comparison for the year ended June 30, 2017)

					PY CAFR
<u>County Funds Collected</u>	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Probate</u>	<u>Total 2018</u>	<u>Total 2017</u>
Court Fines and Assessments:					
Fines collected	\$ 1,858,395	\$ 3,020,413	\$ 55,660	\$ 4,934,468	\$ 4,469,062
Assessments collected	74,379	586,975	-	661,354	622,392
Surcharges collected	104,777	643,138	-	747,915	611,346
Total collected	<u>2,037,551</u>	<u>4,250,526</u>	<u>55,660</u>	<u>6,343,737</u>	<u>5,702,800</u>
Fines remitted to State Treasurer	1,390,508	1,077,050	55,660	2,523,218	2,335,151
Assessments remitted to State Treasurer	48,073	432,599	-	480,672	453,603
Surcharges remitted to State Treasurer	22,281	592,566	-	614,847	478,130
Total remitted	<u>1,460,862</u>	<u>2,102,215</u>	<u>55,660</u>	<u>3,618,737</u>	<u>3,266,884</u>
Total Court Fines and Assessments Retained:	<u>\$ 576,689</u>	<u>\$ 2,148,311</u>	<u>\$ -</u>	<u>\$ 2,725,000</u>	<u>\$ 2,435,916</u>
Surcharges and Assessments retained for victim services					
Assessments retained	\$ 26,306	\$ 136,531	\$ -	\$ 162,837	\$ 154,346
Surcharges collected and retained	82,496	50,572	-	133,068	133,216
Total Surcharges and Assessments retained for victim services	<u>\$ 108,802</u>	<u>\$ 187,103</u>	<u>\$ -</u>	<u>\$ 295,905</u>	<u>\$ 287,562</u>
<u>Victim Witness Assistance Special Revenue Fund - Funds Collected</u>				<u>Total 2018</u>	<u>Total 2017</u>
Carryforward from Previous Year - Beginning Balance				\$ 62,371	\$ 21,896
<u>Victim Service Revenue</u>					
Victim Service Assessments Retained by County Treasurer				162,837	154,346
Victim Service Surcharges Retained by County Treasurer				133,068	133,216
Interest Earned				784	208
General Funds Transferred to Victim Service Fund				299,313	263,277
Contribution Received from Victim Service Contracts:					
(1) Town of Atlantic Beach				6,950	-
(2) Georgetown County				58,137	43,046
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)				<u>661,089</u>	<u>594,093</u>
<u>Expenditures for Victim Service Program:</u>					
Salaries and Benefits				584,314	529,957
Operating Expenditures				47,464	23,660
Total Expenditures from Victim Service Fund/Program (B)				<u>631,778</u>	<u>553,618</u>
Total Victim Service Funds Retained by County Treasurer (A-B)				29,311	40,475
Carryforward Funds - End of Year				<u>\$ 91,682</u>	<u>\$ 62,371</u>

CAPITAL BUDGETARY COMPARISON SCHEDULES

HORRY COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULES
 CAPITAL PROJECTS SALES TAX - RIDE II
 FROM INCEPTION THROUGH JUNE 30, 2018

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Pave 20 miles - DR	\$ 19,600,000	\$ 11,365,330	\$ 11,365,330	\$ -
Project #2	Resurface 12 miles	945,000	839,422	839,422	-
Project #3	Backgate Interchange	49,500,000	123,370,000 ¹	104,631,497	18,738,503
Project #4	Widen 707	132,250,000	103,410,000	77,001,104	26,408,896
Project #5	Pave 25 miles - DR	25,750,000	22,750,988	10,536,367	12,214,621
Project #6	Resurface 12 miles	990,000	1,095,578	1,095,578	-
Project #7	Aynor Overpass	46,000,000	16,193,458	16,192,579	879
Project #8	Resurface 12 miles	1,035,000	1,500,300	1,473,826	26,474
Project #9	Widen Glenns Bay	76,000,000	76,034,044	61,829,307	14,204,737
Project #10	Resurface 12 miles	1,080,000	1,637,224	1,211,332	425,892
Project #11	Pave 25 miles - DR	27,750,000	27,503,530	14,186,615	13,316,915
Project #12	Resurface 12 miles	1,125,000	1,677,880	1,667,768	10,112
Project #13	International Dr	6,500,000	27,000,000	23,714,919	3,285,081
Project #14	Resurface 7 miles	682,500	1,022,120	1,022,120	-
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>31,409,433</u>	<u>20,701,050</u>	<u>10,708,383</u>
Total		<u><u>\$ 425,307,500</u></u>	<u><u>\$ 446,809,307</u></u>	<u><u>\$ 347,468,814</u></u>	<u><u>\$ 99,340,493</u></u>

¹ Includes SCDOT Funding of \$15,000,000 for Project #3.

DR = Dirt Road

HORRY COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULES
 CAPITAL PROJECTS SALES TAX - RIDE III
 FROM INCEPTION THROUGH JUNE 30, 2018

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Hwy 501 & Hwy 31	\$ 50,000,000	\$ 50,000,000	\$ 319,564	\$ 49,680,436
Project #2	Pave 25 miles of dirt roads	14,715,398	14,715,398	884,284	13,831,114
Project #3	Carolina Forest Boulevard Widening	54,700,000	54,700,000	1,819,047	52,880,953
Project #4	Palmetto Pointe Blvd. Ext to SC Hwy 544	7,500,000	7,500,000	193,061	7,306,939
Project #5	SC Hwy. 9 East Widening (Loris)	21,700,000	21,700,000	2,359	21,697,641
Project #6	Resurface 33.13 miles of City roads	5,000,000	5,000,000	94,571	4,905,429
Project #7	US Hwy. 701 N Widening (North Conway)	65,100,000	65,100,000	7,438	65,092,562
Project #8	Fred Nash Boulevard connection to Harrelson	19,300,000	19,300,000	988	19,299,012
Project #9	US Hwy. 17 Bus Intersection Imp - Garden City	19,800,000	19,800,000	593	19,799,407
Project #10	Forestbrook Road Widening	89,100,000	89,100,000	593	89,099,407
Project #11	Pave 25 miles of dirt roads	14,793,289	14,793,289	-	14,793,289
Project #12	Resurface 33 miles of County roads	5,000,000	5,000,000	-	5,000,000
Project #13	Hwy 501 Realignment	13,900,000	13,900,000	593	13,899,407
Project #14	US Hwy. 701 Widening - North of Loris	7,500,000	7,500,000	593	7,499,407
Project #15	Conway Perimeter Road Phase II	18,400,000	18,400,000	593	18,399,407
Project #16	Pave 25 miles of dirt roads	14,697,424	14,697,424	-	14,697,424
Project #17	Resurface 33.87 miles County roads	5,000,000	5,000,000	-	5,000,000
Project #18	Southern Evacuation Lifeline (SELL) -	25,000,000	25,000,000	-	25,000,000
Project #19	SC Hwy 31 (Carolina Bays Parkway) Ext	125,000,000	125,000,000	146,895	124,853,105
Project #20	Pave 25 miles of dirt roads	<u>15,793,889</u>	<u>15,793,889</u>	<u>-</u>	<u>15,793,889</u>
Total		<u>\$ 592,000,000</u>	<u>\$ 592,000,000</u>	<u>\$ 3,471,172</u>	<u>\$ 588,528,828</u>

DR = Dirt Road

GENERAL IMPROVEMENTS CAPITAL PROJECTS FUND

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2018

(With comparative actual amounts for the year ended June 30, 2017)

	2018				2017
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Intergovernmental - state	\$ 535,000	\$ 723,381	\$ 617,686	\$ (105,695)	\$ 816,360
Intergovernmental - other	-	400,000	400,000	-	400,240
Interest	-	-	339,205	339,205	182,865
Other-donations	496	20,000	1,011,790	991,790	-
Total revenues	<u>535,496</u>	<u>1,143,381</u>	<u>2,368,681</u>	<u>1,225,300</u>	<u>1,399,465</u>
Expenditures					
Capital outlay:					
Contractual Services	-	-	-	-	26,835
Supplies and materials	-	860,163	868,763	(8,600)	774,379
Construction contracts	-	82,000	-	82,000	-
Infrastructure	-	140,308	-	140,308	-
Capital outlay	10,206,284	25,584,488	5,792,218	19,792,270	12,381,577
Contingency	147,290	321,088	-	321,088	-
Capital lease principal	351,813	391,919	351,813	40,106	3,991,829
Capital lease interest	227,181	227,181	227,181	-	282,825
Other	140,571	140,571	-	140,571	-
Total expenditures	<u>11,073,139</u>	<u>27,747,718</u>	<u>7,239,975</u>	<u>20,507,743</u>	<u>17,457,445</u>
Excess (deficiency) of revenue over expenditures	<u>(10,537,643)</u>	<u>(26,604,337)</u>	<u>(4,871,294)</u>	<u>21,733,043</u>	<u>(16,057,980)</u>
Other Financing Sources (Uses)					
Issuance of bonded debt	-	-	-	-	3,000,000
Sale of capital assets	-	350,000	349,570	(430)	-
Transfers in	9,470,353	9,682,153	8,082,153	(1,600,000)	8,727,409
Transfers out	-	(654,049)	(654,049)	-	(777,687)
Total other financing sources (uses)	<u>9,470,353</u>	<u>9,378,104</u>	<u>7,777,674</u>	<u>(1,600,430)</u>	<u>10,949,722</u>
Net change in fund balance	<u>(1,067,290)</u>	<u>(17,226,233)</u>	<u>2,906,380</u>	<u>20,132,613</u>	<u>(5,108,258)</u>
Fund balance at beginning of year	<u>17,285,537</u>	<u>17,285,537</u>	<u>17,285,537</u>	<u>-</u>	<u>22,393,795</u>
Fund balance at end of year	<u>\$ 16,218,247</u>	<u>\$ 59,304</u>	<u>\$20,191,917</u>	<u>\$ 20,132,613</u>	<u>\$ 17,285,537</u>

STATISTICAL SECTION

This part of Horry County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**HORRY COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

For the Fiscal Year Ended June 30

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	as restated				as restated	as restated			as restated	
Governmental activities										
Net investment in capital assets	\$ 488,550	\$ 532,927	\$ 551,832	\$ 576,387	\$ 592,217	\$ 609,438	\$ 619,432	\$ 641,192	\$ 675,266	\$ 743,701
Restricted	206,516	231,335	309,063	348,119	345,339	353,422	311,619	276,761	244,117	257,151
Unrestricted (deficit)	(255,722)	(218,404)	(256,844)	(240,372)	(162,562)	(116,907)	(215,437)	(162,063)	(110,124)	(69,231)
Total governmental activities net position	\$ 439,344	\$ 545,858	\$ 604,051	\$ 684,134	\$ 774,994	\$ 845,953	\$ 715,614	\$ 755,890	\$ 809,259	\$ 931,621
Business-type activities										
Net investment in capital assets	\$ 87,137	\$ 104,452	\$ 116,287	\$ 138,123	\$ 168,610	\$ 171,153	\$ 193,870	\$ 188,866	\$ 186,599	\$ 187,510
Restricted	26,894	30,469	42,403	45,038	32,929	33,430	36,532	39,132	43,965	52,277
Unrestricted	45,253	41,989	43,140	42,948	43,095	47,059	33,043	37,298	42,107	42,690
Total business-type activities net position	\$ 159,284	\$ 176,910	\$ 201,830	\$ 226,109	\$ 244,634	\$ 251,642	\$ 263,445	\$ 265,296	\$ 272,671	\$ 282,477
Primary government										
Net investment in capital assets	\$ 575,687	\$ 637,378	\$ 668,119	\$ 714,510	\$ 760,827	\$ 780,591	\$ 813,302	\$ 830,058	\$ 861,865	\$ 931,211
Restricted	233,410	261,804	351,466	393,157	378,268	386,852	348,151	315,893	288,082	309,428
Unrestricted (deficit)	(210,469)	(176,415)	(213,704)	(197,424)	(119,467)	(69,848)	(182,394)	(124,765)	(68,017)	(26,541)
Total primary government net position	\$ 598,628	\$ 722,767	\$ 805,881	\$ 910,243	\$ 1,019,628	\$ 1,097,595	\$ 979,059	\$ 1,021,186	\$ 1,081,930	\$ 1,214,098

**HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	as restated				as restated	as restated				
Expenses										
Governmental activities:										
General government	\$ 37,914	\$ 34,971	\$ 34,962	\$ 33,091	\$ 33,488	\$ 35,355	\$ 33,225	\$ 36,108	\$ 38,544	\$ 38,814
Public safety	101,642	91,214	101,668	106,451	99,823	108,655	112,844	117,869	125,577	131,400
Health and social services	2,432	2,354	2,504	2,659	2,753	2,852	2,738	2,548	2,562	3,273
Infrastructure and regulation	23,492	31,037	34,998	28,236	27,786	27,780	30,247	32,640	39,278	37,123
Improvements to state roadways	-	-	35,731	15,722	29,118	31,821	33,078	32,980	36,039	27,208
Culture, recreation and tourism	9,426	4,629	9,307	10,523	11,376	12,046	13,331	14,388	20,807	14,706
Economic development	2,292	2,019	1,366	3,555	2,882	3,786	3,465	2,307	3,873	4,134
Debt service	7,530	8,964	11,970	9,652	10,485	9,757	10,060	8,067	6,869	5,413
Horry-Georgetown Tech	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200	3,400	4,059
Higher Education Commission	1,170	1,140	1,325	1,200	1,150	1,236	2,606	1,249	1,133	1,447
Total governmental activities expenses	188,898	180,301	237,246	214,436	218,346	236,788	245,017	251,356	278,082	267,577
Business-type activities:										
Airport	17,440	17,264	19,818	19,834	22,482	30,284	31,962	32,065	33,826	38,147
Total business-type activities expenses	17,440	17,264	19,818	19,834	22,482	30,284	31,962	32,065	33,826	38,147
Total primary government expenses	206,338	197,565	257,064	234,270	240,828	267,072	276,979	283,421	311,908	305,724
Program Revenues										
Governmental activities:										
Charges for services:										
General government	10,203	11,899	12,346	12,595	20,979	19,180	17,360	17,508	19,177	18,467
Public safety	16,918	17,875	17,988	16,787	12,811	12,506	13,849	16,499	17,546	18,038
Health and social services	71	70	69	70	79	-	-	-	-	-
Infrastructure and regulation	4,387	11,666	12,165	12,634	12,261	12,579	17,860	25,784	26,243	27,396
Culture, recreation and tourism	99	108	91	93	88	95	117	115	107	101
Economic Development	-	-	-	-	69	127	141	332	389	404
Operating grants and contributions	5,196	4,800	2,769	2,368	4,864	5,355	10,450	11,445	29,216	12,891
Capital grants and contributions	317	1,908	10,702	6,726	4,899	3,015	3,231	7,709	3,428	18,956
Total governmental activities program revenues	37,191	48,326	56,130	51,273	56,050	52,857	63,008	79,392	96,106	96,253
Business-type activities:										
Charges for services:										
Airport	19,726	18,902	24,661	25,841	24,433	28,291	30,215	30,337	34,191	40,707
Operating grants and contributions	2,992	3,217	7,310	4,720	2,424	2,102	2,163	2,169	2,168	2,366
Capital grants and contributions	-	12,486	12,115	12,949	14,565	6,415	20,655	694	3,996	3,728
Total business-type activities program revenues	22,718	34,605	44,086	43,510	41,422	36,808	53,033	33,200	40,355	46,801
Total primary government program revenues	59,909	82,931	100,216	94,783	97,472	89,665	116,041	112,592	136,461	143,054

**HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	as restated									
					as restated					
					as restated					
Net (Expense)/Revenues										
Governmental activities	(151,707)	(131,975)	(181,116)	(163,163)	(162,296)	(183,931)	(182,009)	(171,964)	(181,976)	(171,324)
Business-type activities	5,278	17,341	24,268	23,676	18,973	6,524	21,071	1,135	6,529	8,654
Total primary government program net expense	(146,429)	(114,634)	(156,848)	(139,487)	(143,323)	(177,407)	(160,938)	(170,829)	(175,447)	(162,670)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	117,673	115,546	165,944	173,342	180,833	180,437	121,250	140,530	145,777	148,293
Investment earnings	6,717	4,656	2,382	2,014	1,770	1,923	1,334	1,995	2,615	5,251
Other	145,733	118,287	69,863	67,890	70,172	72,530	67,709	69,715	86,953	152,418
Transfers	(500)	-	-	-	-	-	-	-	-	-
Total governmental activities	269,623	238,489	239,309	243,246	252,775	254,890	190,293	212,240	235,345	305,962
Business-type activities:										
Other	4,091	(446)	453	282	198	177	66	324	181	344
Investment earnings	1,607	731	199	321	306	307	200	392	665	1,157
Transfers	500	-	-	-	-	-	-	-	-	-
Total business-type activities	6,198	285	652	603	504	484	266	716	846	1,501
Total primary government	275,821	238,774	239,961	243,849	253,279	255,374	190,559	212,956	236,191	307,463
Change in Net Position										
Governmental activities:										
Business-type activities:										
Total primary government	117,916	106,514	58,193	80,083	90,479	70,959	8,284	40,276	53,369	134,638
	11,476	17,626	24,920	24,279	19,477	7,008	21,337	1,851	7,375	10,155
	\$ 129,392	\$ 124,140	\$ 83,113	\$ 104,362	\$ 109,956	\$ 77,967	\$ 29,621	\$ 42,127	\$ 60,744	\$ 144,793

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30										
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
	as restated	as restated				as restated					
General fund	\$ 1,250	\$ 1,174	\$ 3,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	3,254	5,309	8,375	-	-	-	-	-	-	-	-
Unreserved/designated	24,579	24,341	24,739	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,532	169	1,975	77	1,319	338	255	329
Restricted	-	-	-	-	-	1,000	117	-	-	-	-
Committed	-	-	-	25,392	29,082	28,282	31,775	27,273	46,565	53,858	66,003
Assigned	-	-	-	343	343	473	-	-	-	427	-
Unassigned	-	-	-	9,797	7,108	10,431	9,391	12,194	7,734	9,269	11,798
Total general fund	<u>29,083</u>	<u>30,824</u>	<u>36,763</u>	<u>37,064</u>	<u>36,702</u>	<u>42,161</u>	<u>41,360</u>	<u>40,786</u>	<u>54,637</u>	<u>63,809</u>	<u>78,130</u>
All other governmental funds	196,056	272,586	256,012	-	-	-	-	-	-	-	-
Reserved	33,327	3,721	38,972	-	-	-	-	-	-	-	-
Unreserved for:	12,415	(7,235)	2,016	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	857	20	19	75	-	210	67	5
Capital project funds (deficit)	-	-	-	291,148	321,734	353,322	398,696	360,259	331,527	277,979	312,468
Restricted	-	-	-	16,719	13,420	24,270	26,581	29,857	33,702	37,063	39,114
Committed	-	-	-	(1,199)	(1,134)	(3,292)	(107)	(469)	(314)	(298)	(596)
Unassigned (deficit)	-	-	-	307,525	334,040	374,319	425,245	389,647	365,125	314,811	350,991
Total all other governmental funds	<u>241,798</u>	<u>269,072</u>	<u>297,000</u>	<u>307,525</u>	<u>334,040</u>	<u>374,319</u>	<u>425,245</u>	<u>389,647</u>	<u>365,125</u>	<u>314,811</u>	<u>350,991</u>
Total governmental fund balances	\$ <u>270,881</u>	\$ <u>299,896</u>	\$ <u>333,763</u>	\$ <u>344,589</u>	\$ <u>370,742</u>	\$ <u>416,480</u>	\$ <u>466,605</u>	\$ <u>430,433</u>	\$ <u>419,762</u>	\$ <u>378,620</u>	\$ <u>429,121</u>

*As of June 30, 2011, fund balance classifications changed with the implementation of GASB 54.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

For the Fiscal Year Ended June 30

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	as restated			as restated	as restated					
Revenues										
Property Taxes	\$ 114,821	\$ 118,249	\$ 115,241	\$ 114,481	\$ 117,238	\$ 124,996	\$ 123,181	\$ 139,589	\$ 144,912	\$ 149,853
Licenses and permits	7,551	6,572	6,272	6,537	7,344	7,797	8,805	10,217	11,106	11,694
Intergovernmental	22,296	24,025	19,701	34,545	22,391	25,030	22,216	22,572	28,265	28,149
Sales Tax Major Capital Projects (3)	63,549	58,070	61,477	64,802	65,732	69,733	1,139	304	403	75,819
Fees and fines	65,709	66,446	34,081	33,301	36,178	33,491	35,992	44,562	45,354	45,553
Hospitality & Local Accommodations fees (4)	-	-	36,867	39,452	39,917	42,291	45,280	47,348	49,986	51,165
Documentary Stamps	2,406	2,469	2,305	2,340	2,764	3,200	3,823	4,135	4,523	4,974
Interest on investments	7,834	4,658	2,383	2,015	1,770	1,923	1,310	1,933	2,497	4,926
Accommodation tax (1)	865	845	3,835	3,677	4,082	4,135	3,890	4,026	4,119	4,252
Cost allocation	2,100	3,077	3,055	3,167	2,787	3,069	3,302	3,570	3,801	3,429
Other	4,617	4,018	3,864	4,448	4,900	4,614	4,529	6,207	6,989	7,269
Total revenues	291,748	288,429	289,081	308,765	305,103	320,279	253,467	284,463	301,955	387,083
Expenditures										
General government	30,810	28,070	28,687	28,210	29,673	30,150	28,222	30,807	32,796	33,353
Public safety	84,810	87,461	93,942	99,887	92,996	101,040	104,798	110,286	114,552	119,628
Infrastructure and regulation (2)	29,208	31,611	54,990	59,689	52,922	60,474	29,994	33,125	40,507	38,405
Economic development	2,292	2,019	1,423	1,800	1,753	2,737	3,502	2,339	3,934	4,199
Health and social services	867	2,232	2,382	2,436	2,532	2,624	2,510	2,296	2,332	2,371
Culture and recreation	8,821	9,807	8,863	9,786	10,577	10,833	11,748	12,698	18,155	12,925
Capital outlay	50,118	56,796	37,060	29,302	16,749	19,113	31,983	20,541	36,658	53,299
Horry-Georgetown Tech	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200	3,400	4,059
Higher Education	1,170	1,140	1,325	1,200	1,150	1,236	1,204	1,249	1,133	1,447
Improvements to state roadways	-	-	-	-	-	-	33,078	32,980	36,039	27,208
Debt service:										
Principal	28,130	27,675	31,198	33,299	26,305	28,408	28,528	30,983	33,582	20,843
Interest and fees	16,075	17,359	14,605	13,687	21,509	20,890	23,180	21,058	22,182	18,332
Other charges	5,008	1,025	44	1,906	1,194	1,119	-	-	-	-
Total expenditures	260,309	269,168	277,934	284,549	260,845	282,124	302,170	301,562	345,270	336,069
Excess of revenues over (under) expenditures	31,439	19,261	11,147	24,216	44,258	38,155	(48,703)	(17,099)	(43,315)	51,014

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	as restated		as restated	as restated	as restated					
Transfers in	48,717	45,103	16,176	11,733	9,693	12,709	12,347	30,663	19,217	17,705
Transfers out	(49,221)	(45,103)	(19,967)	(12,759)	(10,981)	(13,166)	(12,445)	(30,920)	(20,149)	(18,923)
Issuance of bonded debt	8,155	26,040	-	8,740	-	252	29,500	20,910	3,000	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	6,985	-
Premium on bonds issued	-	1,151	-	285	-	-	-	-	-	-
Payments to refunded bond escrow agent	(10,671)	(13,260)	-	(8,881)	-	-	(29,384)	(15,337)	-	-
Debt service - principal	-	-	-	-	-	-	-	-	(6,960)	-
Sale of assets	400	94	259	216	148	95	95	513	80	705
Other	-	580	2,091	2,603	460	12,082	12,312	600	-	-
Total other financing sources (uses)	(2,620)	14,605	(1,441)	1,937	(680)	11,972	12,425	6,429	2,173	(513)
Extraordinary item	-	-	1,120	-	-	-	-	-	-	-
Net change in fund balances (3)	\$ 28,819	\$ 33,866	\$ 10,826	\$ 26,153	\$ 43,578	\$ 50,127	\$ (36,278)	\$ (10,670)	\$ (41,142)	\$ 50,501

Debt service as a percentage of noncapital expenditures 21.0% 21.2% 16.9% 20.0% 19.9% 18.7% 19.1% 18.5% 18.1% 13.9%

- (1) Accommodation taxes are considered Special Assessments.
- (2) Prior to fiscal year ended June 30, 2004, expenses for Infrastructure and Regulation were classified as Public
- (3) Major Capital Projects Sales Tax added 2008.
- (4) Prior to fiscal year ended June 30, 2011, Hospitality and Local Accommodations fees were classified as Intergovernmental.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30		REAL PROPERTY (1) (2) (3)		PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (7)	TOTAL DIRECT TAX RATE (6) (7)	ESTIMATED ACTUAL TAXABLE VALUE (5) (7)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER					
2008	\$ 394,601	\$ 1,264,297	\$ 5,088	\$ 133,789	\$ 172,811	\$ 1,970,586	47.3	\$ 34,797,636	5.66%	
2009	419,503	1,278,502	5,162	128,942	174,070	2,006,179	47.3	35,591,828	5.64%	
2010	465,852	1,282,410	5,524	109,872	165,332	2,028,990	44.9	36,448,278	5.57%	
2011	478,287	1,283,108	5,552	120,615	157,156	2,044,718	45.2	36,851,012	5.55%	
2012	489,498	1,269,741	5,597	134,214	154,820	2,053,870	45.2	37,099,739	5.54%	
2013	499,771	1,274,902	5,558	152,537	151,714	2,084,482	45.2	37,690,344	5.53%	
2014	489,077	1,215,768	5,474	173,197	213,486	2,097,002	45.2	37,546,392	5.59%	
2015	513,292	1,227,759	5,423	184,997	172,049	2,103,520	52.4	38,152,375	5.51%	
2016	545,379	1,243,694	5,462	195,705	185,414	2,175,654	52.4	39,526,858	5.50%	
2017	587,152	1,262,197	5,490	195,966	180,288	2,231,093	52.4	40,835,795	5.46%	

Notes:

- (1) Property in the County is reassessed every five years.
- (2) Tax-exempt property has already been deducted, includes fee-in-lieu of tax and motor carrier reimbursement assessment.
- (3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
- (4) The County assessed personal property at 6.0%, 6.75% or 10.5% of estimated taxable market value for FY2008.
- (5) Estimated actual taxable value = appraised value.
- (6) Direct tax rates are per \$1,000 of assessed value.
- (7) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.
- (8) General Note: Taxes for each tax year are due and payable the following fiscal year.

Source/s:

Horry County Finance Department
Horry County Assessor
Horry County Auditor

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN AND CURRENT FISCAL YEARS**

	Tax Year (1)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Direct Rates (2)											
General Fund	36.7	36.7	34.8	35.6	35.6	35.6	35.6	42.8	42.8	42.8	42.8
Debt Service	5.3	5.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Senior Citizens Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Higher Education	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation	2.3	2.3	2.2	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Direct Rate	47.3	47.3	44.9	45.2	45.2	45.2	45.2	52.4	52.4	52.4	52.4
Unincorp. County Rates (2)											
Rural Fire	16.3	16.3	15.2	15.2	15.2	19.5	19.5	19.5	19.5	19.5	19.5
Rural Fire App. Repl. (Began 2013)						1.7	1.7	1.7	1.7	1.7	1.7
Waste Management	6.4	6.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
School District Rates (2)											
Operating	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1	123.1	123.1
Debt Service	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total School Rate	143.3	139.3	132.2	130.2	130.2	130.2	133.1	133.1	133.1	133.1	133.1
Other Fire Districts Rates (2)											
Aynor Fire Contract	16.3	16.3	15.2	15.2	15.2	21.2	21.2	21.2	21.2	21.2	21.2
Atlantic Beach Fire Contract	16.3	16.3	15.2	15.2	15.2	21.2	21.2	21.2	21.2	21.2	21.2
Murrells Inlet /Garden City Fire Contract	10.0	10.0	10.0	10.0	10.0	10.0	10.0	14.0	14.0	14.0	14.0
City Rates (2)											
Town of Atlantic Beach	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliff Acres	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4	82.4	82.4
City of Loris	105.0	105.0	103.7	103.7	111.7	111.7	111.7	115.0	115.0	118.5	118.5
City of Myrtle Beach	64.4	62.9	66.1	66.1	66.1	66.1	74.5	74.5	77.5	77.5	80.5
City of Myrtle Beach Tax Credit (Began in 2009)		1.5	58.5	58.5	58.5	58.5	61.5	61.2	64.0	63.5	64.3
City of N. Myrtle Beach	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3	41.3	43.3
City of Surfside Beach	44.0	44.0	40.0	40.0	40.0	40.0	46.2	46.2	46.2	46.2	46.2

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN AND CURRENT FISCAL YEARS**

	Tax Year (1)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Special District Rates (2)											
Crabtree	3.6	3.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Todd Swamp	3.5	3.5	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Buck Creek	3.8	3.8	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Simpson Creek	3.4	3.4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Mt Gilead	7.4	7.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	30.0
Socastee Rec	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	0.0	0.0
Cartwheel	3.9	3.9	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Gapway	3.8	3.8	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Arcadian Shores	35.0	35.0	32.3	32.3	32.3	32.3	35.0	35.0	35.0	35.0	35.0
Hidden Woods (Began in TY 2012)					84.6	84.6	84.6	0.0	0.0	0.0	0.0
River Grande (Began in TY 2012)					0.0	0.0	0.0	0.0	0.0	0.0	0.0

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
 - (2) Rates are per \$1,000 of assessed value.
- A property reappraisal was performed for the Tax Year 2010. This reappraisal was delayed by one (1) tax year.
A property reappraisal was performed for the Tax Year 2014.
A reappraisal is scheduled to be performed every five years. The County's next scheduled reappraisal date is December 31, 2018 for the Tax Year 2019.

Source: Horry County Assessor and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	Fiscal Year 2018 (Tax Year 2017)			Fiscal Year 2009 (Tax Year 2008)		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)
Burroughs & Chapin Company, Inc (2)(3)	\$ 19,116,080	1	0.86%	\$ 38,000,371	1	1.93%
Horry Electric Coop Inc	18,671,960	2	0.84%	16,421,170	2	0.83%
Lawyers Title Insurance Corp	5,260,390	3	0.24%	3,796,152	10	0.19%
Bluegreen Vacations Unlimited Inc	5,212,970	4	0.23%	3,941,031	8	0.20%
South Carolina Electric & Gas	4,522,120	5	0.20%			
Marriott Ownership Resorts Inc	4,068,990	6	0.18%	3,889,830	9	
Time Warner Cable Southeast LI	4,003,410	7	0.18%			
AVX Corporation	3,608,263	8	0.16%			0.00%
Ocean Lakes Family Campground	3,564,080	9	0.16%			0.00%
Wal-Mart Real Estate Business Trust	3,290,530	10	0.15%			
HTC Communications				7,949,560	3	0.40%
Verizon South Inc				6,573,010	4	0.33%
Sandy Beach Development				4,801,344	5	0.24%
Bahama Sands Development				4,674,600	6	0.24%
Anderson Ocean Club				4,256,646	7	0.22%
Totals	\$ 71,318,793		3.20%	\$ 94,303,714		4.58%

Notes:

(1) Property that is exempt from the County portion of taxes have been subtracted from Total Assessed Value.

(2) TY 2017 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

(3) TY 2008 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

Source: Horry County Treasurer

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			FISCAL YEAR OF THE LEVY	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2008	2009	\$ 116,478	\$ 108,765	93.38%	\$ 4,745	\$ 113,510	97.45%
2009	2010	117,841	110,020	93.36%	4,933	114,952	97.55%
2010	2011	114,534	108,254	94.52%	3,109	111,364	97.23%
2011	2012	115,734	108,294	93.57%	3,773	112,067	96.83%
2012	2013	116,221	109,743	94.43%	3,391	113,134	97.34%
2013	2014	123,735	117,524	94.98%	2,647	120,171	97.12%
2014	2015	123,477	117,081	94.82%	1,853	118,934	96.32%
2015	2016	141,353	134,090	94.86%	2,238	136,328	96.44%
2016	2017	146,307	139,192	95.14%	2,094	141,286	96.57%
2017	2018	149,757	143,104	95.56%			

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years

Sources:
Horry County property tax database

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS - FIRE DISTRICT
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS EXCEPT MILLAGE AND PERCENTAGES)**

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	MILLAGE	ASSESSED VALUE	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
					AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2008	2009	16.3	\$ 963	\$ 15,703	\$ 14,643	93.25%	\$ 623	\$ 15,266	97.22%
2009	2010	16.3	978	15,942	14,886	93.37%	631	15,517	97.33%
2010	2011	15.2	1,007	15,313	14,446	94.34%	430	14,877	97.15%
2011	2012	15.2	1,013	15,394	14,373	93.37%	508	14,880	96.66%
2012	2013	15.2	1,023	15,547	14,617	94.02%	488	15,105	97.15%
2013	2014	19.5	1,030	20,076	18,977	94.53%	436	19,414	96.70%
2014	2015	19.5	1,041	20,298	19,172	94.45%	316	19,488	96.01%
2015	2016	19.5	1,078	21,016	19,824	94.33%	310	20,134	95.80%
2016	2017	19.5	1,093	21,312	20,171	94.65%	298	20,469	96.05%
2017	2018	19.5	1,120	21,841	20,846	95.44%			
2018	2019 (3)	19.5	not available						

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years
- (3) Current Year value and collection data are not available until completion of the fiscal year.

Sources:

Horry County property tax database

**HORRY COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES				BASEBALL STADIUM COPS BONDS			BUSINESS-TYPE ACTIVITIES		PRIMARY GOVERNMENT TOTAL		DEBT PER CAPITA (1) (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	CAPITAL LEASES	REVENUE BONDS	REVENUE BONDS	CAPITAL LEASES	OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME (1) (2)		
2009	\$ 129,840	\$ 10,035	\$ 315,760	\$ 9,828	\$ 1,880	\$ 10,620	\$ 306	\$ 478,269	6.26%	\$ 1,800		
2010	134,670	7,105	297,308	6,726	1,570	10,075	266	457,720	5.90%	1,692		
2011	125,967	5,410	276,765	4,908	1,405	60,590 (3)	224	475,269	5.84%	1,726		
2012	117,794	3,665	254,386	5,264	1,233	60,590	180	443,112	5.22%	1,573		
2013	110,788	1,860	230,067	3,869	1,233 (4)	60,590	685	409,092	4.58%	1,415		
2014	101,054	-	203,700	14,224	1,051	60,404	586	381,019	3.99%	1,277		
2015	93,099	-	175,172	24,134	861	59,196	484	352,946	3.48%	1,141		
2016	83,625	-	144,190	26,944	661	57,933	389	313,742	2.88%	973		
2017	76,518	-	110,608	21,104	451	56,619	334	265,634	2.44%	797		
2018	65,144	-	89,765	18,912	231	55,256	278	229,586	not available	666 (5)		

Notes:

- (1) See the schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Percentage of Personal Income and Per Capita data have been revised to incorporate updated information from the U.S. Census Bureau and the Bureau of Economic Analysis
- (3) Series 1997 and Series 2000 Bonds were fully redeemed in FY2011 and Series 2010 Bonds were issued.
- (4) Baseball Stadium COP bonds were restated to correct a prior period error.
- (5) Estimated 3.39% growth rate for 2018

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS (4)	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
2009	\$ 116,050	\$ 14,129	\$ 101,921	0.29%	\$ 391
2010	122,175	13,226	108,949	0.31%	410
2011	114,797	12,310	102,487	0.28%	379
2012	104,999	10,647	94,352	0.26%	343
2013	97,711	8,978	88,733	0.24%	315
2014	89,552	7,586	81,966	0.22%	284
2015	84,064	6,080	77,984	0.21%	261
2016	75,775	5,820	69,955	0.18%	226
2017	67,233	6,391	60,842	0.15%	189
2018	57,429	5,745	51,684	0.13%	155

Notes:

- (1) The restricted for debt service principal column has not been included because there are no restricted assets for general obligation bonds.
- (2) Percentage Estimated Actual Taxable Value of Property = Total Column (above) / the Estimated Actual Taxable Value (see the schedule of Assessed Value and Estimated Actual Value of Taxable Property for Est. Actual Taxable Value).
- (3) Net Bonded Debt per capita = Total column (above) / the prior year's (rounded) County Population; which has been revised to incorporate updated information from the U.S. Census Bureau and the Bureau of Economic Analysis (see the schedule of Demographic and Economic Statistics for population data).
- (4) General obligation bonds includes all general obligation bonds other than:
 - (a) Fire Protection G.O. Bonds of \$5,745 as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
 - (b) Higher Education G.O. Bonds of \$1,970 as they have their own designated millage (Special Purpose Districts)

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>ENTITY</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
School District	\$ 426,745	100.00%	\$ 426,745
City of Myrtle Beach	182,200	100.00%	182,200
City of Conway	5,760	100.00%	5,760
City of North Myrtle Beach	2,667	100.00%	2,667
City of Loris	363	100.00%	363
Town of Surfside	231	100.00%	231
Subtotal, overlapping debt			617,966
Horry County direct debt (1)	174,052	100.00%	174,052
Total direct and overlapping debt			\$ 792,018
<u>Amounts</u>			
			\$ 5,745
			1,970
			56,237
			231
			89,765
			18,912
			1,192
Total Horry County Direct Debt			\$ 174,052

Notes:

- (1) Horry County direct debt outstanding includes all general obligation long-term bonds as noted below:
- (a) Fire District G.O. Bonds have their own designated millage (fire millage is assessed only to unincorporated)
 - (b) Special Purpose/Tax District G.O. Bonds have their own designated millage (Special Purpose Districts,
 - (c) All general obligation long-term bonds (excluding items a and b above)
 - (d) Certificates of Participation (added beginning in FY 2013)
 - (e) Ride IGA #1 & #2 (added beginning in FY 2013)
 - (f) Capitalized Leases (added beginning in FY 2012)
 - (g) Debt Outstanding includes the unamortized premiums (beginning in FY 2012)

Source: Finance Department of each entity.

**HORRY COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

For the Fiscal Year Ended June 30

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 158,493	\$ 161,340	\$ 163,165	\$ 164,423	\$ 165,155	\$ 167,604	\$ 173,555	\$ 182,646	\$ 169,590	\$ 176,936
Total net debt applicable to limit	116,050 (1)	122,175	114,797	104,999	95,845	87,853	82,275	74,185	65,842	56,237
Legal debt margin	\$ 42,443 (1)	\$ 39,165	\$ 48,368	\$ 59,424	\$ 69,310	\$ 79,751	\$ 91,280	\$ 108,461	\$ 103,748	\$ 120,699
Total net debt applicable to the limit as a percentage of debt limit	73.22%	75.73%	70.36%	63.86%	58.03%	52.42%	47.41%	40.62%	38.82%	31.78%

Legal Debt Margin Calculation for Fiscal Year 2018:

Assessed value	\$ 2,201,132
Plus: Assessed value - Merchant's inventory	10,572
Total assessed value	<u>\$ 2,211,704</u>
Debt limit (8% of total assessed value)	176,936
Debt application to limit:	
General obligation bonds (2a) (2b)	56,237
Legal debt margin	<u>\$ 120,699</u>

Notes:

- (1) Total net debt applicable to limit and Legal Debt Margin are restated for fiscal year 2009.
- (2) General obligation bonds includes all general obligation bonds other than:
 - (a) Fire District G.O. Bonds as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
 - (b) Higher Education G.O. Bonds (beginning in FY 2012) as they have their own designated millage (Special Purpose Districts)

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR	AIRPORT REVENUE BONDS (AMOUNTS EXPRESSED IN THOUSANDS)					SPECIAL OBLIGATION DEBT SERVICE BONDS & CERTIFICATES OF PARTICIPATION (AMOUNTS EXPRESSED IN THOUSANDS)				
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	AVAILABLE REVENUE	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	ASSESSMENT COLLECTIONS (1) (5)	HOSPITALITY FEE 1%	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST
2009 (3)	\$ 18,002	\$ 9,541	\$ 8,461	\$ 545	\$ 577	7.54	\$ 5,740	\$ 1,534	\$ 736	2.53
2010 (3)	16,678	9,316	7,362	575	551	6.54	5,477	1,202	318	3.60
2011(3)	18,557	10,680	7,878	-	41	192.51	5,735	1,853	304	2.66
2012	17,937	11,163	6,774	-	228	29.64	6,036	1,910	244	2.80
2013	18,531	13,788	4,743	-	1,013	4.68	6,139	1,978	181	2.84
2014	21,974	17,167	4,807	-	2,805	1.71	6,569	2,042	115	3.05
2015	23,687	18,578	5,109	-	2,755	1.85	6,977	191	48	29.19
2016	23,346	17,685	5,661	-	2,700	2.10	7,290	199	38	30.76
2017	26,490	19,131	7,359	-	2,647	2.78	7,626	210	28	32.04
2018	31,882	23,247	8,635	-	2,604	3.32	7,869	221	17	33.06

Notes:

- (1) Does not include interest, fund balance usage or transfers in.
- (2) On January 9, 2008, Horry County Redeemed \$11,270,000 of Airport Revenue Bonds
- (3) Calculations based on 2010 Airport Bond Ordinance (all Airport Revenue Bond numbers are restated for FY 2007 through FY 2010), Series 1997 and 2000 Bonds were redeemed in FY 2011.
- (4) Hospitality Fee Special Obligations Refunding Bonds, Series 2009 were fully amortized in FY2014.
- (5) Supporting schedule is attached

Source: Horry County Department of Airports and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY FEES COLLECTED (PLEGGED REVENUE)
LAST TEN FISCAL YEARS**

AMOUNT COLLECTED (BY REVENUE TYPE AND YEAR)

YEAR	FOOD AND BEVERAGE			ADMISSIONS	TOTAL
	SALES	DATIONS	ACCOMMO-		
2009	\$ 3,098,270	\$ 1,778,425	\$ 863,008	\$ 5,739,703	
2010	3,105,353	1,668,652	702,729	5,476,734	
2011	3,251,077	1,840,823	643,028	5,734,928	
2012	3,382,665	1,893,112	759,779	6,035,556	
2013	3,458,757	1,957,193	722,753	6,138,703	
2014	3,704,542	2,169,882	694,996	6,569,420	
2015	3,969,148	2,309,399	698,853	6,977,400	
2016	4,141,087	2,428,310	720,435	7,289,832	
2017	4,381,295	2,517,352	727,555	7,626,202	
2018	4,579,933	2,542,344	747,022	7,869,299	

AMOUNT COLLECTED (BY MONTH AND YEAR)

MONTH	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
July	\$ 1,144,359	\$ 1,143,039	\$ 1,108,955	\$ 1,048,404	\$ 985,038	\$ 955,275	\$ 955,598	\$ 958,975	\$ 888,715	\$ 931,951
August	887,910	827,716	844,871	871,787	826,709	684,783	720,899	698,052	693,258	801,544
September	692,321	736,540	706,316	599,513	574,377	591,767	504,896	499,516	454,524	424,155
October	549,633	453,098	465,121	479,206	434,470	404,677	423,102	395,982	369,881	405,397
November	423,598	421,354	374,974	360,434	326,990	313,625	308,316	311,328	293,071	311,601
December	403,956	418,325	378,790	341,751	333,666	299,958	286,391	261,015	270,984	283,668
January	323,491	331,905	318,345	293,480	269,513	251,676	240,108	240,241	221,323	248,956
February	396,045	372,770	352,143	335,571	307,125	285,636	278,637	249,628	252,863	276,924
March	587,687	536,419	568,190	485,630	456,963	458,199	433,268	347,140	373,772	380,656
April	684,139	705,706	587,077	591,915	573,483	511,823	542,321	526,507	481,358	518,259
May	691,692	663,000	631,869	614,746	586,581	549,655	517,418	487,804	470,509	457,778
June	1,084,467	1,016,330	953,182	954,964	894,504	831,630	824,602	758,741	706,476	698,814
	<u>\$ 7,869,299</u>	<u>\$ 7,626,202</u>	<u>\$ 7,289,832</u>	<u>\$ 6,977,400</u>	<u>\$ 6,569,420</u>	<u>\$ 6,138,703</u>	<u>\$ 6,035,556</u>	<u>\$ 5,734,928</u>	<u>\$ 5,476,734</u>	<u>\$ 5,739,703</u>

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
STATE APPROPRIATIONS
SUBJECT TO WITHHOLDING UNDER ARTICLE X SECTION 14**

<u>YEAR</u>	<u>AMOUNT RECEIVED</u>
2009	\$11,337,663
2010	\$ 9,298,966
2011	\$ 8,171,893
2012	\$ 8,719,185
2013	\$10,173,480
2014	\$10,173,470
2015	\$10,174,161
2016	\$10,174,161
2017	\$10,466,931
2018	\$10,688,118
2019	\$10,659,027

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

YEAR	COUNTY POPULATION (5B) (3A & B)	PERSONAL INCOME (AMOUNTS EXPRESSED IN THOUSANDS) (2A) (3 A & B)	PER CAPITA PERSONAL INCOME (3 A & B)	SCHOOL ENROLLMENT (1A) (4B) (7B)	LABOR FORCE (4A)(6B)	EMPLOYMENT (4A) (6B)	COUNTY % UNEMP. (4A)(6B)	STATE % UNEMP. (4A) (6B)
2009	265,640	\$ 7,656,688	\$ 28,824	37,735	138,823	123,905	10.7	11.9
2010	270,438	7,860,979	29,068	37,421	137,908	122,691	11.0	11.2
2011	275,695	8,246,323	29,911	38,206	140,863	125,494	10.9	11.1
2012	281,567	8,605,885	30,564	38,665	140,676	127,054	9.7	9.8
2013	289,055	9,048,471	31,304	39,419	141,602	129,817	8.3	8.3
2014	297,963	9,751,748	32,728	40,341	142,236	132,807	6.6	6.6
2015	309,205	10,605,009	34,298	41,490	145,152	135,555	6.6	6.3
2016	321,440	11,185,785	34,799	42,465	148,031	139,863	5.5	5.3
2017	333,268	11,837,728	35,520	43,188	152,268	145,300	4.6	4.2
2018	344,566 (5A)	not available	not available	44,060	152,837	147,039	3.8	3.8

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Per Capita Personal Income = Personal Income / County Population.
- (3) County Population, Personal Income and Per Capita Personal Income have been revised to incorporate updated information. (revised)
- (4) Labor Force, Employment, and County Unemployment and State Unemployment Rates have been revised to incorporate updated information.
- (5) Estimated 3.39% growth rate for 2018

Sources (B):

- (1) S. C. Statistical Abstract
- (2) S. C. Employment Security Commission, Labor Market Research Division
- (3) Bureau of Economic Analysis
- (4) Horry County Schools website
- (5) U.S. Census Bureau
- (6) U.S. Department of Labor
- (7) Horry County Schools

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER (3)	2018 (1)			2009 (4)		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District (6)	5,861	1	3.83%	4,400	1	2.88%
Horry County Government (5)	2,168	2	1.42%	2,019	3	1.32%
Wal-Mart (6)	2,157	3	1.41%	2,100	2	1.37%
Grand Strand Regional Medical Center (6)	1,546	4	1.01%	1,280	4	0.84%
Coastal Carolina University (6)	1,423	5	0.93%	984	8	0.64%
Conway Medical Center (6)	1,202	6	0.79%	1,100	5	0.72%
City of Myrtle Beach (6)	1,006	7	0.66%	1,076	7	0.70%
McLeod Health (Loris & Seacoast) (6)	943	8	0.62%			
Food Lion (6)	846	9	0.55%			
Kingston Resorts (6)	686	10	0.45%			
Burroughs & Chapin				700	10	0.46%
AVX Corporation				1,100	6	0.72%
Blue Cross Blue Shield				825	9	0.54%
Totals	17,838		13.07%	15,584		11.23%

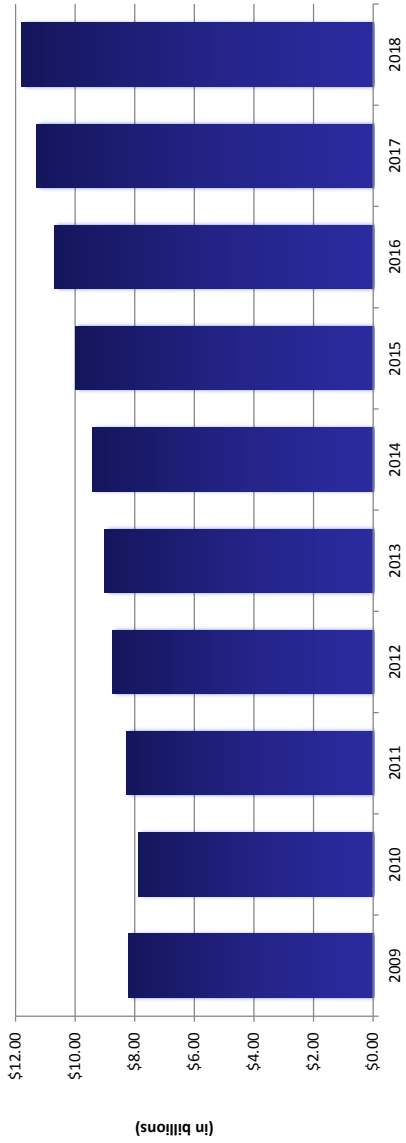
Notes (A):

- (1) The Total Employment is as of June of that year
- (2) Percentage of Total Employment = Total Employees (above) / prior year's Total Labor Force on an annual basis per U.S Department of Labor Bureau of Labor Statistics (see Demographic and Economic Statistics)

Sources (B):

- (3) SC Department of Employment and Workforce
- (4) 2009 Horry County Comprehensive Annual Financial Report
- (5) Horry County Finance Department
- (6) Employer Human Resources Department

**HORRY COUNTY, SOUTH CAROLINA
GROSS RETAIL SALES FIGURES
LAST TEN YEARS**



YEAR	GROSS SALES	PERCENTAGE CHANGE
2009	\$ 8,212,831,863	(9.4)
2010	7,858,031,821	(4.3)
2011	8,291,304,481	5.5
2012	8,751,960,729	5.6
2013	9,011,131,130	3.0
2014	9,430,513,440	4.7
2015	9,999,531,153	6.0
2016	10,685,625,039	6.9
2017	11,297,018,127	5.7
2018	11,794,717,963	4.4

Sources:
S. C. Statistical Abstract
S. C. Department of Revenue

**HORRY COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	2009 ⁽²⁾	2010	2011	2012	2013	2014 ⁽³⁾	2015	2016	2017	2018
Full-time Equivalent Employees as of June 30,										
Functions and Programs										
<u>Governmental Activities:</u>										
General government	354	341	340	307	309	362	367	284	287	297
Public safety										
Police	263	261	262	226	236	248	238	242	254	241
Fire	136	151	151	150	147	177	184	173	165	171
EMS	171	185	182	179	179	179	167	158	150	174
Sheriff & Detention Center	274	320	347	346	348	346	343	362	374	372
Courts	196	203	201	205	211	215	211	211	188	232
Other	98	100	110	143	155	113	113	109	113	108
Health and social services	3	3	5	6	6	7	7	7	6	7
Infrastructure and regulation										
Public Works	79	79	81	79	84	83	85	83	84	66
Code Enforcement	47	44	42	41	39	39	38	43	43	44
Fleet	16	15	14	16	17	17	16	20	20	20
Other	79	68	62	61	59	64	67	148	150	152
Culture, recreation and tourism										
Libraries	54	62	60	65	79	69	67	59	58	59
Parks	40	55	57	62	62	68 ⁽⁴⁾	67 ⁽⁴⁾	60	63	65
Other	5	4	4	5	5	8	10	8	8	8
Economic development										
CDBG	2	3	3	3	3	3	3	3	3	5
Myrtle Beach Reg. Economic Dev. ⁽⁵⁾	-	-	-	-	-	-	-	2	3	4
<u>Business-type Activities:</u>										
Airports	112	105	104	109	130	140	137	133	140	140
Total Primary Government	<u>1,929</u>	<u>1,999</u>	<u>2,025</u>	<u>2,003</u>	<u>2,069</u>	<u>2,138</u>	<u>2,120</u>	<u>2,105</u>	<u>2,109</u>	<u>2,165</u>

Source: Horry County Human Resources Department

(1) Regular Part-time employees are defined as working 20 hours or less or less than 6 months and are calculated at 0.5 of Full-time employee.

(2) Increased detail level of functional staffing; prior actual comparisons not available.

(3) Horry County Human Resources provided additional clarification as to their methodology in calculating "Full-time Equivalent Employees". This additional clarification resulted in a recalculation of 2014. 2014 has been restated to reflect this recalculation.

(4) An error in calculation method was discovered for Parks. This resulted in a recalculation of 2014 and 2015. 2014 and 2015 has been restated to reflect this recalculation.

(5) Myrtle Beach Regional Economic Development was added in 2016.

**HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

For the Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Functions and Programs										
<u>Governmental Activities:</u>										
General government										
Information Technology/GIS:										
# of GIS Parcels Maintained	231,344	232,551	233,563	234,576	236,046	238,132	240,510	243,318	246,647	250,929
# of Servers Maintained (3) (6)	123	103	100	75	55	78	72	75	115	226
Register of Deeds:										
Total Documents Filed	150,260	130,657	128,533	142,085	153,410	153,019	163,657	158,370	153,432	151,273
Assessor:										
Assessments of Building Permits	12,854	10,228	9,835	8,506	7,269	4,997	4,073	6,034	7,573	8,592
Special Assessments	17,507	10,346	10,566	10,255	8,143	9,169	10,008	13,264	12,345	13,730
Real Property Parcels	237,276	241,974	244,624	248,050	246,240	246,960	247,948	250,597	253,315	262,740
Human Resources:										
# of Applications Taken	8,322	4,777	12,209	14,701	15,170	21,164	18,080	19,826	16,691	15,445
Public safety										
Police:										
# of Calls for Service	134,514	129,909	130,532	129,109	120,796	120,771	123,458	119,816	122,645	121,979
# of Index Crimes	9,164	10,045	9,539	9,174	9,559	9,086	9,207	9,431	8,855	7,454
Index Crime Clearance Rate	19.00%	19.50%	19.75%	18.15%	23.98%	24.51%	17.81%	15.76%	22.92%	27.97%
# of Call Responsive Officers Per Shift	20	20	16	18	23	25	21	25	25	25
Fire:										
# of Calls for Service	42,594	42,612	40,631	46,468	48,454	52,278	52,501	57,791	59,315	62,462
# of Structure Fires	674	651	581	586	436	540	287	542	508	577
# of Ambulance Transports	20,961	20,982	23,600	23,831	23,967	24,805	26,922	28,909	29,797	30,432
# of Career Fire Fighters Per Shift	93	97	93	93	96	107	107	107	107	107
Emergency 911:										
# of 911 Calls (4)	221,693	214,880	234,944	249,786	233,032	210,310	250,681	268,417	272,254	242,684
# of Radio Dispatches	190,962	187,323	189,471	224,520	223,386	223,241	234,841	235,399	235,087	238,803
# of Telecommunicators per shift	10	10	10	11	11	11	11	11	8	10
Sheriff's Office/Jail:										
# of Bookings	15,880	13,400	13,380	13,013	13,290	13,308	13,069	12,693	12,193	12,881
Average daily population	632	641	579	635	629	659	608	624	716	773
Infrastructure and regulation										
Code Enforcement:										
# Building Permits	6,673	7,397	7,258	7,250	8,082	8,997	10,217	11,149	11,935	12,493
Public Works:										
Miles of Dirt Road Scraped	779	748	701	682	667	647	639	617	600	578
Dirt Roads Paved	1,77	13,99	13,71	5,74	4,03	7,23	4,70	6,47	5,51	2,99
Signage Replaced/Installed	1,421	1,500	1,887	1,324	1,186	898	1,018	1,075	761	1,047
Miles of Ditches Cleaned	1,123	268	252	240	219	694	679	403	599	578

**HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

For the Fiscal Year Ended June 30,

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Functions and Programs										
<u>Governmental Activities (Continued):</u>										
Engineering:										
Dirt Roads Paved	9.72	19.01	28.47	6.01	9.23	11.50	3.92	17.57	13.64	19.22
Fleet:										
# Vehicles Maintained	700	824	831	822	830	828	832	838	845	867
# Heavy Equipment Vehicles Maintained	270	229	266	272	310	311	320	325	330	334
# Vehicles Repaired or Work Orders	8,277	8,111	7,872	7,835	7,592	8,386	8,042	8,456	8,171	6,606
Culture, recreation and tourism										
Library:										
Circulation	1,141,871	1,095,571	1,182,823	939,393	973,605	1,013,753	1,040,622	1,045,682	980,413	1,028,881
Patron Traffic Count	772,354	749,652	716,092	656,379	785,768	733,530	726,015	702,067	596,470	625,657
New Patrons Registered	26,572	23,555	15,764	12,290	15,318	12,238	11,404	11,603	12,116	12,375
Parks & Recreation:										
# Programs	180	187	193	216	223	227	245	248	319	414
Baseball Stadium:										
Paid Tickets (1)	183,094	167,334	155,076	160,062	154,633	176,218	182,450	170,606	173,670	164,260
<u>Business-type Activities:</u>										
Airports										
Deplanements	740,602	772,733	901,080	818,477	777,998	863,393	886,345	942,948	1,029,014	1,207,696
Industrial parks - (Three Parks) (2)(5)	(2)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

Notes:

- (1) Fiscal Year is January through December. Revenue months are April through September.
- (2) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
- (3) The FY2012 reduction of the "# of Servers maintained" is a direct result of the use of virtual technology; which is the configuration of one physical server into multiple "virtual" servers. This reduction in the number of physical servers has resulted in improved efficiencies in heating and cooling, electricity, and a greater utilization of the actual physical servers themselves.
- (4) The 45% increase in 911 calls, for the fiscal year (2012-2013), is due primarily to the implementation of a new system that replaced an old system with less accuracy.
- (5) This new system utilizes a different reporting mechanism thereby increasing the accuracy of tracking 911 calls. The County implemented this new system in March 2012.
- (6) Operating indicators were removed from this schedule due to all of the property being sold and therefore there has been no activity for FY2015 nor for the prior years of FY2010 - FY2014
- (6) The FY2018 increase in the number of servers is due to the implementation of the new Disaster Recovery Center at ML Brown for redundancy should the Elm Street Data Center go down.

Source: Various County Departments

**HORRY COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

For the Fiscal Year Ended June 30,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General government										
Building Complexes (3)	4	4	4	4	4	4	4	4	4	5
Public safety										
Police(2):	352	320	299	279	285	229	194	207	211	252
Patrol units										
Sheriff/Detention Center(1):										
Transport Vehicles	-	-	102	97	106	107	110	111	116	126
Fire/Rescue:										
Stations	41	39	39	39	35	39	39	39	39	39
Trucks(Fire/Pumpers)	66	67	68	68	66	66	66	66	72	64
Ambulances	36	36	28	29	29	28	28	28	28	28
Health and social services										
Health Departments (bldg)	4	3	3	3	3	3	3	3	3	3
Social Services (bldg)	1	1	1	1	1	1	1	1	1	1
Infrastructure and regulation										
Highways and streets:										
Roads (miles)	1413	1426	1431	1429	1436	1440	1442	1456	1462	1478
Heavy equipment:										
Motorgraders	25	24	21	15	17	16	14	14	14	11
Dump trucks	24	17	26	23	19	20	20	20	23	23
Other	206	173	155	109	148	152	157	163	167	172
Culture, recreation and tourism										
Museums	1	2	2	2	2	2	2	2	2	2
Libraries	9	9	9	9	10	10	10	10	10	10
Bookmobile	1	1	1	1	1	1	1	1	1	1

**HORRY COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

For the Fiscal Year Ended June 30,

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Functions and Programs										
Parks:										
Parks	35	35	35	35	35	35	35	35	34	34
Tennis Courts	7	7	13	13	13	13	13	17	14	14
Ball Fields	34	34	35	38	38	38	38	38	39	39
Soccer Fields	19	20	22	21	21	21	21	21	30	30
Recreation Centers/Headquarters	2	4	4	6	6	6	6	6	6	6
Conservation/Natural resources										
Off Site Facilities:										
Boat Landings	27	27	27	27	28	28	28	28	29	29
Watersheds	6	6	6	6	6	6	6	6	6	6
<u>Business-type Activities:</u>										
Airports										
Locations	4	4	4	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4	4	4	4
Industrial parks										
Locations	4	4	4	4	4	4	4	4	4	4
Baseball stadium										
Baseball field (30% ownership)	1	1	1	1	1	1	1	1	1	1

Notes:

- (1) Added the Sheriff department vehicle count starting in FY 2011.
- (2) As of FY 2014 count is police patrol units only.
- (3) Includes Horry County Wellness Center building purchase in July 2017.

Source: Horry County Finance Department

COMPLIANCE

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2018

Federal Grantor/Pass through Grantor/Program Title	Pass-through Grantor's Award Number	CFDA Number	Expenditures	Federal Awards passed through to subrecipients
U S DEPARTMENT OF TRANSPORTATION				
Direct Assistance				
Federal Aviation Administration: Airport Improvement Program	Not Available	20.106	\$ 3,500,915	\$ -
Passed through the Federal Railroad Administration Railroad Grant	FB-TII-0042-17	20.933	30,743	-
Passed through the SC Department of Transportation Highway Planning and Construction East Coast Greenway Carolina Forest Trail	Not Available	20.205	168	-
Total U S Department of Transportation			3,531,826	-
U S DEPARTMENT OF AGRICULTURE				
Passed through the SC Department of Natural Resources Conservation Service				
NCRS Emergency Watershed Protection	68-4639-17-210	10.923	142,124	-
Total U S Department of Agriculture			142,124	-
National Oceanic and Atmospheric Administration				
Passed through the SC Department of Health and Environmental Control				
Magnolia Beach Access Improvement	NA15NOS4190090	11.419	7,910	-
Total National Oceanic and Atmospheric Administration			7,910	-
U S DEPARTMENT OF HOMELAND SECURITY				
Direct Assistance				
Transportation Security Administration (TSA) Law Enforcement Officer Reimbursement Program	HSTS02-08-H-SLR120	97.090	120,523	-
Passed through the SC Emergency Preparedness Division of the Office of the Adjutant General Civil				
Homeland Security Grant Program - Civil Defense:				
Pee Dee Regional WMD Bomb Team Enhancement	17SHSP33	97.067	13	-
Pee Dee Regional WMD SWAT Team Enhancement	16SHSP14	97.067	27,058	-
Pee Dee Regional WMD Bomb Team Enhancement	16SHSP07	97.067	48,282	-
Pee Dee Regional WMD SWAT Team Enhancement	17SHSP13	97.067	38,803	-
Pee Dee Regional WMD SWAT Team Enhancement	17SHSP06	97.067	31,973	-
Pee Dee RMAT	16SHSP34	97.067	55,000	-
			201,129	-
Fire Recruitment and Retention	EMW-2013-FF-00066	97.083	415,111	-
FEMA Disaster Grants - Public Assistance	PA-04-SC-4286	97.036	8,733,997	-
FEMA Disaster Grants - Public Assistance	PA-04-SC-4241	97.036	464,195	-
			9,198,192	-
Local Emergency Management Performance Grant FY 2016	16EMPG01	97.042	3,900	-
Local Emergency Management Performance Grant FY 2015	15EMPG01	97.042	53,670	-
			57,570	-
Total U S Department of Homeland Security			9,992,525	-
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the SC Department of Social Services				
Office of Child Support Enforcement:				
Sheriff Title IV-D Funds	C15026C	93.563	26,895	-
Child Support Enforcement - Incentive	C15026C	93.563	32,828	-
Filing Fees	C15026C	93.563	22,924	-
Child Support Enforcement	C15026C	93.563	741,853	-
			824,500	-

(Continued)

See notes to the Schedule of Expenditures of Federal Awards

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2018

Federal Grantor/Pass through Grantor/Program Title	Pass-through Grantor's Award Number	CFDA Number	Expenditures	Federal Awards passed through to subrecipients
Passed through the SC Department of Health and Environmental Control				
Mosquito control	CDC-RFA-CK14-1401	93.323	9,857	-
Total U S Department of Health and Human Services			834,357	-
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Assistance				
Community Development Block Grant	B15-UC-45-0006	14.218	548,212	269,835
Community Development Block Grant	B13-UC-45-0006	14.218	137,899	137,899
Community Development Block Grant	B14-UC-45-0006	14.218	235,498	235,498
Community Development Block Grant	B16-UC-45-0006	14.218	491,585	289,785
Community Development Block Grant	B17-UC-45-0006	14.218	627,139	162,331
			<u>2,040,333</u>	<u>1,095,348</u>
Emergency Shelter Grants Program	E16-UC-45-0006	14.231	486	486
Emergency Shelter Grants Program	E17-UC-45-0007	14.231	303	303
Emergency Shelter Grants Program	E18-UC-45-0008	14.231	179,512	177,806
			<u>180,301</u>	<u>178,595</u>
HOME Investment Partnership Program	M-14-DC-45-0214	14.239	94,222	94,222
Total U S Department of Housing and Urban Development			<u>2,314,856</u>	<u>1,368,165</u>
U S DEPARTMENT OF JUSTICE				
Direct Assistance				
Equitable Sharing Program	Not Available	16.922	24,755	-
Passed through Office of the Governor/Division of Public Safety				
Edward Byrne Memorial Justice Grant Program				
Solicitor - Violent Crime Prosecutor - 17	1G15031	16.738	33,540	-
Solicitor - Violent Crime Prosecutor -18	1G15042	16.738	111,345	-
Justice Assistance Grant	2016-DJ-BX-0657	16.738	11,701	-
Justice Assistance Grant	2015-DJ-BX-0453	16.738	11,883	-
Total Edward Byrne Memorial Justice Grant Program			<u>168,469</u>	<u>-</u>
State Criminal Alien Assistance Program - Illegal Alien	2015-AP-BX-0433	16.606	47,567	-
Solicitor - Victim Advocate	1V16022	16.575	77,742	-
Solicitor - Victim Advocate	1V17015	16.575	302,664	-
Solicitor - Victim Advocate - vehicle	1V16062	16.575	31,076	-
Police - Victim Advocate	1V16027	16.575	87,437	-
Detention - Victim Advocate	1V14149	16.575	10,341	-
Detention - Victim Advocate	1V17023	16.575	33,094	-
Police - Victim Advocate	1V17022	16.575	70,263	-
			<u>612,617</u>	<u>-</u>
Passed through Office of the Governor				
Division of Juvenile Justice and Delinquency Prevention				
Solicitor - Truancy Grant	1J16003	16.540	44,784	-
Solicitor - Interpersonal Violence Team	1K16009	16.588	24,256	-
Solicitor - Interpersonal Violence Team	1K15039	16.588	39,243	-
Solicitor - Interpersonal Violence Team	1K17003	16.588	14,217	-
			<u>77,716</u>	<u>-</u>
Total U S Department of Justice			975,908	-
Total Expenditures of Federal Awards			<u>\$ 17,799,506</u>	<u>\$ 1,368,165</u>

See notes to the Schedule of Expenditures of Federal Awards

Horry County, South Carolina

Notes to the Schedule of Expenditures of Federal Awards For the year ended June 30, 2018

Note 1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Horry County under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Horry County, it is not intended to and does not present the financial position, changes in net position or cash flows of Horry County.

Note 2. Summary of Significant Accounting Policies

The expenditures presented in the Schedule reflect amounts recorded by Horry County, South Carolina during its fiscal year July 1, 2017 through June 30, 2018, and are on the modified accrual basis of accounting except for CFDA 20.106, and 97.090 which are on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Disaster Grants – Public Assistance (CFDA 97.036)

After a Presidential-Declared Disaster, Federal Emergency Management Agency (FEMA) provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities. The federal government reimburses in the form of cost-shared grants. For the year ended June 30, 2018, FEMA approved approximately \$9.2 million of eligible expenditures some of which were incurred in a prior year and are included in the Schedule.



**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

To the Honorable Chairman and Members of County Council
Horry County, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County (the "County") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 4, 2018. Our report includes a reference to other auditors who audited the financial statements of the Solicitor's Intervention Programs (blended component unit), Shoreline Behavioral Health Services and the Horry County Solid Waste Authority (both discretely presented component units) as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*, accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Solicitor Intervention Program.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a large, sweeping initial "E".

Charleston, South Carolina
December 4, 2018



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Chairman and Members of County Council
Horry County, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Horry County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the accompanying Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, discretely presented component units which received \$1,735,321 and \$0, respectively, in federal awards which are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2018. Our audit, described below, did not include the operations of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority because the discretely presented component units engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-01. Our opinion on each major federal program is not modified with respect to this matter.

Horry County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Horry County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the consideration of the other auditors of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-01 that we consider to be a significant deficiency.

Horry County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Horry County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion of the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Elliott Davis, LLC

Charleston, South Carolina
December 4, 2018

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2018

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? _____ yes X no
- Significant deficiency identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? _____ yes X no
- Significant deficiency identified? X yes _____ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X yes _____ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
20.106	Airport Improvement Program
93.563	Child Support Services

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2018

Section II. Financial Statement Findings

None noted.

Section III. Federal Award Findings

Finding 2018-01:

Criteria: The federal government's Office of Management and Budget requires all agencies receiving federal awards to maintain a complete and accurate accounting of their awards.

Condition: The original schedule of federal awards that was provided to the auditor did not properly account for all monies awarded to the County during the year under audit.

Effect: Potential inaccurate accounting and reporting of federal awards by the County.

Cause: The County did not accurately interpret certain award terminology and reflected only activity that had been reimbursed in their original schedule of federal awards provided to the auditor.

Recommendation: The County should institute controls that require multiple levels of review and interpretation of federal award language to ensure that the County accurately accounts and reports its federal awards.

Views of responsible officials and planned corrective actions: The County agrees with this finding. The necessary levels of interpretation and review will be adjusted to ensure that interpretations are accurate.

Horry County, South Carolina
Summary Schedule of Prior Year Audit Findings
For the Year ended June 30, 2018

None noted.