

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



HORRY COUNTY
SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

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PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

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INTRODUCTORY SECTION



HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
DECEMBER 12, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Horry (the "County") for the fiscal year ended June 30, 2017. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for both the completeness and reliability 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 both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not outweigh the benefits, Horry County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County financial statements have been audited by Elliott Davis, LLC. The independent auditors' report is presented as the first component of the Financial Section of the CAFR. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2017, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles 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 a reasonable basis for rendering an unmodified opinion that the County financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP.

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. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it. The County's Management Discussion and Analysis 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 overseeing 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.

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.

Factors Affecting Financial Condition

Stability and continued growth in tourism along with improving real estate indicators from increased building permits, business licenses, and ROD values provide a base for the County to continue enhancing our constituent services, focus on economic development, and development of 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 seven of the "Best US Golf Destination" by USA Today's 10Best. 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.

The natural assets of the Grand Strand are the Atlantic Ocean and the mild climate. Average temperature for both air and sea water range from 80 degrees during the summer to about 50 degrees during the winter.

The Grand Strand area continues to receive numerous accolades from regional and national media and publications. In *TripAdvisor's* inaugural 2017 TripMaximizer Report, which studied how far travelers' dollars can stretch in this year's 10 most popular spring destinations, Myrtle Beach was ranked as the no. 1 destination overall due in part to its affordable airfares and average nightly hotel costs. Also in 2017, Myrtle Beach was named the best cheap spring destination by *U.S. News & World Report*. It was also named no. 3 in best family beach destinations in the USA and in the top ten of best affordable family vacations, alternative Spring Break destinations and family vacation in the USA by the publication. Based on a survey conducted by *CheapTickets.com*. Myrtle Beach ranks no. 3 of the top beach Spring Break destinations for college students that won't break the bank. *Tipspoke.com*, A Google Consumer Survey, named Myrtle Beach the best beach in the U.S., thanks to its warm tropical climate, water and adventure sports, thrilling attractions, family fun, and affordable accommodations. By editorial decision, the Myrtle Beach area was named no. 2 on *Travel Channel's* annual ranking of the Best Beaches in America. The editors called the area the "East Coast's ultimate vacation hub" for its "silky white sand" beaches, amusement and water parks, live entertainment, restaurants, fishing, sailing, surfing and more. Myrtle Beach, South Carolina, was named favorite beach town in the U.S. by *Travel & Leisure* for its oceanfront Boardwalk & Promenade, incredible culinary scene and kid-friendly amusements. A ranking of the best family vacations in the U.S. by *U.S. News & World Report* listed Myrtle Beach, South Carolina, as no. 9 for its accessibility and affordability. Myrtle Beach was named the no. 2 best beach city in the U.S. for group trips by *Hotelplanner.com*, due to the high volume of group travelers to the area annually. Myrtle Beach, South Carolina, was

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 2016, approximately 2.7 million total rounds of golf were played across the Grand Strand (Rounds data reported by Myrtle Beach Area Chamber of Commerce).



In 2010, Myrtle Beach opened the 1.2 mile Oceanfront Boardwalk, which was recognized as the nation's number three boardwalk by *National Geographic* magazine and one of the best U.S. boardwalks by *Travel & Leisure* magazine. *Budget Travel* (2013) picked the Myrtle Beach Boardwalk as one of America's Most Awesome Boardwalks. Nineteen boardwalks across the country were chosen, and Myrtle Beach's 1.2-mile oceanfront staple is nestled alongside the Atlantic City Boardwalk in New Jersey, Coney Island in Brooklyn, N.Y., and the Venice Beach Boardwalk in California. According to *USA Today*, the Myrtle Beach Boardwalk has the 12th best boardwalk food in the nation (2013). They chose the top 25 boardwalks around the country based on reflection of region, price, and quality of ingredients (2013).

The Naomi and Stanley Bleifield Gallery at Brookgreen Gardens opened to the public in January 2017. Located near the Mary Alice and Bennett Brown Sculpture Court, the gallery is open daily and showcases the work of historic and contemporary sculptors whose subjects are taken from the natural world. The most prominent sculptures are those by Stanley Bleifield, Sandy Scott, Walter Matia, Dan Ostermiller, Grainger McCoy and Brookgreen founder Anna Hyatt Huntington. Brookgreen Gardens contains the most comprehensive collection of American figurative sculpture in the country. In addition, a new art exhibit titled "Life in the American West" opened on January 28, 2017. The exhibit showcases sculpture, paintings, prints and drawings on loan from contemporary artists, collectors and galleries, plus historic works from the Brookgreen collection.

Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 18.6 million people visited the area in 2016. Based upon the Chamber's 2013 conversion study, 15 percent of the area's visitors came from North Carolina and 55 percent from New York, Pennsylvania, Ohio, Virginia and West Virginia. Georgia, Illinois, Tennessee, and Michigan round out the top ten states, outside of South Carolina, whose residents visit the area. In 2013, the Chamber received nearly 1,700 inquiries from foreign countries. About 97 percent of those came from Canada, with most of the remaining 3 percent coming from Germany, France and United Kingdom.

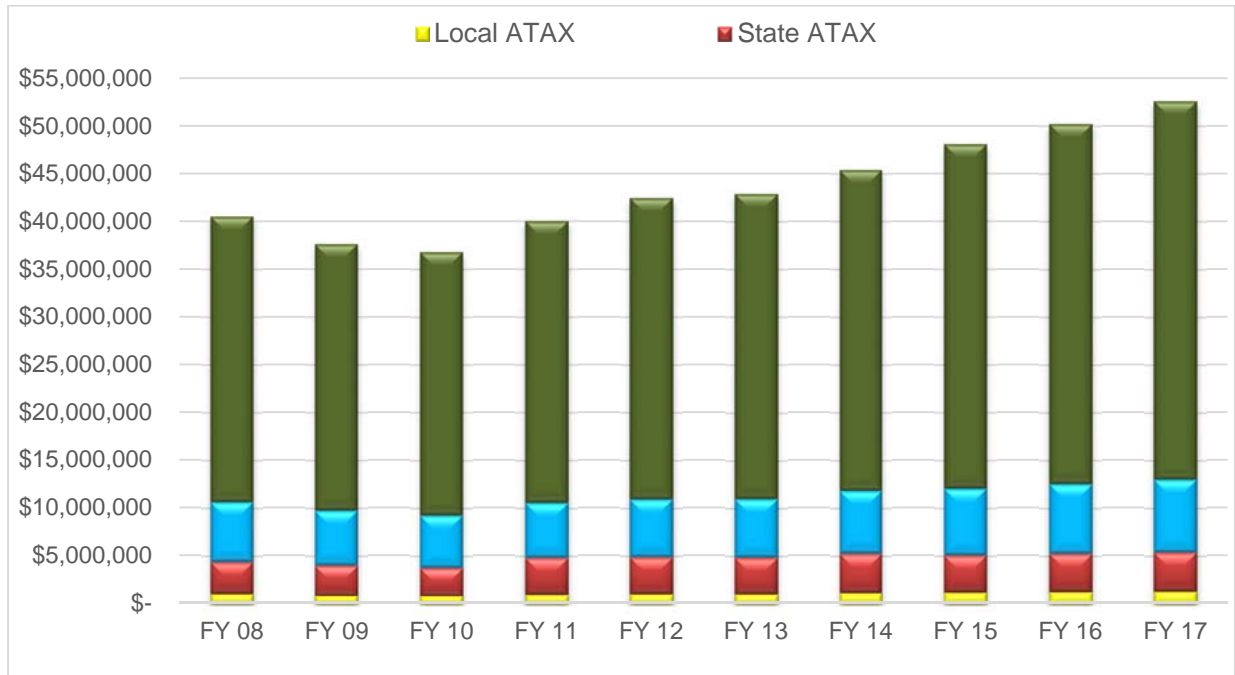
Traffic to the VisitMyrtleBeach.com website originated from all 50 states and 476 different countries. The top ten states for web traffic were: North Carolina, New York, South Carolina, Pennsylvania, Ohio, Georgia, Virginia, New Jersey, Florida, and Tennessee.

According to the Chamber's 2013 In-Market Visitor Profile Study, the destination continues to attract adults traveling with children in an average party size of five members, consisting of three adults and two children. Of all travel party types, 61 percent are families, 28 percent are couples, 4 percent are groups of three or more adults, 4 percent are single adults and 3 percent is single adults with children. The average length of stay in 2013 was six days for leisure travelers and three days for business travelers. Grand Strand leisure travelers spent an average of \$117 per person per day and group business travelers spent an average of \$277 per person per day. Most Grand Strand visitors (88 percent) used their own vehicles or rented a vehicle as their primary means of transportation. A majority (60 percent) of them stayed in hotels, while 21 percent stayed in condominiums or villas.

There are approximately 98,573 bedrooms available for rent along the Grand Strand including 58 percent in hotels/motels, 22 percent in vacation rentals, 11 percent in timeshares, and 9 percent campgrounds. Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the Myrtle Beach Area Chamber of Commerce was 55.1 percent in 2017 vs. 54.4 percent in 2016 and the annual average daily rate was \$107.40 in 2017 vs. \$101.80 in the prior year. Gross retail sales in the County were \$11.3 billion in 2017.

Virginia-based Buchanan Motels will bring two new high-rise hotels to central Myrtle Beach. Both are currently unnamed. The first will be located at 6th Avenue North and Ocean Boulevard and will be 237,000 square feet, with 19 floors and 240 rooms. It will include a water park that can be enclosed in winter. Estimated completion is Spring 2018. The second will be located at 17th Avenue North in Myrtle Beach with 22 floors and 228 rooms. The hotel will sit across the street from an indoor water park and parking garage. Construction is expected to be complete in 2017. The City of Myrtle Beach recently approved the development of a Residence Inn Marriot on 26th Avenue South Ocean Boulevard. The 305,964-square-foot hotel will be 17 stories high and include its own parking structure and pool. A completion date has not yet been set.

The following graph shows that the County's revenues which are heavily reliant upon the tourism industry have stabilized through these tough economic times and are returning to historic highs. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for fiscal year 2008 – fiscal year 2017.



The following table shows the improving trends, since the economic slow-down in 2008, in retail sales for businesses located in the County for the years shown. 2017 represents yet another historical high for retail sales.

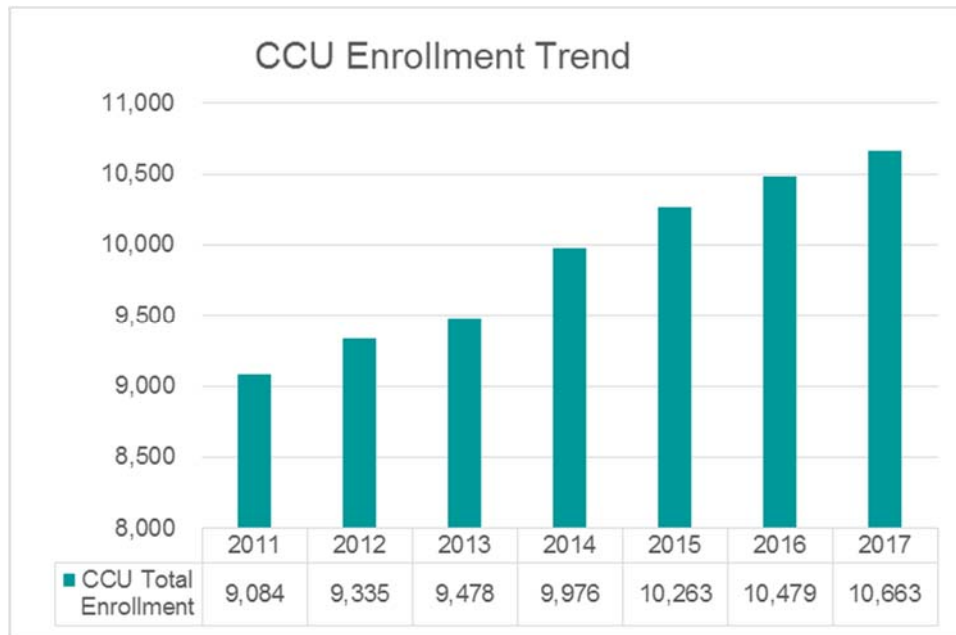
<u>Year</u>	<u>Total Retail Sales</u>
2008	\$9,064,308,659
2009	8,212,831,863
2010	7,858,031,821
2011	8,291,304,481
2012	8,751,960,729
2013	9,011,131,130
2014	9,430,513,440
2015	9,999,531,153
2016	10,685,625,039
2017	11,297,018,127

The County is more than a bustling center of tourism, it is also a comfortable place in which to live, raise a family, and simply relax and enjoy life. County residents have the unique opportunity to both enjoy the pleasant tranquility of country living as well as the numerous amenities offered along the Grand Strand resort areas.

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 468 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 17.2 million annual visitors, sports event planners are also now discovering what makes Myrtle Beach the ideal location for any sporting event. In March 2015 the Myrtle Beach Sports Center opened its doors, featuring eight basketball courts, 16 volleyball courts and 100,000-square-feet of configurable space for numerous indoor events. The Sports Center joins the extensive list of existing sports facilities, from Coastal Carolina University's Convocation Center to the North Myrtle Beach Park & Sports Complex's 160-acre outdoor park.



What attracts sporting events of all shapes and sizes to the Myrtle Beach area isn't just the first-class facilities, but also the endless attractions – not to mention the 33 miles of pristine coastline – available to make visiting Myrtle Beach more than just attending a sporting event – but also a vacation. Top area attractions for sports groups include NASCAR Speedpark, Myrtle Beach Pelicans, Ripken Experience, Broadway at the Beach, Myrtle Beach Watersports, Myrtle Waves Water Park, and more than 100 golf courses. FlipKey.com, a vacation rental marketplace with more than 240,000 rentals around the world, included the Myrtle Beach Mini Marathon on its list of Top Marathons & Races Worth Traveling For in 2014. The Grand Park Athletic Complex features seven large multipurpose fields and two youth fields. All have synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football. The complex also has



a six-tunnel batting cage, plenty of free parking and three towers with restrooms and concessions. In 2013, the City of Myrtle Beach hosted 2,892 teams on its athletic fields. In all, those teams played 8,172 games during the calendar year.

The North Myrtle Beach Park and Sports Complex opened in March 2014, and is a state-of-the-art sports tourism and recreational facility utilizing a 145 acre tract. The park contains a six-field baseball/softball complex and an eight-field soccer/lacrosse complex. Included in the complexes are amenities such as batting cages, warm-up areas, concessions and restrooms. Over 60 sports tourism events were held at the park in 2014 including the IQA Quidditch World Cup and the Dixie Softball World Series. The park is also designed to meet recreational needs of the community and includes three miles of walking trails, an amphitheater, three playgrounds, seven picnic shelters, a twenty acre recreation lake, dog parks and much more.



Commercial and Residential Development

The County's economy has reflected renewed growth in most of its market segments. However, the real estate market will require more time to fully recover. The reassessment process completed in 2014 reflected the impact of the "Great Recession" of the late 2000's and resulted in a total assessed value for the County that was slightly below the tax year 2013 assessed value. Fortunately, a fast-paced development environment in prior years had generated substantial growth in the County's assessable tax base which is continuing to provide a stable source of revenue to fund the general government activities.

The single family residential market is experiencing resurgence with greater sales volume and higher median sales prices. The Coastal Carolina Association of Realtors reported a 17.7 percent year to date sales growth in its Grand Strand Market Report for October 2015. A median sales price increase of 5.6 percent year over year was also noted along with a sales growth of 10.4 percent sales price increase for condos.

Adjacent to the 1.2 mile, \$6.5 million, Oceanfront Boardwalk opened in Myrtle Beach in 2010, developers have completed a 200-foot tall SkyWheel along with a Jimmy Buffet's LandShark Bar & Grill. These new attractions, opened in May 2011, are expected to reinvigorate the downtown Myrtle Beach area and create an additional 150 jobs. Construction has begun on a new 50,000-square-foot development building along the Myrtle Beach Boardwalk at 14th Avenue North. The large complex will bring several new restaurants, retail and a live music venue to the beautiful oceanfront Boardwalk area of Myrtle Beach. In addition, the Boardwalk will be extended another block on the north to connect to a new Hilton hotel property. An oceanfront park will be built as part of the project.



The Broadway at the Beach entertainment and attraction complex in Myrtle Beach has undergone major changes as it enters its 21st year in Myrtle Beach. The former Celebrity Square district is being transformed into a historic-looking warehouse district renamed *The Avenue*. Hard Rock Café relocated from the well-known pyramid building, and in its place will sit a new, 40,000-square-foot Dave and Busters unlike any other – in a warehouse that gives a nod to the old and a wink to the future. Work continues in Mediterranean Village, located next to The Avenue, with new facades and landscaping being installed. In addition, new amusement rides, including a Ferris Wheel, have been and continue to be installed at all three Pavilion Park locations on property. And, Paula Deen's Family Kitchen and Carolina Ale House opened this summer. Wahlburgers recently opened its first South Carolina eatery December 2016 at Broadway at the Beach. Founded by celebrity brothers Mark, Paul and Donnie Wahlberg, the eatery is a fast-casual concept, specializing in burgers with made-from-scratch ingredients. The Myrtle Beach location occupies a more than 5,000-square-foot space. WonderWorks, the upside-down science attraction, opened in April of 2011 at Broadway at the Beach. The attraction, one of only four in the country, has four floors of interactive exhibits as well as activities such as laser tag, indoor ropes course, and café and created more than 100 new jobs for the Grand Strand.

The County's largest development, Carolina Forest, was opened by International Paper in 2000. Carolina Forest is approximately 17 square miles, or 10,850 acres. To compare, the City of Myrtle Beach is also approximately 17 square miles or 10,700 acres. In thirty years, 50,000 to 60,000 people could live in Carolina Forest, with it possibly growing into an incorporated town. There will be 37 subdivisions, eight to 10 golf courses, and five million square feet of commercial space. The County's goal has been to make this the County's first fully zoned and planned community. The overall concept is to intersperse houses with sidewalks, arranged by subdivisions with matching signage, all planned around a downtown district with an old-fashioned Main Street called "Town Centre". The population is estimated to be approximately 60 percent retirees and 40 percent younger families. The growth is expected to take place over the next 20 to 30 years. In the last Census Carolina Forest experienced a population growth of 506 percent over the prior ten years and the adjacent community of Forestbrook grew 125 percent.

As of the spring of 2012, two fire/rescue stations, recreation center and library have been completed in the Carolina Forest area. Three elementary schools, a middle school, a high school, and an academy for the arts, sciences and technology have been constructed in the Carolina Forest area by the Horry County School District.

New commercial development in Carolina Forest is located within the International Drive area with a Lowe's Food grocery store and small shop tenants, 264 unit apartment complex, two convenience stores, McDonalds, Bojangles Famous Chicken 'n Biscuits restaurants, and announcement of a CVS Pharmacy.

Additional restaurants and retail compliment the larger anchors of Tanger Factory Outlets, Kroger Shopping Center, and Publix Grocery Store (within the Hwy 501 corridor within Carolina Forest.



The Coastal North Town Center is open in North Myrtle Beach and houses Publix along with Hobby Lobby, TJ Maxx, Dick's Sporting Goods, PetSmart, and twenty-one other retail stores. The entire center measures 368,000 square feet.

The Market Common opened April 3, 2008 in Myrtle Beach, on the site of the former Myrtle Beach Air Force Base, combining housing with about 40 national and local retail stores and restaurants. The Market Common is an upscale, master-planned urban village, located just 1 mile from the ocean and minutes from all Myrtle Beach attractions. Residents can walk to the exceptional shopping and dining options in this area.



In 1999 the Grande Dunes Resort project was begun as a high profile, full service resort stretching from the beach to the Intracoastal Waterway between 82nd Avenue North and the Dunes Golf and Beach Club in Myrtle Beach. The residential resort, touting classic Mediterranean architecture, provides numerous upscale amenities to include golf and tennis facilities, an ocean club, and private marina. Accommodations, upscale shops and restaurants are all part of the Marina Village section of the development, which is open to the public. On September 16, 2008 Grande Dunes Marketplace celebrated its grand opening. This property, located across Highway 17 from the Marina Inn at Grande Dunes and anchored by a 49,000 square-foot Lowes Foods and CVS Drugstore, offers more than 91,000 square-feet of retail space with room for 19 tenants as well as future out parcel spaces. The Grande Dunes Marketplace provides an array of fine retailers and restaurants for Myrtle Beach visitors and residents.

LStar Management and Crosland Southeast completed construction for a new commercial development in Grande Dunes that will be anchored by a Publix grocery store and include other highly sought after retail tenants. The 80,000-square-foot project, being developed by Crosland Southeast, will be located on 12.2 acres of land at N. Kings Highway and 82nd Parkway

Coastal Grand Mall on US 501 and US 17 Bypass opened in March 2004 and houses anchor stores such as Belk, Sears, Dillard's, JC Penney, Dick's Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 outparcels for free-standing businesses. Shopping opportunities continue to be bountiful by improvements to the Grand Strand – from the Tanger Outlet Stores on US 501 to the Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Myrtle Beach Mall (formerly known as

Colonial Mall), Barefoot Landing and Broadway on the Beach continue to make enhancements to the shopping arena by adding specialty shops, the Pavilion Nostalgia Park, and increasing the number of new restaurants.

Saybrook Town Center expanded in 2013 with the opening of a new 135,000 square foot Target store along with national retailers Marshalls, Petco, and local commercial space.

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 principal employers top 10 list.

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 2017’s (tax year 2016) 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 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>
2007	\$1,466,803	\$302,173	\$1,768,976
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

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

The South Carolina General Assembly, in its 2011 session, modified the annual operating millage limits and roll-back limitations on increases in assessed value through reassessment on a prospective basis. This amendment modifies the roll-back calculation to use taxes billed vs. taxes collected in the previous year and increases the millage cap to include the current year population and CPI percentage increases plus any allowable but not imposed increases for the preceding three years. The 2011 Amendments further provided for an exemption from the increase in assessed value as of the date of an assessable transfer equal to 25 percent of the assessed value of certain real property subject to a 6 percent assessment ratio (generally, commercial property). This modification additionally provides that if values reduce from the prior year, the government is allowed to roll-forward the millage to produce the same revenue billed in the prior year

Building Permits Issued

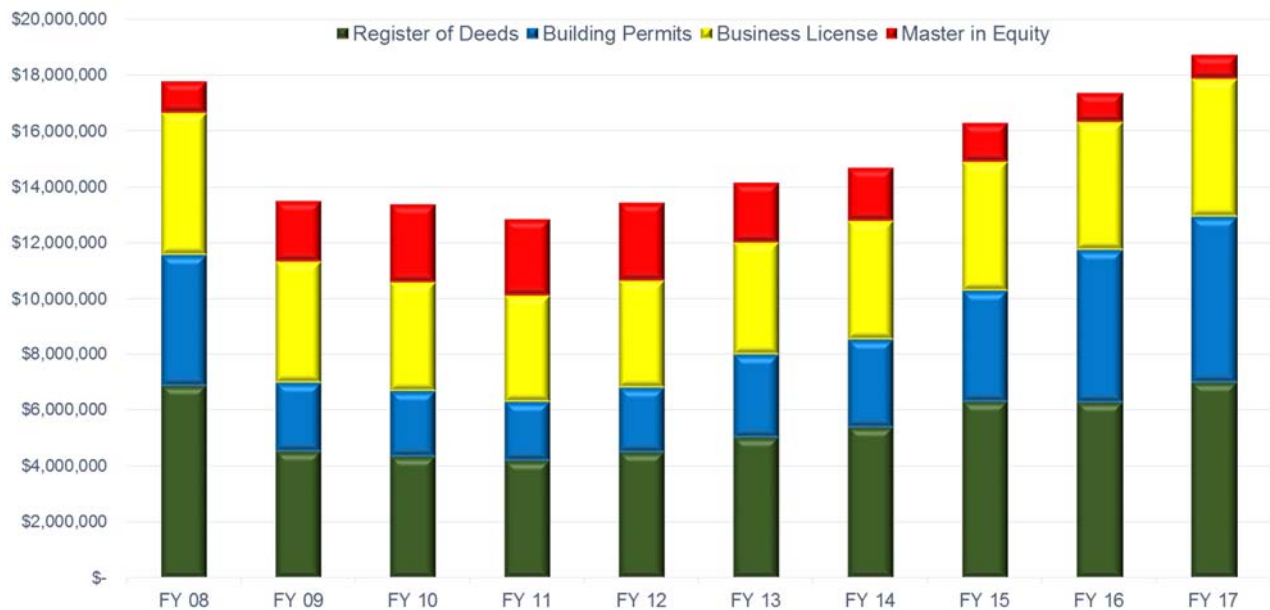
Horry County experienced a decline in construction due to the Great Recession, but has begun seeing an increase in permits issued and revenue received. The number of permits issued increased 7.1 percent for 2017 over 2016; in 2017 the values increased over 2016 resulting in an 8.52 percent increase in revenues.

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Revenue</u>
2008	8,459	\$4,726,984
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	11,935	5,958,122

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. As the economy made a downward turn during fiscal year 2008, revenues from these sources began to decline, but revenues from the Master in Equity's Office, who handles foreclosures, began to increase. Revenues from these economically sensitive areas appear to have stabilized and are now reflecting a moderate growth. Similar to fiscal year 2017 budget, the fiscal year 2018 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, 2017 of \$63.2 million (39.6 percent of the fiscal year 2017 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 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.

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 is continued expansions and job openings in 2017 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 4.4 percent at June 30, 2017 which is a decrease from June 2016 rate of 5.6. The Area experienced employment growth of 5,481 jobs over the prior year, a 2.9 percent increase.

Wage growth in the Horry County saw a 5.5 percent year-over-year increase which lagged slightly ahead of the national rate of 5.4 percent and slightly behind the state which experienced a 5.6 percent wage increase.

New jobs announced from relocation or expansion of jobs through MBREDC efforts exceed 2,000 from 2012 to 2017. Myrtle Beach-Conway-North Myrtle Beach ranks 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.

Greenwood Hall, a California-based customer relationship management firm, with locations in Los Angeles, CA, Phoenix, AZ, and Bryan, TX, announced plans to establish operations in Horry County in 2017. The company will hire approximately 317 employees, and make a capital investment of \$1.4 million over the next five years.



Greenwood Hall provides contact management solutions for education institutions, major non-profit agencies, and consumer brands. They are known for their expertise, technology, systems, and training processes to cost effectively and professionally handle hundreds of thousands of inbound and outbound calls per month, scalable to handle millions of calls for special projects. Greenwood Hall's services include enrollment management solutions, including lead generation/marketing, prospective student qualification, new student recruitment, and enrollment counseling services; retention counseling/coaching, as well as the reengagement of students dropped out of an institution; and student support solutions, such as help desk, career advising, student concierge, and financial aid advising services. Current customers include the South Carolina Technical College System, Florence-Darlington Technical College, Tri-County Technical College, Spartanburg Community College, The University of Alabama, Troy University, University of Mississippi, and Horry Georgetown Technical College.

Ebtron, a Loris-based company that designs and manufactures air flow measuring devices, announced plans to expand its operations in Horry County in 2017. The company will hire 100 employees and make a capital investment of \$2.54 million over the next five years. Ebtron, and its sister companies, design and manufacture air flow measuring devices which allow its users to monitor and maintain air quality, humidity, climate, and other environmental conditions. Customers utilizing Ebtron equipment vary across industries, including healthcare, manufacturing, educational, laboratory, and office settings.



The following table provides a summary of new job announcements by the Myrtle Beach Regional Economic Development Corporation which the County provides funding for economic development recruiting.

Company	Industry	Status	Year	Jobs	Investment (in millions)
Frontier	Utility	Expansion	2012	90	\$1.5
BauschLinneman	Manufacturer	Relocation	2012	55	\$8.0
Canfor	Forest Products	Expansion	2012	56	\$4.0
Native Sons	Apparel	Expansion	2012	79	\$2.6
PTR	Manufacturer	Relocation	2013	145	\$8.0
StarTek	Call Center	Relocation	2013	615	\$10.0
Accent Stainless	Manufacturer	Relocation	2014	65	\$3.1
Laudisi Enterprises	Manufacturer	Expansion	2014	43	\$0.3
B3C Fuels	Manufacturer	Expansion	2014	36	\$0.3
Star Life Safety	Medical	Relocation	2015	36	\$0.5
Little Spider Creations	Design & Creative	Relocation	2015	35	\$2.7
Workman Cycles	Manufacturer	Relocation	2015	49	\$2.5
Frontier	Utility	Expansion	2016	37	n/a
Executive Helijet	aircraft maintenance	Expansion	2016	75	\$1.0
Kingman Airlines	aircraft maintenance	Relocation	2016	180	\$2.5
Ebtron	Manufacturer	Expansion	2016	100	\$2.5
Greenwood Hall	Education	Relocation	2017	317	\$1.4

R. J. Corman Railroad Company took possession of the former Carolina Southern in August 2015, and began moving equipment into place and clearing shrubs on the overgrown line two weeks before the deal was sealed in an effort to return the sound of train whistles in the region as quickly as possible. Assisted by local and state funding, R. J Corman acquired the rail corridor from the Baltimore and Annapolis Railroad Company. Additionally, Corman leased the Horry County owned railroad between Conway and the Intercostal Waterway.



Horry Georgetown Technical College (HGTC) has a blueprint for the future of economic development in the Myrtle Beach area, which will only strengthen our local workforce and homegrown industry opportunities. Two advanced manufacturing facilities are complete on two HGTC campuses: one in Conway on Highway 501 and another on the Georgetown campus. Each facility will boast more than 25,000 square feet, which is enough room for 50 welding booths and about 10 computer numerical control machines.

The County is currently developing an International Technology and Aeronautical Park (the "ITAP") on 460 acres located on the County-owned Myrtle Beach International Airport property. Initial spending for development of the Park is \$3.8 million. Phase two of the development includes a ramp and taxiway from the existing Myrtle Beach International Airport runway with a \$5.2 million budget funded by a \$3.75 million FAA grant, Rural Development Fund contributions and proceeds from airport land sales.



The County currently operates four (4) industrial parks (Atlantic Center, Cool Spring Business Park, Pineridge Business Center, and ITAP) 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. Through these contributions, the County has funded the construction of a shell

building within the County's "Certified Park" known as Cool Spring Business Park. Another industrial park project being pursued in conjunction with Grand Strand Water and Sewer Authority is a Marine Park in Bucksport.

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 9.6% in fiscal year 2017 when compared to fiscal year 2016, to 1,027,714 enplaned passengers. This increase of 89,964 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 2017, new nonstop air service was added from Hartford (BDL), St. Louis-Belleville (BLV), Dayton (DAY) and Portsmouth (PSM) to Myrtle Beach (MYR). In fiscal year 2017, airlines increased departing seat capacity by 6.1% over the previous year with United Airlines experiencing the largest year-over-year percentage increase of all carriers at MYR, 58%. Spirit Airlines continues to carry the most enplaned passengers at MYR, 670,885 or 51.2% of all passengers. The average airline cost per enplaned passenger (CPE) at MYR was \$7.60 for both fiscal year 2017 and 2016. 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 29.5% and 30.3% total operating revenues in fiscal year 2017 and 2016, respectively. Of the Signatory airline carriers, Spirit Airlines represents 51.2% of airport traffic, American Airlines 18.8%, Delta Air Lines 15.4%, and Allegiant 10.9%. Non-signatory airlines comprise 3.7% of MYR's passenger traffic.



Air carrier customers at MYR include Signatory and Non-signatory air carriers. The County has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 4 passenger airlines. As of June 30, 2017, the Signatory airlines were: American Airlines, Spirit Airlines, Delta Air Lines and Allegiant Airlines. The Non-signatory air carriers include United Airlines, Porter Airlines, Elite Airways, and WestJet. The Airport, under the Signatory Airline Agreement, established airlines rates and charges at MYR based on a compensatory rate-making methodology. Amounts charged to the airlines for landing fees and terminal rents at MYR are based upon the amount necessary to cover operating and capital expenses allocable to the airfield and terminal building at MYR. The Signatory Airline Agreement requires the Airport to prepare a reconciliation to determine the actual airline rents and charges during the year. In an effort to assist the airlines in expanding service at MYR and to further partner with the Grand Strand community's air service marketing efforts, Horry County Council authorized an enhanced airline incentive program for MYR starting in 2008, which has been revised from time to time, most recently in 2014. The Airport and the local tourism community are aggressively working with the air carriers to bring additional service to the Grand Strand, as well as maintain current levels of service to our community. Each year, as part of the budget process, Horry County



Council will review, and if necessary, modify the program to provide maximum support of air service development as the budget will permit. Non-air carrier customers and tenants include ten car rental brands (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Thrifty, and Fox), Republic Parking, MSE Branded Food Services, Airport Management Services, LLC (Hudson Group), Executive Helicopters, APA Leasing Inc., other concessionaires, and several federal government agencies including the Transportation Security Administration (TSA).

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. In February 2006, the South Carolina Department of Commerce, Division of Aeronautics released an economic impact study of the County's airports. That study estimates the direct and indirect economic impact of the four county airports is over \$776.3 million annually.

Road Improvement and Development Effort (RIDE)

The most aggressive road construction program in the history of the County, Road Improvement and Development Effort (RIDE), was approved by Governor Beasley in September 1996. 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. 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.

The participating parties in the RIDE 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. More detailed information about the technical aspects of the intergovernmental agreement is provided in Note 17 of the basic financial statements.

Pursuant to the Horry County Road Improvement and Development Effort Program (the "RIDE Program"), the County 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 the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. The County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay loans #1 and #2. Loan #3 has been repaid from Admissions Tax revenue. 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, 2017 is \$110.6 million. Future debt service payments for the RIDE project are expected to be \$119.4 million.

In June 2007, the County entered into an Intergovernmental Agreement with the State Infrastructure Bank in which the County received a funding commitment for the extension of the Carolina Bays Parkway and the widening of Highway 707 of \$150 million from the State Infrastructure Bank. A portion of the revenue from the Capital Local Option Sales Tax initiative passed by the voters in 2006, (\$93.6 million) serves as the local match for the SIB funds. Additionally, in November 2007 the State Infrastructure Bank approved additional funding of \$85 million, without a local match requirement, for the extension of the Carolina Bays Parkway due to increased costs.

Road Projects (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. The County was slated to receive \$425.3 million over this seven-year period to fund the below listed projects. Actual collections exceeded anticipated amount by \$24.0 million.



Estimated Cost As presented in referendum	RIDE II Prioritized Road Projects and status as of June 30, 2017
1. \$ 19,600,000	Pave 20 miles of County dirt roads – completed at a cost of approximately \$11.4 million.
2. \$ 945,000	Resurface 12 miles of County roads – completed at a cost of \$839,000.
3. \$ 49,500,000	Construct grade separated interchange at the intersection of U.S. Hwy 17 Bypass and SC Hwy. 707 at the back gate of the Myrtle Beach Air Base – 99 percent complete. Revised validated budget is \$123.4 million.
4. \$132,250,000	Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy 544 – Contract awarded to A.O. Hardee. The installation of the drainage system and borrow material continue throughout the project. Efforts are underway on the installation of the Mill Creek bridge foundations and the temporary bridge that will be used during traffic staging. Relocations of utilities are ongoing throughout the entire corridor. Revised validated budget is \$103.4 million.
5. \$ 25,750,000	Pave 25 miles of County dirt roads – completed at a cost of approximately \$10.5 million.
6. \$ 990,000	Resurface 12 miles of County roads – completed at a cost of approximately \$1.1 million.
7. \$ 46,000,000	Construct Aynor overpass – completed at a cost of approximately \$16.1 million.
8. \$ 1,035,000	Resurface 12 miles of County roads – construction began in spring 2011 and is complete. Estimated total cost is approximately \$1.5 million.
9. \$ 76,000,000	Widen Glenn's Bay Road to 3 lanes and construct a grade separated interchange at US Hwy. 17 Bypass –Contract awarded to Southern Asphalt. Installation of drainage structures is underway on US 17 Bypass and the Lakes access roads. The installation of earthquake drains continues for foundation of the interchange. Construction of the roadbeds for both the Lakes access roads are in progress. Utility relocations continue throughout the project corridor – revised validated budget is \$76.0 million.
10. \$ 1,080,000	Resurface 12 miles of County roads – construction began in 2012 and is complete. Estimated total cost is \$1.4 million.
11. \$27,750,000	Pave 25 miles of County dirt roads; construction began in 2012 and is currently complete. Estimated total cost is \$22 million.
12. \$ 1,125,000	Resurface 12 miles of County roads – 56 percent Complete. Estimated cost is \$1.8 million.
13. \$ 6,500,000	Pave 2 lanes of International Drive from Carolina Forest to SC Hwy. 90 – design, permitting and right-of-way complete, 35 percent complete. Estimated total cost is \$15.5 million.
14. \$ 682,500	Resurface 7 miles of County roads – 18 percent complete. Estimated cost is \$1.0 million.
15. \$36,100,000	Pave 30 miles of County dirt roads – 35 percent complete. Estimated cost is \$36.0 million.

With this funding source approved, the County entered into an Intergovernmental Agreement with the State of South Carolina Department of Transportation (SCDOT) to manage the improvements to the four SCDOT facilities, the Backgate Interchange at Highway 17 and Highway 707; widening Highway 707 to five lanes; construct an Aynor Overpass; and to widen Glens Bay Road including an interchange at Highway 17 and Glens Bay Road.

As of June 30, 2017, the capital project sales tax fund had generated \$449.9 million in revenue. Spending totaled \$292.2 million through year end which results in \$157.7 million balance on hand at year end for use in construction on the above projects.

Road 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 will go 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 projection revenues from the 1% Sales Tax is \$592 million. For fiscal year 2017 Revenues total \$14.2 million for the two months since inception of the new tax. The table below provides a list the referendum projects in priority order along with the estimated cost.

Estimated Cost As presented in referendum	RIDE III Prioritized Road Projects
1) \$50,000,000	U.S. Hwy. 501 Corridor improvements – SC Hwy. 31 to SC 544
2) \$15,000,000	Pave 25 miles County dirt roads
3) \$54,700,000	Carolina Forest Boulevard Widening
4) \$7,500,000	Palmetto Pointe Blvd. Ext. to SC Hwy. 544
5) \$21,700,000	SC Hwy. 9 East Widening (Loris)
6) \$5,000,000	Resurface 33.13 miles of City roads
7) \$65,100,000	US Hwy. 701 N Widening (North Conway)
8) \$19,300,000	Fred Nash Blvd. connection to Harrelson Blvd. – Myrtle Beach
9) \$19,800,000	US Hwy. 17 Business Intersection Improvements - Garden City
10) \$89,100,000	Forestbrook Road Widening
11) \$15,000,000	Pave 25 miles County dirt roads
12) \$5,000,000	Resurface 33.87 miles County roads
13) \$13,900,000	US Hwy. 501 Realignment from Broadway Street to 7th Avenue North
14) \$ 7,500,000	US Hwy. 701 Widening – North to Loris
15) \$18,400,000	Conway Perimeter Road Phase II
16) \$15,000,000	Pave 25 miles County dirt roads
17) \$ 5,000,000	Resurface 33.87 miles County roads
18) \$25,000,000	Southern Evacuation Lifeline (SELL) – Environmental Studies and ROW
19) \$125,000,000	SC Hwy. 31 (Carolina Bays Parkway) Extension To SC/NC State line
20) \$15,000,000	Pave 25 miles County dirt 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.

I-73 Planning

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 our region. During fiscal year 2017, the Army Corps of Engineers issued the permit to begin construction of Interstate 73. Actual construction has begun on the initial phase of I-95 to our area. Environmental work is complete on both the northern and southern sections and the Federal Highway Administration has signed the Record of Decision for each. South Carolina Department of Transportation (the "SCDOT") has completed the right-of-way plans for the southern section, and right-of-ways acquisition is underway for the corridor from I-95 to US 501 (approximately 5 miles). TIGER (Transportation Investment Generating Economic Recovery) funds in the amount of \$10 million were received by SCDOT in February 2010 and these funds were used to let a project in August 2011 in Dillon County for a bridge replacement on Catfish Church Road (S-17-63) over I-95 and widening on US 501 and US 301 near Latta. SCDOT continues to coordinate with the US Army Corps of Engineers on permit review and approval of the entire I-73 corridor. There is currently no firm timetable for any additional work on the northern section. The total estimated cost of the entire segment in South Carolina is approximately \$2.4 billion.



Capital Projects Completed and Projects under Construction

The County's Public Safety Division the project to replace the County's radio infrastructure was operational during fiscal year 2017 at an estimated cost of \$16.0 million. The system supports all public safety organizations within Horry County and supporting mutual aid organizations partnered with the County.

The Fire/Rescue took deliveries during fiscal year 2017 for the construction of ten (11) replacement fire apparatus including eight (8) pumpers, one (1) heavy rescuer, one (1) air truck, and a dive boat at a cost of \$5.7 million. A ladder apparatus, ordered in fiscal year 2016, is scheduled for delivery in fiscal year 2018. This is the second phase of a program to rotate the County's Fire Apparatus fleet to maintain the standards set by the International Organization for Standards (ISO) that establishes and reviews the fire coverage ratings that have a direct and material impact on property insurance premiums. Coupled with the first phase in fiscal year 2017, apparatus replacements total 25 units. This equipment was primarily acquired through a lease purchase financing funded through a dedicated millage for the Special Fire District coverage areas. Additionally, the Fire/Rescue team initiated, through a general obligation debt issuance and pay-as-you-go funding, a relocation of the University and Aynor Stations as well as upgrades for the Fire Training Facility. Horry County Fire/Rescue has improved its ISO rating after the completion of their recent Public Protection Classification (PPC) survey. ISO completed its analysis of the structural fire suppression delivery system provided in our county and moved the ISO rating from a Class 5 to a Class 3.

Information Technology Projects

The County has completed the initial implementation of the Enterprise Resource Planning (ERP), Property Tax Billing, and Human Resources/Payroll systems. Expenditures in fiscal year 2017 were \$.4 million. This implementation will span four (4) fiscal years and is currently planned to complete by June 2018. Key milestones include core financials, time & attendance, and property tax billings in fiscal year 2016 with human resources and payroll in fiscal year 2017, business license/hospitality revenues in fiscal year 2017, and fleet management and time and attendance modules in fiscal year 2018.

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. During 2017, the County completed two (2) additional debt issuances, a current refunding of the General Obligation Bonds Series 2009B (interest savings of \$1.4 million) and a Horry County Fire District General Obligation Bond for \$3.0 million for construction of the University and Aynor Fire Stations along with improvements at the Fire Training facility.

During fiscal year 2017, Council approved the use of \$2.5 million in one-time revenues to accelerate repayment lease purchase financing that will reduce \$.5 to \$.6 million in annual recurring expenditures over the next five (5) years.

County Council also approve the commitment of \$6.9 million from fiscal year 2017 General Fund excess revenues to repayment of the Energy Performance Contract initiated in fiscal year 2014. This is repayment is planned in fiscal year 2019.

During fiscal year 2017, Moody's Investors Service upgraded to Aa1 from Aa2 the rating on Horry County's general obligation debt. The Aa1 rating reflects the county's sizeable and diversifying tax base, healthy reserves supported by strong management and sound fiscal policies. The County also maintains an AA+ rating from Fitch and AA rating from S&P.

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, 2016. This was the thirtieth (30) 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, 2016 for fiscal year ended June 30, 2017. This was the twenty-eighth (28) 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 efficient and dedicated services of the staff of the entire Finance Department. A special acknowledgement goes to Ms. Pam Hill and Ms. Marla Bell, Financial Managers and Bruce Illsley, Financial Analyst for their leadership in this effort. I appreciate the efforts of the staff of Elliott Davis, LLC who provide technical guidance and assistance. I also express my gratitude to the many County employees from other departments who support the efforts of the Finance Department in the preparation of this report. Special appreciation goes to the Horry County Council; the County Administrator; the Assistant County Administrators, and the Budget Manager 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, 2016

Executive Director/CEO

Horry County County Council



Mark Lazarus
Chairman



Danny Hardee
District 10



W. Paul Prince
District 9



Harold Worley
District 1



Bill Howard
District 2



Al Allen
District 11



Harold Phillips
District 7



Johnny Vaught
District 8-Vice-Chair



Gary Loftus
District 4



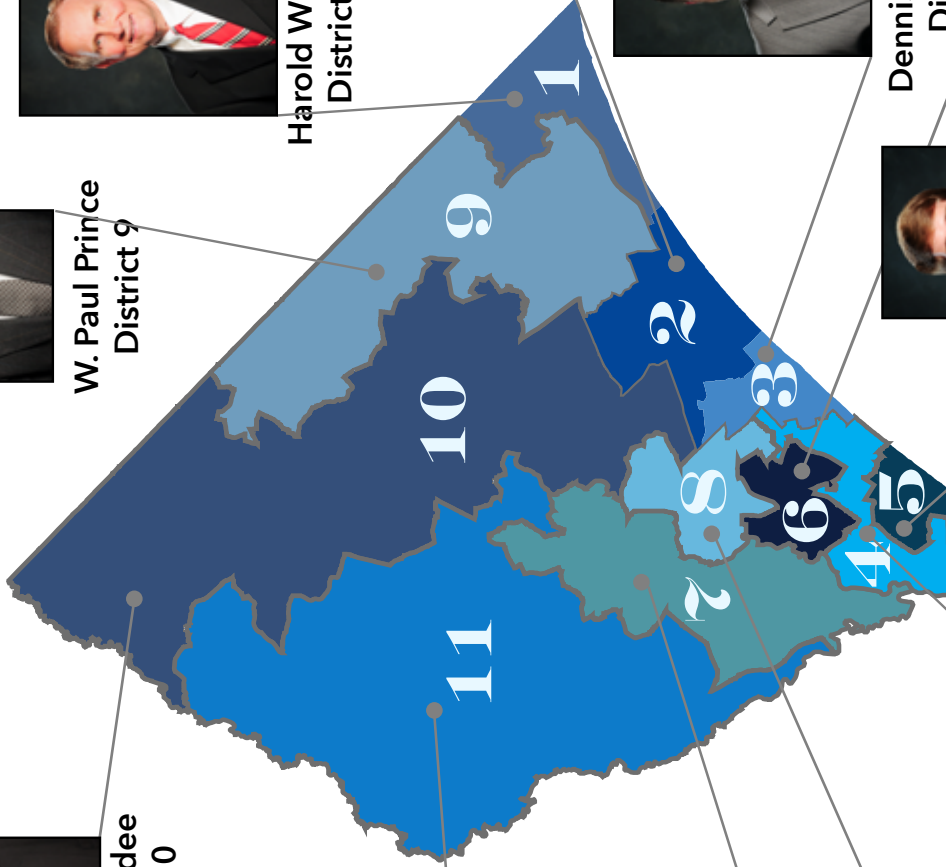
Tyler Servant
District 5



Dennis DiSabato
District 3



Cam Crawford
District 6



MEMBERS OF COUNTY COUNCIL

Mark Lazarus	Chairman
Tyler Servant	Member, District 5 and Vice Chairman
Harold G. Worley	Member, District 1
Bill Howard	Member, District 2
Dennis DiSabato	Member, District 3
Gary Loftus	Member, District 4
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
Aimee James (Interim)	Library
Cynthia Graham Howe	Master in Equity
Orrie West	Public Defender Fifteenth Circuit
Marion D. Foxworth, III	Register of Deeds
Dena Huggins (Interim)	Registration & Election
Ronald Elvis, Jr.	Veteran's Affairs

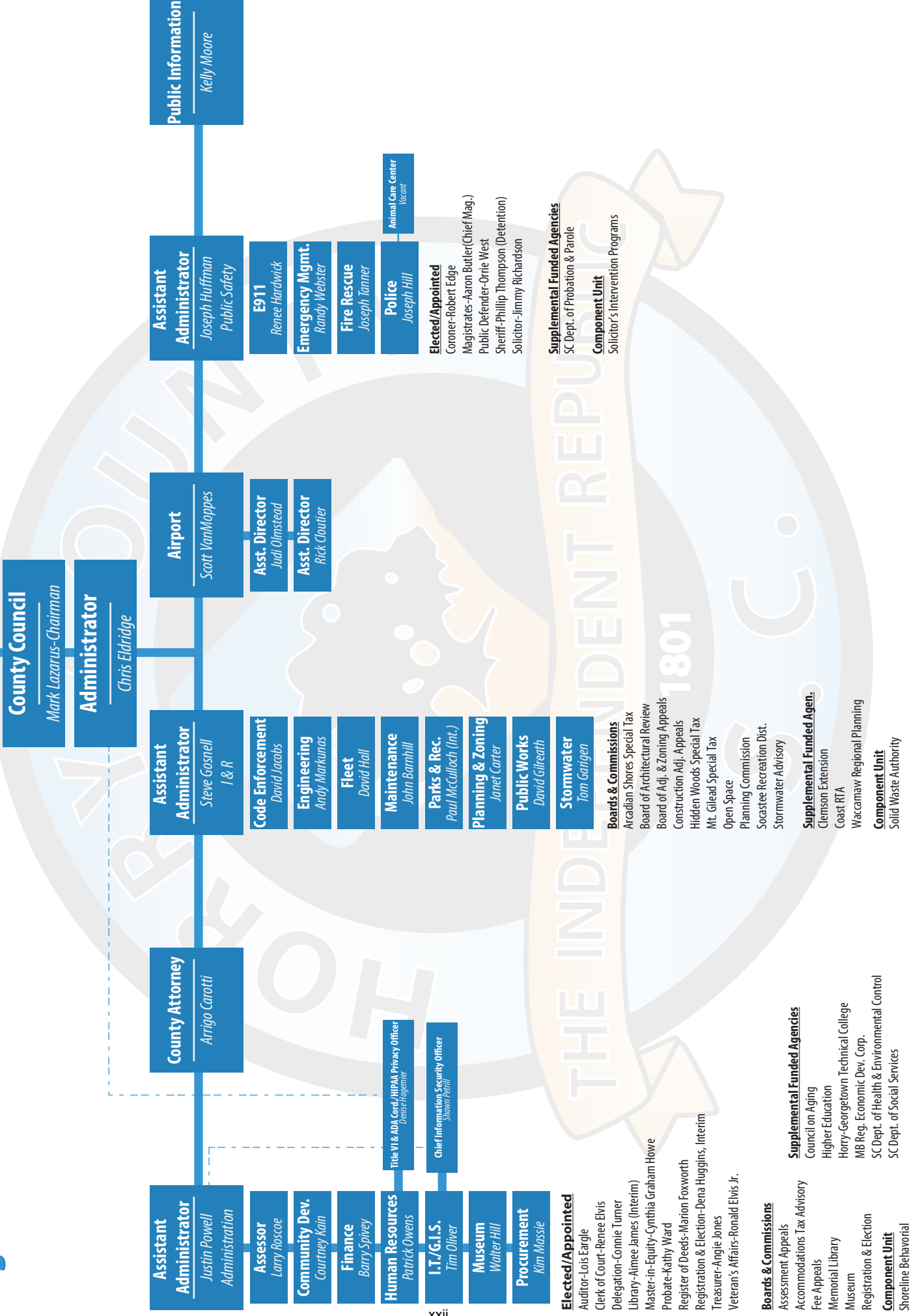
ADMINISTRATIVE OFFICIALS

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 11/13/2017

Horry County Organizational Chart

Citizens of Horry County



HORRY COUNTY, SOUTH CAROLINA

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, 2017, 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), Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Solicitor's Intervention Programs financial statements represent 0.3 percent, 0.9 percent, and 0.8 percent, respectively of the assets, net position, and revenues of the aggregate remaining fund information. The Horry County Department of Airports' financial statements represent 100 percent of the assets, net position, and revenues of the business-type activities. 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, the enterprise fund 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. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, 2017, 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.

Prior Period Adjustment

As described in Note 21 to the financial statements, beginning net position of Horry County Solid Waste Authority (discrete component unit) has been restated to correct an error relating to the amount of capacity that had been used at the landfills. Our opinions are not modified with respect to that 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also 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, based on our audit, the procedures described above, and 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 12, 2017 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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
December 12, 2017

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, 2017. 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 \$1.6 billion. This represents a \$29.0 million increase from fiscal year 2016. Net capital assets increased \$22.2 million due primarily to spending for new construction including a \$23.9 million increase in construction in progress, \$5.7 million increase in road infrastructure, \$13.8 million in County machinery and equipment, and \$8.8 million in Airport capital. These addition amounts are reduced by depreciation during the year of \$30.3 million and asset disposals of \$1.2 million.
- Total liabilities decreased \$8.4 million from fiscal year 2016. During fiscal year 2017, payments on existing County bond obligations totaled \$52.2 million including \$33.6 million for RIDE debt with the State Infrastructure Bank. A current refunding was completed during the year with new bonds refunding \$6.985 million. Net pension obligation increased \$29.9 million.
- Net position of the County totaled \$1.08 billion at June 30, 2017 an increase of \$60.7 million from fiscal year 2016. Net investment in capital assets increased \$31.8 million. Restricted net position decreased \$27.8 million. The County's capital project sales tax program excess of expenditures over revenue was \$42.4 million in fiscal year 2017 as construction progress accelerated on several major projects and revenues declined due to reaching the statutory time limitation for the sales tax collections in fiscal year 2014.
- At June 30, 2017, fund balance for the General Fund was \$63.8 million or 39.9 percent of total General Fund expenditures and transfers out, compared to \$54.6 million or 38.5 percent for the previous year. The fiscal year 2017 budget anticipated using \$8.6 million of fund balance. Actual results reflect a \$9.2 million increase in fund balance due primarily to a \$7.6 million favorable revenue variance.
- Property tax revenue for the General Fund for fiscal year 2017 was \$93.8 million compared to \$89.9 million for fiscal year 2016, an increase of \$2.9 million due 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 2017 and Hospitality Fees increased 5.6 percent to \$48.7 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 30 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 new 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 48 through 114 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 obligation.

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 \$ 1.08 billion at the close of the fiscal year ended June 30, 2017. At the end of fiscal year 2017, the County reported the following Net Position:

Horry County's Net Position						
<i>(amounts expressed in thousands)</i>						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 478,775	\$ 489,196	\$ 113,182	\$ 95,939	\$ 591,957	\$ 585,135
Capital Assets, net	766,492	740,582	242,182	245,867	1,008,674	986,449
Total Assets	<u>1,245,267</u>	<u>1,229,778</u>	<u>355,364</u>	<u>341,806</u>	<u>1,600,631</u>	<u>1,571,584</u>
Deferred Outflows of Resources	39,974	29,441	2,299	1,911	42,273	31,352
Current Liabilities	82,185	94,027	7,332	7,702	89,517	101,729
Long-term Liabilities	393,688	397,542	77,649	70,019	471,337	467,561
Total Liabilities	<u>475,873</u>	<u>491,569</u>	<u>84,981</u>	<u>77,721</u>	<u>560,854</u>	<u>569,290</u>
Deferred Inflows of Resources:	109	11,760	11	700	120	12,460
Net Position:						
Net investment in capital assets	675,266	641,192	186,599	188,866	861,865	830,058
Restricted	244,117	276,761	43,965	39,132	288,082	315,893
Unrestricted (deficit)	<u>(110,124)</u>	<u>(162,063)</u>	<u>42,107</u>	<u>37,298</u>	<u>(68,017)</u>	<u>(124,765)</u>
Total Net Position	<u>\$ 809,259</u>	<u>\$ 755,890</u>	<u>\$ 272,671</u>	<u>\$ 265,296</u>	<u>\$ 1,081,930</u>	<u>\$ 1,021,186</u>

Net Position of the County's governmental activities increased 7.1 percent from \$755.9 million to \$809.3 million. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities increased .2 percent to \$919.4 million 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 \$172.0 million excess Capital Project Sales Tax revenues over expenditures for RIDE II (\$157.8 million) and RIDE III (\$14.2 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 \$110.1 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% county-wide Hospitality Fee enacted locally in 1997. The decrease in the deficit in governmental activities Unrestricted Net Position from June 30, 2016 to June 30, 2017 of \$51.9 million is primarily attributed the reduction in the RIDE loans payable of \$33.6 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 2.8 percent from \$265.3 million in 2016 to \$272.7 million in 2017. 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 \$378.6 million at the end of fiscal year 2017. 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, 2017 (excluding internal service funds), which are not included in this fund balance, totaled \$751.0 million. Long-term liabilities of \$395.1 million are not due and payable in the current period and therefore are also not reported in these funds. A majority of the long-term liabilities, \$110.6 million, is the amount due on the RIDE Intergovernmental Agreements. Under these agreements, the County

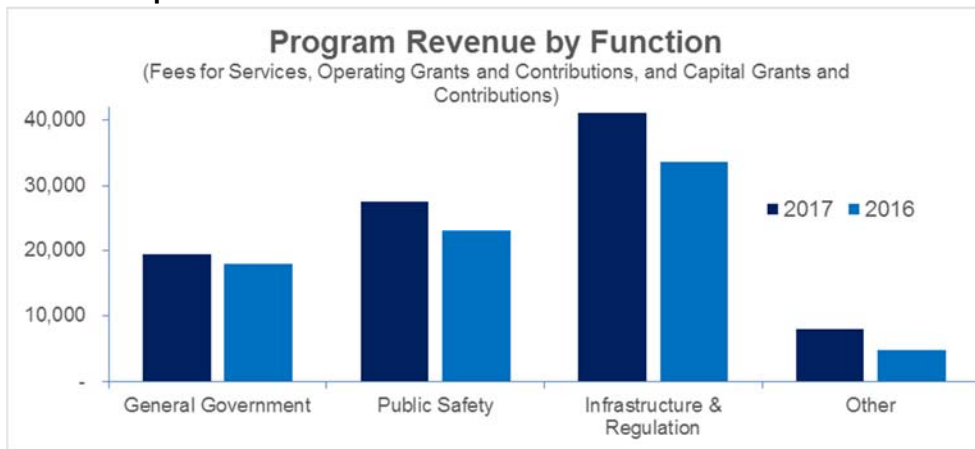
partnered with the State in receiving \$550 million in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the 1.5 percent portion of its county-wide Hospitality Fee into a Loan Servicing Account at the State Transportation 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, 2017, the County has remitted to the State Transportation Infrastructure Bank approximately \$59.3 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

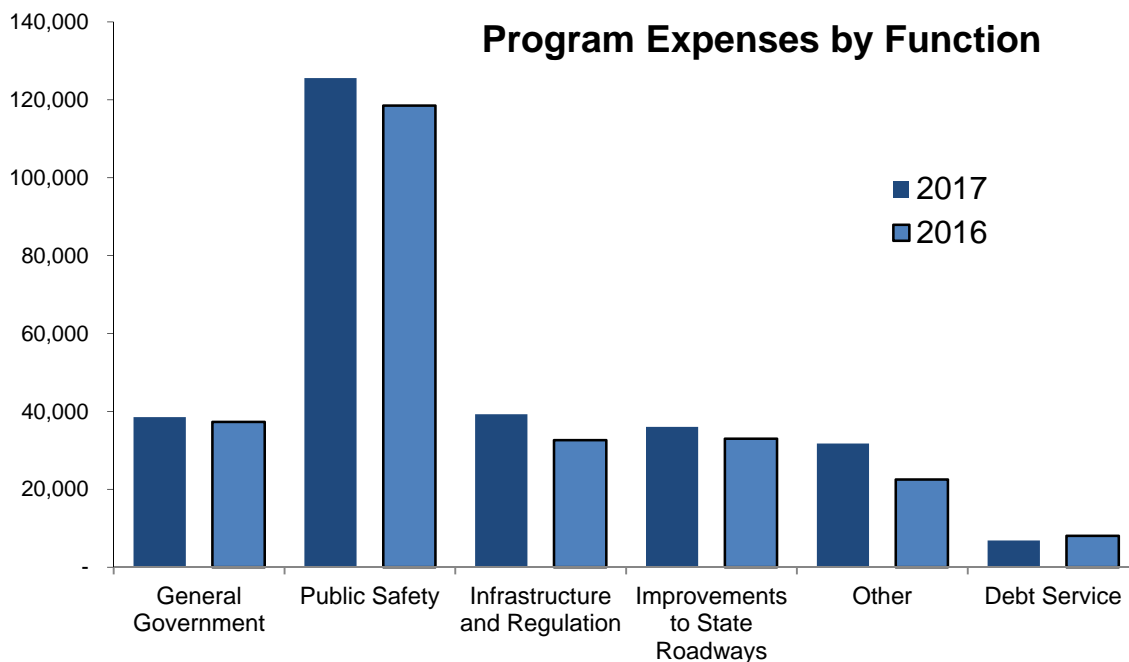
Governmental activities increased the County's Net Position during the year by \$53.4 million. Key elements of this increase are as shown below.

	Horry County's Changes in Net Position <i>(amounts expressed in thousands)</i>					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Fees for services	\$ 63,462	\$ 60,238	\$ 34,191	\$ 30,337	\$ 97,653	\$ 90,575
Operating Grants and Contributions	29,216	11,445	2,168	2,169	31,384	13,614
Capital Grants and Contributions	3,428	7,709	3,996	694	7,424	8,403
General Revenues: Property taxes, Shared revenue and Unallocated intergovernmental	171,364	151,735	-	-	171,364	151,735
Other	63,981	60,505	846	716	64,827	61,221
Total Revenues	<u>331,451</u>	<u>291,632</u>	<u>41,201</u>	<u>33,916</u>	<u>372,652</u>	<u>325,548</u>
Expenses:						
General government	38,544	36,108	-	-	38,544	36,108
Public safety	125,577	117,869	-	-	125,577	117,869
Infrastructure and regulation	39,278	32,640	-	-	39,278	32,640
Improvements to state roadways	36,039	32,980	-	-	36,039	32,980
Health and social services	2,562	2,548	-	-	2,562	2,548
Culture, recreation and tourism	20,807	14,388	-	-	20,807	14,388
Economic development	3,873	2,307	-	-	3,873	2,307
HGTC and Higher Education Commission	4,533	4,449	-	-	4,533	4,449
Interest	6,869	8,067	-	-	6,869	8,067
Airports	-	-	33,826	32,065	33,826	32,065
Total Expenses	<u>278,082</u>	<u>251,356</u>	<u>33,826</u>	<u>32,065</u>	<u>311,908</u>	<u>283,421</u>
Increase in net position	53,369	40,276	7,375	1,851	60,744	42,127
Net Position – July 1	755,890	715,614	265,296	263,445	1,021,186	979,059
Net Position – June 30	<u>\$ 809,259</u>	<u>\$ 755,890</u>	<u>\$ 272,671</u>	<u>\$ 265,296</u>	<u>\$ 1,081,930</u>	<u>\$ 1,021,186</u>

Program Revenues and Expenses – Governmental Activities

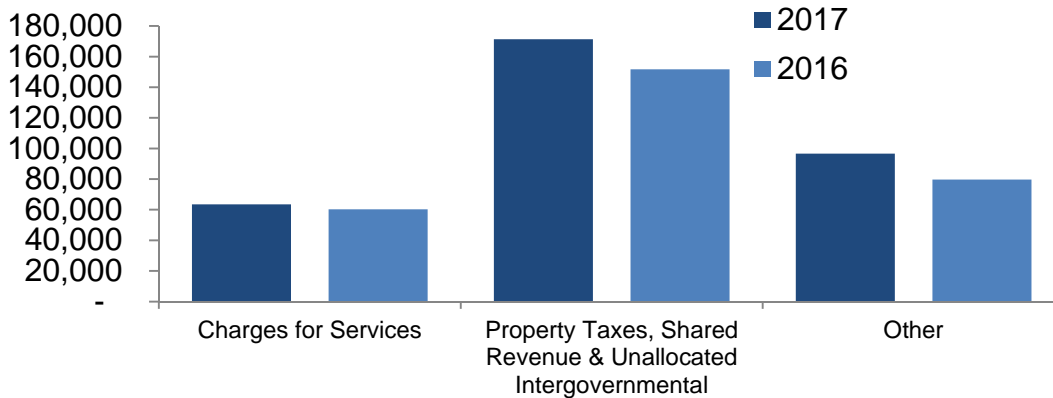


Program revenues in governmental activities increased \$16.7 million for fiscal year 2017. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In 2017, Fees for Services increased by \$3.2 million due primarily to increases in road fee of \$1.3 million EMS billing of \$.2 million, building inspection fees of \$.5 million, and documentary stamps of \$.4 million. Grants and Contributions of \$29.2 million increased by \$17.8 million due primarily to Federal and State reimbursements for Hurricane Matthew of \$11.7 million and higher Community Development Block Grants of \$.5 million.



Program expenses in governmental activities increased \$26.7 million or 10.6 percent due primarily to higher pension expenses of \$6.8 million, increased improvements to state roadways of \$3.1 million, Hurricane Matthew expense of \$11.7 million, and beach Renourishment expenses of \$5.4 million as well as an average 3 percent merit increase to employees and increases in health and retirement expenses.

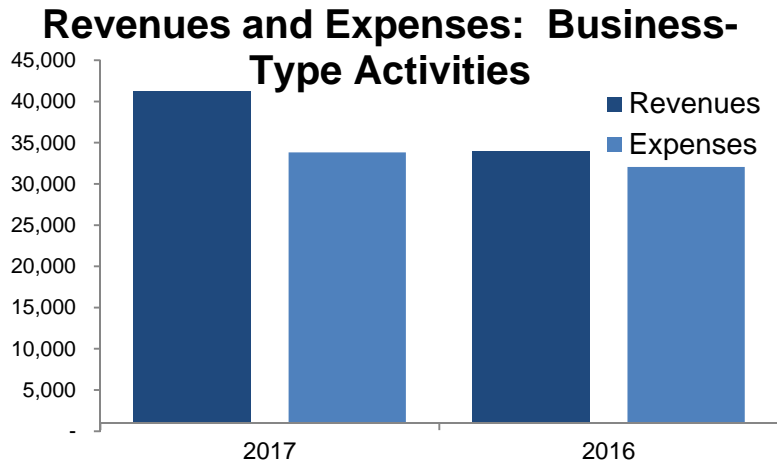
Revenues by Source - Governmental Activities



Revenues in the governmental activities increased \$39.8 million for fiscal year 2017 which includes a Sales Tax increase of \$14.1 million, increase in operating grants of \$12.0 million, Property Tax increase of \$3.9 million, and \$2.6 million increase in Hospitality Fees.

Business-type activities

Business-type activities increased the County's net position by \$7.4 million, primarily the result of capital grant revenues and other non-operating revenues. Fees for services increased \$3.8 million for terminal rents, concessions and rentals, and fuel sales. Capital contributions for construction increased \$3.3 million. Program expenses increased \$1.8 million.



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 2017, the County's governmental funds reported combined ending fund balances of \$378.6 million, a decrease of \$41.1 million from the prior year. Capital Project Sales Tax spending in excess of

revenues of \$42.4 million and General Capital Projects Fund spending in excess of revenue of \$5.1 million is offset by an increase in the General Fund of \$9.2 million as the primary variances. Unassigned Fund Balance which is undesignated in the governmental funds of \$9.0 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)

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Nonspendable			
Inventory and prepaid	\$ 322	\$ 548	\$ (226)
Restricted			
Debt service	67,516	63,312	4,204
Capital	176,379	228,657	(52,278)
Other	34,083	39,558	(5,475)
Committed			
Cash flow reserve	28,763	27,068	1,695
Disaster reserve	7,990	7,519	471
Revenue reserve	3,196	3,007	189
Other purposes	1,994	1,411	583
Debt service	6,918	2,515	4,403
Infrastructure and regulation	20,919	21,497	(578)
Economic development	2,088	1,555	533
Capital	11,932	9,585	2,347
Public safety, culture, recreation and tourism	4,947	4,185	762
OPEB	2,175	1,925	250
Assigned to abatement/demolition	427		427
Unassigned	8,971	7,420	1,551
Total	<u>\$ 378,620</u>	<u>\$ 419,762</u>	<u>\$ (41,142)</u>

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2017, Fund Balance totaled \$63.8 million. Council committed \$53.9 million of fund balance including a cash flow reserve (\$28.8 million), a disaster reserve (\$8.0 million), a revenue reserve (\$3.2 million), use in the fiscal year 2018 budget (\$4.8 million), a commitment for the early retirement of a lease (\$6.9 million), and for OPEB (\$2.2 million). Unassigned Fund Balance is \$9.3 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 39.9 percent of General Fund expenditures and transfers out.

The Fund Balance of the General Fund increased by \$9.2 million during the current fiscal year. This increase is a result of revenues over budget of \$7.6 million coupled with positive expenditure savings to budget of \$10.2 million.

Net change in fund balance
(amounts expressed in thousands)

Planned use of fund balance	\$ (8,594)
Revenues over budget	<u>7,572</u>
Expenditures under budget	10,176
Other Financing Sources (Uses) under budget	<u>18</u>
Net budget savings from the General Fund	<u>17,766</u>
 Net change in Fund Balance from FY 2017	 <u>\$ 9,172</u>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2017 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2016. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2017 generated a net decrease in Fund Balance of \$4.7 million in the General Fund.

Comparison of FY 2017 General Fund Results to FY 2016
(amounts expressed in thousands)

Increase in Property Taxes , primarily due to value increase	\$ 3,886
Increase in Intergovernmental Revenue , higher state grants	157
Decrease in Fees and Fines , primarily due Court fees/fines and Hospitality fees	(211)
Increase in Register of Deeds Documentary Stamps , due to increased instruments filed	388
Increase in Licenses and Permits , primarily due to increased residential building permits	890
Increase in Cost Allocations , increased central service allocations to other funds	231
Decrease in Other Revenues , primarily from programs revenues	(468)
Decrease in net Other Financing Sources (Uses) , primarily due to greater transfers out	(3,603)
Increase in Expenditures , primarily due to increases in personal services	<u>(5,949)</u>
Net decrease in General Fund results compared to FY 2016 results	(4,679)
Net increase in fund balance from FY 2015 General Fund results	<u>13,851</u>
Net increase in the fund balance of the General Fund from FY 2017 results	<u>\$ 9,172</u>

RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed county-wide 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 \$49.3 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 2017 on sales that occurred during the month of June, make up the fund balance in this fund. Hospitality Fees and investment earnings total \$41.7 million in 2017. This is a \$2.3 million increase over the prior fiscal year. Expenditures of \$37.5 million reflect the RIDE debt service for the year. Debt Service is programmed to decrease in the next year 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).

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

Fund Balance, July 1, 2016	<u>\$ 55,544</u>
Revenues	41,665
Expenditures	(37,487)
Other Financing Sources (Uses)	<u>(404)</u>
Net change in Fund Balance	<u>3,774</u>
Fund Balance, June 30, 2017	<u>\$ 59,318</u>
Deposited with SIB, June 30, 2017	<u>\$ 49,283</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 2017, \$8.7 million in transferred in from other. The fund balance of \$17.3 million at June 30, 2017 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, 2016	<u>\$ 22,394</u>
Revenues	1,399
Expenditures	(17,457)
Other Financing Sources (Uses)	<u>10,950</u>
Net change in Fund Balance	<u>(5,108)</u>
Fund Balance, June 30, 2017	<u>\$ 17,286</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. Sales tax and Interest revenue decreased to \$.4 million in fiscal year 2017 as the statutory collection period has now ended. Total receipts life to date of the program through June 30, 2017 are \$449.9

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 2017 total \$43.4 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 \$42.4 million decreases the accumulated fund balance to \$157.7 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, 2016	\$ <u>200,111</u>
Revenues	984
Expenditures	(43,358)
Other Financing Sources (Uses)	<u>(38)</u>
Net change in Fund Balance	<u>(42,412)</u>
 Fund Balance, June 30, 2017	 \$ <u><u>157,699</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/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 projection revenues from the 1% Sales Tax is \$592 million. For fiscal year 2017 Revenues total \$14.2 million for the two months since inception of the new tax but were not received in time to be considered available for the fund. Expenditures to date only reflect administrative costs.

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

(amounts expressed in thousands)

Fund Balance, July 1, 2016	\$ <u>-</u>
Revenues	-
Expenditures	(38)
Other Financing Sources (Uses)	<u>38</u>
Net change in Fund Balance	<u>-</u>
 Fund Balance, June 30, 2017	 \$ <u><u>-</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 \$308.5 million. The Department of Airports reflects a \$7.4 million or 2.8 percent increase in 2017. 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 \$12.7 million at June 30, 2017. This reflects a \$0.5 million increase during the year including \$4.8 million of assets purchased, less \$4.5 million for annual depreciation and asset disposals. The remaining Net Position of \$23.1 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 Fund		Total	
	2017	2016	2017	2016	2017	2016
Net investment in capital assets	\$ 186,599	\$188,866	\$ 12,745	\$12,237	\$ 199,344	\$201,103
Restricted for:						
Debt Service	22,957	21,249	-	-	22,957	21,249
Capital	21,008	17,883	23,115	20,919	44,123	38,802
Unrestricted	42,107	37,299	-	-	42,107	37,299
Total net position	<u>\$ 272,671</u>	<u>\$265,297</u>	<u>\$ 35,860</u>	<u>\$33,156</u>	<u>\$ 308,531</u>	<u>\$298,453</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 \$2.6 million from the original budget. These increases were reflected in program revenues (\$1.9 million) primarily within public safety as well as grant reimbursements (\$.7 million) and added to the budget when received.

The final budgeted expenditures increased \$6.3 million and transfers out increased by \$2.4 million over the original budget. The primary reason for these expenditure budget adjustments was budgetary roll forward of unspent dedicated amounts from fiscal year 2065 of \$3.7 million and an equal increase of \$1.9 million and \$.7 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 \$7.6 million and actual expenditures were less than the final budget by \$10.2 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 \$2.9 million. Increases were experienced in real and personal property of \$2.1 million and vehicle taxes of \$0.8 million.
- Intergovernmental revenues were higher than the budget by \$0.8 million primarily due to higher state grants.
- Fees and fines were under by \$0.2 million, primarily due to higher EMS collections of \$0.2 million and Cable TV of \$0.1 million but offset by lower Court Fees/Fines of \$0.3 million and lower Hospitality fees of \$0.3 million as funding was shifted to another priority.
- RMC Documentary Stamps were over budget by \$0.4 million due to increased volume of real estate transactions.
- Licenses and permits were over budget by \$0.9 million, due to higher building inspection permits of \$0.5 million and business licenses of \$0.4 million.
- Cost allocation was over budget by \$0.2 million due to induced 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	\$ 9,926	\$ 8,799	\$ (1,127)
Police	23,513	22,476	(1,037)
EMS	16,430	15,483	(947)
County Council	1,638	1,004	(634)
County Engineer	1,488	1,175	(313)
Detention Center	24,663	24,030	(633)
Department Overhead	4,769	4,174	(595)
Clerk of Court	3,456	2,855	(601)
Legal	1,265	744	(521)
Library	4,674	4,269	(405)
E-911	3,301	2,946	(355)
Maintenance	4,989	4,704	(285)
Human Resources	1,835	1,608	(227)
Administratotr	1,358	1,137	(221)
Parking Program	356	172	(184)
Total of above			\$ (8,085)
Various other departments (under) budget			(2,091)
Total expenditures (under) budget			<u>\$ (10,176)</u>

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, 2017 amounts to \$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 \$22.2 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 2.3 percent change from the prior year (a 3.5 percent increase for governmental activities and a 1.5 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 \$23.9 million increase in construction in progress, \$5.4 million increase in road infrastructure, and \$2.3 million in light and heavy fleet equipment. These addition amounts are reduced by depreciation during the year of \$30.3 million and asset disposals of \$1.2 million.

Horry County's Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
	Land, Easements, and Imp.	\$ 29,425	\$ 29,132	\$ 45,800	\$ 47,457	\$ 75,225
Intangible Assets	238	291			238	291
Infrastructure	488,433	482,986	9,182	9,182	497,615	492,168
Construction-in-Progress	66,287	42,528	872	696	67,159	43,224
Buildings and Improvements	144,016	151,464	123,183	125,883	267,199	277,347
Machinery and Equipment	38,093	34,181	6,420	7,026	44,513	41,207
Runways and Taxiways	-	-	56,725	55,623	56,725	55,623
Total	<u>\$ 766,492</u>	<u>\$ 740,582</u>	<u>\$242,182</u>	<u>\$ 245,867</u>	<u>\$1,008,674</u>	<u>\$ 986,449</u>

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 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>2017</u>	<u>2016</u>
Arterial	85.3%	68.7%
Collector	85.2%	81.1%
Access	<u>87.6%</u>	<u>84.9%</u>
Overall system	<u>87.3%</u>	<u>84.2%</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

(amounts expressed in thousands)

	Current Year	Project to Date
Backgate interchange	\$ 1,792	\$ 104,615
Widen 707	15,706	62,473
Widen Glens Bay	10,759	49,558
Total	\$ 28,257	\$ 216,646

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

Debt Administration

At June 30, 2017, the County had total bonded debt outstanding of \$133.6 million. This represents a decrease from the prior year of approximately \$8.8 million which is the normal amortization of prior balances. Of the total bonded debt outstanding, \$76.5 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 being repaid by the county-wide 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, 2017 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	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 76,518	\$ 83,625	\$ -	\$ -	\$ 76,518	\$ 83,625
Revenue Bonds	-	-	56,620	57,933	56,620	57,933
Baseball Stadium COPS	451	661	-	-	451	661
RIDE IGA Loans	110,608	144,190	-	-	110,608	144,190
Total	\$187,577	\$228,476	\$ 56,620	\$ 57,933	\$244,197	\$286,409

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, 2017, amounts reserved for debt service totaled \$90.1 million. This represents an increase of \$5.5 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 \$3.8 million. Revenue Bonds reflected a \$01.7 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	
	2017	2016	2017	2016	2017	2016
General Debt	\$ 7,778	\$ 7,354	\$ -	\$ -	\$ 7,778	\$ 7,354
Special Obligation	420	414	-	-	420	414
Revenue Bonds	-	-	22,957	21,249	22,957	21,249
RIDE IGA Loans	59,318	55,544	-	-	59,318	55,544
Total	\$ 67,516	\$ 63,312	\$ 22,957	\$ 21,249	\$ 90,473	\$ 84,561

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:

- As of June 2017, the unemployment rate for the County per the Bureau of Labor Statistics and Workforce (not seasonally adjusted) was 4.3 percent, down from 5.3 percent at June 2016.. The unemployment rate for the state of South Carolina as of June 2017 was 4.2 percent, down from 5.3 percent at June 2016.
- The fiscal year 2017 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, 2017 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 2018 budget compared to fiscal year 2017 as follows:

- Increasing revenue – property taxes; economically sensitive areas for hospitality fees, building inspection permits, and ROD; and EMS collections
- Increasing expenditures overall for 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 2018 budget for recurring expenditures.

All of these factors were considered in preparing the County's budget for the 2018 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2017, unassigned fund balance in the General Fund increased from \$7.7 million to \$9.3 million primarily due to favorable revenue and expenditure results in fiscal year 2017. County Council acted to commit \$6.9 million of the favorable revenue variance to a future early repayment of a lease. Total fund balance in the General Fund increased from \$54.6 million to \$63.8 million. Projections at this time indicate that at the end of fiscal year 2018, 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, 2017
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,801	\$ 55,153	\$ 57,954
Pooled Cash	45,948	-	45,948
Investments	325,322	-	325,322
Receivables, net:			
Property taxes	5,847	-	5,847
Accounts and other	4,398	1,545	5,943
Fees	8,873	-	8,873
Due from other governments	33,717	600	34,317
Prepaid items	326	223	549
Inventories	316	1,032	1,348
Restricted funds held in trust	51,227	-	51,227
Total current assets	<u>478,775</u>	<u>58,553</u>	<u>537,328</u>
Non-current assets:			
Restricted assets:			
Cash and cash equivalents	-	45,833	45,833
Accounts and other receivables	-	-	-
Receivables - PFC and CFC	-	971	971
Total restricted assets	<u>-</u>	<u>46,804</u>	<u>46,804</u>
Capital assets:			
Land, easements, intangible assets and infrastructure	512,330	32,456	544,786
Depreciable capital assets, net	187,875	208,854	396,729
Construction-in-progress	66,287	872	67,159
Total capital assets, net	<u>766,492</u>	<u>242,182</u>	<u>1,008,674</u>
Service concession arrangement (SCA)	-	7,825	7,825
Total non-current assets	<u>766,492</u>	<u>296,811</u>	<u>1,063,303</u>
Total assets	<u>1,245,267</u>	<u>355,364</u>	<u>1,600,631</u>
Deferred Outflows of Resources			
Deferred charge on refunding	3,135	-	3,135
Contributions to retirement plan after measurement date	11,506	739	12,245
Difference between expected and actual retirement plan experience	2,320	139	2,459
Difference between projected and actual earning on pension plan investments	18,217	1,115	19,332
Change in allocated proportionate share of net pension liability	4,796	306	5,102
Total deferred outflows of resources	<u>39,974</u>	<u>2,299</u>	<u>42,273</u>

- CONTINUED -

Component Units

Shoreline Behavior		Solid Waste Authority	
\$	2,306	\$	16,701
	-		-
	-		16,474
	-		-
	455		2,150
	-		-
	286		1,342
	-		-
	-		18
	-		-
	<u>3,047</u>		<u>36,685</u>
	-		-
	263		-
	-		-
	<u>263</u>		<u>-</u>
	138		7,918
	719		34,864
	-		873
	<u>857</u>		<u>43,655</u>
	-		-
	<u>1,120</u>		<u>43,655</u>
	<u>4,167</u>		<u>80,340</u>
	-		-
	272		454
	47		93
	379		1,055
	785		179
	<u>1,483</u>		<u>1,781</u>

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
- CONTINUED -
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities			
Current liabilities payable from non-restricted assets:			
Accounts payable - trade	14,650	1,443	16,093
Accounts payable - other	278	-	278
Accrued salaries, related taxes and compensated absences	11,965	419	12,384
Accrued expenses	-	339	339
Unearned revenue from operating agreements	-	460	460
Internal balances	(1,141)	1,141	-
Due to component units	1,416	-	1,416
Due to other governments	1,771	50	1,821
Construction and retainage payable	-	-	-
Other liabilities	18,005	-	18,005
Accrued interest payable	809	-	809
General and special obligation bonds payable - current portion	11,396	-	11,396
RIDE IGA loans payable - current portion	20,843	-	20,843
Capital lease obligations - current portion	2,193	56	2,249
Amounts due to tenants	-	587	587
Total current liabilities payable from non-restricted assets	<u>82,185</u>	<u>4,495</u>	<u>86,680</u>
Current liabilities payable from restricted assets:			
Revenue bonds payable - current portion	-	1,370	1,370
Accrued interest payable	-	1,467	1,467
Total current liabilities payable from restricted assets	<u>-</u>	<u>2,837</u>	<u>2,837</u>
Total current liabilities	<u>82,185</u>	<u>7,332</u>	<u>89,517</u>
Non-current (long-term) liabilities:			
General and special obligation bonds payable	65,573	-	65,573
Revenue bonds payable	-	55,250	55,250
RIDE IGA loans payable	89,765	-	89,765
Compensation for future absences	4,368	945	5,313
Present value of payments under service concession arrangement	-	7,825	7,825
Capital lease obligations	18,911	278	19,189
Net post employment benefit obligation	28,599	832	29,431
Net pension liability	186,472	12,519	198,991
Landfill closures costs	-	-	-
Landfill post closure care costs	-	-	-
Total long-term liabilities	<u>393,688</u>	<u>77,649</u>	<u>471,337</u>
Total liabilities	<u>475,873</u>	<u>84,981</u>	<u>560,854</u>
Deferred Inflows of Resources			
Difference between projected and actual investment earning - pensions	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-
Difference between expected and actual retirement plan experience	109	11	120
Total deferred inflows of resources	<u>109</u>	<u>11</u>	<u>120</u>

- CONTINUED -

Component Units	
Shoreline Behavior	Solid Waste Authority
14	1,293
-	-
53	278
-	-
10	-
-	-
-	-
-	-
-	63
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<u>77</u>	<u>1,634</u>
-	-
-	-
-	-
<u>77</u>	<u>1,634</u>
-	-
-	-
-	-
45	120
-	-
-	-
109	2,104
4,502	8,938
-	12,828
-	4,201
<u>4,656</u>	<u>28,191</u>
<u>4,733</u>	<u>29,825</u>
5	303
-	191
-	10
<u>5</u>	<u>504</u>

Horry County, South Carolina
 STATEMENT OF NET POSITION
 - CONTINUED -
 (amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	675,266	186,599	861,865
Restricted for capital projects	213,072	21,008	234,080
Restricted for debt service	7,789	22,957	30,746
Restricted for other purposes	23,256	-	23,256
Unrestricted (deficit)	(110,124)	42,107	(68,017)
Total net position	\$ 809,259	\$ 272,671	\$ 1,081,930

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

Component Units

<u>Shoreline Behavior</u>	<u>Solid Waste Authority</u>
857	43,655
-	-
-	-
-	-
55	8,137
<u>\$ 912</u>	<u>\$ 51,792</u>

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017
(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	\$ 38,544	\$ 19,177	\$ 292	\$ -
Public safety	125,577	17,546	9,896	191
Health and social services	2,562	-	7	-
Infrastructure and regulation	39,278	26,243	11,517	3,237
Improvements to state roadways	36,039	-	-	-
Culture, recreation and tourism	20,807	107	4,072	-
Economic development	3,873	389	2,859	-
Interest	6,869	-	548	-
HGTC and Higher Education Commission	4,533	-	25	-
Total governmental activities	<u>278,082</u>	<u>63,462</u>	<u>29,216</u>	<u>3,428</u>
<u>Business-type activities:</u>				
Airports	33,826	34,191	2,168	3,996
Total primary government	<u>\$ 311,908</u>	<u>\$ 97,653</u>	<u>\$ 31,384</u>	<u>\$ 7,424</u>
Component units				
Health services	\$ 4,431	\$ 2,643	\$ 1,574	\$ -
Landfill	24,500	25,342	226	829
Total component units	<u>\$ 28,931</u>	<u>\$ 27,985</u>	<u>\$ 1,800</u>	<u>\$ 829</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, as restated, 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
\$ (19,075)	\$ -	\$ (19,075)	\$ -	\$ -
(97,944)	-	(97,944)	-	-
(2,555)	-	(2,555)	-	-
1,719	-	1,719	-	-
(36,039)	-	(36,039)	-	-
(16,628)	-	(16,628)	-	-
(625)	-	(625)	-	-
(6,321)	-	(6,321)	-	-
(4,508)	-	(4,508)	-	-
<u>(181,976)</u>	<u>-</u>	<u>(181,976)</u>	<u>-</u>	<u>-</u>
-	6,529	6,529	-	-
<u>(181,976)</u>	<u>6,529</u>	<u>(175,447)</u>	<u>-</u>	<u>-</u>
-	-	-	(214)	-
-	-	-	-	1,897
-	-	-	<u>(214)</u>	<u>1,897</u>
141,790	-	141,790	-	-
14,501	-	14,501	-	-
3,987	-	3,987	-	-
11,086	-	11,086	-	-
4,143	-	4,143	-	-
1,272	-	1,272	-	-
48,714	-	48,714	-	-
2,615	665	3,280	4	177
7,064	154	7,218	-	33
173	27	200	-	9
<u>235,345</u>	<u>846</u>	<u>236,191</u>	<u>4</u>	<u>219</u>
53,369	7,375	60,744	(210)	2,116
755,890	265,296	1,021,186	1,122	49,676
<u>\$ 809,259</u>	<u>\$ 272,671</u>	<u>\$ 1,081,930</u>	<u>\$ 912</u>	<u>\$ 51,792</u>

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax - RIDE II</u>
Assets			
Cash and cash equivalents	\$ 1,830,472	\$ -	\$ -
Pooled cash and investments	79,853,666	19,908,422	161,462,099
Receivables, net:			
Property taxes	3,601,878	-	-
Accounts and other	3,880,010	-	21,329
Fees	1,482,952	-	-
Due from other funds	2,062,800	-	-
Due from other governments	7,414,177	448,330	230,590
Inventories	75,282	-	-
Prepaid items	179,493	40,152	-
Restricted funds held in trust	-	-	-
Total Assets	<u>\$ 100,380,730</u>	<u>\$ 20,396,904</u>	<u>\$ 161,714,018</u>
Liabilities			
Accounts payable - trade	\$ 3,764,423	\$ 3,111,367	\$ 3,929,293
Accounts payable - other	-	-	-
Accrued salaries and wages	4,118,209	-	-
Due to other funds	-	-	-
Due to component units	214,994	-	-
Due to other governments	1,526,428	-	-
Due to taxpayers for overpayment	462,456	-	-
Funds held in trust-delinquent taxes	13,033,422	-	-
Other liabilities	4,510,026	-	-
Total liabilities	<u>27,629,958</u>	<u>3,111,367</u>	<u>3,929,293</u>
Deferred Inflows of Resources			
Unavailable revenue-fees and other	5,356,373	-	85,743
Unavailable revenue-property taxes	3,585,439	-	-
Total deferred inflows of resources	<u>8,941,812</u>	<u>-</u>	<u>85,743</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 970,171	\$ 2,800,643
4,009	4,286,497	81,349,269	346,863,962
-	-	2,245,051	5,846,929
-	-	493,008	4,394,347
-	5,748,839	1,641,616	8,873,407
-	-	-	2,062,800
14,219,841	-	11,302,383	33,615,321
-	-	-	75,282
-	-	26,844	246,489
-	49,282,559	1,944,840	51,227,399
<u>\$ 14,223,850</u>	<u>\$ 59,317,895</u>	<u>\$ 99,973,182</u>	<u>\$ 456,006,579</u>
\$ 151	\$ -	\$ 3,582,854	\$ 14,388,088
-	-	278,339	278,339
3,858	-	801,411	4,923,478
-	-	921,335	921,335
-	-	1,200,453	1,415,447
-	-	244,625	1,771,053
-	-	-	462,456
-	-	-	13,033,422
-	-	95	4,510,121
<u>4,009</u>	<u>-</u>	<u>7,029,112</u>	<u>41,703,739</u>
14,219,841	-	10,331,311	29,993,268
-	-	2,104,228	5,689,667
<u>14,219,841</u>	<u>-</u>	<u>12,435,539</u>	<u>35,682,935</u>

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
- CONTINUED -

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax - RIDE II</u>
Fund Balances			
Nonspendable	254,775	40,152	-
Restricted for capital projects	-	5,313,647	157,698,982
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	1,707,176	-	-
Committed to culture, recreation and tourism	89,081	-	-
Committed to infrastructure and regulation	1,359,519	-	-
Committed to debt service	6,918,492	-	-
Committed to other capital projects	-	11,931,738	-
Committed to reserves/stabilization	39,948,186	-	-
Committed to economic development	-	-	-
Committed to other purposes	1,660,780	-	-
Committed to OPEB	2,175,323	-	-
Assigned to abatement/demolition	426,949	-	-
Unassigned (deficit)	9,268,679	-	-
Total fund balances	<u>63,808,960</u>	<u>17,285,537</u>	<u>157,698,982</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 100,380,730</u>	<u>\$ 20,396,904</u>	<u>\$ 161,714,018</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
-	-	26,844	321,771
-	-	13,366,305	176,378,934
-	-	18,771,406	18,771,406
-	-	6,520,780	6,520,780
-	-	7,844,054	7,844,054
-	-	901,264	901,264
-	-	45,965	45,965
-	59,317,895	8,198,487	67,516,382
-	-	-	1,707,176
-	-	3,150,445	3,239,526
-	-	19,559,584	20,919,103
-	-	-	6,918,492
-	-	-	11,931,738
-	-	-	39,948,186
-	-	2,087,949	2,087,949
-	-	333,614	1,994,394
-	-	-	2,175,323
-	-	-	426,949
-	-	(298,166)	8,970,513
-	59,317,895	80,508,531	378,619,905
\$ 14,223,850	\$ 59,317,895	\$ 99,973,182	\$ 456,006,579

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
- CONTINUED -

Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:	<u>(amounts expressed in thousands)</u>
Total fund balances - governmental funds	\$ 378,620
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.	751,014
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.	5,690
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.	29,992
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	3,135
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.	35,860
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.	(188,294)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period are reported in the funds.	(206,758)
Net position end of year - governmental activities	<u><u>\$ 809,259</u></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, 2017

Revenues	General Fund	General Improvement Capital Projects	Capital Project Sales Tax - RIDE II
Real property taxes	\$ 76,872,542	\$ -	\$ -
Personal property taxes	5,469,981	-	-
Vehicle taxes	8,368,913	-	-
Fee in lieu of tax	3,077,699	-	-
Intergovernmental	12,816,973	1,216,600	-
Sales tax	-	-	403,028
Accommodations tax	213,253	-	-
Fees and fines	20,959,264	-	-
Local Accommodations tax	1,018,740	-	-
Hospitality fees	6,726,447	-	-
Documentary stamps	4,523,207	-	-
License and permits	11,106,317	-	-
Interest on investments	348,241	182,865	580,972
Cost allocation	3,800,803	-	-
Other	4,553,367	-	-
Total revenues	159,855,747	1,399,465	984,000
Expenditures			
Current:			
General government	31,945,639	488,234	-
Public safety	80,870,435	217,818	-
Health and social services	1,484,647	-	-
Infrastructure and regulation	15,343,574	47,769	198,506
Improvements to state roadways	-	-	36,039,351
Culture, recreation and tourism	5,038,641	47,392	-
Economic development	1,154,308	-	-
HGTC & Higher Education Commission	-	-	-
Debt service	-	4,274,654	-
Capital outlay	983,705	12,381,578	7,119,817
Total expenditures	136,820,949	17,457,445	43,357,674
Excess (deficiency) of revenues over (under) expenditures	23,034,798	(16,057,980)	(42,373,674)
Other Financing Sources (Uses)			
Issuance of bonded debt	-	3,000,000	-
Proceeds of Refunding Bonds	-	-	-
Sales of capital assets	79,719	-	-
Debt service - principal	-	-	-
Transfers in	649,058	8,727,409	-
Transfers out	(14,592,019)	(777,687)	(37,948)
Total other financing sources (uses)	(13,863,242)	10,949,722	(37,948)
Net change in fund balance	9,171,556	(5,108,258)	(42,411,622)
Fund balances at beginning of year	54,637,404	22,393,795	200,110,604
Fund balances at end of year	\$ 63,808,960	\$ 17,285,537	\$ 157,698,982

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 41,442,669	\$ 118,315,211
-	-	3,295,502	8,765,483
-	-	5,474,726	13,843,639
-	-	909,774	3,987,473
-	-	14,231,861	28,265,434
-	-	-	403,028
-	-	3,905,313	4,118,566
-	-	24,394,197	45,353,461
-	-	252,987	1,271,727
-	40,868,582	1,119,129	48,714,158
-	-	-	4,523,207
-	-	-	11,106,317
-	796,417	588,829	2,497,324
-	-	-	3,800,803
-	-	2,435,566	6,988,933
-	41,664,999	98,050,553	301,954,764
-	-	362,066	32,795,939
-	-	33,463,534	114,551,787
-	-	847,724	2,332,371
37,948	-	24,879,419	40,507,216
-	-	-	36,039,351
-	-	13,069,070	18,155,103
-	-	2,779,288	3,933,596
-	-	4,532,621	4,532,621
-	37,486,991	14,002,304	55,763,949
-	-	16,172,841	36,657,941
37,948	37,486,991	110,108,867	345,269,874
(37,948)	4,178,008	(12,058,314)	(43,315,110)
-	-	-	3,000,000
-	-	6,985,000	6,985,000
-	-	-	79,719
-	-	(6,960,000)	(6,960,000)
37,948	-	9,802,106	19,216,521
-	(403,656)	(4,337,187)	(20,148,497)
37,948	(403,656)	5,489,919	2,172,743
-	3,774,352	(6,568,395)	(41,142,367)
-	55,543,543	87,076,926	419,762,272
\$ -	\$ 59,317,895	\$ 80,508,531	\$ 378,619,905

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	\$ (41,142)
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.	22,262
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	35,682
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	(7,482)
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.	3,428
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.	(8,261)
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.	45,963
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities. (Note: this includes \$215 net transfers of capital assets and related debt to internal service fund.)	2,919
Change in net position - Governmental Activities	\$ 53,369

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

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Operating Revenues		
Concessions and rentals	\$ 10,113,063	\$ -
Fuel sales - FBO	5,397,309	-
Airline terminal rents	6,309,725	-
Baggage handling system	809,144	-
Landing fees	1,595,249	-
Leases	908,524	-
Other airline services	536,733	-
Other	800,420	1,122
Federal revenue - TSA LEO reimbursement program	115,570	-
Charges for service	-	9,773,685
Intergovernmental-Other	-	20,436
Fees	-	899,075
Security fees	236,605	-
Total operating revenues	26,822,342	10,694,318
Less, signatory airline rebate and incentive fee waivers	(332,614)	-
Net operating revenues	26,489,728	10,694,318
Operating Expenses		
Salaries and benefits	8,825,459	1,536,320
Depreciation and amortization	11,750,454	4,515,207
Baggage handling system	809,144	-
Fuel cost of sales	3,375,877	-
Outside and professional services	1,257,770	946,603
Utilities	1,714,881	-
Maintenance and supplies	1,642,293	71,455
Indirect cost allocation	400,000	-
Vehicle and equipment (non-capital) expense	461,816	-
Insurance	427,470	-
Dues, memberships and travel	244,878	-
Office supplies	39,269	1,763,259
Bad debt (recoveries) expense	(67,669)	70,919
Total operating expenses	30,881,642	8,903,763
Operating gain (loss)	(4,391,914)	1,790,555

- CONTINUED -

Horry County, South Carolina
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Funds
Nonoperating Revenues		
(Expenses)		
Passenger Facility Charges (PFC's)	4,388,439	-
Contract Facility Charges (CFC's)	3,312,600	-
Interest income	663,970	117,261
Intergovernmental revenues	2,168,152	-
Gain on disposal/sale of capital assets	27,093	97,629
Other	(144,152)	75,252
Interest subsidy on recovery zone economic bonds	298,410	-
Interest expense	(2,945,001)	(93,202)
Total non-operating revenues (expenses)	7,769,511	196,940
Income before capital contributions and transfers	3,377,597	1,987,495
Capital contributions, net	3,996,495	-
Transfers in	-	961,245
Transfers out	-	(244,117)
	-	(244,117)
Change in net position	7,374,092	2,704,623
Net Position		
Beginning of year	265,296,574	33,155,777
End of year	\$ 272,670,666	\$ 35,860,400

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, 2017

	Business Type Activities - Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 20,678,278	\$ -
FBO fuel sales and airline services	5,880,750	-
Service and miscellaneous charges	-	10,569,104
Other	784,791	20,436
Cash paid for:		
Salaries and benefits	(8,688,077)	(1,391,150)
Maintenance, supplies, fuel, utilities and equipment	(10,209,895)	(3,233,597)
Other supplies and miscellaneous costs	-	(52,916)
Net cash provided by operating activities	8,445,847	5,911,877
Cash Flows From Non-Capital		
Financing Activities		
Building demolition and tree removal	(157,093)	-
Insurance settlement	(78,202)	-
Transfers in	-	1,176,093
Transfers out	-	(244,117)
Net cash provided by (used in) non-capital financing activities	(235,295)	931,976
Cash Flows From Capital and Related		
Financing Activities		
Receipt of passenger and contract facility charges	7,760,717	-
Acquisition and construction of capital assets	(8,684,882)	(4,815,291)
Proceeds from disposition of capital assets	27,093	176,638
Interest paid on bonds, notes and capital lease	(2,964,500)	(93,202)
Principal payments on bonds and notes	(1,320,000)	-
Receipt of federal subsidy for "RZEDB" (Series 2010B)	298,410	-
Principal payments on capital lease obligation	(54,989)	(501,629)
Receipt of intergovernmental and private grants	2,168,152	-
Proceeds from insurance	-	75,252
Proceeds from airport improvement program, TSA and state grants	4,680,640	-
Net cash provided by (used) in capital and related financing activities	1,910,641	(5,158,232)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
- CONTINUED -

	Business-Type Activities Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Funds
Cash Flow From Investing Activities		
Investment sales	12,930,216	-
Interest on investments	699,201	117,261
Net cash provided by investing activities	<u>13,629,417</u>	<u>117,261</u>
Net increase in cash and cash equivalents	23,750,610	1,802,882
Cash and cash equivalents at beginning of year (of which \$27,984,713 is restricted for Airports)	<u>77,235,010</u>	<u>22,603,370</u>
Cash and cash equivalents at end of year (of which \$45,833,041 is restricted for Airports)	<u>\$ 100,985,620</u>	<u>\$ 24,406,252</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (4,391,914)	\$ 1,790,555
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	11,750,454	4,515,207
Bad debt recovery	(67,669)	-
(Increase) decrease in certain assets:		
Accounts receivable, net	971,909	(4,067)
Prepaid items	(88,909)	(79,800)
Inventories	(49,842)	194,612
Due from other governments	-	(100,711)
(Decrease) increase in certain liabilities:		
Accounts payable	186,130	(549,089)
Accrued salaries, wages and compensated absences	(16,907)	145,170
Net other post-employment benefit obligation	12,820	-
Net pension liability	141,469	-
Other accrued expenses	35,804	-
Due to other funds	80,320	-
Unearned revenue	184,698	-
Amounts due to tenants, airlines, car rentals	(302,516)	-
Net cash provided by operating activities	<u>\$ 8,445,847</u>	<u>\$ 5,911,877</u>
Noncash capital and financing activities		
Capital lease transferred from General Liabilities	-	3,235,063
Capital assets transferred from General Assets	-	3,020,215

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

Horry County, South Carolina
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

	Agency Funds
Assets	
Cash and investments	\$ 15,084,119
Pooled cash and investments	298,562,434
Taxes receivable	52,129,068
Fees receivable	781,929
Total assets	\$ 366,557,550
 Liabilities	
Due to others	\$ 366,557,550
Total liabilities	\$ 366,557,550

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. 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 objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

The County implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. 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. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016.

The County Implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

The County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. See Note 23.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

A. Reporting Entity

The Solicitor's Intervention Programs (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. The County has determined that blended presentation is appropriate due primarily to the management personnel within the County government is the same as and has operational responsibility for SIP. The County has determined that blended presentation is appropriate to provide a more complete cost of services provided by the County through this 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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

(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.

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),

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

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 accounts for the donations made by developers for specific land improvements or other designated capital uses.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

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 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.

Note 1. Summary of Significant Accounting Policies, continued

C. Measurement Focus and 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.

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

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

Investments, continued

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.

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.

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

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 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

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

Capitalization of Interest, continued

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. 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, contributions to retirement plan after measurement date, difference between expected and actual retirement plan experience, difference between projected and actual earning on pension plan investments and change in allocated proportionate share of net pension liability.

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 the government-wide statement of net position. The classifications are changes in proportion and differences between contributions and proportionate share of contributions, difference between expected and actual retirement plan experience and difference between projected and actual investment earnings-pension. 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).

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

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) 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 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

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

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

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 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, 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.

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

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.

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.

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

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.

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.

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

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.

E. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 12, 2017, the date the financial statements were available to be issued. 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 estimable at this time.

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, 2017, 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

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

At fiscal year-end, June 30, 2017, 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 2018 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 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 measureable but not available at June 30, 2017. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

Note 3. Deposits and Investments

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

A. Deposits

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. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2017, reported amount of the County's deposits was \$171.65 million and the bank balance was \$133.9 million. The \$133.9 million bank balance was covered by federal depository insurance or 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.

At June 30, 2017, 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	\$ 3,563	\$ 548	\$ -	\$ 3,015
Money Market funds	73,823	73,814	-	9
U.S. Government Agencies Securities	385,390	183,753	85,552	116,085
State of S.C. Treasurer's Investment Pool	205,475	205,475	-	-
Total investments held in the County's name	<u>\$ 668,251</u>	<u>\$ 463,590</u>	<u>\$ 85,552</u>	<u>\$ 119,109</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

	June 30, 2017	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	\$ 3,563	\$ 3,563	\$ -	\$ -
Money Market Funds	73,823	73,823	-	-
U.S. Government Agencies Securities	385,390	-	385,390	-
Total Investments by Fair Value Level	<u>462,776</u>	<u>77,386</u>	<u>385,390</u>	<u>-</u>
Investments Measured at the Net Asset Value (NAV)				
State of S.C. Treasurer's Investment Pool	<u>205,475</u>			
Total Investments at the NAV	<u>205,475</u>			
Total Investments held in the County's name	<u>\$ 668,251</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 city 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. 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 collateralized.

Credit Risk

As of June 30, 2017, 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 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments

Credit Risk, continued

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, 2017, the County had 46.67% of its investments invested with First Citizens, 30.75% with the State of S.C. Treasurer's investment pool and 11.00% 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, 2017, the carrying amount of the HCSWA's total cash deposits was \$6,532,781 with corresponding bank balances of \$6,067,821. Of that balance, \$250,000 was covered by federal depository insurance and \$5,817,821 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, 2017:

<u>Investment Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Federal Home Loan Mortgage Corp.	2.98	AA+	\$16,473,555	61.84%
State of S.C. Treasurer's Investment Pool	N/A	Not Rated	<u>10,166,693</u>	<u>38.16%</u>
			<u>\$26,640,248</u>	<u>100.00%</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

Component Units, continued

HCSWA:

A. Deposits

At June 30, 2017, 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	\$ -	\$ 16,473,555	\$ -	\$16,473,555
SC Local Government Investment Pool	10,166,693	-	-	10,166,693
	<u>\$10,166,693</u>	<u>\$ 16,473,555</u>	<u>\$ -</u>	<u>\$ 26,640,248</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.

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, 2017 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 8,821,752
Landfill Postclosure Care Costs	9,132,221
Equipment Replacement	3,496,613
Construction	4,418,314
MRF Contingency	204,350
OPEB Obligation	1,990,522
Waste Diversion	712,202
	<u>\$ 28,775,974</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, 2017 a total of \$2,391,229 was the carrying amount of cash 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, 2017, 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:

	Fiduciary Fund			Discretely Presented Component Units	
	Primary Government	Agency	Total	SBHS	HCSWA
Cash on hand	\$ 29	\$ -	\$ 29	\$ -	\$ 2
Carrying amount of deposits (cash and cash equivalents)	82,331	15,084	97,415	2,306	6,533
Carrying amount of deposits (pooled cash)	55,971	18,264	74,235	-	-
Carrying amount of investments	387,953	280,298	668,251	-	26,640
Totals	\$ 526,284	\$ 313,646	\$ 839,930	\$ 2,306	\$ 33,175
Cash and cash equivalents	\$ 57,954	\$ 15,084	\$ 73,038	\$ 2,306	\$ 16,701
Pooled cash and investments	45,948	298,562	344,510	-	-
Investments	325,322	-	325,322	-	16,474
Cash and cash equivalents - restricted	45,833	-	45,833	-	-
Restricted funds held in trust	51,227	-	51,227	-	-
Totals	\$ 526,284	\$ 313,646	\$ 839,930	\$ 2,306	\$ 33,175

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, 2017, are as follows:

	(amounts shown in thousands)		
	Governmental Activities	Business-type Activity	Totals
Property taxes	\$ 21,811	\$ -	\$ 21,811
Less, allowance for uncollectibles and amounts not available for current period	(15,964)	-	(15,964)
Net property taxes	5,847	-	5,847
Accounts and other			
Other	2,976	1,696	4,672
EMS billings	19,141	-	19,141
Less, allowance for uncollectibles	(17,719)	(151)	(17,870)
Net accounts and other	4,398	1,545	5,943
Fees			
Road fees	2,647	-	2,647
Hospitality fees	6,311	-	6,311
Stormwater Management fees	254	-	254
Other fees	1,090	-	1,090
Less Allowance for uncollectibles	(1,429)	-	(1,429)
Net fees	8,873	-	8,873
Total receivables, net	\$ 19,118	\$ 1,545	\$ 20,663

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 Accommodations tax, hospitality fees, road maintenance, stormwater management 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, 2017 for the discretely presented component unit HCSWA totaled \$2,150,019 and were reported net of \$15,000 in allowance for doubtful accounts.

Receivables (current and non-current) at June 30, 2017 for the discretely presented component unit SBHS totaled \$4,768,090 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$4,050,000 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, 2017, SBHS's revenue for Debt Setoff was \$96,158.

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, 2017, SBHS's revenue for and GEAR was \$75,690.

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, 2017 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>	
General Fund	\$ 102	\$ 120	\$ 699	\$ 1,141	\$ 2,062
Total	<u>\$ 102</u>	<u>\$ 120</u>	<u>\$ 699</u>	<u>\$ 1,141</u>	<u>\$ 2,062</u>

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

	<u>Receivable</u>	<u>Payable</u>
Primary government:		
General Fund	\$ -	\$ 215
Waste Management	-	1,201
Component units:		
SHBS	215	-
HCSWA	1,201	-
	<u>\$ 1,416</u>	<u>\$ 1,416</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, 2017:

	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	\$ -	\$ -	\$ -	\$ 403	\$ 11	\$ 235	\$ 649
Road Maintenance	-	-	-	-	200	-	200
Beach Renourishment	188	-	-	-	-	-	188
Grants	251	-	-	-	396	-	647
Victim Witness	263	-	-	-	-	-	263
Solicitor	4,026	-	-	-	-	-	4,026
Public Defender	1,092	-	-	-	-	-	1,092
Recreation	18	-	-	-	22	-	40
Waste Management	1,554	-	-	-	-	-	1,554
Capital Projects	7,168	-	38	-	1,555	4	8,765
General Debt Service	-	-	-	-	1,793	-	1,793
Internal Service	32	778	-	-	361	5	1,176
Total	\$ 14,592	\$ 778	\$ 38	\$ 403	\$ 4,338	\$ 244	\$ 20,393

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 General capital asset and related debt, where debt exceeded assets in the amount of \$214,848 is not included in the above table.

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, 2017 are as follows:

	Governmental Activities					Total	Business-type Activities
	General	Special Revenue	Capital Projects	Debt Service	Internal Service		Department of Airports
State	\$ 2,973	\$ 5,340	\$ 14,826	\$ 9	\$ -	\$ 23,148	\$ -
Federal	4,380	5,831	73	-	-	10,284	600
Other	62	122	-	-	101	285	-
Total	\$ 7,415	\$ 11,293	\$ 14,899	\$ 9	\$ 101	\$ 33,717	\$ 600

	Discretely Presented Component Units	
	SBHS	SWA
State	\$ 62	\$ 141
City	-	-
Federal	-	-
Other	224	1,201
Total	\$ 286	\$ 1,342

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, 2017 are as follows:

(amounts shown in thousands)

Governmental Activities	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
General Capital Assets					
Not subject to depreciation:					
Land and easements	\$ 23,758	\$ -	\$ -	\$ 119	\$ 23,877
Intangible Assets	20	-	-	-	20
Infrastructure	482,986	4,439	(292)	1,300	488,433
	506,764	4,439	(292)	1,419	512,330
Construction-in-progress	42,528	28,351	(95)	(4,500)	66,284
Total capital assets not depreciated	549,292	32,790	(387)	(3,081)	578,614
Subject to depreciation/amortization:					
Land improvements	8,932	63	-	631	9,626
Buildings and improvements	237,300	2	-	604	237,906
Machinery, equipment and vehicles	105,151	7,231	(14,058)	(2,072)	96,252
Intangible Assets	532	-	-	-	532
Totals	351,915	7,296	(14,058)	(837)	344,166
Total general capital assets	901,207	40,086	(14,445)	(3,918)	922,930
Less, accumulated depreciation:					
Land improvements	(3,576)	(519)	-	-	(4,095)
Buildings and improvements	(85,836)	(8,054)	-	-	(93,890)
Machinery, equipment and vehicles	(83,189)	(5,379)	14,053	898	(73,617)
Intangible assets	(261)	(53)	-	-	(314)
Totals	(172,862)	(14,005)	14,053	898	(171,916)
Net general capital assets	728,345	26,081	(392)	(3,020)	751,014
Internal Service Fund Capital Assets					
Not subject to depreciation:					
Construction-in-progress	-	3	-	-	3
Total capital assets not depreciated	-	3	-	-	3
Subject to depreciation:					
Land improvements	18	-	-	-	18
Machinery, equipment and vehicles	18,871	3,064	(1,854)	3,918	23,999
Heavy equipment	14,974	1,748	(499)	-	16,223
Totals	33,863	4,812	(2,353)	3,918	40,240
Total internal service fund capital assets	33,863	4,815	(2,353)	3,918	40,243
Less, accumulated depreciation					
Land improvements	-	(1)	-	-	(1)
Machinery, equipment and vehicles	(12,153)	(2,720)	1,786	(898)	(13,985)
Heavy Equipment	(9,473)	(1,794)	488	-	(10,779)
Totals	(21,626)	(4,515)	2,274	(898)	(24,765)
Net internal service fund capital assets	12,237	300	(79)	3,020	15,478
Net capital assets - Governmental Activities	\$ 740,582	\$ 26,381	\$ (471)	\$ -	\$ 766,492

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets, continued

(amounts shown in thousands)

Business-type Activities	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Not subject to depreciation:				
Land and easements	\$ 23,274	\$ -	\$ -	\$ 23,274
Infrastructure	9,182	-	-	9,182
	<u>32,456</u>	<u>-</u>	<u>-</u>	<u>32,456</u>
Construction in progress	696	872	(696)	872
Total capital assets not depreciated	<u>33,152</u>	<u>872</u>	<u>(696)</u>	<u>33,328</u>
Subject to depreciation:				
Buildings and improvements	171,605	2,254	(51)	173,808
Runways and taxiways	94,506	4,630	-	99,136
Machinery and equipment	21,090	949	(111)	21,928
Land improvements	35,808	64	-	35,872
Totals	<u>323,009</u>	<u>7,897</u>	<u>(162)</u>	<u>330,744</u>
Total Business-Type Assets	<u>356,161</u>	<u>8,769</u>	<u>(858)</u>	<u>364,072</u>
Less accumulated depreciation:				
Buildings and improvements	(45,722)	(4,950)	47	(50,625)
Runways and taxiways	(38,883)	(3,528)	-	(42,411)
Machinery and equipment	(14,064)	(1,552)	108	(15,508)
Land improvements	(11,625)	(1,721)	-	(13,346)
Totals	<u>(110,294)</u>	<u>(11,751)</u>	<u>155</u>	<u>(121,890)</u>
Net capital assets - Business-type Activities	<u>\$ 245,867</u>	<u>\$ (2,982)</u>	<u>\$ (703)</u>	<u>\$ 242,182</u>

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2017, 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	12,082
Vehicles, machinery and equipment	211	20,812
Other improvements	-	9,037
Construction-in-progress	-	873
Totals	<u>1,841</u>	<u>87,248</u>
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(23,761)
Buildings	(860)	(4,112)
Vehicles, machinery and equipment	(124)	(12,668)
Other improvements	-	(3,052)
Totals	<u>(984)</u>	<u>(43,593)</u>
Net capital assets - Component Units	<u>\$ 857</u>	<u>\$ 43,655</u>

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	\$ 54,451
P25 infrastructure	8,586
Building Projects	1,725
IT Projects	745
Financial System	559
Recreation	142
Machinery & Equipment	79
Total	<u>\$ 66,287</u>

Estimated total costs to complete these projects approximates \$90.0 million.

Business-type Activities: (Department of Airports)	(amounts shown in thousands)
MYR Concourse B Roof Replacement	\$ 345
MYR Parking Capacity Phase 1	109
MYR AWOS Relocation	101
GA System Plan	80
MYR Hangar 358 Improvements	57
East Side Commerce Park	50
MYR iTAP	41
Pavenment Meintenance Management System (PMMS) (ALL)	29
MYR ARFF Apron Trench repair	23
MYR Airfiedl Office (Bldg 360) Renovations	17
Capital Equipment - Common Use (SUPPS)	16
CRE-FBO Renovations	1
Other Capital Improvements	3
Total	<u>\$ 872</u>

Estimated remaining costs to complete these Airport projects approximates \$19.7 million.

The Airport has begun a full roof rehabilitation on Terminal B. Th roof is over twenty(20) years old and is in need of rehabilitation. After further engineer inspection, the Airport has determined an immediate need to replace the entire Terminal B roof. This project was approved by Resolution R-49-17. These funds will be utilized for the roof replacement project and interior improvements necessary for future buildouts, infrastructure, and projects supporting the redevelopment of the Concourse B space.

MYR is experiencing an increase in passenger traffic and utilization of the existing parking lots, resulting in limited or no available parking during peak periods of passenger traffic. As locally and regionally passenger traffic grows, the Airport acticipates an increased demand in parking capacity. To prepare for future growth and alleviate peak parking demand periods, the Airport will design and construct an Overflow Parking Lot with a minimum of 240 paved parking spaces.

At June 30, 2017, the Airport had outstanding purchase orders relating to the projects above in the amount of \$4.1 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.

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2017 is as follows: general government (\$4,662,301); public safety (\$6,224,445); Infrastructure and regulation (\$431,666); culture and recreation (\$2,445,040) and health and social services (\$240,978). Capital assets held by the Internal Service Fund (\$4,515,207).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2017, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, 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.

On November 15, 2016, the County issued \$3,000,000 of General Obligation Bonds, Series 2016A (Horry County Fire Protection District) (the "2016A Bonds") with an interest rate of 2.19%. The proceeds of the Bond will be used to fund capital improvements within the Horry County Fire Protection District including but not limited to constructing and equipping two fire stations and acquiring additional equipment.

On November 15, 2016, the County issued \$6,985,000 of General Obligation Refunding Bonds, Series 2016B (the "2016B Bonds") with an interest rate of 1.68%. The net proceeds of the 2016B Bonds were utilized for the purpose of refunding the outstanding balance of the \$6,960,000 2009 General Obligation Bonds-Recreation and Library Refunding. The 2016B Bonds are payable through March 2030, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$1,362,060 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$1,050,811. The outstanding principal balance of the 2016B Bonds at June 30, 2017 was \$6,985,000.

Advance Refundings

The balance of outstanding advanced refunded bonds at June 30, 2017 is \$22,390,000.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt, continued

A. Governmental Activities Debt

On December 30, 2009, the County issued \$6,960,000 of General Obligation Bonds, Series 2009B under the guidelines provided in the American Recovery and Reinvestment Act ("ARRA") as Build America Bonds. The Series 2009B Bonds were issued with taxable interest rates that range from 2% to 3%, and under the guidelines set forth in the ARRA are eligible to apply for an interest subsidy payment from the United States Treasury of 35% of the interest payable on the bonds. The subsidy payments have not been pledged to the payment of any Bonds and would be part of the County's general revenues. The County received an interest subsidy of \$120,255 for the year ended June 30, 2017.

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	Current Portion
	Balance June 30, 2016	Additions	Deletions			
General Obligation Bonds						
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% - Health Department/Museum	780	-	(780)	-	-	
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	12,095	-	(3,885)	8,210	4,030	
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	2,175	-	(520)	1,655	535	
G.O. Bonds of 2009 (Series B), Build America Bonds, dated December 30 for \$6.96 million with interest at 2% to 3% - Recreation and Library	6,960	-	(6,960)	-	-	
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	7,265	-	(1,345)	5,920	1,391	
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	1,000	-	(190)	810	190	
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	5,105	-	(835)	4,270	870	
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	1,745	-	(195)	1,550	200	
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	4,774	-	(13)	4,761	913	

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, 2016	Additions	Deletions	Balance June 30, 2017	Current Portion
General Obligation Bonds					
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	-	-	24,726	122
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	15,410	-	(1,825)	13,585	2,615
G.O. Bonds of 2016 (Series A) dated November 15 for \$3.0M with interest of 2.19% - Fire Protection District, matures March 2031	-	3,000	(345)	2,655	310
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	661	-	(210)	451	220
Total governmental bonded debt	82,696	9,985	(17,103)	75,578	11,396
Unamortized premiums	1,590	-	(199)	1,391	-
Net governmental bonded debt	<u>\$ 84,286</u>	<u>\$ 9,985</u>	<u>\$ (17,302)</u>	<u>\$ 76,969</u>	<u>\$ 11,396</u>

Other general long-term obligations of the County's governmental activities at June 30, 2017 are as follows:

Other general long-term obligations:					
RIDE - IGA Loan #1	\$ 15,000	\$ -	\$ (15,000)	\$ -	\$ -
Less, amounts imputed for interest	(300)	-	300	-	-
Net RIDE - IGA Loan #1	14,700	-	(14,700)	-	-
RIDE - IGA Loan #2	129,490	-	(18,882)	110,608	20,843
Net RIDE - IGA Loans payable	144,190	-	(33,582)	110,608	20,843

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

A. Governmental Activities Debt

	<i>(amounts shown in thousands)</i>				
	<u>Balance</u>			<u>Balance</u>	<u>Current</u>
<u>Other general long-term obligations:</u>	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>	<u>Portion</u>
<u>Capital Lease Obligations</u>					
Public safety CAD software	474	-	(474)	-	-
Public safety Panasonic laptops	95	-	(95)	-	-
Beach cleanup tractors	22	-	(22)	-	-
Financial system software	2,841	-	(2,841)	-	-
Energy performance contract	7,939	-	(330)	7,609	352
Fire apparatus	6,587	-	(775)	5,812	775
Fire apparatus	5,500	-	(550)	4,950	550
Public safety Panasonic laptops	252	-	(252)	-	-
Total General Capital Lease Obligations	<u>23,710</u>	<u>-</u>	<u>(5,339)</u>	<u>18,371</u>	<u>1,677</u>
<u>Internal Service Fund Capital Lease Obligations</u>					
Public safety Motorola radios	3,234	-	(501)	2,733	516
Total capital leases	<u>26,944</u>	<u>-</u>	<u>(5,840)</u>	<u>21,104</u>	<u>2,193</u>
Post employment benefit obligation, net	27,198	1,401	-	28,599	-
Accumulated compensation absences, net	12,949	5,453	(7,017)	11,385	7,017
Net Pension Liability	156,541	29,931	-	186,472	-
Total other general long-term obligations	<u>367,822</u>	<u>36,785</u>	<u>(46,439)</u>	<u>358,168</u>	<u>30,053</u>
Total Net Governmental Activities Debt	<u>\$ 452,108</u>	<u>\$ 46,770</u>	<u>\$ (63,741)</u>	<u>\$ 435,137</u>	<u>\$ 41,449</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 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.

RIDE Intergovernmental Agreements

As described in Note 17, the RIDE Intergovernmental Agreement (IGA) Loan #1 provides for debt service payments to be made without interest over twenty (20) years. Accordingly, an estimated amount of interest has been imputed based on calculated rate of 3.25% which is a rate representative of the IGA Loan #2 Amended Agreement.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt, continued

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

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 the capitalized interest on the Series 2010A Bonds through December 1, 2011, 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 \$165,647 at June 30, 2017.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard improvements, fund the capitalized interest on the Series 2010B Bonds through December 1, 2011, 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 6.9% in fiscal year 2017 and 6.8% in fiscal year 2016. Series 2010B Bond currently has interest only payments and the first principal payment will occur on July 1, 2030.

The Department of Airports received total interest subsidies of \$298,410 and \$298,731 for fiscal years 2017 and 2016, respectively.

The revenue bonds are secured by the pledge of net revenues derived by MYR. The Airport received net revenues in the amount of \$14,901,007 while net debt service was \$4,005,584. 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 2017 satisfies the Series 2010 revenue bond covenant.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2017, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Revenue Bonds:				
Revenue bond, 2010A Series dated November 17, with interest at 4.375% to 5% due 2011-2040	\$ 48,385	\$ -	\$ (1,320)	\$ 47,065
Revenue bond, 2010B Series dated November 17, with interest at 7.328% due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	58,105	-	(1,320)	56,785
Less, original issue discount	(172)	7	-	(165)
Less, current maturities	(1,320)	(1,370)	1,320	(1,370)
Net Revenue Bonds	\$ 56,613	\$ (1,363)	\$ -	\$ 55,250

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) loans #1 and #2 at their respective present values at June 30, 2017 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</u>		<u>Airport</u>	
	<u>Bonds</u>		<u>Stadium</u>		<u>Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 11,175	\$ 1,781	\$ 220	\$ 23	\$ 1,370	\$ 2,934
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
2023-2027	16,456	829	-	-	9,175	12,351
2028-2032	1,682	60	-	-	11,475	10,041
2033-2037	-	-	-	-	14,470	6,628
2038-2042	-	-	-	-	14,245	2,079
Total	\$ 75,127	\$ 6,458	\$ 451	\$ 34	\$ 56,785	\$ 45,201

<u>Years Ending</u> <u>June 30,</u>	<u>RIDE IGA</u>		<u>RIDE IGA</u>		<u>Total</u>	
	<u>Loan #1</u>		<u>Loan #2</u>		<u>Debt Service</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ -	\$ -	\$ 20,843	\$ 3,028	\$ 33,608	\$ 7,766
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
2023-2027	-	-	-	-	25,631	13,180
2028-2032	-	-	-	-	13,157	10,101
2033-2037	-	-	-	-	14,470	6,628
2038-2042	-	-	-	-	14,245	2,079
Total	\$ -	\$ -	\$ 110,608	\$ 8,748	\$ 242,971	\$ 60,441

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>Debt Service</u>
			<u>Subsidy*</u>	<u>Requirements</u>
2018	\$ 1,370	\$ 2,934	\$ (298)	\$ 4,006
2019	1,415	2,893	(299)	4,009
2020	1,480	2,822	(299)	4,003
2021	1,540	2,763	(299)	4,004
2022	1,615	2,690	(300)	4,005
2023-2027	9,175	12,351	(1,497)	20,029
2028-2032	11,475	10,041	(1,495)	20,021
2033-2037	14,470	6,628	(1,096)	20,002
2038-2042	14,245	2,079	(341)	15,983
Total	\$ 56,785	\$ 45,201	\$ (5,924)	\$ 96,062

*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>
2018	\$ 893	\$ 595	\$ 636	\$ 579	\$ 2,703
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
Thereafter	2,004	-	2,296	6,277	10,577
Total lease payments	6,311	2,975	5,381	9,409	24,076
Less, interest	(499)	(242)	(431)	(1,800)	(2,972)
Present value of future minimum lease payments	5,812	2,733	4,950	7,609	21,104
Less, current portion	(775)	(516)	(550)	(352)	(2,193)
Total non-current portion	<u>\$ 5,037</u>	<u>\$ 2,217</u>	<u>\$ 4,400</u>	<u>\$ 7,257</u>	<u>\$ 18,911</u>

Business-type Activities (Enterprise Funds):

During the year ended June 30, 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, 2017 and June 30, 2016 was \$329,004 and \$384,047, respectively.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

A. Capital Lease Obligations

Business-type Activities (Enterprise Funds), continued

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

<u>Year Ended June 30,</u>	<u>Total</u>
2018	\$ 59,148
2019	59,148
2020	59,148
2021	59,148
2022	59,148
2023	49,290
Total payments	345,030
Less, amount representing interest	(11,414)
Present value of future minimum lease payments	333,616
Less, current portion	(55,623)
Total non-current portion	<u>\$ 277,993</u>

The changes in the County's capital leases and other long-term obligations for its business-type activities for the June 30, 2017 are as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Amounts due within one year
Capital leases	\$ 388,605	\$ -	\$ (54,989)	\$ 333,616	\$ 55,623
Compensated absences	1,271,787	396,994	(454,157)	1,214,624	269,743
Net OPEB obligation	818,582	12,820	-	831,402	-
Net Pension Liability	11,300,441	1,218,221	-	12,518,662	-
Total Long Term Liability	<u>\$ 13,779,415</u>	<u>\$ 1,628,035</u>	<u>\$ (509,146)</u>	<u>\$ 14,898,304</u>	<u>\$ 325,366</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 fixed assets in the balance 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, 2017:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2018	\$ 6,736
2019	6,682
2020	6,557
2021	6,482
2022	4,410
2023-2027	3,048
Total	<u>\$ 33,915</u>

At June 30, 2017, the total historical cost and net book value of certain property leased to parties external to the County reporting entity is \$95,255,357 and \$70,028,427, respectively.

Lessor (SBHS)

At June 30, 2017 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2018	\$ 12,960
2019	6,489
2020	3,320
2021	3,228
2022	2,421
Total	<u>\$ 28,418</u>

Total lease expense for the fiscal year ended June 30, 2017 was approximately \$12,960.

C. Other Long-Term Liabilities

SBHS at June 30, 2017

The changes in the SBHS's other long-term obligations for the year ended June 30, 2017:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated absences	\$ 92,658	\$ 81,505	\$ (77,000)	\$ 97,163	\$ 52,468
Net OPEB obligation	100,041	21,274	(11,423)	109,892	-
Net Pension Liability	3,598,700	903,159		4,501,859	-
Total Long-term liabilities	<u>\$ 3,791,399</u>	<u>\$ 1,005,938</u>	<u>\$ (88,423)</u>	<u>\$ 4,708,914</u>	<u>\$ 52,468</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, 2017

	Beginning Balance, as restated	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated absences	\$ 320,020	\$ 198,214	\$ (198,696)	\$ 319,538	\$ 200,000
Net OPEB obligation	1,933,574	198,516	(27,606)	2,104,484	-
Net pension liabilities	7,693,537	1,692,643	(448,150)	8,938,030	-
Landfill closure costs	11,184,226	1,643,881	-	12,828,107	-
Landfill postclosure care costs	3,662,515	538,322	-	4,200,837	-
Total Long-term liabilities	<u>\$ 24,793,872</u>	<u>\$ 4,271,576</u>	<u>\$ (674,452)</u>	<u>\$ 28,390,996</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, 2017, Horry County estimates the Settlement due to the Signatory Airlines is \$137,534. 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, 2017, the Non-Signatory Airlines operating at the Airport were United Airlines, Porter Airlines, Elite Airways and WestJet.

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, 2017, the percentage utilization of the estimated total capacity of the landfills was 43.7%. The closure and postclosure care liabilities at June 30, 2017 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites and totaled \$12,828,147 and \$4,200,837, respectively. The HCSWA will recognize the remaining estimated closure and postclosure care costs totaling \$16,526,880 and \$5,412,063, 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, 2035. 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, 2017, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$8,821,752 and \$9,132,221 of cash, cash equivalents and investments at June 30, 2017 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 be 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, 2017:

	<i>(amounts shown in thousands)</i>			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>	
			<u>SHBS</u>	<u>HCSWA</u>
<u>Net investment in Capital Assets:</u>				
Net capital assets:				
Primary Government	\$ 766,492	\$ 242,182	\$ -	\$ -
Component units	-	-	857	43,655
Add, deferred charge on refunding	3,135	-	-	-
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	<u>(94,361)</u>	<u>(55,583)</u>	<u>-</u>	<u>-</u>
Total net investment in capital assets	<u>\$ 675,266</u>	<u>\$ 186,599</u>	<u>\$ 857</u>	<u>\$ 43,655</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 2018 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 2018 Operating budget	18% cash management reserve at June 30, 2017	5% disaster reserve at June 30, 2017	2% revenue stabilization reserve at June 30, 2017
General Fund	\$ 159,792,745	\$ 28,762,694	\$ 7,989,637	\$ 3,195,855
Fire Fund	19,171,718	3,450,909	958,586	383,434
Stormwater Management Fund	5,002,101	900,378	250,105	100,042
Recreation Fund	4,297,002	773,460	214,850	85,940
General Debt Service Fund	n/a	n/a	n/a	n/a

	FY 2018 Debt Service	Related restricted fund balance at June 30, 2017	Total Reserves at June 30, 2017
General Fund	\$ n/a	\$ n/a	\$ 39,948,186
Fire Fund	1,328,682	664,341	5,457,270
Stormwater Management Fund	n/a	n/a	1,250,525
Recreation Fund	n/a	n/a	1,074,250
General Debt Service Fund	11,164,944	5,582,472	5,582,472

At June 30, 2017 the Arcadian Shores and Community Development Block Grant Funds had a deficit fund balance of \$21,120 and \$277,046, respectively. This deficit fund balance will be repaid from future revenues and fee increases.

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, 2017 is as follows:

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Restricted or Committed for Capital projects			
RIDE II Road Infrastructure	\$ 157,784,725	\$157,698,982	\$ -
RIDE III Road Infrastructure	14,215,674	-	-
Vehicle Fleet Replacement	23,115,484	-	-
County Road Paving Plan	10,434,281	9,886,822	-
Fire Apparatus	2,208,058	3,479,483	-
General Capital Projects	5,313,647	5,313,647	11,931,738
Total Restricted or Committed for Capital	213,071,869	176,378,934	11,931,738
Restricted or Committed for Bond Debt Service			
RIDE Debt Service	-	59,317,895	-
General Obligation	7,368,794	7,778,000	-
Special Obligation	420,487	420,487	-
Lease Purchase Prepayment	-	-	6,918,492
Total Restricted or Committed for Debt Service	7,789,281	67,516,382	6,918,492
Restricted for Other Purposes			
Special Tax Districts			
County Road Paving Plan	-	-	19,559,584
Fire District	-	9,076,699	-
Waste Management Collection System	9,693,140	2,470,963	-
E911 Emergency Telephone System	5,085,173	5,378,168	-
Stormwater System Maintenance	1,267,925	2,918,587	-
Recreation Programs	-	2,246,296	-
Watersheds Maintenance	1,202,343	1,199,045	-
Mt Gilead Road Maintenance	304,386	303,853	-
Socastee Recreation Maintenance	211,377	206,325	-
Fantasy Harbor Admissions	382,764	382,764	-
Senior Citizens Programs	77,860	45,965	-
Fire Insurance 1% Funding	-	-	-
Special Purpose Districts			
Higher Education Commission	310,126	254,218	-
Horry Georgetown Technical College	722,308	578,533	-
Funding for Non-capital Infrastructure Improvements			
Beach Renourishment	2,855,621	2,855,621	3,150,445

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	-	188,804	-
Solicitor	-	3,201,386	-
Public Defender	-	1,052,782	-
Grants	-	-	333,614
Victim Witness	-	62,371	-
Contractual Restrictions			
B&C MCBP	533,840	533,840	-
Voluntary Developer Contributions	451,964	451,964	-
Baseball Stadium Maintenance	156,785	156,785	-
Myrtle Beach Area Regional Economic Development Corporation Closing Fund	-	518,500	2,087,949
Fiscal Reserves	-	-	39,948,186
Other Post Employment Benefits	-	-	2,175,323
Fiscal Year 2018 Expenditure Budget Carryforwards	-	-	4,816,556
Total Restricted or Committed for Other Purposes	23,255,612	34,083,469	72,071,657
Totals	\$ 244,116,762	\$277,978,785	\$ 90,921,887

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, 2017, are as follows:

	Governmental Activities
Donated capital assets	\$ 3,428
Total	\$ 3,428

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2017, are as follows:

	Business -Type Activities
Grants and other cash contributions	\$ 3,996
Total	\$ 3,996

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2017, are as follows:

	HCSWA
Grants and other cash contributions	\$ 829
Totals	\$ 829

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 Budget and Control Board (restructured into the Department of Administration on July 1, 2015), 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.

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Plan Descriptions, continued

may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate 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.

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.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA board may adopt and present to the SFAA for approval an increase in the SCRS and PORS employer and employee contribution rates, 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

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Contributions, continued

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; and, this increase is not limited to one-half of one percent per year.

Required employee contribution rates* for fiscal year 2016-2017 are as follows:

SCRS

Employee Class Two	8.66% of earnable compensation
Employee Class Three	8.66% of earnable compensation

PORS

Employee Class Two	9.24% of earnable compensation
Employee Class Three	9.24% of earnable compensation

Required employer contribution rates* for fiscal year 2016-2017 are as follows:

SCRS

Employer Class Two	11.41% of earnable compensation
Employer Class Three	11.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	13.84% of earnable compensation
Employer Class Three	13.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

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

Actuarial Assumptions and Methods

Actuarial valuations 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. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time 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, As a result of the experience study, the actuary recommended adjustments to the actuarial assumptions, which included salary increase, payroll growth, mortality, retirement, terminations, refunds, disability, inflation and asset valuation method. The experience study also recommended reducing the long-term investment rate of return assumption, which is a prescribed assumption that is set in state statute by the General Assembly, from 7.50 to 7.25 percent. With the exception of the rate of return, all recommended assumption and method changes were adopted by both PEBA Board and SFAA, as co-fiduciaries. The General Assembly did not change the assumed annual rate of return during the 2016 legislative session so that assumption currently remains at 7.50 percent. The newly adopted

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Actuarial Assumptions and Methods, continued

assumptions and methods will be first used to perform the July 1, 2016, actuarial valuation, the results of which will be used in determining the total pension liability as of June 30, 2017, measurement date.

The June 30, 2016 total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return*	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)*	4.0% to 10.0% (varies by service)*
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
*Includes inflation at 2.75%.		

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuation for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2017, the County's proportional share of the NPL amounts for SCRS and PORS are presented below:

System	Proportional Share of Net Pension Liability
SCRS	\$ 110,460,127
PORS	\$ 88,530,273

The total pension liability 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 68 in the notes to the financial statements and required supplementary information. The County's proportionate share of the NPL was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the years ending June 30, 2017 and 2016, the County's percentage of the SCRS NPL were 0.517139% and 0.500377%, respectively. For the years ending June 30, 2017 and 2016, the County's percentage of the PORS NPL were 3.49029% and 3.34678%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all 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 total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital markets outlook at the end of the third quarter 2015. 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 as adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public	34.0%	6.52%	2.22%
Global Private	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Party	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.50 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$137,795,984	\$110,460,127	\$87,704,056
PORS	\$116,026,505	\$88,530,273	\$63,819,750

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2017, the County recognized pension expense of \$20,081,885 (SCRS portion is \$10,716,547 plus PORS portion is \$10,247,259.). At June 30, 2017, the County reported deferred outflows (inflows) of resources related to SCRS pensions from the following sources:

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

A. South Carolina Retirement and Police Officers' Retirement Systems

Deferred Outflows (Inflows) of Resources, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$5,830,970	\$ -
Differences in actual and expected retirement plan experience	1,145,049	-
Net difference between projected and actual investment earnings	9,293,246	-
Change in proportionate share of net pension liability	2,625,117	-
Difference between expected and actual investment earnings - pensions	-	119,960

At June 30, 2017, 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	\$6,414,519	\$ -
Differences in actual and expected retirement plan experience	1,313,620	-
Net difference between projected and actual investment earnings	10,038,555	-
Change in proportionate share of net pension liability	2,476,840	-

The County reported \$12,245,489 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, 2018. 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, 2017. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2017 was 4.116 years for SCRS and 4.665 years for PORS and at June 30, 2016 was 4.164 years for SCRS and 4.796 years for PORS.

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
2017	2018	\$(3,443,441)	\$(3,239,999)
2018	2019	(2,844,916)	(3,173,410)
2019	2020	(4,478,029)	(4,693,335)
2020	2021	(2,177,066)	(2,722,271)
Net Balance of Deferred Outflows / (Inflows) of Resources		\$(12,943,452)	\$(13,829,015)

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

Plan Description

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees with a hire date prior to July 1, 2011, as per the requirements of a local ordinance. On June 19, 2012 Horry County approved further modifications to the Retiree Health Insurance plan through Resolution R-19-12, wherein post-employment healthcare benefit changes were made for two defined groups known as “Grandfathered” and “Non-Grandfathered”. Additional modifications can be found in the most recent resolution, which is R-89-12.

For grandfathered employees, the following plan modifications apply effective January 1, 2013:

Grandfathered retirees are those who are retirement eligible employees, and current employees who are either 62 years old or have 23 or more years of County service as of December 31, 2012. Grandfathered retirees continue to be eligible for health insurance benefits from the age of retirement until they reach the age of 65, or otherwise become Medicare eligible, at the following coverage levels if they attain age forty-six (46) while working for the County, retire and draw benefits from SCRS or SCPORS system, and have a minimum of fifteen (15) years of service. The County will contribute to SCRS (regular retirees): 50% of single coverage for employees with 15-22 years of service, 75% of single coverage for employees with 23-27 year of service, and 100% for employees with 28 or more years of service; for SCPORS (police retirees): 50% of single coverage for employees with 15-21 years, 75% for 22-24 years and 100% for employees with 25 years or more of service.

For non-grandfathered employees, the following plan modifications apply effective January 1, 2013:

Non-Grandfathered retirees are defined as those with a hire date prior to July 1, 2011 who did not meet the qualifications to be included in the “Grandfathered” group. These retirees will receive County subsidy of health insurance only from the ages of 62 – 65. 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. 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 years (SCRS) or 25 years (SCPORS) of service. 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. 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.

Medicare – Eligible Provisions apply effective January 1, 2013:

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 per retiree on the first banking day of each month in to a 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 with a hire date prior to July 1, 2011.

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

Plan Description, continued

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.

Effective July 1, 2011, new hires of Horry County are no longer eligible to receive other post-employment benefits. The ordinance reads that should this benefit be reinstated, the effective date would be July 1, 2011.

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.

Duty and Non-Duty Death in Service and Disability 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. Employees who retire under a disability retirement are eligible for retiree health care benefits based on years of service.

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 general fund as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2017, the County contributed \$1,328,633 for existing retirees, net of the implicit rate subsidy. As of year-end, there were 344 retirees that were receiving benefits. These financial statements assume that a pay-as-you-go funding policy will continue.

The Airport currently has 142 active employees and 24 retired members are eligible for OPEB as of June 30, 2017. Only one of the retired employees has opted for OPEB from the Airport, and that employee worked for both the Airport and Horry County. The Airport reimburses Horry County for its share of the OPEB expense.

HCSWA:

Plan Description

The HCSWA retiree health care plan is a single-employer defined benefit health care plan administered by the HCSWA. 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.

Funding Policy

The contribution requirements of plan members and the HCSWA are established and may be amended by the HCSWA's Board of Directors.

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

HCSWA: Funding Policy, continued

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 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 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.

During the year ended June 30, 2017, plan members receiving benefits contributed \$20,175 (approximately 42% of total premiums) for the cost of retiree health insurance coverage.

HCSWA pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2017, the HCSWA contributed \$27,606 (approximately 58% of total premiums) for the cost of retiree health insurance coverage.

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. 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 per retiree (will increase by the lower of 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.

SBHS:

Funding Policy

SBHS pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2017, SBHS contributed approximately \$11,423 towards the cost of retiree health insurance coverage. SBHS has recorded a post-employment benefit obligation in the amount of \$109,892 at June 30, 2017 because SBHS did not meet its actuarially required contributions for this and prior fiscal years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

Annual OPEB costs and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	Governmental		Business -type	Total	Component Units	
	General	Police	Airport		HCSWA	SBHS
Employer Normal Costs	\$ 599,266	\$ 708,260	\$ 44,155	\$ 1,351,681	\$ -	\$ -
Amortization of UAL*	702,354	582,772	58,102	1,343,228	119,937	22,649
Annual Required Contribution (ARC)	1,301,620	1,291,032	102,257	2,694,909	119,937	22,649
Interest on Net OPEB Obligation	548,134	607,754	34,790	1,190,678	82,177	4,502
Adjustment to ARC	(519,974)	(576,532)	(46,747)	(1,143,253)	(3,598)	(5,877)
Annual OPEB Costs	1,329,780	1,322,254	90,300	2,742,334	198,516	21,274
Contributions Made	844,682	406,471	77,480	1,328,633	27,606	11,423
Increase in net OPEB Obligation	485,098	915,783	12,820	1,413,701	170,910	9,851
Net OPEB Obligation - beginning of year	12,897,268	14,300,105	818,582	28,015,955	1,933,574	100,041
Net OPEB Obligation - end of year	\$13,382,366	\$15,215,888	\$ 831,402	\$29,429,656	\$2,104,484	\$109,892

* Unfunded Actuarial Accrued Liabilities (UAL) were amortized over 30 years; amortizations periods are open.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$2,779,923	35.79%	\$26,605,230
2016	\$2,660,846	53.02%	\$28,015,956
2017	\$2,742,334	48.45%	\$29,429,656

HCSWA and SBHS's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$313,082	12.00%	\$1,860,508
2016	\$213,007	18.73%	\$2,033,615
2017	\$219,790	17.76%	\$2,214,376

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2017, was as follows:

	Governmental		Business-type	Component Units	
	General	Police	Airport	HCSWA	SBHS
Actuarial accrued liability	\$16,912,505	\$14,033,228	\$ 987,871	\$1,244,147	\$368,931
Actuarial value of plan assets	-	-	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$16,912,505	\$14,033,228	\$ 987,871	\$1,244,147	\$368,931
Funded Ratio	-	-	-	-	-
Covered payroll	\$30,725,216	\$29,590,083	\$3,141,130	\$3,050,329	-
Unfunded actuarial accrued liability as a % of covered payroll	55.04%	47.43%	31.45%	40.79%	-

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

B. Post-Employment Healthcare Benefits

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

In the June 30, 2015, actuarial valuation, the Projected Unit Credit, Level Percent of Payroll actuarial cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period or closed basis. The actuarial assumptions included 4.5% rate of investment return. General inflation is assumed to be 3.0% per year. The valuation assumes a health care trend inflation rate as follows:

Year	Health Care Trend Inflation Rates	
	Medical	Drug
2017	6.00	6.00
2018	6.00	6.00
2019	5.75	6.00
2020	5.50	5.75
2021	5.25	5.50
2022	5.00	5.25
2023	4.75	5.00
2024	4.75	4.75
2025	4.50	4.50
2026	4.30	4.30
2027 and later	4.30	4.30

Horry County has not established a trust fund for GASB 45 funding therefore, there is no separate audit report available.

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 76% of the Airport's revenues or just over \$20.5 million of the \$26.8 million total operating revenue. Signatory Airlines generate \$8.8 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 33.0% in fiscal year 2017 and 30.3% in 2016, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 51.2% of the airline traffic, American Airlines 18.8%, Delta Air Lines 15.4% and Allegiant Air 10.9%.

For the year ended June 30, 2017 there are two customers whose balance represents approximately 52% of the accounts receivable balance. For the year ended June 30, 2016, two customers made up approximately 59% 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, 2017. 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 \$95.4 million in encumbrances at June 30, 2017. Encumbrances for the major funds are as follows: \$872,666 is encumbered in the General Fund primarily related to public works maintenance and countywide annual service contracts; \$7.5 million is encumbered in the General Capital Improvements Project Fund primarily related to various capital projects; \$79.3 million is encumbered in the Capital Project Sales Tax Fund primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax; \$0.8 million is encumbered in the Fire Apparatus Capital Fund primarily related to the Fire Department's transportation equipment. Other significant encumbrances from non-major funds at June 30, 2017 are: the Road Maintenance & CTC Fund had \$2.4 million in encumbrances primarily related to multiple road paving projects; the Internal Service Funds had \$1.6 million in encumbrances primarily for inventory items and equipment purchases; and the CDBG Grant Program Special Revenue Fund had \$1.4 million of encumbrances.

HCSWA

Prior to June 30, 2017, the SWA entered into a contract for a recycling center construction project. The cost of the contract totals \$1,044,880 of which \$627,385 had been incurred as of year-end.

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, 2017, 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, 2017 were \$5,579,484. In addition, the County made capital contributions to the HCSWA in the amount of \$828,802 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 \$899,075 for the year ended June 30, 2017.

Note 21. Prior Period Adjustment

The HCSWA net position at the beginning of 2017 has been increased by \$9,274,366 to correct an error relating to the amount of capacity that had been used at the SWA's landfills. The SWA's independent engineer inadvertently provided incorrect capacity utilization information during 2015 and 2016. The following 2016 information has been restated as a result of the error:

	2016 as previously <u>reported</u>	<u>Restatement</u>	<u>2016 restated</u>
Landfill Closure Costs	\$18,170,762	\$(6,986,496)	\$11,184,266
Landfill Postclosure Care Costs	5,590,385	(2,287,870)	3,662,515

The effect of the error on the change in net position for 2015 was an understatement of \$9,274,366

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	\$ 378,619,905
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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	927,746,367
Less, accumulated depreciation	<u>(176,732,828)</u>

Net amount reported	<u>751,013,539</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	5,689,573
Grant reimbursements	12,526,792
Accommodations tax	706,497
Fees and fines	2,540,138
Capital project sales tax	<u>14,219,841</u>

Net amount reported	<u>35,682,841</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>35,860,400</u>

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

General & special obligation bonds	(75,578,500)
Capital leases payable	(18,371,205)
Deferred charges on refunding	3,134,798
Bond premium	(1,390,988)
SC Transportation Infrastructure Bank Loan (SIB)	(110,608,161)
Compensated absences	(11,287,834)
Net post employment benefit obligation	(28,384,516)
Net pension obligation	(148,621,820)
Accrued interest	<u>(808,981)</u>

Net amount reported	<u>(391,917,207)</u>
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Total net position, end of year - governmental activities	<u>\$ 809,259,478</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	\$ (41,142,367)
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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.

Capital outlay expenditures	36,657,939
Assets disposals	(391,535)
Depreciation expense	(14,004,430)

Net amount reported	<u>22,261,974</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.

Property taxes & accommodations tax	1,056,111
Grants reimbursements	12,037,577
Fees and fines	1,009,169
Capital project sales tax	14,097,623

Net amount reported	<u>28,200,480</u>
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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:

Donation of capital assets	<u>3,427,659</u>
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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.

Net post employment benefit obligation	(1,386,592)
Accrued compensated absences	1,551,271
Net Pension Obligation	(8,425,832)

Net amount reported	<u>(8,261,153)</u>
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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.

Repayments of G.O., S.O. bond & Certificates of Participation principal	17,103,000
Repayments of SC Transportation Infrastructure Bank Loan (SIB) principal	33,581,667
Proceeds from bonds	(9,985,000)
Repayments of capital leases	5,339,286
Change in accrued interest expense & amortization of bond premiums and	(75,731)

Net amount reported	<u>45,963,222</u>
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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 \$214,848 net transfers of capital assets and related debt to internal service fund.)

2,919,471

Change in net position-governmental activities	<u>\$ 53,369,286</u>
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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, 2017, the County abated property tax revenues of \$190,270 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)	\$ 174,238
Special Source Revenue Credit (SSRC)	16,032
Multi-County Business Park (Rollback Taxes)	<u>-</u>
Total	<u>\$ 190,270</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 \$70,583.
- 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 \$54,401.
- 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 \$41,470.

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 2017.

Note 24. Service Concession Arrangement

In August 2017, 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 Number 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 2017 parking concessions revenues recorded were \$4,033,159. Revenue of \$1,737,119 recognized in fiscal year 2017 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$1,916,493 for fiscal year 2017. 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 2017. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 24. Service Concession Arrangement, continued

	<u>2017</u>	<u>2016</u>
Opening Service Concession Arrangement and Deferred inflows of resources	\$ -	\$1,706,192
Service Concession Arrangement effective July 1, 2016	9,562,176	-
Amortization of discounted minimum annual payments	<u>(1,737,119)</u>	<u>(1,706,192)</u>
Service Concession Arrangement and Deferred inflow of resources at June 30,	<u>\$7,825,057</u>	<u>\$ -</u>

Note 25. New Accounting Pronouncements

In June 2015, GASB issued 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. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

In March 2016, GASB issued 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 requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

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 March 2017, GASB issued Statement No. 85. 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 requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

In May 2017, GASB issued 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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 25. New Accounting Pronouncements, continued

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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. 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.

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, 2017

(with comparative actual amounts for for the year ended June 30, 2016)

	2017				2016
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Real property taxes	\$ 74,951,706	\$ 75,024,446	\$ 76,872,542	\$ 1,848,096	\$ 74,445,389
Personal property taxes	5,502,023	5,502,023	5,469,981	(32,042)	5,353,233
Vehicle taxes	7,584,530	7,584,530	8,368,913	784,383	7,184,688
Fee in lieu of taxes	2,807,531	2,807,531	3,077,699	270,168	2,919,447
Intergovernmental	11,701,904	12,238,468	13,030,226	791,758	12,873,434
Fees and fines	27,193,015	27,258,480	28,704,451	1,445,971	28,915,378
Documentary stamps	4,280,000	4,280,000	4,523,207	243,207	4,135,020
License and permits	10,036,518	10,036,518	11,106,317	1,069,799	10,216,531
Interest on investments	150,000	150,000	348,241	198,241	253,176
Cost allocation	3,301,796	3,301,796	3,800,803	499,007	3,569,666
Other	2,171,317	4,100,210	4,553,367	453,157	5,117,865
Total revenues	149,680,340	152,284,002	159,855,747	7,571,745	154,983,827
Expenditures					
General Government:					
County Council	1,183,647	1,638,216	1,003,671	634,545	998,836
County Administrator	1,362,887	1,358,230	1,137,021	221,209	912,981
Finance	1,790,496	1,790,921	1,794,022	(3,101)	1,688,358
Department Overhead	5,915,990	4,769,219	4,174,043	595,176	3,629,799
Human Resources	1,688,880	1,834,809	1,607,930	226,879	1,309,249
Procurement	613,712	614,132	530,522	83,610	500,447
IT/GIS	4,805,323	4,904,329	4,898,006	6,323	5,011,011
Assessor	3,677,244	3,664,536	3,574,565	89,971	3,440,428
Assessor Appeals Board	9,444	9,444	2,233	7,211	4,244
Registrar of Deeds	1,202,151	1,202,151	1,121,945	80,206	1,067,078
Maintenance	5,149,255	4,989,458	4,704,735	284,723	4,523,138
Registration and Election	652,599	764,990	693,208	71,782	713,537
Public Information	291,915	400,717	244,346	156,371	197,410
Treasurer	2,067,670	2,140,410	1,959,180	181,230	1,965,163
Auditor	1,640,414	1,640,696	1,613,670	27,026	1,567,342
Probate Judge	1,083,005	1,083,005	1,056,670	26,335	1,021,743
Master in Equity	477,866	477,866	399,530	78,336	391,502
Legal	991,724	1,264,842	744,293	520,549	844,006
Grant Administration	164,972	210,932	86,865	124,067	360,442
Delegation	113,644	113,643	107,446	6,197	110,919
Hospitality	380,872	373,747	342,575	31,172	342,171
Business License	245,758	252,883	246,346	6,537	248,910
Total	35,509,468	35,499,176	32,042,822	3,456,354	30,848,714
Less, capital outlay	(136,366)	(100,867)	(97,183)	(3,684)	(671,221)
Net general government	35,373,102	35,398,309	31,945,639	3,452,670	30,177,493

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES
 GENERAL FUND
 - CONTINUED -

	2017				2016
	Budget		Actual	Variance	Actual
	Original	Final			
Public Safety:					
Public Safety Division	876,490	885,949	727,501	158,448	889,502
Clerk of Court	1,988,229	2,062,467	1,902,021	160,446	1,815,999
Clerk of Court - DSS	686,442	678,540	634,088	44,452	641,150
Clerk of Court - Family Court:	333,943	715,077	318,641	396,436	485,153
Magistrates	3,104,552	3,139,237	2,974,672	164,565	2,916,004
Communications	1,285,900	1,315,679	1,212,727	102,952	1,271,033
Sheriff	5,780,723	6,358,164	6,275,662	82,502	5,834,992
Police	21,930,230	23,513,200	22,475,837	1,037,363	20,564,407
Central Processing	73,533	-	-	-	72,169
Emergency Management	542,597	542,597	510,571	32,026	478,835
Emergency 911	3,299,454	3,300,634	2,945,530	355,104	3,035,011
Coroner	956,502	977,609	927,915	49,694	856,516
Detention Center	23,513,645	24,663,305	24,029,645	633,660	23,608,635
Emergency Medical Services	16,300,751	16,429,975	15,482,969	947,006	14,649,462
Animal Care Center	1,201,957	1,249,682	1,135,743	113,939	1,047,397
Parking Program	103,700	355,741	171,656	184,085	56,717
Total	81,978,648	86,187,856	81,725,178	4,462,678	78,222,982
Less, capital outlay	(764,658)	(891,247)	(854,743)	(36,504)	(944,799)
Net public safety	81,213,990	85,296,609	80,870,435	4,426,174	77,278,183
Infrastructure and Regulation:					
Assistant County Administrator	452,768	490,339	482,244	8,095	414,832
County Engineer	1,397,825	1,488,090	1,174,995	313,095	1,155,506
Public Works	8,355,002	9,925,941	8,799,036	1,126,905	7,960,573
Code Enforcement	3,026,575	3,026,574	2,851,678	174,896	2,686,137
Planning	1,879,893	1,879,893	1,783,545	96,348	1,754,098
Environmental Services	147,155	147,155	146,631	524	137,562
Railroad	-	137,224	137,224	-	26,343
Total	15,259,218	17,095,216	15,375,353	1,719,863	14,135,051
Less, capital outlay	-	(31,991)	(31,779)	(212)	(38,207)
Net infrastructure and regulation	15,259,218	17,063,225	15,343,574	1,719,651	14,096,844

- CONTINUED -

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

	2017				2016
	Budget		Actual	Variance	Actual
	Original	Final			
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance Program	926,054	926,054	898,842	27,212	917,756
Health Department	135,479	129,405	112,882	16,523	102,545
Department of Social Services	73,556	101,503	93,831	7,672	73,530
Veteran Affairs	380,430	380,430	379,092	1,338	345,106
Net health and social services	<u>1,515,519</u>	<u>1,537,392</u>	<u>1,484,647</u>	<u>52,745</u>	<u>1,438,937</u>
Culture, Recreation, and Tourism:					
Library	4,514,548	4,674,758	4,269,270	405,488	4,279,496
Museum	752,441	848,288	769,371	78,917	752,955
Total	<u>5,266,989</u>	<u>5,523,046</u>	<u>5,038,641</u>	<u>484,405</u>	<u>5,032,451</u>
Less, capital outlay	-	-	-	-	(8,375)
Net culture, recreation and tourism	<u>5,266,989</u>	<u>5,523,046</u>	<u>5,038,641</u>	<u>484,405</u>	<u>5,024,076</u>
Economic development					
Other Agencies:	<u>1,154,308</u>	<u>1,154,308</u>	<u>1,154,308</u>	-	<u>1,194,308</u>
Capital outlay					
	<u>901,024</u>	<u>1,024,105</u>	<u>983,705</u>	<u>40,400</u>	<u>1,662,602</u>
Total expenditures	<u>140,684,150</u>	<u>146,996,994</u>	<u>136,820,949</u>	<u>10,176,045</u>	<u>130,872,443</u>
Excess of revenues over expenditures	<u>8,996,190</u>	<u>5,287,008</u>	<u>23,034,798</u>	<u>17,747,790</u>	<u>24,111,384</u>
Other Financial Sources (Uses)					
Sale of capital assets	95,000	95,000	79,719	(15,281)	142,332
Transfers in	600,269	610,300	649,058	38,758	711,288
Transfers out	<u>(12,206,459)</u>	<u>(14,586,198)</u>	<u>(14,592,019)</u>	<u>(5,821)</u>	<u>(11,114,020)</u>
Total other financing sources (uses)	<u>(11,511,190)</u>	<u>(13,880,898)</u>	<u>(13,863,242)</u>	<u>17,656</u>	<u>(10,260,400)</u>
Net change in fund balance	(2,515,000)	(8,593,890)	9,171,556	17,765,446	13,850,984
Fund balance at beginning of year	54,637,404	54,637,404	54,637,404	-	40,786,420
Fund balance at end of year	<u>\$ 52,122,404</u>	<u>\$ 46,043,514</u>	<u>\$ 63,808,960</u>	<u>\$ 17,765,446</u>	<u>\$ 54,637,404</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2017

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

Horry County's road system consists of approximately 59% paved roads and 41% 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 858 paved miles at the end of FY 2017.
- 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 maintenance road 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 7 year period. This is the second successive sale 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, 2017 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		
	2017	2016	2015
Arterial	85.3%	68.7%	77.9%
Collector	85.2%	81.1%	85.9%
Access	87.6%	84.9%	87.0%
Overall system	87.3%	84.2%	86.7%

	Percentage of Miles in Substandard Condition		
	Condition		
	2017	2016	2015
Arterial	14.7%	31.3%	22.1%
Collector	14.8%	18.9%	14.1%
Access	12.4%	15.1%	13.0%
Overall System	12.7%	15.8%	13.3%

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2017

- CONTINUED -

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

	Comparison of Needed-To-Actual Maintenance/Preservation						
	2017	2016	2015	2014	2013	2012	2011
Arterial:							
Needed	\$ 507,212	\$ 1,078,400	\$ 888,000	\$ 570,000	\$ 357,000	\$ 387,000	\$ 165,965
Actual	180,797	181,846	88,291	68,068	29,540	-	-
Collector:							
Needed	1,641,182	2,083,200	1,398,400	931,000	1,181,000	1,522,000	779,027
Actual	585,004	351,282	139,038	111,177	335,773	224,373	158,357
Access:							
Needed	15,271,788	17,891,200	14,840,000	10,045,000	5,663,000	6,669,000	3,253,398
Actual	5,443,673	3,016,924	1,475,488	1,199,545	990,579	2,312,218	1,728,335
Overall System:							
Needed	17,420,182	21,052,800	17,126,400	11,546,000	7,201,000	8,578,000	4,198,390
Actual	<u>6,209,474</u>	<u>3,550,052</u>	<u>1,702,817</u>	<u>1,378,790</u>	<u>1,355,892</u>	<u>2,536,591</u>	<u>1,886,692</u>
Difference	<u>\$ 11,210,708</u>	<u>\$ 17,502,748</u>	<u>\$ 15,423,583</u>	<u>\$10,167,210</u>	<u>\$ 5,845,108</u>	<u>\$ 6,041,409</u>	<u>\$ 2,311,698</u>

* 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 and again in 2010. 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.

In 2010, the Weighted PCI Value for MYR was found to be 65, illustrating the fact that the majority of pavement at MYR was in need of rehabilitation. The Airport's goal is a Weighted PCI greater than 71. In 2000, the Weighted PCI for the airport was a 76 exceeding the airport's goal of greater than 71.

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, 2017

- 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) (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. The study is forecasted to be completed in fiscal year 2017 with a single FAA grant.

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
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" (\$5M)** – 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 dept asphalt. The runway rehabilitation meets the most current FAA design criteria.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF FUNDING PROGRESS FOR OTHER
POST EMPLOYMENT BENEFITS PLAN

FOR THE YEAR END JUNE 30, 2017

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2008	\$ 5,510,608	6.71%	\$ 5,140,807
2009	5,692,932	7.52%	10,405,564
2010	5,425,242	14.62%	15,037,859
2011	5,602,291	17.27%	19,672,757
2012	2,413,102	32.30%	21,306,441
2013	2,488,947	33.72%	22,956,092
2014	2,695,428	30.85%	24,820,172
2015	2,779,923	35.79%	26,605,230
2016	2,660,846	46.98%	28,015,955
2017	2,742,334	48.45%	29,429,656

Funded status and Funding Progress

The funded status of the plan as of June 30, 2017 was as follows:

	Actuarial valuation date	Fiscal Year Ended	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll
General	6/30/2007	6/30/2008	\$ -	\$ 30,307,044	\$ 30,307,044	0%	\$ 38,989,986	77.73%
Police	6/30/2007	6/30/2008	-	17,983,147	17,983,147	0%	30,483,561	58.99%
Airport	6/30/2007	6/30/2008	-	1,151,637	1,151,637	0%	4,349,632	26.48%
General	6/30/2007	6/30/2009	-	33,737,013	33,737,013	0%	36,659,940	92.03%
Police	6/30/2007	6/30/2009	-	21,214,682	21,214,682	0%	33,011,365	64.26%
Airport	6/30/2007	6/30/2009	-	1,366,632	1,366,632	0%	4,352,388	31.40%
General	6/30/2009	6/30/2010	-	28,891,592	28,891,592	0%	39,413,411	73.30%
Police	6/30/2009	6/30/2010	-	19,629,760	19,629,760	0%	35,285,743	55.63%
Airport	6/30/2009	6/30/2010	-	1,135,710	1,135,710	0%	4,202,436	27.03%
General	6/30/2009	6/30/2011	-	31,626,672	31,626,672	0%	39,864,688	79.34%
Police	6/30/2009	6/30/2011	-	21,695,771	21,695,771	0%	36,307,295	59.76%
Airport	6/30/2009	6/30/2011	-	1,257,921	1,257,921	0%	4,465,721	28.17%
General	6/30/2011	6/30/2012	-	9,301,650	9,301,650	0%	39,144,623	23.76%
Police	6/30/2011	6/30/2012	-	14,942,445	14,942,445	0%	36,035,496	41.47%
Airport	6/30/2011	6/30/2012	-	571,426	571,426	0%	4,595,620	12.43%
General	6/30/2011	6/30/2013	-	9,301,650	9,301,650	0%	39,433,327	23.59%
Police	6/30/2011	6/30/2013	-	14,942,445	14,942,445	0%	36,155,619	41.33%
Airport	6/30/2011	6/30/2013	-	571,426	571,426	0%	4,643,862	12.30%
General	6/30/2013	6/30/2014	-	15,854,358	15,854,358	0%	41,766,782	37.96%
Police	6/30/2013	6/30/2014	-	12,343,639	12,343,639	0%	39,330,172	31.38%
Airport	6/30/2013	6/30/2014	-	976,288	976,288	0%	5,363,094	18.20%
General	6/30/2013	6/30/2015	-	15,854,358	15,854,358	0%	42,241,544	37.53%
Police	6/30/2013	6/30/2015	-	12,343,639	12,343,639	0%	40,487,242	30.49%
Airport	6/30/2013	6/30/2015	-	976,031	976,031	0%	5,653,992	17.26%
General	6/30/2015	6/30/2016	-	16,912,505	16,912,505	0%	41,546,005	40.71%
Police	6/30/2015	6/30/2016	-	14,033,228	14,033,228	0%	35,390,097	39.65%
Airport	6/30/2015	6/30/2016	-	987,871	987,871	0%	5,470,857	18.06%

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF FUNDING PROGRESS FOR OTHER
POST EMPLOYMENT BENEFITS PLAN

FOR THE YEAR END JUNE 30, 2017

- CONTINUED -

Funded status and Funding Progress - continued

	Actuarial valuation date	Fiscal Year Ended	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll
General	6/30/2016	6/30/2017	\$ -	\$ 16,912,505	\$ 16,912,505	0%	\$ 30,725,216	55.04%
Police	6/30/2016	6/30/2017	-	14,033,228	14,033,228	0%	29,590,083	47.43%
Airport	6/30/2016	6/30/2017	-	987,871	987,871	0%	3,141,130	31.45%

* Reduction in AAL is a result of other post employment benefit changes as stated in Note 14 B.

Schedule of Employer Contributions

	Fiscal Year Ended June 30,	Annual Required Contribution (ARC)	Actual Contribution	Percent of ARC Contributed
General	2008	\$ 2,991,110	\$ 266,149	8.90%
Police	2008	2,364,135	103,652	4.38%
Airport	2008	155,363	-	0.00%
General	2009	3,080,843	321,156	10.42%
Police	2009	2,435,059	107,019	4.39%
Airport	2009	155,363	-	0.00%
General	2010	2,753,742	555,709	20.18%
Police	2010	2,497,144	227,143	9.10%
Airport	2010	139,935	10,095	7.21%
General	2011	2,836,355	645,482	22.76%
Police	2011	2,572,058	304,768	11.85%
Airport	2011	144,133	17,143	11.89%
General	2012 *	1,014,307	591,395	58.31%
Police	2012 *	1,269,653	177,852	14.01%
Airport	2012 *	64,065	10,171	15.88%
General	2013	1,044,736	622,946	59.63%
Police	2013	1,307,743	198,380	15.17%
Airport	2013	65,987	17,970	27.23%
General	2014	1,315,936	552,010	41.95%
Police	2014	1,205,532	248,577	20.62%
Airport	2014	98,278	31,017	31.56%
General	2015	1,355,414	617,777	45.58%
Police	2015	1,241,698	336,801	27.12%
Airport	2015	100,708	40,287	40.00%
General	2016	1,263,709	807,584	63.91%
Police	2016	1,253,429	360,150	28.73%
Airport	2016	99,279	82,386	82.98%
General	2017	1,301,620	844,682	64.89%
Police	2017	1,291,032	406,471	31.48%
Airport	2017	102,257	77,480	75.77%

* Reduction in ARC is a result of other post employment benefit changes as stated in Note 14 B.

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)

	2017		2016		2015		2014	
	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS
Primary Government								
County's proportion of the net pension liability	0.5171%	3.4903%	0.5004%	3.3468%	0.4974%	3.3383%	0.4974%	3.3383%
County's proportionate share of the net pension liability	110,460	88,530	94,899	72,943	85,636	63,910	89,217	69,202
County's covered-employee payroll	50,092	44,471	46,896	41,487	46,170	40,290	43,201	36,939
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	220.51%	199.07%	202.36%	175.82%	185.48%	158.62%	206.52%	187.34%
Plan fiduciary net position as a percentage of the total pension liability	52.91%	60.44%	57.00%	64.60%	59.90%	67.50%	NA	NA
Component Units								
Horry County Solid Waste Authority								
HCSWA's proportion of the net pension liability	0.0418%		0.0406%		0.0426%		0.0426%	
HCSWA's proportionate share of the net pension liability	8,938		7,693		7,332		7,638	
HCSWA's covered-employee payroll	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	220.58%		202.27%		189.65%		198.18%	
Plan fiduciary net position as a percentage of the total pension liability	52.91%		57.00%		59.90%		56.39%	
Shoreline Behavioral Health Services								
SBHS's proportion of the net pension liability	0.0211%		0.0189%		0.1378%		0.1378%	
SBHS's proportionate share of the net pension liability	4,502		3,599		2,373		2,472	
SBHS's covered-employee payroll	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	190.92%		176.34%		133.39%		197.60%	
Plan fiduciary net position as a percentage of the total pension liability	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)

	2017		2016		2015		2014		2013		2012		2011	
	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS
Primary Government														
Contractually required contribution	\$ 5,831	\$ 6,415	\$ 5,540	\$ 6,110	\$ 5,112	\$ 5,563	\$ 4,819	\$ 5,019	\$ 4,527	\$ 4,418	\$ 3,977	\$ 4,210	\$ 3,982	\$ 4,154
Contributions in relation to the contractually required contribution	5,831	6,415	5,540	6,110	5,112	5,563	4,819	5,019	4,527	4,418	3,977	4,210	3,982	4,154
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County's covered-employee payroll	50,464	45,046	50,092	44,470	46,896	41,487	46,170	40,290	43,201	36,939	39,929	35,440	40,830	36,153
Contributions as a percentage of covered-employee payroll	11.55%	14.24%	11.06%	13.74%	10.90%	13.41%	10.45%	12.44%	10.45%	11.90%	9.97%	11.86%	9.76%	11.47%
Component Units														
Horry County Solid Waste Authority														
Contractually required contribution	453		448		415		410		409		363		360	
Contributions in relation to the contractually required contribution	<u>453</u>		<u>448</u>		<u>415</u>		<u>410</u>		<u>409</u>		<u>363</u>		<u>360</u>	
Contribution deficiency (excess)	-		-		-		-		-		-		-	
Solid Waste Authority's covered-employee payroll	3,923		4,052		3,804		3,866		3,858		3,807		3,807	
Contributions as a percentage of covered-employee payroll	11.56%		11.06%		10.90%		10.60%		10.60%		9.54%		9.45%	
Shoreline Behavior Services														
Contractually required contribution	269		223		191		131		117		124		122	
Contributions in relation to the contractually required contribution	<u>269</u>		<u>223</u>		<u>191</u>		<u>131</u>		<u>117</u>		<u>124</u>		<u>122</u>	
Contribution deficiency (excess)	-		-		-		-		-		-		-	
Shoreline's covered-employee payroll	2,358		2,041		1,779		1,251		1,120		1,316		1,316	
Contributions as a percentage of covered-employee payroll	11.39%		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, 2017

	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	\$ 970,171	\$ -	\$ -	\$ 970,171
Pooled cash and investments	70,888,402	2,574,210	7,886,657	81,349,269
Receivables, net:				
Property taxes	1,722,639	85,670	436,742	2,245,051
Accounts and other	459,420	-	33,588	493,008
Fees	1,641,474	142	-	1,641,616
Due from other governments	11,293,153	-	9,230	11,302,383
Prepaid items	26,844	-	-	26,844
Restricted assets	359,669	1,353,127	232,044	1,944,840
Total Assets	<u>\$ 87,361,772</u>	<u>\$ 4,013,149</u>	<u>\$ 8,598,261</u>	<u>\$ 99,973,182</u>
Liabilities				
Accounts payable - trade	\$ 3,582,854	\$ -	\$ -	\$ 3,582,854
Accounts payable - other	278,339	-	-	278,339
Accrued salaries and wages	801,411	-	-	801,411
Due to other funds	921,335	-	-	921,335
Due to other governments	244,625	-	-	244,625
Due to component units	1,200,453	-	-	1,200,453
Other liabilities	95	-	-	95
Total liabilities	<u>7,029,112</u>	<u>-</u>	<u>-</u>	<u>7,029,112</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	10,331,311	-	-	10,331,311
Unavailable revenue-property taxes	1,622,752	81,702	399,774	2,104,228
Total deferred inflows of resources	<u>11,954,063</u>	<u>81,702</u>	<u>399,774</u>	<u>12,435,539</u>
Fund Balances				
Nonspendable	26,844	-	-	26,844
Restricted for capital projects	9,886,822	3,479,483	-	13,366,305
Restricted for public safety	18,771,406	-	-	18,771,406
Restricted for culture, recreation and tourism	6,486,582	34,198	-	6,520,780
Restricted for infrastructure and regulation	7,426,288	417,766	-	7,844,054
Restricted for economic development	901,264	-	-	901,264
Restricted for health and social services	45,965	-	-	45,965
Restricted for debt service	-	-	8,198,487	8,198,487
Committed to culture, recreation and tourism	3,150,445	-	-	3,150,445
Committed to infrastructure and regulation	19,559,584	-	-	19,559,584
Committed to economic development	2,087,949	-	-	2,087,949
Committed to other purposes	333,614	-	-	333,614
Unassigned (deficit)	(298,166)	-	-	(298,166)
Total fund balances	<u>68,378,597</u>	<u>3,931,447</u>	<u>8,198,487</u>	<u>80,508,531</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 87,361,772</u>	<u>\$ 4,013,149</u>	<u>\$ 8,598,261</u>	<u>\$ 99,973,182</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, 2017

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Revenues				
Real property taxes	\$ 31,095,942	\$ 1,447,783	\$ 8,898,944	\$ 41,442,669
Personal property taxes	2,528,203	125,854	641,445	3,295,502
Vehicle taxes	4,275,598	220,727	978,401	5,474,726
Fees in lieu of tax	815,763	9,967	84,044	909,774
Intergovernmental	14,196,362	-	35,499	14,231,861
Accommodations tax	3,905,313	-	-	3,905,313
Fees and fines	24,394,197	-	-	24,394,197
Hospitality fees	875,454	-	243,675	1,119,129
Local accommodations tax	252,987	-	-	252,987
Interest on investments	400,100	19,932	168,797	588,829
Other	2,333,341	88,979	13,246	2,435,566
Total revenues	<u>85,073,260</u>	<u>1,913,242</u>	<u>11,064,051</u>	<u>98,050,553</u>
Expenditures				
Current:				
General government	362,066	-	-	362,066
Public safety	33,432,034	31,500	-	33,463,534
Infrastructure and regulation	24,879,419	-	-	24,879,419
Health and social services	847,724	-	-	847,724
Culture, recreation and tourism	13,069,070	-	-	13,069,070
HGTC and Higher Education Commission	4,532,621	-	-	4,532,621
Economic development	2,779,288	-	-	2,779,288
Debt service	-	1,550,296	12,452,008	14,002,304
Capital outlay	10,508,456	5,664,385	-	16,172,841
Total expenditures	<u>90,410,678</u>	<u>7,246,181</u>	<u>12,452,008</u>	<u>110,108,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,337,418)</u>	<u>(5,332,939)</u>	<u>(1,387,957)</u>	<u>(12,058,314)</u>
Other Financing Sources (Uses)				
Transfers in	8,009,258	-	1,792,848	9,802,106
Proceeds of Refunding Bonds	-	-	6,985,000	6,985,000
Debt service - principal	-	-	(6,960,000)	(6,960,000)
Transfers out	(4,337,187)	-	-	(4,337,187)
Contributed capital	-	-	-	-
Total other financing sources (uses)	<u>3,672,071</u>	<u>-</u>	<u>1,817,848</u>	<u>5,489,919</u>
Net change in fund balance	(1,665,347)	(5,332,939)	429,891	(6,568,395)
Fund balances at beginning of year	70,043,944	9,264,386	7,768,596	87,076,926
Fund balances at end of year	<u>\$ 68,378,597</u>	<u>\$ 3,931,447</u>	<u>\$ 8,198,487</u>	<u>\$ 80,508,531</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, 2017

(with comparative amounts as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,830,472	\$ 2,813,772
Pooled cash and investments	79,853,666	67,255,885
Receivables, net:		
Property taxes and other taxes	3,601,878	3,194,787
Accounts and other	3,880,010	3,777,158
Fees	1,482,952	1,479,424
Due from other funds	2,062,800	2,340,060
Due from other governments	7,414,177	3,441,003
Inventories	75,282	64,410
Prepaid items	179,493	273,813
Total Assets	<u>\$ 100,380,730</u>	<u>\$ 84,640,312</u>
Liabilities		
Accounts payable	3,764,423	3,600,753
Due to other governments	1,526,428	1,441,092
Accrued salaries and wages	4,118,209	3,659,845
Due to component unit	214,994	183,531
Due to taxpayers for overpayment	462,456	462,878
Funds held in trust - proceeds from sale of properties due to delinquent taxes	13,033,422	12,808,444
Other accrued liabilities	4,510,026	3,893,483
Total Liabilities	<u>27,629,958</u>	<u>26,050,026</u>
Deferred inflows of resources		
Unavailable revenues - fees and other	5,356,373	1,001,962
Unavailable revenues - property taxes	3,585,439	2,950,920
Total deferred inflows of resources	<u>8,941,812</u>	<u>3,952,882</u>
Fund balances		
Nonspendable	254,775	338,223
Committed to Current Year Budget		
Committed to public safety	1,707,176	1,421,280
Committed to culture, recreation & tourism	89,081	80,339
Committed to infrastructure & regulation	1,359,519	1,937,061
Committed to reserves/stabilization	39,948,186	37,593,902
Committed to other purposes	1,660,780	1,091,909
Committed to Debt Service	6,918,492	2,515,000
Committed to OPEB	2,175,323	1,925,323
Assigned to abatement/demolition	426,949	-
Unassigned	9,268,679	7,734,367
Total fund balances	<u>63,808,960</u>	<u>54,637,404</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 100,380,730</u>	<u>\$ 84,640,312</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD ENDED JUNE 30, 2017
(with comparative actual amounts for the period ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 75,024,446	\$ 76,872,542	\$ 1,848,096	\$ 74,445,389
Personal property taxes	5,502,023	5,469,981	(32,042)	5,353,233
Vehicle taxes	7,584,530	8,368,913	784,383	7,184,688
Fee in lieu of tax	2,807,531	3,077,699	270,168	2,919,447
Total property taxes	<u>90,918,530</u>	<u>93,789,135</u>	<u>2,870,605</u>	<u>89,902,757</u>
<u>Intergovernmental:</u>				
Federal grants	737,345	822,080	84,735	1,306,077
Prisoner Housing	263,000	229,605	(33,395)	272,283
Inventory tax	306,286	306,286	-	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	12,500	6,563	(5,937)	10,000
Veteran affairs	6,497	6,708	211	6,497
State shared	10,000,000	10,446,931	446,931	9,985,145
State - Library	403,936	403,937	1	336,614
Accommodations tax	207,432	213,253	5,821	213,497
Other - state	293,597	586,988	293,391	429,160
Total intergovernmental	<u>12,238,468</u>	<u>13,030,226</u>	<u>791,758</u>	<u>12,873,434</u>
<u>Fees and Fines:</u>				
Planning fees	127,480	155,923	28,443	175,053
EMS	8,007,800	9,533,076	1,525,276	9,300,928
RMC fees	2,701,473	2,460,427	(241,046)	2,456,372
Clerk of Court fees and fines	570,006	612,897	42,891	612,068
Library	115,000	106,500	(8,500)	114,844
Sheriff fines	45,000	55,088	10,088	55,652
Family court fees	435,000	462,270	27,270	453,447
Probate court fees	538,500	498,302	(40,198)	483,730
Magistrates' fees and fines	1,831,346	1,775,307	(56,039)	1,899,460
Master in Equity fees	1,050,000	837,662	(212,338)	1,035,224
CATV fees	3,764,000	4,102,411	338,411	3,978,467
Beach franchise fees	52,000	52,000	-	46,667
Hospitality Fees	6,738,740	6,726,447	(12,293)	7,055,018
Local Accommodations Tax	1,011,875	1,018,740	6,865	977,260
Other	270,260	307,401	37,141	271,188
Total fees and fines	<u>27,258,480</u>	<u>28,704,451</u>	<u>1,445,971</u>	<u>28,915,378</u>

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	4,280,000	4,523,207	243,207	4,135,020
<u>Licenses and Permits:</u>				
Business licenses	5,203,968	4,936,574	(267,394)	4,559,605
Building inspection permits	4,638,000	5,958,122	1,320,122	5,482,342
Other permits	19,550	56,537	36,987	22,850
Marriage licenses	175,000	155,084	(19,916)	151,734
Total licenses and permits	10,036,518	11,106,317	1,069,799	10,216,531
<u>Interest on investments:</u>	150,000	348,241	198,241	253,176
<u>Cost allocation:</u>	3,301,796	3,800,803	499,007	3,569,666
<u>Other:</u>				
Casino Boat	750,000	774,298	24,298	825,034
Rent	323,035	274,630	(48,405)	148,699
Other	3,027,175	3,504,439	477,264	4,144,132
Total other	4,100,210	4,553,367	453,157	5,117,865
Total revenue	152,284,002	159,855,747	7,571,745	154,983,827
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	533,309	521,501	11,808	509,336
Contractual services	286,908	264,781	22,127	208,131
Supplies and material	620,535	148,221	472,314	210,689
Business and transportation	197,464	69,168	128,296	70,680
Total	1,638,216	1,003,671	634,545	998,836
County Administrator:				
Personal services	615,257	614,419	838	565,601
Contractual services	593,515	501,570	91,945	324,677
Supplies and material	5,570	3,186	2,384	4,294
Business and transportation	17,995	17,846	149	18,409
Contingency	125,893	-	125,893	-
Total	1,358,230	1,137,021	221,209	912,981

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Finance:				
Personal services	1,713,630	1,683,007	30,623	1,622,012
Contractual services	31,150	23,793	7,357	26,827
Supplies and material	31,526	18,478	13,048	27,658
Business and transportation	14,615	8,838	5,777	11,861
Disaster	-	59,876	(59,876)	-
Other	-	30	(30)	-
Total	<u>1,790,921</u>	<u>1,794,022</u>	<u>(3,101)</u>	1,688,358
Department Overhead:				
Personal services	1,779,245	1,014,108	765,137	948,607
Contractual services	1,889,022	1,602,601	286,421	1,674,673
Supplies and material	836,716	819,081	17,635	806,599
Business and transportation	45,575	-	45,575	(80)
Other	13,500	13,500	-	200,000
Disaster	-	724,753	(724,753)	-
Contingency	205,161	-	205,161	-
Total	<u>4,769,219</u>	<u>4,174,043</u>	<u>595,176</u>	3,629,799
Human Resources/Risk Management:				
Personal services	1,335,408	1,323,621	11,787	1,200,617
Contractual services	233,874	157,040	76,834	28,310
Supplies and material	46,340	69,754	(23,414)	36,760
Business and transportation	187,958	41,969	145,989	25,603
Employee programs	12,988	12,974	14	12,815
Other	2,572	2,572	-	5,144
Programs	15,669	-	15,669	-
Total	<u>1,834,809</u>	<u>1,607,930</u>	<u>226,879</u>	1,309,249

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Procurement:				
Personal services	474,691	457,310	17,381	411,234
Contractual services	93,210	3,307	89,903	2,237
Supplies and material	22,871	9,949	12,922	42,746
Business and transportation	19,560	12,425	7,135	9,147
Other	3,800	3,800	-	3,800
Disaster	-	43,731	(43,731)	31,283
Total	614,132	530,522	83,610	500,447
IT/GIS:				
Personal services	2,856,406	2,850,660	5,746	2,644,066
Contractual services	1,499,685	1,499,359	326	1,254,106
Supplies and material	433,683	433,435	248	402,265
Business and transportation	81,655	81,653	2	71,920
Capital outlay	23,300	23,299	1	622,113
Other	9,600	9,600	-	9,600
Disaster	-	-	-	6,941
Total	4,904,329	4,898,006	6,323	5,011,011
Assessor:				
Personal services	3,324,817	3,268,227	56,590	3,152,976
Contractual services	228,887	213,979	14,908	202,280
Supplies and material	34,797	25,965	8,832	28,998
Business and transportation	44,460	34,819	9,641	22,067
Other	31,575	31,575	-	34,107
Total	3,664,536	3,574,565	89,971	3,440,428
Assessor Appeals Board:				
Personal services	8,423	1,212	7,211	3,588
Supplies and material	1,021	1,021	-	656
Total	9,444	2,233	7,211	4,244

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Registrar of Deeds:				
Personal services	1,001,178	936,605	64,573	877,493
Contractual services	126,368	124,084	2,284	127,657
Supplies and material	62,743	50,580	12,163	49,879
Business and transportation	11,862	10,676	1,186	12,049
Total	1,202,151	1,121,945	80,206	1,067,078
Maintenance:				
Personal services	3,546,350	3,284,876	261,474	3,102,162
Contractual services	515,457	465,830	49,627	577,659
Supplies and material	696,896	653,005	43,891	557,654
Business and transportation	110,667	90,087	20,580	87,282
Capital outlay	77,567	73,884	3,683	33,919
Disaster	-	94,533	(94,533)	118,092
Other	42,521	42,520	1	46,370
Total	4,989,458	4,704,735	284,723	4,523,138
Registration and Election:				
Personal services	453,929	429,875	24,054	555,490
Contractual services	96,804	81,293	15,511	86,004
Supplies and material	200,352	173,511	26,841	57,348
Business and transportation	13,905	8,529	5,376	14,695
Total	764,990	693,208	71,782	713,537
Public Information:				
Personal services	182,113	170,461	11,652	168,311
Contractual services	59,890	44,382	15,508	24,345
Supplies and material	157,429	29,169	128,260	4,315
Business and transportation	1,285	334	951	439
Total	400,717	244,346	156,371	197,410

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Treasurer:				
Personal services	1,765,629	1,610,455	155,174	1,718,507
Contractual services	90,490	45,057	45,433	51,415
Supplies and material	190,981	144,413	46,568	181,272
Business and transportation	15,770	5,592	10,178	9,331
Other	77,540	153,663	(76,123)	4,638
Total	<u>2,140,410</u>	<u>1,959,180</u>	<u>181,230</u>	<u>1,965,163</u>
Auditor:				
Personal services	1,482,352	1,466,590	15,762	1,435,985
Contractual services	46,278	39,184	7,094	40,217
Supplies and material	89,733	86,188	3,545	73,150
Business and transportation	11,475	10,850	625	10,132
Other	10,858	10,858	-	7,858
Total	<u>1,640,696</u>	<u>1,613,670</u>	<u>27,026</u>	<u>1,567,342</u>
Probate Judge:				
Personal services	1,026,613	1,008,136	18,477	974,397
Contractual services	8,256	7,656	600	6,808
Supplies and material	39,086	32,666	6,420	35,262
Business and transportation	9,050	8,212	838	5,255
Other	-	-	-	21
Total	<u>1,083,005</u>	<u>1,056,670</u>	<u>26,335</u>	<u>1,021,743</u>
Master -in-Equity:				
Personal services	426,088	355,919	70,169	342,027
Contractual services	42,000	37,431	4,569	44,293
Supplies and material	7,478	5,110	2,368	3,554
Business and transportation	2,300	1,070	1,230	1,628
Total	<u>477,866</u>	<u>399,530</u>	<u>78,336</u>	<u>391,502</u>

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Legal:				
Personal services	455,018	387,490	67,528	393,973
Contractual services	792,978	347,125	445,853	442,526
Supplies and material	6,346	5,074	1,272	3,078
Business and transportation	10,500	4,604	5,896	4,429
Total	<u>1,264,842</u>	<u>744,293</u>	<u>520,549</u>	844,006
Grants Administration:				
Personal services	125,024	67,435	57,589	342,095
Contractual services	6,097	4,321	1,776	1,199
Supplies and material	21,380	14,065	7,315	1,132
Business and transportation	2,050	1,044	1,006	614
Other	56,381	-	56,381	-
Disaster	-	-	-	15,402
Total	<u>210,932</u>	<u>86,865</u>	<u>124,067</u>	360,442
Delegation:				
Personal services	112,070	106,427	5,643	110,126
Contractual services	840	619	221	463
Supplies and material	400	400	-	330
Business and transportation	333	-	333	-
Total	<u>113,643</u>	<u>107,446</u>	<u>6,197</u>	110,919
Hospitality:				
Personal services	325,125	315,460	9,665	319,840
Contractual services	7,046	5,170	1,876	5,256
Supplies and material	27,933	12,098	15,835	6,190
Business and transportation	6,243	2,447	3,796	3,485
Other	7,400	7,400	-	7,400
Total	<u>373,747</u>	<u>342,575</u>	<u>31,172</u>	342,171
Business License:				
Personal services	238,160	235,142	3,018	217,416
Contractual services	4,499	4,195	304	2,049
Supplies and material	5,996	5,117	879	11,909
Business and transportation	4,228	1,892	2,336	2,347
Capital outlay	-	-	-	15,189
Total	<u>252,883</u>	<u>246,346</u>	<u>6,537</u>	248,910
Total general government	<u>35,499,176</u>	<u>32,042,822</u>	<u>3,456,354</u>	30,848,714

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Clerk of Court:				
Personal services	1,654,505	1,631,447	23,058	1,561,273
Contractual services	229,547	178,221	51,326	170,316
Supplies and material	119,909	83,884	36,025	83,690
Business and transportation	2,500	1,701	799	720
Other	56,006	6,768	49,238	-
Total	<u>2,062,467</u>	<u>1,902,021</u>	<u>160,446</u>	1,815,999
Clerk of Court - DSS Family Court:				
Personal services	642,898	616,868	26,030	625,951
Contractual services	11,922	4,307	7,615	7,535
Supplies and material	23,720	12,913	10,807	7,664
Total	<u>678,540</u>	<u>634,088</u>	<u>44,452</u>	641,150
Clerk of Court - Family Court:				
Personal services	319,786	295,517	24,269	326,887
Contractual services	1,481	626	855	1,272
Supplies and material	2,246	2,214	32	2,363
Other	391,564	20,284	371,280	154,631
Total	<u>715,077</u>	<u>318,641</u>	<u>396,436</u>	485,153
Magistrates				
Personal services	2,767,889	2,666,117	101,772	2,651,446
Contractual services	230,630	198,791	31,839	166,294
Supplies and material	94,006	69,254	24,752	62,414
Business and transportation	46,712	40,510	6,202	35,850
Total	<u>3,139,237</u>	<u>2,974,672</u>	<u>164,565</u>	2,916,004
Communications:				
Personal services	-	-	-	181,289
Contractual services	29,779	-	29,779	991,494
Supplies and material	104,069	30,896	73,173	29,030
Business and transportation	-	-	-	10,194
Capital outlay	-	-	-	49,826
Other	1,181,831	1,181,831	-	9,200
Total	<u>1,315,679</u>	<u>1,212,727</u>	<u>102,952</u>	1,271,033

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Public Safety Division:				
Personal services	180,988	29,484	151,504	-
Contractual services	698,178	692,934	5,244	889,502
Supplies and material	1,483	1,430	53	-
Business and transportation	5,300	3,653	1,647	-
Total	885,949	727,501	158,448	889,502
Sheriff:				
Personal services	5,453,611	5,377,896	75,715	4,986,412
Contractual services	83,208	82,541	667	70,325
Supplies and material	151,252	143,468	7,784	160,098
Business and transportation	285,274	282,355	2,919	245,913
Capital outlay	112,592	112,592	-	81,615
Other	181,020	179,340	1,680	266,704
Programs	91,207	21,906	69,301	23,925
Disaster	-	75,564	(75,564)	-
Total	6,358,164	6,275,662	82,502	5,834,992
Police:				
Personal services	17,344,405	16,669,770	674,635	16,113,087
Contractual services	1,037,150	997,336	39,814	959,147
Supplies and material	627,787	529,599	98,188	604,950
Business and transportation	1,474,145	1,430,231	43,914	1,265,718
Capital outlay	318,576	315,953	2,623	281,313
Other	1,962,329	1,937,209	25,120	982,332
Programs	748,808	310,823	437,985	71,535
Disaster	-	284,916	(284,916)	286,325
Total	23,513,200	22,475,837	1,037,363	20,564,407
Central Processing:				
Personal services	-	-	-	72,169
Total	-	-	-	72,169
Emergency Management:				
Personal services	416,029	365,602	50,427	367,409
Contractual services	38,100	37,538	562	41,000
Supplies and material	51,441	50,786	655	29,334
Business and transportation	14,227	13,500	727	14,705
Other	22,800	22,800	-	22,800
Disaster	-	20,345	(20,345)	3,587
Total	542,597	510,571	32,026	478,835

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Emergency 911 Communications:				
Personal services	3,241,176	2,893,861	347,315	2,991,778
Contractual services	25,135	22,935	2,200	21,508
Supplies and material	21,223	16,947	4,276	13,200
Business and transportation	13,100	11,531	1,569	8,525
Disaster	-	256	(256)	-
Total	<u>3,300,634</u>	<u>2,945,530</u>	<u>355,104</u>	3,035,011
Coroner:				
Personal services	489,677	487,110	2,567	452,654
Contractual services	402,549	396,645	5,904	364,367
Supplies and material	14,878	13,965	913	9,582
Business and transportation	35,305	24,995	10,310	25,113
Capital outlay	30,000	-	30,000	-
Other	5,200	5,200	-	4,800
Total	<u>977,609</u>	<u>927,915</u>	<u>49,694</u>	856,516
Detention Center:				
Personal services	17,237,688	17,204,912	32,776	17,035,342
Contractual services	3,334,303	3,212,665	121,638	3,250,482
Supplies and material	2,049,521	1,977,637	71,884	1,991,076
Business and transportation	321,582	301,928	19,654	285,496
Capital outlay	257,990	257,990	-	404,578
Other	640,091	235,384	404,707	133,338
Disaster	-	184,867	(184,867)	-
Programs	822,130	654,262	167,868	508,323
Total	<u>24,663,305</u>	<u>24,029,645</u>	<u>633,660</u>	23,608,635
Emergency Medical Services:				
Personal services	13,113,745	11,972,704	1,141,041	11,904,473
Contractual services	898,769	844,416	54,353	715,390
Supplies and material	949,561	890,287	59,274	721,012
Business and transportation	586,544	508,071	78,473	548,999
Capital outlay	147,090	146,841	249	127,467
Disaster	-	408,732	(408,732)	-
Other	680,729	677,692	3,037	583,854
Programs	53,537	34,226	19,311	48,267
Total	<u>16,429,975</u>	<u>15,482,969</u>	<u>947,006</u>	14,649,462

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Animal Care Center				
Personal services	967,129	895,712	71,417	864,579
Contractual services	52,274	45,542	6,732	47,547
Supplies and material	138,149	132,660	5,489	113,154
Business and transportation	19,628	15,146	4,482	9,800
Capital outlay	25,000	21,368	3,632	-
Disaster	-	2,616	(2,616)	22
Other	47,502	22,699	24,803	12,295
Total	1,249,682	1,135,743	113,939	1,047,397
Parking Program				
Contractual services	34,585	13,600	20,985	23,105
Supplies and material	199,118	158,056	41,062	33,612
Programs	122,038	-	122,038	-
Total	355,741	171,656	184,085	56,717
Total public safety	86,187,856	81,725,178	4,462,678	78,222,982
Expenditures				
<u>Infrastructure & Regulation</u>				
Assistant County Administrator - Infrastructure & Regulation:				
Personal services	272,573	265,829	6,744	243,500
Contractual services	188,838	187,751	1,087	167,787
Supplies and material	2,783	2,519	264	2,442
Business and transportation	1,066	1,066	-	1,103
Capital outlay	25,079	25,079	-	-
Total	490,339	482,244	8,095	414,832
County Engineer:				
Personal services	1,113,053	889,262	223,791	868,184
Contractual services	317,178	204,118	113,060	189,261
Supplies and material	12,040	11,708	332	12,136
Business and transportation	32,619	29,299	3,320	33,318
Capital outlay	-	-	-	38,207
Disaster	-	27,408	(27,408)	-
Other	13,200	13,200	-	14,400
Total	1,488,090	1,174,995	313,095	1,155,506

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - Infrastructure & Regulation (continued)				
Public Works:				
Personal services	4,383,806	3,872,756	511,050	3,907,297
Contractual services	1,414,374	549,346	865,028	460,324
Supplies and material	1,505,613	1,238,118	267,495	1,119,429
Business and transportation	1,145,387	1,143,484	1,903	1,124,918
Capital outlay	6,912	6,700	212	-
Disaster	-	778,717	(778,717)	155,090
Other	1,469,849	1,209,915	259,934	1,193,515
Total	9,925,941	8,799,036	1,126,905	7,960,573
Code Enforcement:				
Personal services	2,726,524	2,585,681	140,843	2,437,509
Contractual services	55,190	54,289	901	50,787
Supplies and material	54,252	43,624	10,628	42,011
Business and transportation	119,400	96,876	22,524	89,977
Other	71,208	71,208	-	65,853
Total	3,026,574	2,851,678	174,896	2,686,137
Planning:				
Personal services	1,788,869	1,708,139	80,730	1,669,937
Contractual services	46,622	38,249	8,373	41,746
Supplies and material	19,407	16,010	3,397	22,403
Business and transportation	20,595	16,747	3,848	15,611
Other	4,400	4,400	-	4,400
Total	1,879,893	1,783,545	96,348	1,754,097
Environmental Services:				
Personal services	129,323	129,023	300	117,201
Contractual services	6,100	5,876	224	5,382
Supplies and material	11,732	11,732	-	14,979
Total	147,155	146,631	524	137,562
Railroad:				
Contractual services	-	-	-	57
Supplies and material	137,224	137,224	-	26,287
Total	137,224	137,224	-	26,344
Total infrastructure & regulation	17,095,216	15,375,353	1,719,863	14,135,051

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	361,144	361,065	79	314,328
Contractual services	4,297	3,701	596	1,654
Supplies and material	6,779	6,548	231	24,567
Business and transportation	8,210	7,778	432	4,557
Total	<u>380,430</u>	<u>379,092</u>	<u>1,338</u>	345,106
Medically Indigent Assistance Program				
Personal services	65,662	65,578	84	57,803
Contractual services	794	639	155	468
Supplies and material	271	271	-	62
Other	859,327	832,354	26,973	859,423
Total	<u>926,054</u>	<u>898,842</u>	<u>27,212</u>	917,756
Health Department				
Contractual services	129,405	112,882	16,523	101,160
Supplies and material	-	-	-	1,385
Total	<u>129,405</u>	<u>112,882</u>	<u>16,523</u>	102,545
Department of Social Services				
Contractual services	79,389	76,364	3,025	60,330
Supplies and material	13,830	9,183	4,647	4,916
Other	8,284	8,284	-	8,284
Total	<u>101,503</u>	<u>93,831</u>	<u>7,672</u>	73,530
Total health and social services	<u>1,537,392</u>	<u>1,484,647</u>	<u>52,745</u>	1,438,937

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2017			2016
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	3,006,390	2,817,030	189,360	2,838,308
Contractual services	689,090	532,011	157,079	469,377
Supplies and material	892,206	862,608	29,598	904,096
Business and transportation	31,500	22,491	9,009	20,171
Capital outlay	-	-	-	8,375
Other	34,730	34,730	-	37,897
Programs	20,842	400	20,442	1,272
Total	<u>4,674,758</u>	<u>4,269,270</u>	<u>405,488</u>	4,279,496
Museum:				
Personal services	458,751	458,193	558	441,510
Contractual services	240,650	223,627	17,023	229,616
Supplies and material	30,548	26,168	4,380	36,512
Business and transportation	16,081	14,848	1,233	11,520
Disaster	-	1,807	(1,807)	-
Other	102,258	44,728	57,530	33,797
Total	<u>848,288</u>	<u>769,371</u>	<u>78,917</u>	752,955
Total culture, recreation and tourism	<u>5,523,046</u>	<u>5,038,641</u>	<u>484,405</u>	5,032,451
Other agencies	<u>1,154,308</u>	<u>1,154,308</u>	-	1,194,308
Total other agencies	<u>1,154,308</u>	<u>1,154,308</u>	-	1,194,308
Total expenditures	<u>146,996,994</u>	<u>136,820,949</u>	<u>10,176,045</u>	130,872,443
Excess of revenue over expenditures	<u>5,287,008</u>	<u>23,034,798</u>	<u>17,747,790</u>	24,111,384
Other Financing Sources (Uses)				
Sale of assets	95,000	79,719	(15,281)	142,332
Transfers in	610,300	649,058	38,758	711,288
Transfer out	(14,586,198)	(14,592,019)	(5,821)	(11,114,020)
Total other financing sources (uses)	<u>(13,880,898)</u>	<u>(13,863,242)</u>	<u>17,656</u>	(10,260,400)
Net change in fund balance	<u>(8,593,890)</u>	9,171,556	17,765,446	13,850,984
Fund balance at beginning of year	<u>54,637,404</u>	<u>54,637,404</u>	-	40,786,420
Fund balance at end of year	<u>\$ 46,043,514</u>	<u>\$ 63,808,960</u>	<u>\$ 17,765,446</u>	\$ 54,637,404

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 7.0 mills levied on property taxes for road improvements in the Mt. Gilead Community.

Socastee Recreation – accounts for 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, 2017

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	9,366,841	-	3,914,532	246,105	561,029	1,198,821
Receivables, net:						
Property taxes	982,561	-	325,141	61,079	157,084	3,523
Accounts and other	-	616	-	-	-	-
Fees	1,632	97,048	502	216	555	-
Due from other governments	461,052	2,157,741	5,359,307	2,726	3,640	-
Prepaid items	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total assets	\$ 10,812,086	\$ 2,255,405	\$ 9,599,482	\$ 310,126	\$ 722,308	\$ 1,202,344
Liabilities						
Liabilities						
Accounts payable-trade	\$ 91,212	\$ 489,323	\$ 259,365	\$ -	\$ -	\$ -
Accounts payable-other	-	-	-	-	-	-
Accrued salaries and wages	255,395	30,020	-	-	-	-
Due to other funds	-	698,939	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to component units	-	-	1,200,453	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	346,607	1,218,282	1,459,818	-	-	-
Deferred Inflows of Resources						
Unavailable revenue-fees and other	454,404	848,319	5,359,307	-	-	-
Unavailable revenue-property taxes	934,376	-	309,394	55,908	143,775	3,299
Total deferred inflows of resources	1,388,780	848,319	5,668,701	55,908	143,775	3,299
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Restricted for public safety	9,076,699	-	-	-	-	-
Restricted for culture, recreation and tourism	-	188,804	-	254,218	578,533	-
Restricted for infrastructure and regulation	-	-	2,470,963	-	-	1,199,045
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)	9,076,699	188,804	2,470,963	254,218	578,533	1,199,045
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 10,812,086	\$ 2,255,405	\$ 9,599,482	\$ 310,126	\$ 722,308	\$ 1,202,344

Non-Major Funds

<u>Mt Gilead</u>	<u>Socastee Recreation</u>	<u>Road Maintenance & CTC</u>	<u>Beach Renourishment</u>	<u>Grants</u>	<u>Admissions Tax</u>	<u>Victim Witness Assistance</u>	<u>Senior Citizen</u>
\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
359,434	208,637	30,898,575	5,970,415	374,851	382,764	48,721	87,739
553	5,966	-	-	-	-	-	34,850
-	-	-	11,193	-	-	-	123
-	-	1,428,960	44,408	-	-	24,619	-
-	-	827,482	-	922,409	-	-	38
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 359,987</u>	<u>\$ 214,603</u>	<u>\$ 33,155,117</u>	<u>\$ 6,026,016</u>	<u>\$ 1,297,260</u>	<u>\$ 382,764</u>	<u>\$ 73,340</u>	<u>\$ 122,750</u>
\$ 55,601	3,226	\$ 1,691,806	\$ 8,757	\$ 188,344	\$ -	\$ 1,263	44,890
-	-	-	-	-	-	-	-
-	-	10,565	-	13,233	-	9,706	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>55,601</u>	<u>3,226</u>	<u>1,702,371</u>	<u>8,757</u>	<u>201,577</u>	<u>-</u>	<u>10,969</u>	<u>44,890</u>
-	-	2,006,340	11,193	762,069	-	-	-
533	5,052	-	-	-	-	-	31,895
<u>533</u>	<u>5,052</u>	<u>2,006,340</u>	<u>11,193</u>	<u>762,069</u>	<u>-</u>	<u>-</u>	<u>31,895</u>
-	-	-	-	-	-	-	-
-	-	9,886,822	-	-	-	-	-
-	-	-	-	-	-	62,371	-
-	206,325	-	2,855,621	-	-	-	-
303,853	-	-	-	-	-	-	-
-	-	-	-	-	382,764	-	-
-	-	-	-	-	-	-	45,965
-	-	-	3,150,445	-	-	-	-
-	-	19,559,584	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	333,614	-	-	-
-	-	-	-	-	-	-	-
<u>303,853</u>	<u>206,325</u>	<u>29,446,406</u>	<u>6,006,066</u>	<u>333,614</u>	<u>382,764</u>	<u>62,371</u>	<u>45,965</u>
<u>\$ 359,987</u>	<u>\$ 214,603</u>	<u>\$ 33,155,117</u>	<u>\$ 6,026,016</u>	<u>\$ 1,297,260</u>	<u>\$ 382,764</u>	<u>\$ 73,340</u>	<u>\$ 122,750</u>

HORRY COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2017

Non-Major Funds

	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	81,528	132,389	2,589,076	3,347,657	-
Receivables, net:					
Property taxes	3,700	-	-	-	-
Accounts and other	-	18,082	-	8,972	-
Fees	-	-	-	43,010	-
Due from other governments	-	-	-	695,708	-
Prepaid items	-	-	-	-	-
Restricted assets	-	101,977	39,669	-	-
Total assets	<u>\$ 85,228</u>	<u>\$ 252,448</u>	<u>\$ 2,628,745</u>	<u>\$ 4,095,347</u>	<u>\$ -</u>
Liabilities					
Liabilities					
Accounts payable-trade	\$ 1,200	\$ -	\$ 16,102	\$ 433,527	\$ -
Accounts payable-other	-	-	-	-	-
Accrued salaries and wages	-	-	6,194	28,243	-
Due to other funds	102,198	-	-	-	-
Due to other governments	-	95,663	-	-	-
Due to component units	-	-	-	-	-
Other liabilities	-	-	-	95	-
Total liabilities	<u>103,398</u>	<u>95,663</u>	<u>22,296</u>	<u>461,865</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue-fees and other	-	-	-	714,895	-
Unavailable revenue-property taxes	2,950	-	-	-	-
Total deferred inflows of resources	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>714,895</u>	<u>-</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted for public safety	-	-	-	-	-
Restricted for culture, recreation and tourism	-	156,785	-	-	-
Restricted for infrastructure and regulation	-	-	-	2,918,587	-
Restricted for economic development	-	-	518,500	-	-
Restricted for health and social services	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-
Committed to economic development	-	-	2,087,949	-	-
Committed to other purposes	-	-	-	-	-
Unassigned (deficits)	(21,120)	-	-	-	-
Total fund balances / (deficits)	<u>(21,120)</u>	<u>156,785</u>	<u>2,606,449</u>	<u>2,918,587</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances / (deficits)	<u>\$ 85,228</u>	<u>\$ 252,448</u>	<u>\$ 2,628,745</u>	<u>\$ 4,095,347</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
\$ 969,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 970,171
2,185,720	1,026,555	-	533,840	5,082,375	-	2,290,798	70,888,402
-	-	-	-	-	-	148,182	1,722,639
370,829	-	-	-	49,605	-	-	459,420
-	-	-	-	-	-	524	1,641,474
122,483	62,527	-	-	336,484	158,968	182,588	11,293,153
-	-	-	-	26,844	-	-	26,844
218,023	-	-	-	-	-	-	359,669
<u>\$ 3,866,326</u>	<u>\$ 1,089,082</u>	<u>\$ -</u>	<u>\$ 533,840</u>	<u>\$ 5,495,308</u>	<u>\$ 158,968</u>	<u>\$ 2,622,892</u>	<u>\$ 87,361,772</u>
\$ 29,014	\$ 1,829	\$ -	\$ -	\$ 75,552	\$ 137,484	\$ 54,359	\$ 3,582,854
278,339	-	-	-	-	-	-	278,339
345,809	34,471	-	-	14,744	4,747	48,284	801,411
-	-	-	-	-	120,198	-	921,335
11,778	-	-	-	-	137,184	-	244,625
-	-	-	-	-	-	-	1,200,453
-	-	-	-	-	-	-	95
<u>664,940</u>	<u>36,300</u>	<u>-</u>	<u>-</u>	<u>90,296</u>	<u>399,613</u>	<u>102,643</u>	<u>7,029,112</u>
-	-	-	-	-	36,401	138,383	10,331,311
-	-	-	-	-	-	135,570	1,622,752
-	-	-	-	-	36,401	273,953	11,954,063
-	-	-	-	26,844	-	-	26,844
-	-	-	-	-	-	-	9,886,822
3,201,386	1,052,782	-	-	5,378,168	-	-	18,771,406
-	-	-	-	-	-	2,246,296	6,486,582
-	-	-	533,840	-	-	-	7,426,288
-	-	-	-	-	-	-	901,264
-	-	-	-	-	-	-	45,965
-	-	-	-	-	-	-	3,150,445
-	-	-	-	-	-	-	19,559,584
-	-	-	-	-	-	-	2,087,949
-	-	-	-	-	-	-	333,614
-	-	-	-	-	(277,046)	-	(298,166)
<u>3,201,386</u>	<u>1,052,782</u>	<u>-</u>	<u>533,840</u>	<u>5,405,012</u>	<u>(277,046)</u>	<u>2,246,296</u>	<u>68,378,597</u>
<u>\$ 3,866,326</u>	<u>\$ 1,089,082</u>	<u>\$ -</u>	<u>\$ 533,840</u>	<u>\$ 5,495,308</u>	<u>\$ 158,968</u>	<u>\$ 2,622,892</u>	<u>\$ 87,361,772</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, 2017

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Revenues						
Real property taxes	\$ 16,616,029	\$ -	\$ 5,896,693	\$ 1,245,917	\$ 3,203,634	\$ 97,310
Personal property taxes	1,455,697	-	479,401	89,823	230,943	1,309
Vehicle taxes	2,529,325	-	846,777	137,432	352,211	-
Fee in lieu of tax	48,455	-	38,674	11,801	30,239	-
Intergovernmental	57,237	-	9,897	10,704	14,051	-
Accommodations tax	-	3,395,313	-	-	-	-
Fees and fines	-	-	-	-	-	-
Hospitality fees	-	737,954	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	46,354	-	47,298	1,662	9,675	5,985
Other	63,179	472	-	-	-	-
Total revenues	20,816,276	4,133,739	7,318,740	1,497,339	3,840,753	104,604
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	17,545,839	1,548,068	-	-	-	-
Infrastructure and regulation	-	-	15,371,584	-	-	15,165
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	2,283,403	-	-	-	-
HGTC and Higher Education Commission	-	-	-	1,132,621	3,400,000	-
Economic development	-	-	-	-	-	-
Capital outlay	15,839	21,193	-	-	-	-
Total expenditures	17,561,678	3,852,664	15,371,584	1,132,621	3,400,000	15,165
Excess (deficiency) of revenues over (under) expenditures	3,254,598	281,075	(8,052,844)	364,718	440,753	89,439
Other Financing Sources (Uses)						
Transfers in	-	-	1,553,476	-	-	-
Transfers out	(1,758,836)	(147,491)	-	(228,700)	(239,850)	-
Total other financing sources (uses)	(1,758,836)	(147,491)	1,553,476	(228,700)	(239,850)	-
Net change in fund balance	1,495,762	133,584	(6,499,368)	136,018	200,903	89,439
Fund balances (deficits), at beginning of year	7,580,937	55,220	8,970,331	118,200	377,630	1,109,606
Fund balances (deficits), at end of year	\$ 9,076,699	\$ 188,804	\$ 2,470,963	\$ 254,218	\$ 578,533	\$ 1,199,045

Non-Major Funds

Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen
\$ 28,683	\$ 204,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 711,906
432	910	-	-	-	-	-	51,288
-	-	-	-	-	-	-	78,275
-	-	-	-	-	-	-	6,761
-	-	1,677,164	2,400,000	1,681,845	-	-	38
-	-	-	510,000	-	-	-	-
-	-	15,207,819	-	19,920	-	330,608	-
-	-	-	-	-	-	-	-
-	-	-	252,987	-	-	-	-
1,942	2,631	153,704	26,296	964	1,967	208	697
-	13,819	25,000	1,189,692	141,711	-	-	-
<u>31,057</u>	<u>222,214</u>	<u>17,063,687</u>	<u>4,378,975</u>	<u>1,844,440</u>	<u>1,967</u>	<u>330,816</u>	<u>848,965</u>
-	-	-	-	362,066	-	-	-
-	-	-	-	1,227,290	-	553,618	-
100,985	-	4,254,398	-	207,526	-	-	-
-	-	-	-	-	-	-	847,724
-	502,121	-	5,420,831	362,323	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9,985,711	-	317,368	-	-	-
<u>100,985</u>	<u>502,121</u>	<u>14,240,109</u>	<u>5,420,831</u>	<u>2,476,573</u>	<u>-</u>	<u>553,618</u>	<u>847,724</u>
(69,928)	(279,907)	2,823,578	(1,041,856)	(632,133)	1,967	(222,802)	1,241
-	-	200,000	188,253	646,651	-	263,277	-
-	(21,589)	(10,000)	-	-	-	-	-
-	(21,589)	190,000	188,253	646,651	-	263,277	-
(69,928)	(301,496)	3,013,578	(853,603)	14,518	1,967	40,475	1,241
<u>373,781</u>	<u>507,821</u>	<u>26,432,828</u>	<u>6,859,669</u>	<u>319,096</u>	<u>380,797</u>	<u>21,896</u>	<u>44,724</u>
<u>\$ 303,853</u>	<u>\$ 206,325</u>	<u>\$ 29,446,406</u>	<u>\$ 6,006,066</u>	<u>\$ 333,614</u>	<u>\$ 382,764</u>	<u>\$ 62,371</u>	<u>\$ 45,965</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, 2017

	Non-Major Funds					
	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods	Solicitor
Revenues						
Real property taxes	\$ 64,887	\$ -	\$ -	\$ -	\$ 495	\$ -
Personal property taxes	134	-	-	-	-	-
Vehicle taxes	-	-	-	-	-	-
Fee in lieu of tax	-	-	651,400	-	-	-
Intergovernmental	-	-	125,191	52,413	-	2,454,997
Accommodations tax	-	-	-	-	-	-
Fees and fines	-	-	369,182	4,838,074	-	2,780,920
Hospitality fees	-	137,500	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	385	1,526	12,853	17,536	12	24,210
Other	-	25,915	-	-	-	-
Total revenues	65,406	164,941	1,158,626	4,908,023	507	5,260,127
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	8,383,573
Infrastructure and regulation	31,830	-	-	4,897,424	507	-
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	59,692	-	-	-	-
HGTC and Higher Education Commission	-	-	-	-	-	-
Economic development	-	-	898,184	-	-	-
Capital outlay	-	62,845	-	-	-	81,157
Total expenditures	31,830	122,537	898,184	4,897,424	507	8,464,730
Excess (deficiency) of revenues over (under) expenditures	33,576	42,404	260,442	10,599	-	(3,204,603)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	4,025,798
Transfers out	-	-	-	(469,064)	-	(134,068)
Total other financing sources (uses)	-	-	-	(469,064)	-	3,891,730
Net change in fund balance	33,576	42,404	260,442	(458,465)	-	687,127
Fund balances (deficits), at beginning of year	(54,696)	114,381	2,346,007	3,377,052	-	2,514,259
Fund balances (deficits), at end of year	\$ (21,120)	\$ 156,785	\$ 2,606,449	\$ 2,918,587	\$ -	\$ 3,201,386

Non-Major Funds

Public Defender	Fire Insurance	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,025,534	\$ 31,095,942
-	-	-	-	-	218,266	2,528,203
-	-	-	-	-	331,578	4,275,598
-	-	-	-	-	28,433	815,763
1,422,234	826,780	-	1,476,724	1,936,057	51,030	14,196,362
-	-	-	-	-	-	3,905,313
126,100	-	-	721,574	-	-	24,394,197
-	-	-	-	-	-	875,454
-	-	-	-	-	-	252,987
4,123	-	2,743	23,817	-	13,512	400,100
-	-	-	-	-	873,553	2,333,341
<u>1,552,457</u>	<u>826,780</u>	<u>2,743</u>	<u>2,222,115</u>	<u>1,936,057</u>	<u>4,541,906</u>	<u>85,073,260</u>
-	-	-	-	-	-	362,066
2,121,982	936,634	-	1,115,030	-	-	33,432,034
-	-	-	-	-	-	24,879,419
-	-	-	-	-	-	847,724
-	-	-	-	-	4,440,700	13,069,070
-	-	-	-	-	-	4,532,621
-	-	-	-	1,881,104	-	2,779,288
-	-	-	-	-	24,343	10,508,456
<u>2,121,982</u>	<u>936,634</u>	<u>-</u>	<u>1,115,030</u>	<u>1,881,104</u>	<u>4,465,043</u>	<u>90,410,678</u>
(569,525)	(109,854)	2,743	1,107,085	54,953	76,863	(5,337,418)
1,092,214	-	-	-	-	39,589	8,009,258
-	-	-	(1,247,000)	(50,486)	(30,103)	(4,337,187)
<u>1,092,214</u>	<u>-</u>	<u>-</u>	<u>(1,247,000)</u>	<u>(50,486)</u>	<u>9,486</u>	<u>3,672,071</u>
522,689	(109,854)	2,743	(139,915)	4,467	86,349	(1,665,347)
530,093	109,854	531,097	5,544,927	(281,513)	2,159,947	70,043,944
<u>\$ 1,052,782</u>	<u>\$ -</u>	<u>\$ 533,840</u>	<u>\$ 5,405,012</u>	<u>\$ (277,046)</u>	<u>\$ 2,246,296</u>	<u>\$ 68,378,597</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 9,366,841	\$ 8,003,982
Receivables, net:		
Property taxes	982,561	876,059
Fees	1,632	-
Due from other governments	461,052	6,649
Prepaid items	-	9,375
Total assets	<u>\$ 10,812,086</u>	<u>\$ 8,896,065</u>
Liabilities		
Accounts payable - trade	\$ 91,212	\$ 243,448
Accrued salaries and wages	255,395	217,136
Total liabilities	<u>346,607</u>	<u>460,584</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	454,404	-
Unavailable revenue-property taxes	934,376	854,544
Total deferred inflows of resources	<u>1,388,780</u>	<u>854,544</u>
Fund Balances		
Nonspendable	-	9,375
Restricted for public safety	9,076,699	7,571,562
Total fund balances	<u>9,076,699</u>	<u>7,580,937</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,812,086</u>	<u>\$ 8,896,065</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 16,443,397	\$ 16,616,029	\$ 172,632	\$ 16,373,123
Personal property taxes	1,467,658	1,455,697	(11,961)	1,387,738
Vehicle taxes	2,341,969	2,529,325	187,356	2,420,275
Fee in lieu of tax	54,000	48,455	(5,545)	75,398
Intergovernmental - federal	-	19,200	19,200	399
Intergovernmental - state	26,594	38,037	11,443	26,594
Interest	6,100	46,354	40,254	23,738
Other	62,978	63,179	201	19,950
Total revenues	<u>20,402,696</u>	<u>20,816,276</u>	<u>413,580</u>	<u>20,327,215</u>
Expenditures				
Current:				
Public safety:				
Personal services	13,748,457	12,745,408	1,003,049	13,052,236
Contractual services	1,332,939	1,153,041	179,898	1,084,952
Supplies and materials	1,034,688	815,628	219,060	1,043,543
Business and transportation	1,029,346	868,413	160,933	729,909
Capital outlay	27,638	15,839	11,799	24,102
Programs	17,310	-	17,310	-
Disaster	-	509,867	(509,867)	20,819
Indirect cost allocation	1,308,619	1,308,619	-	1,275,125
Total expenditures	<u>18,643,860</u>	<u>17,561,678</u>	<u>1,082,182</u>	<u>17,230,686</u>
Excess of revenues over expenditures	<u>1,758,836</u>	<u>3,254,598</u>	<u>1,495,762</u>	<u>3,096,529</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,758,836)</u>	<u>(1,758,836)</u>	-	<u>(1,411,591)</u>
Total other financing sources (uses)	<u>(1,758,836)</u>	<u>(1,758,836)</u>	-	<u>(1,411,591)</u>
Net change in fund balance	-	1,495,762	1,495,762	1,684,938
Fund balance at beginning of year	7,580,937	7,580,937	-	5,895,999
Fund balance at end of year	<u>\$ 7,580,937</u>	<u>\$ 9,076,699</u>	<u>\$ 1,495,762</u>	<u>\$ 7,580,937</u>

HORRY COUNTY, SOUTH CAROLINA

TOURISM & PROMOTION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Receivables, net:		
Accounts and other	\$ 616	\$ -
Fees	97,048	-
Due from other governments	2,157,741	1,443,616
Total assets	<u>\$ 2,255,405</u>	<u>\$ 1,443,616</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable - trade	\$ 489,323	\$ 513,742
Accrued salaries and wages	30,020	27,048
Due to other funds	698,939	847,606
Total liabilities	<u>1,218,282</u>	<u>1,388,396</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	848,319	-
Total deferred inflows of resources	<u>848,319</u>	<u>-</u>
Fund Balance		
Restricted for culture, recreation and tourism	188,804	55,220
Total fund balance	<u>188,804</u>	<u>55,220</u>
Total liabilities and fund balance	<u>\$ 2,255,405</u>	<u>\$ 1,443,616</u>

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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Accommodations tax	\$ 3,319,639	\$ 3,395,313	\$ 75,674	\$ 3,402,827
Hospitality fees	737,954	737,954	-	-
Interest	-	-	-	272
Other	-	472	472	603
Total revenues	4,057,593	4,133,739	76,146	3,403,702
Expenditures				
Current:				
Public safety				
Personal services	1,285,747	1,202,176	83,571	1,036,052
Contractual services	18,933	16,595	2,338	17,525
Supplies and materials	43,523	43,440	83	11,088
Business and transportation	132,492	106,187	26,305	68,868
Capital outlay	21,193	21,193	-	23,640
Other	142,167	142,167	-	142,167
Disaster	-	37,503	(37,503)	-
Total beach patrol	1,644,055	1,569,261	74,794	1,299,340
Culture, recreation and tourism:				
Personal services	613,337	609,932	3,405	609,034
Contractual services	86,750	72,726	14,024	89,392
Supplies and materials	25,952	22,460	3,492	23,463
Business and transportation	142,059	133,562	8,497	124,114
Capital outlay	-	-	-	2,799
Capital lease principal	22,628	22,396	232	-
Other	56,950	56,950	-	87,510
Disaster	-	47,006	(47,006)	-
Contributions to other agencies	1,318,371	1,318,371	-	1,329,834
Total culture, recreation and tourism	2,266,047	2,283,403	(17,356)	2,266,146
Total expenditures	3,910,102	3,852,664	57,438	3,565,486
Excess of revenues over expenditures	147,491	281,075	133,584	(161,784)
Other Financing Sources (Uses)				
Transfers out	(147,491)	(147,491)	-	(118,332)
Total other financing sources (uses)	(147,491)	(147,491)	-	(118,332)
Net change in fund balance	-	133,584	133,584	(280,116)
Fund balance at beginning of year	55,220	55,220	-	335,336
Fund balance at end of year	\$ 55,220	\$ 188,804	\$ 133,584	\$ 55,220

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 3,914,532	\$ 9,791,166
Receivables, net:		
Property taxes	325,141	295,338
Fees	502	-
Due from other governments	5,359,307	-
Total assets	<u>\$ 9,599,482</u>	<u>\$ 10,086,504</u>
Liabilities		
Accounts payable - trade	\$ 259,365	\$ 68,544
Due to component unit	1,200,453	761,648
Total liabilities	<u>1,459,818</u>	<u>830,192</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	5,359,307	-
Unavailable revenue-property taxes	309,394	285,981
Total deferred inflows of resources	<u>5,668,701</u>	<u>285,981</u>
Fund Balance		
Restricted for infrastructure and regulation	2,470,963	8,970,331
Total fund balance	<u>2,470,963</u>	<u>8,970,331</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 9,599,482</u>	<u>\$ 10,086,504</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 5,759,388	\$ 5,896,693	\$ 137,305	\$ 5,689,549
Personal property taxes	489,228	479,401	(9,827)	459,216
Vehicle taxes	780,316	846,777	66,461	810,467
Fee in lieu of tax	16,590	38,674	22,084	32,927
Intergovernmental	5,927,691	9,897	(5,917,794)	-
Interest	10,000	47,298	37,298	28,244
Total revenues	<u>12,983,213</u>	<u>7,318,740</u>	<u>(5,664,473)</u>	<u>7,020,403</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	8,610,286	8,608,574	1,712	6,973,939
Capital outlay	1,376,580	-	1,376,580	-
Indirect cost allocation	4,070	5,638	(1,568)	3,233
Disaster	7,481,167	6,757,372	723,795	-
Total expenditures	<u>17,472,103</u>	<u>15,371,584</u>	<u>1,376,724</u>	<u>6,977,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,488,890)</u>	<u>(8,052,844)</u>	<u>(4,287,749)</u>	<u>43,231</u>
Other Financing Sources (Uses)				
Transfers in	1,553,476	1,553,476	-	-
Transfers out	(500,000)	-	500,000	(241,107)
Total other financing sources (uses)	<u>1,053,476</u>	<u>1,553,476</u>	<u>500,000</u>	<u>(241,107)</u>
Net change in fund balance	<u>(3,435,414)</u>	<u>(6,499,368)</u>	<u>(3,787,749)</u>	<u>(197,876)</u>
Fund balance at beginning of year	8,970,331	8,970,331	-	9,168,207
Fund balance at end of year	<u>\$ 5,534,917</u>	<u>\$ 2,470,963</u>	<u>\$ (3,787,749)</u>	<u>\$ 8,970,331</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 246,105	\$ 110,744
Receivables, net:		
Property taxes	61,079	54,729
Fees	216	-
Due from other governments	2,726	-
Total assets	<u>\$ 310,126</u>	<u>\$ 165,473</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 55,908	\$ 47,273
Total deferred inflows of resources	<u>55,908</u>	<u>47,273</u>
Fund Balance		
Restricted for culture, recreation and tourism	254,218	118,200
Total fund balance	<u>254,218</u>	<u>118,200</u>
Total deferred inflows of resources and fund balance	<u>\$ 310,126</u>	<u>\$ 165,473</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,212,374	\$ 1,245,917	\$ 33,543	\$ 1,207,660
Personal property taxes	90,384	89,823	(561)	88,342
Vehicle taxes	127,982	137,432	9,450	129,927
Fee in lieu of tax	7,000	11,801	4,801	10,523
Intergovernmental	10,638	10,704	66	10,638
Interest	400	1,662	1,262	1,484
Total revenues	<u>1,448,778</u>	<u>1,497,339</u>	<u>48,561</u>	<u>1,448,574</u>
Expenditures				
Current:				
Higher Education Commission	1,220,078	1,132,621	87,457	1,249,198
Total expenditures	<u>1,220,078</u>	<u>1,132,621</u>	<u>87,457</u>	<u>1,249,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>228,700</u>	<u>364,718</u>	<u>136,018</u>	<u>199,376</u>
Other Financing Sources (Uses)				
Transfers out	(228,700)	(228,700)	-	(223,500)
Total other financing sources	<u>(228,700)</u>	<u>(228,700)</u>	<u>-</u>	<u>(223,500)</u>
Net change in fund balance	-	136,018	136,018	(24,124)
Fund balance at beginning of year	<u>118,200</u>	<u>118,200</u>	<u>-</u>	<u>142,324</u>
Fund balance at end of year	<u>\$ 118,200</u>	<u>\$ 254,218</u>	<u>\$ 136,018</u>	<u>\$ 118,200</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 561,029	\$ 358,454
Receivables, net:		
Property taxes	157,084	141,101
Fees	555	-
Due from other governments	3,640	-
Total assets	<u>\$ 722,308</u>	<u>\$ 499,555</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 143,775	\$ 121,925
Total deferred inflows of resources	<u>143,775</u>	<u>121,925</u>
 Fund Balance		
Restricted for culture, recreation and tourism	578,533	377,630
Total fund balance	<u>578,533</u>	<u>377,630</u>
Total deferred inflows of resources and fund balance	<u>\$ 722,308</u>	<u>\$ 499,555</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,114,606	\$ 3,203,634	\$ 89,028	\$ 3,105,254
Personal property taxes	232,706	230,943	(1,763)	227,175
Vehicle taxes	328,004	352,211	24,207	332,994
Fee in lieu of tax	18,000	30,239	12,239	26,967
Intergovernmental	13,880	14,051	171	13,881
Interest	1,000	9,675	8,675	4,107
Total revenues	<u>3,708,196</u>	<u>3,840,753</u>	<u>132,557</u>	<u>3,710,378</u>
Expenditures				
Current:				
Horry-Georgetown Tech	3,468,346	3,400,000	68,346	3,200,000
Total expenditures	<u>3,468,346</u>	<u>3,400,000</u>	<u>68,346</u>	<u>3,200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>239,850</u>	<u>440,753</u>	<u>200,903</u>	<u>510,378</u>
Other Financing Sources (Uses)				
Transfers out	(239,850)	(239,850)	-	(238,050)
Total other financing sources (uses)	<u>(239,850)</u>	<u>(239,850)</u>	<u>-</u>	<u>(238,050)</u>
Net change in fund balance	-	200,903	200,903	272,328
Fund balance at beginning of year	<u>377,630</u>	<u>377,630</u>	-	<u>105,302</u>
Fund balance at end of year	<u>\$ 377,630</u>	<u>\$ 578,533</u>	<u>\$ 200,903</u>	<u>\$ 377,630</u>

HORRY COUNTY, SOUTH CAROLINA
WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
Assets		
Pooled cash and investments	\$ 1,198,821	\$ 1,109,809
Receivables, net:		
Property taxes	3,523	4,062
Total assets	\$ 1,202,344	\$ 1,113,871
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 3,299	\$ 4,265
Total deferred inflows of resources	3,299	4,265
Fund Balance		
Restricted for infrastructure and regulation	1,199,045	1,109,606
Total fund balance	1,199,045	1,109,606
Total deferred inflows of resources and fund balance	\$ 1,202,344	\$ 1,113,871

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 96,328	\$ 97,310	\$ 982	\$ 95,911
Personal property taxes	-	1,309	1,309	118
Interest	1,090	5,985	4,895	3,067
Total revenues	<u>97,418</u>	<u>104,604</u>	<u>7,186</u>	<u>99,096</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	90,298	5,225	85,073	5,224
Indirect cost allocation	7,120	9,940	(2,820)	6,600
Total expenditures	<u>97,418</u>	<u>15,165</u>	<u>82,253</u>	<u>11,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>89,439</u>	<u>89,439</u>	<u>87,272</u>
Net change in fund balance	-	89,439	89,439	87,272
Fund balance at beginning of year	<u>1,109,606</u>	<u>1,109,606</u>	-	<u>1,022,334</u>
Fund balance at end of year	<u>\$ 1,109,606</u>	<u>\$ 1,199,045</u>	<u>\$ 89,439</u>	<u>\$ 1,109,606</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 359,434	\$ 384,485
Receivables, net:		
Property taxes	553	529
Total assets	<u>\$ 359,987</u>	<u>\$ 385,014</u>
Liabilities		
Accounts payable - trade	\$ 55,601	\$ 10,690
Total liabilities	<u>55,601</u>	<u>10,690</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	533	543
Total deferred inflows of resources	<u>533</u>	<u>543</u>
Fund Balance		
Restricted for infrastructure and regulation	303,853	373,781
Total fund balance	<u>303,853</u>	<u>373,781</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 359,987</u>	<u>\$ 385,014</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 27,432	\$ 28,683	\$ 1,251	\$ 27,875
Personal property taxes	-	432	432	161
Interest	470	1,942	1,472	1,107
Total revenues	<u>27,902</u>	<u>31,057</u>	<u>3,155</u>	<u>29,143</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	2,550	602	1,948	602
Contractual services	16,350	14,273	2,077	14,642
Supplies and materials	24,500	11,220	13,280	43,542
Disaster	72,500	72,500	-	-
Indirect cost allocation	3,208	2,390	818	2,617
Total expenditures	<u>140,108</u>	<u>100,985</u>	<u>39,123</u>	<u>61,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,206)</u>	<u>(69,928)</u>	<u>42,278</u>	<u>(32,260)</u>
Net change in fund balance	(112,206)	(69,928)	42,278	(32,260)
Fund balance at beginning of year	373,781	373,781	-	406,041
Fund balance at end of year	<u>\$ 261,575</u>	<u>\$ 303,853</u>	<u>\$ 42,278</u>	<u>\$ 373,781</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 208,637	\$ 509,855
Receivables, net:		
Property taxes	5,966	6,593
Total assets	<u>\$ 214,603</u>	<u>\$ 516,448</u>
Liabilities		
Accounts payable - trade	\$ 3,226	\$ 3,213
Total liabilities	<u>3,226</u>	<u>3,213</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	5,052	5,414
Total deferred inflows of resources	<u>5,052</u>	<u>5,414</u>
Fund Balance		
Restricted for culture, recreation and tourism	206,325	507,821
Total fund balance	<u>206,325</u>	<u>507,821</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 214,603</u>	<u>\$ 516,448</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 195,400	\$ 204,854	\$ 9,454	\$ 194,994
Personal property taxes	-	910	910	35
Interest	600	2,631	2,031	1,615
Other	-	13,819	13,819	1,141
Total revenues	<u>196,000</u>	<u>222,214</u>	<u>26,214</u>	<u>197,785</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	1,932	1,932	-	1,932
Contractual services	33,504	20,589	12,915	26,507
Supplies and materials	10,000	5,900	4,100	3,552
Capital outlay	40,000	-	40,000	18,180
Other	470,401	457,903	12,498	69,509
Indirect cost allocation	11,220	15,797	(4,577)	13,248
Total expenditures	<u>567,057</u>	<u>502,121</u>	<u>64,936</u>	<u>132,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(371,057)</u>	<u>(279,907)</u>	<u>91,150</u>	<u>64,857</u>
Other Financing Sources (Uses)				
Transfers out	(21,589)	(21,589)	-	(20,960)
Total other financing sources (uses)	<u>(21,589)</u>	<u>(21,589)</u>	<u>-</u>	<u>(20,960)</u>
Net change in fund balance	<u>(392,646)</u>	<u>(301,496)</u>	<u>91,150</u>	<u>43,897</u>
Fund balance at beginning of year	507,821	507,821	-	463,924
Fund balance at end of year	<u>\$ 115,175</u>	<u>\$ 206,325</u>	<u>\$ 91,150</u>	<u>\$ 507,821</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	30,898,575	27,756,344
Receivables, net:		
Fees	1,428,960	1,332,910
Due from other governments	827,482	264,025
Total assets	<u>\$ 33,155,117</u>	<u>\$ 29,353,379</u>
Liabilities		
Accounts payable - trade	\$ 1,691,806	\$ 1,370,804
Accrued salaries and wages	10,565	13,112
Total liabilities	<u>1,702,371</u>	<u>1,383,916</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	2,006,340	1,536,635
Total deferred inflows of resources	<u>2,006,340</u>	<u>1,536,635</u>
Fund Balances		
Restricted for capital projects	9,886,822	6,873,244
Committed for infrastructure and regulation	19,559,584	19,559,584
Total fund balances	<u>29,446,406</u>	<u>26,432,828</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,155,117</u>	<u>\$ 29,353,379</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 3,988,755	\$ 1,677,164	\$ (2,311,591)	\$ 694,692
Fees	14,904,240	15,207,819	303,579	13,914,178
Interest	25,000	153,704	128,704	72,741
Other	25,000	25,000	-	-
Total revenues	<u>18,942,995</u>	<u>17,063,687</u>	<u>(1,879,308)</u>	<u>14,681,611</u>
Expenditures				
Current:				
Engineer:				
Construction contracts	4,013,755	1,448,965	2,564,790	568,952
Capital outlay-infrastructure	26,137,720	6,720,118	19,417,602	3,544,431
Indirect cost allocation	474,934	474,934	-	373,728
Total engineer	<u>30,626,409</u>	<u>8,644,017</u>	<u>21,982,392</u>	<u>4,487,111</u>
Operations:				
Personal services	662,948	489,258	173,690	625,770
Contractual services	14,213	12,524	1,689	27,008
Supplies and materials	14,174	9,792	4,382	9,294
Business and transportation	87,589	42,347	45,242	117,111
Capital outlay-infrastructure	8,069,360	1,816,628	6,252,732	2,113,467
Distributions to municipalities	2,829,346	3,136,365	(307,019)	2,803,103
Other	10,000	(80,384)	90,384	240,327
Disaster	-	28,401	(28,401)	-
Indirect cost allocation	141,161	141,161	-	136,930
Total operations	<u>11,828,791</u>	<u>5,596,092</u>	<u>6,232,699</u>	<u>6,073,010</u>
Total expenditures	<u>42,455,200</u>	<u>14,240,109</u>	<u>28,215,091</u>	<u>10,560,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,512,205)</u>	<u>2,823,578</u>	<u>26,335,783</u>	<u>4,121,490</u>
Other Financing Sources (Uses)				
Transfers in	200,000	200,000	-	250,000
Transfers out	(10,000)	(10,000)	-	-
Total other financing sources (uses)	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>250,000</u>
Net change in fund balance	<u>(23,322,205)</u>	<u>3,013,578</u>	<u>26,335,783</u>	<u>4,371,490</u>
Fund balance at beginning of year	<u>26,432,828</u>	<u>26,432,828</u>	<u>-</u>	<u>22,061,338</u>
Fund balance at end of year	<u>\$ 3,110,623</u>	<u>\$ 29,446,406</u>	<u>\$ 26,335,783</u>	<u>\$ 26,432,828</u>

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 5,970,415	\$ 6,934,823
Receivables, net:		
Fees	44,408	41,857
Accounts and other	11,193	48,885
Total assets	<u>\$ 6,026,016</u>	<u>\$ 7,025,565</u>
Liabilities		
Accounts payable-trade	\$ 8,757	\$ 117,011
Total liabilities	<u>8,757</u>	<u>117,011</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	11,193	48,885
Total deferred inflows of resources	<u>11,193</u>	<u>48,885</u>
Fund Balances		
Restricted for culture, recreation and tourism	2,855,621	4,176,260
Committed to culture, recreation and tourism	3,150,445	2,683,409
Total fund balances	<u>6,006,066</u>	<u>6,859,669</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,026,016</u>	<u>\$ 7,025,565</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - state	\$ 4,155,770	\$ 2,400,000	\$ (1,755,770)	\$ -
State accommodations tax	510,000	510,000	-	410,000
Local accommodations tax	252,969	252,987	18	241,269
Hospitality	-	-	-	100,000
Interest	-	26,296	26,296	18,255
Other	1,994,769	1,189,692	(805,077)	63,962
Total revenues	<u>6,913,508</u>	<u>4,378,975</u>	<u>(2,534,533)</u>	<u>833,486</u>
Current:				
Culture, recreation and tourism:				
Contractual services	13,635,640	5,420,331	8,215,309	407,753
Business & transportation	590	500	90	590
Capital Outlay	163,656	-	163,656	-
Total expenditures	<u>13,799,886</u>	<u>5,420,831</u>	<u>8,379,055</u>	<u>408,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,886,378)</u>	<u>(1,041,856)</u>	<u>5,844,522</u>	<u>425,143</u>
Other Financing Sources (Uses)				
Transfers in	182,432	188,253	5,821	258,911
Total other financing sources (uses)	<u>182,432</u>	<u>188,253</u>	<u>5,821</u>	<u>258,911</u>
Net change in fund balance	(6,703,946)	(853,603)	5,850,343	684,054
Fund balance at beginning of year	6,859,669	6,859,669	-	6,175,615
Fund balance at end of year	<u>\$ 155,723</u>	<u>\$ 6,006,066</u>	<u>\$ 5,850,343</u>	<u>\$ 6,859,669</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 374,851	\$ 203,246
Due from other governments	922,409	186,263
Total assets	<u>\$ 1,297,260</u>	<u>\$ 389,509</u>
Liabilities		
Accounts payable - trade	\$ 188,344	\$ 13,193
Accrued salaries and wages	13,233	7,344
Total liabilities	<u>201,577</u>	<u>20,537</u>
Deferred Inflows of Resources		
Unavailable revenue-grants	762,069	49,876
Total deferred inflows of resources	<u>762,069</u>	<u>49,876</u>
Fund Balance		
Committed to other purposes	333,614	319,096
Total fund balance	<u>333,614</u>	<u>319,096</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,297,260</u>	<u>\$ 389,509</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ 4,218,043	\$ 1,300,410	\$ (2,917,633)	\$ 549,019
Intergovernmental - state	415,250	381,435	(33,815)	284,746
Fees	79,740	19,920	(59,820)	-
Interest	-	964	964	907
Other	129,204	141,711	12,507	91,164
Total revenues	<u>4,842,237</u>	<u>1,844,440</u>	<u>(2,997,797)</u>	<u>925,836</u>
Expenditures				
Current:				
General government:				
Contractual services	280,000	12,066	267,934	-
Other	350,000	350,000	-	200,000
Total general government	<u>630,000</u>	<u>362,066</u>	<u>267,934</u>	<u>200,000</u>
Public safety:				
Personal services	1,074,156	658,345	415,811	311,095
Contractual services	96,625	25,439	71,186	33,752
Supplies and materials	976,181	296,754	679,427	121,919
Business and transportation	64,790	15,563	49,227	11,020
Capital outlay	443,793	317,368	126,425	102,503
Other	433,551	231,189	202,362	127,716
Total public safety	<u>3,089,096</u>	<u>1,544,658</u>	<u>1,544,438</u>	<u>708,005</u>
Infrastructure and regulation:				
Contractual services	-	96,636	(96,636)	-
Capital outlay	492,000	-	492,000	19,532
Construction contracts	235,000	-	235,000	-
Other	1,162,722	110,890	1,051,832	158,202
Total infrastructure and regulation	<u>1,889,722</u>	<u>207,526</u>	<u>1,682,196</u>	<u>177,734</u>
Culture, recreation and tourism				
Other	140,619	362,323	(221,704)	134,540
Total culture, recreation and tourism	<u>140,619</u>	<u>362,323</u>	<u>(221,704)</u>	<u>134,540</u>
Total expenditures	<u>5,749,437</u>	<u>2,476,573</u>	<u>3,272,864</u>	<u>1,220,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(907,200)</u>	<u>(632,133)</u>	<u>275,067</u>	<u>(294,443)</u>
Other Financing Sources (Uses)				
Transfers in	646,651	646,651	-	118,332
Total other financing sources (uses)	<u>646,651</u>	<u>646,651</u>	<u>-</u>	<u>118,332</u>
Net change in fund balance	<u>(260,549)</u>	<u>14,518</u>	<u>275,067</u>	<u>(176,111)</u>
Fund balance at beginning of year	319,096	319,096	-	495,207
Fund balance at end of year	<u>\$ 58,547</u>	<u>\$ 333,614</u>	<u>\$ 275,067</u>	<u>\$ 319,096</u>

HORRY COUNTY, SOUTH CAROLINA
 ADMISSIONS TAX SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
Assets		
Pooled cash and investments	\$ 382,764	\$ 380,797
Total assets	\$ 382,764	\$ 380,797
 Fund Balance		
Restricted for economic development	\$ 382,764	\$ 380,797
Total fund balance	\$ 382,764	\$ 380,797

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>			<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Interest	\$ -	\$ 1,967	\$ 1,967	\$ 986
Total revenues	-	1,967	1,967	986
Expenditures				
Current:				
Culture, recreation and tourism				
Programs	380,510	-	380,510	-
Total expenditures	380,510	-	380,510	-
Excess (deficiency) of revenues over (under) expenditures	(380,510)	1,967	382,477	986
Net change in fund balance	(380,510)	1,967	382,477	986
Fund balance at beginning of year	380,797	380,797	-	379,811
Fund balance at end of year	\$ 287	\$ 382,764	\$ 382,477	\$ 380,797

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 48,721	\$ -
Receivables, net:		
Fees	24,619	23,762
Due from other governments	-	14,349
Total assets	<u>\$ 73,340</u>	<u>\$ 38,111</u>
Liabilities		
Accounts payable	\$ 1,263	\$ 242
Accrued salaries and wages	9,706	7,245
Due to other funds	-	8,728
Total liabilities	<u>10,969</u>	<u>16,215</u>
Fund Balance		
Restricted for Public safety	<u>62,371</u>	21,896
Total fund balance	<u>62,371</u>	21,896
Total liabilities and fund balance	<u>\$ 73,340</u>	<u>\$ 38,111</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 172,395	\$ 150,403	\$ (21,992)	\$ 196,648
Fines	203,000	180,205	(22,795)	198,564
Interest	-	208	208	-
Total revenues	<u>375,395</u>	<u>330,816</u>	<u>(44,579)</u>	<u>395,212</u>
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	225,749	224,941	808	213,697
Contractual services	3,723	638	3,085	2,372
Supplies and materials	7,863	6,620	1,243	5,535
Business and transportation	5,799	2,196	3,603	990
Contingency	10,195	-	10,195	-
Total detention	<u>253,329</u>	<u>234,395</u>	<u>18,934</u>	<u>222,594</u>
Solicitor - Georgetown:				
Personal services	53,274	41,348	11,926	44,228
Contractual services	730	585	145	585
Supplies and materials	1,191	1,191	-	-
Business and transportation	2,200	1,418	782	186
Total victim witness	<u>57,395</u>	<u>44,542</u>	<u>12,853</u>	<u>44,999</u>
Solicitor:				
Personal services	310,825	263,668	47,157	281,192
Contractual services	3,117	1,921	1,196	855
Supplies and materials	6,642	6,227	415	-
Business and transportation	6,230	1,731	4,499	3,575
Storm expenditures	1,134	1,134	-	-
Total solicitor	<u>327,948</u>	<u>274,681</u>	<u>53,267</u>	<u>285,622</u>
Total expenditures	<u>638,672</u>	<u>553,618</u>	<u>85,054</u>	<u>553,215</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,277)</u>	<u>(222,802)</u>	<u>40,475</u>	<u>(158,003)</u>
Other Financing Sources (Uses)				
Transfers in	263,277	263,277	-	190,094
Total other financing sources (uses)	<u>263,277</u>	<u>263,277</u>	<u>-</u>	<u>190,094</u>
Net change in fund balance	-	40,475	40,475	32,091
Fund balance (deficit) at beginning of year	<u>21,896</u>	<u>21,896</u>	<u>-</u>	<u>(10,195)</u>
Fund balance at end of year	<u>\$ 21,896</u>	<u>\$ 62,371</u>	<u>\$ 40,475</u>	<u>\$ 21,896</u>

HORRY COUNTY, SOUTH CAROLINA
 SENIOR CITIZEN SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
Assets		
Pooled cash and investments	\$ 87,739	\$ 56,877
Receivables, net:		
Property taxes	34,850	31,274
Accounts and other	123	-
Due from other governments	38	-
Total assets	\$ 122,750	\$ 88,151
 Liabilities		
Accounts payable	\$ 44,890	\$ 16,412
Total liabilities	44,890	16,412
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	31,895	27,015
Total deferred inflows of resources	31,895	27,015
 Fund balance		
Restricted for health and social services	45,965	44,724
Total fund balance	45,965	44,724
Total liabilities, deferred inflows of resources and fund balance	\$ 122,750	\$ 88,151

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 692,001	\$ 711,906	\$ 19,905	\$ 690,042
Personal property taxes	51,665	51,288	(377)	50,440
Vehicle taxes	72,875	78,275	5,400	73,991
Fee in lieu of tax	4,000	6,761	2,761	6,029
Intergovernmental - state	-	38	38	-
Interest	120	697	577	314
Total revenues	820,661	848,965	28,304	820,816
Expenditures				
Current:				
Health and social services:				
Contributions to agencies	818,211	844,123	(25,912)	855,361
Indirect cost allocation	2,450	3,601	(1,151)	1,925
Total expenditures	820,661	847,724	(27,063)	857,286
Excess of revenues over expenditures	-	1,241	1,241	(36,470)
Net change in fund balance	-	1,241	1,241	(36,470)
Fund balance at beginning of year	44,724	44,724	-	81,194
Fund balance at end of year	\$ 44,724	\$ 45,965	\$ 1,241	\$ 44,724

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 81,528	\$ 86,277
Receivables, net:		
Property taxes	3,700	1,993
Total assets	<u>\$ 85,228</u>	<u>\$ 88,270</u>
Liabilities		
Accounts payable - trade	\$ 1,200	\$ 7,907
Due to other funds	102,198	133,066
Total liabilities	<u>103,398</u>	<u>140,973</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	2,950	1,993
Total deferred inflows of resources	<u>2,950</u>	<u>1,993</u>
Fund Balance (deficit)		
Unassigned	(21,120)	(54,696)
Total fund balance (deficit)	<u>(21,120)</u>	<u>(54,696)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 85,228</u>	<u>\$ 88,270</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 62,720	\$ 64,887	\$ 2,167	\$ 63,233
Personal property taxes	-	134	134	18
Interest	85	385	300	309
Total revenues	<u>62,805</u>	<u>65,406</u>	<u>2,601</u>	<u>63,560</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal Services	1,714	602	1,112	602
Contractual services	13,840	13,348	492	12,542
Supplies and materials	9,416	9,416	-	16,952
Indirect cost allocation	3,454	2,254	1,200	2,413
Other	37,078	6,210	30,868	7,683
Total expenditures	<u>65,502</u>	<u>31,830</u>	<u>33,672</u>	<u>40,192</u>
Excess of revenues over expenditures	<u>(2,697)</u>	<u>33,576</u>	<u>36,273</u>	<u>23,368</u>
Net change in fund balance	<u>(2,697)</u>	<u>33,576</u>	<u>36,273</u>	<u>23,368</u>
Fund balance (deficit) at beginning of year	<u>(54,696)</u>	<u>(54,696)</u>	<u>-</u>	<u>(78,064)</u>
Fund balance (deficit) at end of year	<u>\$ (57,393)</u>	<u>\$ (21,120)</u>	<u>\$ 36,273</u>	<u>\$ (54,696)</u>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 132,389	\$ 203,021
Receivables, net:		
Accounts and other	18,082	-
Restricted assets	<u>101,977</u>	<u>101,977</u>
Total assets	<u>\$ 252,448</u>	<u>\$ 304,998</u>
Liabilities		
Accounts payable - trade	\$ -	\$ 120,378
Due to other governments	95,663	70,239
Total liabilities	<u>95,663</u>	<u>190,617</u>
Fund Balance		
Restricted for culture, recreation and tourism	<u>156,785</u>	<u>114,381</u>
Total fund balance	<u>156,785</u>	<u>114,381</u>
Total liabilities and fund balance	<u>\$ 252,448</u>	<u>\$ 304,998</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 137,500	\$ 137,500	\$ -	\$ 98,860
Interest	-	1,526	1,526	1,123
Other	21,000	25,915	4,915	24,156
Total revenues	<u>158,500</u>	<u>164,941</u>	<u>6,441</u>	<u>124,139</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	-	5,314	(5,314)	5,218
Contractual services	-	17,115	(17,115)	15,527
Supplies and materials	-	34,500	(34,500)	30,600
Capital Outlay	94,500	62,845	31,655	120,378
Programs	64,000	-	64,000	-
Other	-	2,763	(2,763)	2,903
Total expenditures	<u>158,500</u>	<u>122,537</u>	<u>35,963</u>	<u>174,626</u>
Excess (deficiency) of revenues over (under) expenditures	-	42,404	42,404	(50,487)
Net change in fund balance	-	42,404	42,404	(50,487)
Fund balance at beginning of year	114,381	114,381	-	164,868
Fund balance at end of year	<u>\$ 114,381</u>	<u>\$ 156,785</u>	<u>\$ 42,404</u>	<u>\$ 114,381</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 2,589,076	\$ 2,356,686
Restricted assets	39,669	-
Total assets	<u>\$ 2,628,745</u>	<u>\$ 2,356,686</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable - trade	\$ 16,102	\$ 3,152
Accrued salaries and wages	6,194	7,527
Total liabilities	<u>22,296</u>	<u>10,679</u>
Fund Balances		
Restricted for economic development	518,500	791,381
Committed to economic development	2,087,949	1,554,626
Total fund balances	<u>2,606,449</u>	<u>2,346,007</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,628,745</u>	<u>\$ 2,356,686</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Fee in lieu of tax	\$ 656,637	\$ 651,400	\$ (5,237)	\$ 596,009
Intergovernmental	-	125,191	125,191	1,300,000
Fees - Rents	372,985	369,182	(3,803)	331,693
Interest	2,448	12,853	10,405	5,525
Total revenues	<u>1,032,070</u>	<u>1,158,626</u>	<u>126,556</u>	<u>2,233,227</u>
Expenditures				
Current:				
Economic development:				
Personal Services	309,218	305,685	3,533	159,906
Contractual services	2,711,392	528,675	2,182,717	2,430,948
Supplies and materials	3,000	-	3,000	-
Disaster	-	914	(914)	-
Indirect cost allocation	64,700	62,910	1,790	55,000
Total expenditures	<u>3,088,310</u>	<u>898,184</u>	<u>2,190,126</u>	<u>2,645,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,056,240)</u>	<u>260,442</u>	<u>2,316,682</u>	<u>(412,627)</u>
Net change in fund balance	(2,056,240)	260,442	2,316,682	(412,627)
Fund balance at beginning of year	2,346,007	2,346,007	-	2,758,634
Fund balance at end of year	<u>\$ 289,767</u>	<u>\$ 2,606,449</u>	<u>\$ 2,316,682</u>	<u>\$ 2,346,007</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 3,347,657	\$ 3,411,859
Receivables, net:		
Accounts and other	8,972	8,928
Fees	43,010	64,586
Due from other governments	695,708	-
Total assets	<u>\$ 4,095,347</u>	<u>\$ 3,485,373</u>
Liabilities		
Accounts payable - trade	\$ 433,527	\$ 52,746
Accrued salaries and wages	28,243	23,065
Other liabilities	95	95
Total liabilities	<u>461,865</u>	<u>75,906</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>714,895</u>	<u>32,415</u>
Total deferred inflows of resources	<u>714,895</u>	<u>32,415</u>
Fund Balance		
Restricted for infrastructure and regulation	<u>2,918,587</u>	<u>3,377,052</u>
Total fund balance	<u>2,918,587</u>	<u>3,377,052</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,095,347</u>	<u>\$ 3,485,373</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 4,999,001	\$ 4,838,074	\$ (160,927)	\$ 4,847,165
Intergovernmental	-	52,413	52,413	16,935
Interest	3,100	17,536	14,436	10,130
Other	-	-	-	2,069
Total revenues	<u>5,002,101</u>	<u>4,908,023</u>	<u>(94,078)</u>	<u>4,876,299</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	1,852,563	1,804,138	48,425	1,828,706
Contractual services	1,464,984	1,300,787	164,197	1,106,129
Supplies and materials	331,962	270,499	61,463	406,948
Business and transportation	195,867	195,856	11	220,224
Capital outlay - infrastructure	642,551	627,473	15,078	251,215
Indirect cost allocation	260,857	260,856	1	291,426
Disaster	-	40,283	(40,283)	-
Other	412,200	397,532	14,668	323,108
Total expenditures	<u>5,160,984</u>	<u>4,897,424</u>	<u>263,560</u>	<u>4,427,756</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(158,883)</u>	<u>10,599</u>	<u>169,482</u>	<u>448,543</u>
Other Financing Sources (Uses)				
Transfers out	(469,064)	(469,064)	-	(277,621)
Total other financing sources (uses)	<u>(469,064)</u>	<u>(469,064)</u>	<u>-</u>	<u>(277,621)</u>
Net change in fund balance	(627,947)	(458,465)	169,482	170,922
Fund balance at beginning of year	3,377,052	3,377,052	-	3,206,130
Fund balance at end of year	<u>\$ 2,749,105</u>	<u>\$ 2,918,587</u>	<u>\$ 169,482</u>	<u>\$ 3,377,052</u>

HORRY COUNTY, SOUTH CAROLINA
HIDDEN WOODS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ -	\$ 495	\$ 495	\$ 1,126
Interest	-	12	12	-
Total revenues	-	507	507	1,126
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	-	507	(507)	650
Contractual services	-	-	-	17,026
Indirect cost allocation	-	-	-	147
Total expenditures	-	507	(507)	17,823
Net change in fund balance	-	-	-	(16,697)
Fund balance at beginning of year	-	-	-	16,697
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, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 969,271	\$ 1,238,185
Pooled cash and investments	2,185,720	1,592,230
Receivables, net:		
Accounts and other	370,829	164,224
Due from other governments	122,483	107,722
Prepaid items	-	2,052
Restricted cash	218,023	121,396
Total assets	<u>\$ 3,866,326</u>	<u>\$ 3,225,809</u>
 Liabilities and Fund Balance		
Accounts payable - trade	\$ 29,014	\$ 452,097
Accounts payable - other	278,339	176,079
Due to other governments	11,778	-
Accrued salaries and wages	345,809	83,074
Total liabilities	<u>664,940</u>	<u>711,250</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	300
Total deferred inflows of resources	<u>-</u>	<u>300</u>
 Fund Balance		
Nonspendable	-	2,052
Restricted for public safety	3,201,386	2,512,207
Total fund balance	<u>3,201,386</u>	<u>2,514,259</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,866,326</u>	<u>\$ 3,225,809</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ -	\$ 28,105	\$ 28,105	\$ 149,202
Intergovernmental - state	1,993,068	2,426,892	433,824	1,658,994
Interest	-	24,210	24,210	16,731
Fees and fines	2,019,787	2,780,920	761,133	2,592,573
Total revenues	4,012,855	5,260,127	1,247,272	4,417,500
Expenditures				
Current:				
Public Safety:				
Victim Witness:				
Personal services	107,309	107,205	104	94,251
Contractual services	116	116	-	-
Supplies & Materials	2,111	2,111	-	2,064
Business & Transportation	1,000	1,000	-	329
Total Victim Witness	110,536	110,432	104	96,644
State Appropriation:				
Personal services	1,440,425	951,939	488,486	749,652
Contractual services	67,328	20,277	47,051	117
Supplies and materials	58,963	7,238	51,725	4,173
Business and transportation	10,000	-	10,000	-
Other	733,175	170,545	562,630	573,613
Total State Appropriation	2,309,891	1,149,999	1,159,892	1,327,555
Solicitor Georgetown:				
Personal services	943,220	927,402	15,818	910,638
Contractual services	49,079	44,162	4,917	38,455
Supplies and materials	44,814	43,019	1,795	26,387
Business and transportation	13,103	12,617	486	12,383
Other	28,737	8,800	19,937	8,800
Total Solicitor Georgetown	1,078,953	1,036,000	42,953	996,663

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)
 - CONTINUED -

	2017			2016
	Budget	Actual	Variance	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Solicitor Horry County:				
Personal services	3,156,943	3,139,950	16,993	3,004,475
Contractual services	235,075	225,189	9,886	196,484
Supplies and materials	121,501	120,222	1,279	73,091
Business and transportation	51,685	50,908	777	42,723
Other	75,820	13,700	62,120	18,700
Total Solicitor Horry County	3,641,024	3,549,969	91,055	3,335,473
Pre-Trial Intervention:				
Personal services	790,414	1,423,198	(632,784)	697,039
Contractual services	4,620	31,544	(26,924)	234,479
Supplies and materials	-	28,725	(28,725)	33,458
Business and transportation	596	50,427	(49,831)	13,453
Capital outlay	-	81,157	(81,157)	19,630
Other	-	29,384	(29,384)	39,607
Total Pre-Trial Intervention	795,630	1,644,435	(848,805)	1,037,666
Drug Enforcement Unit:				
Personal services	234,234	234,224	10	228,602
Contractual services	55,424	54,282	1,142	51,653
Supplies and materials	52,296	51,761	535	50,348
Business and transportation	5,640	5,130	510	10,708
Disaster	5,811	5,811	-	-
Other	64,921	21,200	43,721	31,200
Total Drug Enforcement Unit	418,326	372,408	45,918	372,511
Drug Court:				
Personal services	346,539	324,022	22,517	271,872
Contractual services	44,484	32,829	11,655	69,369
Supplies and materials	60,931	44,231	16,700	37,637
Business and transportation	16,309	13,825	2,484	17,290
Other	231,177	9,200	221,977	9,200
Total Drug Court	699,440	424,107	275,333	405,368

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)
 - CONTINUED -

	2017			2016
	Budget	Actual	Variance	Actual
Public Safety:				
Worthless Check:				
Personal services	204,646	69,658	134,988	196,448
Contractual services	8,184	7,067	1,117	3,580
Supplies and materials	5,227	2,007	3,220	2,928
Business and transportation	1,300	-	1,300	-
Total Worthless Check	<u>219,357</u>	<u>78,732</u>	<u>140,625</u>	<u>202,956</u>
Georgetown Drug Enforcement Units:				
Personal services	73,435	73,369	66	68,505
Contractual services	22,648	8,873	13,775	12,385
Supplies and materials	11,747	12,094	(347)	2,550
Business and transportation	6,622	4,312	2,310	2,661
Other	3,850	-	3,850	-
Total GT DEU	<u>118,302</u>	<u>98,648</u>	<u>19,654</u>	<u>86,101</u>
Total expenditures	<u>9,391,459</u>	<u>8,464,730</u>	<u>926,729</u>	<u>7,860,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,378,604)</u>	<u>(3,204,603)</u>	<u>2,174,001</u>	<u>(3,443,437)</u>
Other Financing Sources (Uses)				
Transfers in	4,025,798	4,025,798	-	3,874,909
Transfers out	(134,068)	(134,068)	-	-
Contributed Capital	-	-	-	600,000
Total other financing sources (uses)	<u>3,891,730</u>	<u>3,891,730</u>	<u>-</u>	<u>4,474,909</u>
Net change in fund balance	(1,486,874)	687,127	2,174,001	1,031,472
Fund balance at beginning of year	2,514,259	2,514,259	-	1,482,787
Fund balance at end of year	<u>\$ 1,027,385</u>	<u>\$ 3,201,386</u>	<u>\$ 2,174,001</u>	<u>\$ 2,514,259</u>

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 1,026,555	\$ 560,529
Due from other governments	62,527	92,687
Total assets	<u>\$ 1,089,082</u>	<u>\$ 653,216</u>
Liabilities		
Accounts payable - trade	\$ 1,829	\$ 5,490
Accrued salaries and wages	34,471	24,946
Total liabilities	<u>36,300</u>	<u>30,436</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	92,687
Total deferred inflows of resources	<u>-</u>	<u>92,687</u>
Fund Balance		
Restricted for public safety	1,052,782	530,093
Total fund balance	<u>1,052,782</u>	<u>530,093</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,089,082</u>	<u>\$ 653,216</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 1,248,988	\$ 1,422,234	\$ 173,246	\$ 773,431
Interest	-	4,123	4,123	978
Fees and fines	96,100	126,100	30,000	96,100
Total revenues	<u>1,345,088</u>	<u>1,552,457</u>	<u>207,369</u>	<u>870,509</u>
Expenditures				
Current:				
Public Safety:				
Horry County:				
Personal services	1,845,237	1,603,047	242,190	1,490,336
Contractual services	117,956	103,997	13,959	68,475
Supplies & Materials	77,570	70,407	7,163	42,379
Business & Transportation	48,100	43,783	4,317	27,668
Other	429,457	11,120	418,337	27,357
Total Horry County operations	<u>2,518,320</u>	<u>1,832,354</u>	<u>685,966</u>	<u>1,656,215</u>
Georgetown:				
Personal services	262,491	245,902	16,589	209,458
Contractual services	36,000	32,910	3,090	26,978
Supplies and materials	8,850	4,698	4,152	4,389
Business and transportation	3,900	3,618	282	3,327
Other	74,238	2,500	71,738	338
Total Georgetown County operations	<u>385,479</u>	<u>289,628</u>	<u>95,851</u>	<u>244,490</u>
Total expenditures	<u>2,903,799</u>	<u>2,121,982</u>	<u>781,817</u>	<u>1,900,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,558,711)</u>	<u>(569,525)</u>	<u>989,186</u>	<u>(1,030,196)</u>
Other Financing Sources (Uses)				
Transfers in	1,092,214	1,092,214	-	1,051,437
Total other financing sources (uses)	<u>1,092,214</u>	<u>1,092,214</u>	<u>-</u>	<u>1,051,437</u>
Net change in fund balance	<u>(466,497)</u>	<u>522,689</u>	<u>989,186</u>	<u>21,241</u>
Fund balance at beginning of year	<u>530,093</u>	<u>530,093</u>	<u>-</u>	<u>508,852</u>
Fund balance at end of year	<u>\$ 63,596</u>	<u>\$ 1,052,782</u>	<u>\$ 989,186</u>	<u>\$ 530,093</u>

HORRY COUNTY, SOUTH CAROLINA
 FIRE INSURANCE SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
Assets		
Pooled cash and investments	-	\$ 109,854
Total assets	\$ -	\$ 109,854
 Fund Balance		
Restricted for public safety	-	109,854
Total fund balance	\$ -	\$ 109,854

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 881,160	\$ 826,780	\$ (54,380)	\$ 826,181
Total revenues	<u>881,160</u>	<u>826,780</u>	<u>(54,380)</u>	<u>826,181</u>
Expenditures				
Current:				
Public safety:				
Other	881,160	936,634	(55,474)	787,431
Total expenditures	<u>881,160</u>	<u>936,634</u>	<u>(55,474)</u>	<u>787,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(109,854)</u>	<u>(109,854)</u>	<u>38,750</u>
Net change in fund balance	-	(109,854)	(109,854)	38,750
Fund balance at beginning of year	109,854	109,854	-	71,104
Fund balance at end of year	<u>\$ 109,854</u>	<u>\$ -</u>	<u>\$ (109,854)</u>	<u>\$ 109,854</u>

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 533,840	\$ 531,097
Total assets	<u>\$ 533,840</u>	<u>\$ 531,097</u>
Fund Balance		
Restricted for infrastructure and regulation	\$ 533,840	\$ 531,097
Total fund balance	<u>\$ 533,840</u>	<u>\$ 531,097</u>

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>			<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Interest	\$ -	\$ 2,743	\$ 2,743	\$ 1,534
Total revenues	-	2,743	2,743	1,534
Expenditures				
Current:				
Infrastructure and regulation:				
Construction contracts	250,000	-	250,000	-
Total expenditures	250,000	-	250,000	-
Excess (deficiency) of revenues over (under) expenditures	(250,000)	2,743	252,743	1,534
Net change in fund balance	(250,000)	2,743	252,743	1,534
Fund balance at beginning of year	531,097	531,097	-	529,563
Fund balance at end of year	\$ 281,097	\$ 533,840	\$ 252,743	\$ 531,097

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 5,082,375	\$ 5,177,731
Receivables, net:		
Accounts and other	49,605	31,439
Due from other governments	336,484	268,696
Prepaid items	26,844	159,609
Total assets	<u>\$ 5,495,308</u>	<u>\$ 5,637,475</u>
 Liabilities		
Accounts payable - trade	\$ 75,552	\$ 631
Accrued salaries and wages	14,744	3,787
Total liabilities	<u>90,296</u>	<u>4,418</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	88,130
Total deferred inflows of resources	<u>-</u>	<u>88,130</u>
 Fund Balances		
Nonspendable	26,844	159,609
Restricted for public safety	5,378,168	5,385,318
Total fund balances	<u>5,405,012</u>	<u>5,544,927</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,495,308</u>	<u>\$ 5,637,475</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 1,597,000	\$ 1,476,724	\$ (120,276)	\$ 1,235,680
Fees and fines	680,000	721,574	41,574	720,649
Interest	4,500	23,817	19,317	13,765
Total revenues	<u>2,281,500</u>	<u>2,222,115</u>	<u>(59,385)</u>	<u>1,970,094</u>
Expenditures				
Current:				
Public safety:				
Personal services	363,913	287,939	75,974	191,425
Contractual services	922,092	693,043	229,049	461,834
Supplies and materials	53,556	52,757	799	7,390
Business and transportation	50,690	41,816	8,874	38,146
Disaster	-	39,475	(39,475)	-
Total expenditures	<u>1,390,251</u>	<u>1,115,030</u>	<u>275,221</u>	<u>698,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>891,249</u>	<u>1,107,085</u>	<u>215,836</u>	<u>1,271,299</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,247,000)</u>	<u>(1,247,000)</u>	<u>-</u>	<u>(310,000)</u>
Net change in fund balance	<u>(355,751)</u>	<u>(139,915)</u>	<u>215,836</u>	<u>961,299</u>
Fund balance at beginning of year	<u>5,544,927</u>	<u>5,544,927</u>	<u>-</u>	<u>4,583,628</u>
Fund balance at end of year	<u>\$ 5,189,176</u>	<u>\$ 5,405,012</u>	<u>\$ 215,836</u>	<u>\$ 5,544,927</u>

HORRY COUNTY, SOUTH CAROLINA
 CDBG GRANT PROGRAM SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017	2016
Assets		
Due from other governments	\$ 158,968	\$ 434,901
Total assets	\$ 158,968	\$ 434,901
 Liabilities		
Accounts payable - trade	\$ 137,484	\$ 139,336
Due to other funds	120,198	289,217
Due to other governments	137,184	-
Accrued salaries and wages	4,747	2,370
Total liabilities	399,613	430,923
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	36,401	285,491
Total deferred inflows of resources	36,401	285,491
 Fund Balance (Deficit)		
Unassigned	(277,046)	(281,513)
Total fund balance (deficit)	(277,046)	(281,513)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 158,968	\$ 434,901

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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 4,817,451	\$ 1,936,057	\$ (2,881,394)	\$ 1,364,662
Total revenues	<u>4,817,451</u>	<u>1,936,057</u>	<u>(2,881,394)</u>	<u>1,364,662</u>
Expenditures				
Current:				
Economic development:				
Personal services	331,796	249,805	81,991	13,841
Contractual services	281,500	55,677	225,823	37,552
Supplies and materials	25,250	6,165	19,085	15,630
Business and transportation	19,000	5,760	13,240	10,967
Indirect cost allocation	50,000	42,512	7,488	48,272
Capital outlay	-	-	-	20,260
Programs	837,580	-	837,580	-
Disaster	-	1,926	(1,926)	-
Contributions to agencies	3,221,839	1,519,259	1,702,580	1,018,242
Total expenditures	<u>4,766,965</u>	<u>1,881,104</u>	<u>2,885,861</u>	<u>1,164,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,486</u>	<u>54,953</u>	<u>4,467</u>	<u>199,898</u>
Other Financing Sources (Uses)				
Transfers out	(50,486)	(50,486)	-	(100,476)
Total other financing sources (uses)	<u>(50,486)</u>	<u>(50,486)</u>	<u>-</u>	<u>(100,476)</u>
Net change in fund balance	-	4,467	4,467	99,422
Fund balance (deficit) at beginning of year	<u>(281,513)</u>	<u>(281,513)</u>	<u>-</u>	<u>(380,935)</u>
Fund balance (deficit) at end of year	<u>\$ (281,513)</u>	<u>\$ (277,046)</u>	<u>\$ 4,467</u>	<u>\$ (281,513)</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2017

(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 800	\$ 100
Pooled cash and investments	2,290,798	2,293,019
Receivables, net:		
Property taxes	148,182	135,205
Fees	524	-
Due from other governments	182,588	-
Total assets	<u>\$ 2,622,892</u>	<u>\$ 2,428,324</u>
Liabilities		
Accounts payable - trade	\$ 54,359	\$ 115,067
Accrued salaries and wages	48,284	36,289
Total liabilities	<u>102,643</u>	<u>151,356</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	138,383	-
Unavailable revenue-property taxes	135,570	117,021
Total deferred inflows of resources	<u>273,953</u>	<u>117,021</u>
Fund Balance		
Restricted for culture, recreation and tourism	2,246,296	2,159,947
Total fund balance	<u>2,246,296</u>	<u>2,159,947</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,622,892</u>	<u>\$ 2,428,324</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 2,948,696	\$ 3,025,534	\$ 76,838	\$ 2,932,830
Personal property taxes	220,119	218,266	(1,853)	214,949
Vehicle taxes	306,098	331,578	25,480	313,416
Fee in lieu of tax	17,000	28,433	11,433	25,480
Intergovernmental	-	51,030	51,030	-
Interest	3,500	13,512	10,012	7,431
Other	780,000	873,553	93,553	798,379
Total revenues	4,275,413	4,541,906	266,493	4,379,166
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	2,288,653	1,948,200	340,453	2,073,504
Contractual services	501,945	477,696	24,249	442,030
Supplies and materials	253,472	185,704	67,768	157,835
Business and transportation	125,649	121,546	4,103	111,671
Capital outlay	57,046	24,343	32,703	28,241
Indirect cost allocation	860,596	860,596	-	815,351
Distributions to municipalities	200,000	200,000	-	117,285
Distributions to agencies	49,000	45,988	3,012	876
Programs	402,534	287,327	115,207	416,879
Athletics	226,834	165,280	61,554	188,293
Other	113,302	71,684	41,618	283,410
Disaster	-	76,679	(76,679)	12,490
Total expenditures	5,079,031	4,465,043	613,988	4,647,865
Excess (deficiency) of revenues over (under) expenditures	(803,618)	76,863	880,481	(268,699)
Other Financing Sources (Uses)				
Transfers in	39,589	39,589	-	58,978
Transfers out	(30,103)	(30,103)	-	(153,487)
Total other financing sources (uses)	9,486	9,486	-	(94,509)
Net change in fund balance	(794,132)	86,349	880,481	(363,208)
Fund balance at beginning of year	2,159,947	2,159,947	-	2,523,155
Fund balance at end of year	\$ 1,365,815	\$ 2,246,296	\$ 880,481	\$ 2,159,947

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, 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, 2017

	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	\$ 19,908,422	\$ 161,462,099	\$ 4,009	\$ 181,374,530
Receivables, net:				
Accounts and other	-	21,329	-	21,329
Due from other governments	448,330	230,590	14,219,841	14,898,761
Prepaid contracts	40,152	-	-	40,152
Total assets	<u>\$ 20,396,904</u>	<u>\$ 161,714,018</u>	<u>\$ 14,223,850</u>	<u>\$ 196,334,772</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable - trade	\$ 3,111,367	\$ 3,929,293	\$ 151	\$ 7,040,811
Accrued salaries and wages	-	-	3,858	3,858
Total liabilities	<u>3,111,367</u>	<u>3,929,293</u>	<u>4,009</u>	<u>7,044,669</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	-	85,743	14,219,841	14,305,584
Total deferred inflows of resources	<u>-</u>	<u>85,743</u>	<u>14,219,841</u>	<u>14,305,584</u>
Fund balances:				
Nonspendable	40,152	-	-	40,152
Restricted for capital projects	5,313,647	157,698,982	-	163,012,629
Committed to other capital projects	11,931,738	-	-	11,931,738
Total fund balances	<u>17,285,537</u>	<u>157,698,982</u>	<u>-</u>	<u>174,984,519</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,396,904</u>	<u>\$ 161,714,018</u>	<u>\$ 14,223,850</u>	<u>\$ 196,334,772</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, 2017

	Major Funds			
	General Improvement Capital Projects	Capital Projects Sales Tax -RIDE II	Capital Projects Sales Tax -RIDE III	Total Major Funds
Revenues				
Intergovernmental	\$ 1,216,600	\$ -	\$ -	\$ 1,216,600
Sales tax	-	403,028	-	403,028
Interest	182,865	580,972	-	763,837
Total revenues	<u>1,399,465</u>	<u>984,000</u>	<u>-</u>	<u>2,383,465</u>
Expenditures				
General government	488,234	-	-	488,234
Public safety	217,818	-	-	217,818
Infrastructure and regulation	47,769	198,506	37,948	284,223
Improvements to state roadways	-	36,039,351	-	36,039,351
Culture, recreation and tourism	47,392	-	-	47,392
Capital lease payments	4,274,654	-	-	4,274,654
Capital outlay	12,381,578	7,119,817	-	19,501,395
Total expenditures	<u>17,457,445</u>	<u>43,357,674</u>	<u>37,948</u>	<u>60,853,067</u>
Excess (deficiency) of revenue over expenditures	<u>(16,057,980)</u>	<u>(42,373,674)</u>	<u>(37,948)</u>	<u>(58,431,654)</u>
Other Financing Sources (Uses)				
Issuance of bonded debt	3,000,000	-	-	3,000,000
Transfers in	8,727,409	-	37,948	8,765,357
Transfers out	(777,687)	(37,948)	-	(815,635)
Total other financing sources (uses)	<u>10,949,722</u>	<u>(37,948)</u>	<u>37,948</u>	<u>10,949,722</u>
Net change in fund balance	<u>(5,108,258)</u>	<u>(42,411,622)</u>	<u>-</u>	<u>(47,519,880)</u>
Fund balance at beginning of year	<u>22,393,795</u>	<u>200,110,604</u>	<u>-</u>	<u>222,504,399</u>
Fund balance at end of year	<u>\$ 17,285,537</u>	<u>\$ 157,698,982</u>	<u>\$ -</u>	<u>\$ 174,984,519</u>

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2017

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 2,122,246	\$ 451,964	\$ 2,574,210
Receivables, net:			
Property taxes	85,670	-	85,670
Fees	142	-	142
Restricted assets	1,353,127	-	1,353,127
Total assets	<u>\$ 3,561,185</u>	<u>\$ 451,964</u>	<u>\$ 4,013,149</u>
Deferred Inflows of Resources			
Unavailable revenue-fees and other	-	-	-
Unavailable revenue-property taxes	81,702	-	81,702
Total deferred inflows of resources	<u>81,702</u>	<u>-</u>	<u>81,702</u>
Fund balances:			
Restricted for capital projects	3,479,483	-	3,479,483
Restricted for culture, recreation and tourism	-	34,198	34,198
Restricted for infrastructure and regulation	-	417,766	417,766
Total fund balances	<u>3,479,483</u>	<u>451,964</u>	<u>3,931,447</u>
Total deferred inflows of resources and fund balances	<u>\$ 3,561,185</u>	<u>\$ 451,964</u>	<u>\$ 4,013,149</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, 2017

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Revenues			
Real property taxes	\$ 1,447,783	\$ -	\$ 1,447,783
Personal property taxes	125,854	-	125,854
Vehicle taxes	220,727	-	220,727
Fee in lieu of tax	9,967	-	9,967
Interest	17,856	2,076	19,932
Other	-	88,979	88,979
Total revenues	<u>1,822,187</u>	<u>91,055</u>	<u>1,913,242</u>
Expenditures			
Public Safety	31,500	-	31,500
Infrastructure and regulation	-	-	-
Capital lease payments	1,550,296	-	1,550,296
Capital outlay	5,664,385	-	5,664,385
Total expenditures	<u>7,246,181</u>	<u>-</u>	<u>7,246,181</u>
Excess (deficiency) of revenue over expenditures	<u>(5,423,994)</u>	<u>91,055</u>	<u>(5,332,939)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(5,423,994)</u>	<u>91,055</u>	<u>(5,332,939)</u>
Fund balance at beginning of year	<u>8,903,477</u>	<u>360,909</u>	<u>9,264,386</u>
Fund balance at end of year	<u>\$ 3,479,483</u>	<u>\$ 451,964</u>	<u>\$ 3,931,447</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2017

(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 19,908,422	\$ 24,296,727
Receivables, net:		
Accounts and other	-	77,618
Due from other governments	448,330	336,780
Prepaid contracts	40,152	39,165
Total assets	<u>\$ 20,396,904</u>	<u>\$ 24,750,290</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 3,111,367	\$ 2,356,495
Total liabilities	<u>3,111,367</u>	<u>2,356,495</u>
 Fund balances:		
Nonspendable	40,152	39,165
Restricted for capital projects	5,313,647	12,769,684
Committed to capital projects	11,931,738	9,584,946
Total fund balances	<u>17,285,537</u>	<u>22,393,795</u>
Total liabilities and fund balances	<u>\$ 20,396,904</u>	<u>\$ 24,750,290</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, 2017
(With comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Revenues		
Disposal fee	\$ -	\$ 781,419
Intergovernmental - state	816,360	455,250
Intergovernmental - other	400,240	430,315
Interest	182,865	71,274
Total revenues	<u>1,399,465</u>	<u>1,738,258</u>
Expenditures		
General government:		
Supplies and materials	488,234	429,620
Capital outlay	1,573,856	2,048,498
Capital lease - principal	3,170,405	660,522
Capital lease - interest	267,383	608,898
Total general government	<u>5,499,878</u>	<u>3,747,538</u>
Public safety:		
Contractual services	26,836	-
Supplies and materials	190,982	9,049
Capital outlay	9,967,946	4,948,719
Capital lease - principal	821,424	1,232,318
Capital lease - interest	15,442	140,552
Total public safety	<u>11,022,630</u>	<u>6,330,638</u>
Infrastructure and regulation:		
Supplies and materials	47,769	163,193
Capital outlay	465,266	525,486
Total infrastructure and regulation	<u>513,035</u>	<u>688,679</u>
Culture, recreation and tourism:		
Supplies and materials	47,392	77,622
Capital outlay	374,510	238,628
Total culture, recreation and tourism	<u>421,902</u>	<u>316,250</u>
Total expenditures	<u>17,457,445</u>	<u>11,083,105</u>
Excess (deficiency) of revenue over expenditures	<u>(16,057,980)</u>	<u>(9,344,847)</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, 2017
 (With comparative actual amounts for the year ended June 30, 2016)

CONTINUED

	<u>2017</u>	<u>2016</u>
Other Financing Sources (Uses)		
Issuance of bonded debt	3,000,000	-
Sale of Assets	-	370,950
Transfers in	8,727,409	22,724,168
Transfers out	(777,687)	(274,598)
Total other financing sources (uses)	<u>10,949,722</u>	<u>22,820,520</u>
Net change in fund balance	<u>(5,108,258)</u>	<u>13,475,673</u>
Fund balance at beginning of year	<u>22,393,795</u>	<u>8,918,122</u>
Fund balance at end of year	<u>\$ 17,285,537</u>	<u>\$ 22,393,795</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECT SALES TAX FUND - RIDE II
 BALANCE SHEETS

June 30, 2017
 (with comparative amounts for June 30, 2016)

	2017	2016
Assets		
Pooled cash and investments	\$ 161,462,099	\$ 205,622,531
Receivables, net:		
Accounts and other	21,329	-
Due from other governments	230,590	59,495
Total assets	\$ 161,714,018	\$ 205,682,026
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 3,929,293	\$ 5,571,422
Total liabilities	3,929,293	5,571,422
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	85,743	-
Total deferred inflows of resources	85,743	-
 Fund balance		
Restricted for capital projects	157,698,982	200,110,604
Total fund balance	157,698,982	200,110,604
Total liabilities, deferred inflows of resources and fund balances	\$ 161,714,018	\$ 205,682,026

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, 2017
 (With comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Revenues		
Sales tax	\$ 403,028	\$ 303,832
Investment earnings	580,972	548,224
Total revenues	<u>984,000</u>	<u>852,056</u>
Expenditures		
Infrastructure and regulation:		
Personal services	58,137	67,395
Construction contracts - State	36,039,351	32,979,511
Capital outlay - infrastructure	7,119,817	6,584,395
Disaster	4,094	-
Indirect cost allocation	136,275	123,582
Total expenditures	<u>43,357,674</u>	<u>39,754,883</u>
Excess (deficiency) of revenue over expenditures	<u>(42,373,674)</u>	<u>(38,902,827)</u>
Other Financing Sources (Uses)		
Transfers Out	<u>(37,948)</u>	<u>(16,000,000)</u>
Total other financing sources (uses)	<u>(37,948)</u>	<u>(16,000,000)</u>
Net change in fund balance	(42,411,622)	(54,902,827)
Fund balance at beginning of year	<u>200,110,604</u>	<u>255,013,431</u>
Fund balance at end of year	<u>\$ 157,698,982</u>	<u>\$ 200,110,604</u>

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECT SALES TAX FUND - RIDE III
 BALANCE SHEETS

June 30, 2017
 (with comparative amounts for June 30, 2016)

	2017*	2016
Assets		
Pooled cash and investments	\$ 4,009	\$ -
Due from other governments	14,219,841	-
Total assets	\$ 14,223,850	\$ -
 Liabilities		
Liabilities:		
Accounts payable - trade	\$ 151	\$ -
Accrued salaries and wages	3,858	-
Total liabilities	4,009	-
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	14,219,841	-
Total deferred inflows of resources	14,219,841	-
 Total liabilities and deferred inflows of resources	\$ 14,223,850	\$ -

**Initial year for CPST RIDE 3.*

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, 2017
 (With comparative actual amounts for the year ended June 30, 2016)

	<u>2017*</u>	<u>2016</u>
Revenues		
Sales tax	\$ -	\$ -
Intergovernmental	-	-
Investment earnings	-	-
Total revenues	<u>-</u>	<u>-</u>
Expenditures		
Infrastructure and regulation:		
Personal services	31,857	-
Contractual services	326	-
Supplies and materials	5,765	-
Total expenditures	<u>37,948</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(37,948)</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfers in	37,948	-
Total other financing sources (uses)	<u>37,948</u>	<u>-</u>
Net change in fund balance	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

**Initial year for CPST RIDE 3.*

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 2,122,246	\$ 3,404,817
Receivables, net:		
Property taxes	85,670	69,391
Restricted assets	1,353,127	5,496,988
Total assets	<u>\$ 3,561,185</u>	<u>\$ 8,971,196</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 81,702	\$ 67,719
Total deferred inflows of resources	<u>81,702</u>	<u>67,719</u>
 Fund balance:		
Restricted for capital projects	<u>3,479,483</u>	<u>8,903,477</u>
Total fund balance	<u>3,479,483</u>	<u>8,903,477</u>
Total deferred inflows of resources and fund balance	<u>\$ 3,561,185</u>	<u>\$ 8,971,196</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, 2017
 (With comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,432,702	\$ 1,447,783	\$ 15,081	\$ 1,426,107
Personal property taxes	126,248	125,854	(394)	119,856
Vehicle taxes	204,420	220,727	16,307	211,080
Fee in lieu of tax	4,200	9,967	5,767	8,667
Interest	2,000	17,856	15,856	9,743
Total revenues	<u>1,769,570</u>	<u>1,822,187</u>	<u>52,617</u>	<u>1,775,453</u>
Expenditures				
Current:				
Public Safety:				
Contractual services	1,500	1,500	-	-
Capital outlay	7,213,170	5,664,385	1,548,785	27,363
Indirect cost allocation	30,000	30,000	-	30,000
Capital lease - principal	1,325,000	1,325,000	-	778,107
Capital lease - interest	225,297	225,296	1	149,385
Other	331,008	-	331,008	-
Total expenditures	<u>9,125,975</u>	<u>7,246,181</u>	<u>1,879,794</u>	<u>984,855</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,356,405)</u>	<u>(5,423,994)</u>	<u>1,932,411</u>	<u>790,598</u>
Other Financing Sources (Uses)				
Capital lease proceeds	-	-	-	5,500,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>
Net change in fund balance	<u>(7,356,405)</u>	<u>(5,423,994)</u>	<u>1,932,411</u>	<u>6,290,598</u>
Fund balance at beginning of year	<u>8,903,477</u>	<u>8,903,477</u>	<u>-</u>	<u>2,612,879</u>
Fund balance at end of year	<u>\$ 1,547,072</u>	<u>\$ 3,479,483</u>	<u>\$ 1,932,411</u>	<u>\$ 8,903,477</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	<u>\$ 451,964</u>	<u>\$ 360,909</u>
Total assets	<u>\$ 451,964</u>	<u>\$ 360,909</u>
Fund balance :		
Restricted for culture, recreation and tourism	\$ 34,198	\$ 32,868
Restricted for infrastructure and regulation	<u>417,766</u>	<u>328,041</u>
Total fund balance	<u>\$ 451,964</u>	<u>\$ 360,909</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2017
(With comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Revenues		
Interest	\$ 2,076	\$ 889
Other	88,979	88,000
Total revenues	<u>91,055</u>	<u>88,889</u>
Expenditures		
Culture, recreation and tourism:		
Other	-	1,000
Total expenditures	<u>-</u>	<u>1,000</u>
Excess of revenue over expenditures	<u>91,055</u>	<u>87,889</u>
Net change in fund balance	91,055	87,889
Fund balance at beginning of year	<u>360,909</u>	<u>273,020</u>
Fund balance at end of year	<u>\$ 451,964</u>	<u>\$ 360,909</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 propriety 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, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 4,286,497	\$ 3,210,775
Receivables (net):		
Fees receivable	5,748,839	5,337,544
Funds held in trust (restricted):		
Loan reserve account	49,282,559	46,995,224
Total assets	<u>\$ 59,317,895</u>	<u>\$ 55,543,543</u>
 Fund Balance		
Restricted for debt service	<u>\$ 59,317,895</u>	<u>\$ 55,543,543</u>
Total fund balance	<u>\$ 59,317,895</u>	<u>\$ 55,543,543</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Hospitality Fees	\$ 37,429,900	\$ 40,868,582	\$ 3,438,682	\$ 38,632,666
Interest	531,000	796,417	265,417	688,692
Total revenues	<u>37,960,900</u>	<u>41,664,999</u>	<u>3,704,099</u>	<u>39,321,358</u>
Expenditures				
Debt Service:				
Principal	33,581,667	33,581,667	-	30,982,594
Interest	3,905,324	3,905,324	-	4,890,124
Contingency	109,010	-	109,010	-
Total debt service	<u>37,596,001</u>	<u>37,486,991</u>	<u>109,010</u>	<u>35,872,718</u>
Excess of revenue over expenditures	<u>364,899</u>	<u>4,178,008</u>	<u>3,813,109</u>	<u>3,448,640</u>
Other Financing Sources (Uses)				
Transfers out	(364,899)	(403,656)	(38,757)	(436,690)
Total other financing sources (uses)	<u>(364,899)</u>	<u>(403,656)</u>	<u>(38,757)</u>	<u>(436,690)</u>
Net change in fund balance	-	3,774,352	3,774,352	3,011,950
Fund balance, beginning of year	<u>55,543,543</u>	<u>55,543,543</u>	-	<u>52,531,593</u>
Fund balance, end of year	<u>\$ 55,543,543</u>	<u>\$ 59,317,895</u>	<u>\$ 3,774,352</u>	<u>\$ 55,543,543</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2017

	Non-Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 7,730,260	\$ 156,397	\$ 7,886,657
Receivables, net:			
Taxes	436,742	-	436,742
Fees	1,542	32,046	33,588
Due from other governments	9,230		9,230
Restricted assets	-	232,044	232,044
Total assets	<u>\$ 8,177,774</u>	<u>\$ 420,487</u>	<u>\$ 8,598,261</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 399,774	\$ -	\$ 399,774
Total deferred inflows of resources	<u>399,774</u>	<u>-</u>	<u>399,774</u>
Fund Balance			
Restricted for debt service	7,778,000	420,487	8,198,487
Total fund balance	<u>7,778,000</u>	<u>420,487</u>	<u>8,198,487</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,177,774</u>	<u>\$ 420,487</u>	<u>\$ 8,598,261</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, 2017

	Non- Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Revenues			
Real property taxes	\$ 8,898,944	\$ -	\$ 8,898,944
Personal property taxes	641,445	-	641,445
Vehicle taxes	978,401	-	978,401
Fee in lieu of tax	84,044	-	84,044
Intergovernmental	35,499	-	35,499
Hospitality fees	-	243,675	243,675
Interest	168,105	692	168,797
Other	13,246	-	13,246
Total revenues	<u>10,819,684</u>	<u>244,367</u>	<u>11,064,051</u>
Expenditures			
Debt service:			
Principal	9,933,000	210,000	10,143,000
Interest	2,242,256	27,825	2,270,081
Agents fees	2,162	-	2,162
Bond Issue Costs	36,765	-	36,765
Total debt service	<u>12,214,183</u>	<u>237,825</u>	<u>12,452,008</u>
Total expenditures	<u>12,214,183</u>	<u>237,825</u>	<u>12,452,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,394,499)</u>	<u>6,542</u>	<u>(1,387,957)</u>
Other Financing Sources (Uses)			
Transfers in	1,792,848	-	1,792,848
Proceeds of Refunding Bonds	6,985,000	-	6,985,000
Debt service - principal	(6,960,000)	-	(6,960,000)
Total other financing sources	<u>1,817,848</u>	<u>-</u>	<u>1,817,848</u>
Net change in fund balance	423,349	6,542	429,891
Fund balance at beginning of year	<u>7,354,651</u>	<u>413,945</u>	<u>7,768,596</u>
Fund balance at end of year	<u>\$ 7,778,000</u>	<u>\$ 420,487</u>	<u>\$ 8,198,487</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 7,730,260	\$ 7,302,201
Receivables, net:		
Property taxes	436,742	392,044
Other	1,542	-
Due from other governments	9,230	-
Total assets	<u>\$ 8,177,774</u>	<u>\$ 7,694,245</u>
Liabilities		
Liabilities:		
Accounts payable - trade	\$ -	\$ 818
Total liabilities	<u>-</u>	<u>818</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	399,774	338,776
Total deferred inflows of resources	<u>399,774</u>	<u>338,776</u>
Fund Balance		
Restricted for debt service	7,778,000	7,354,651
Total fund balance	<u>7,778,000</u>	<u>7,354,651</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 8,177,774</u>	<u>\$ 7,694,245</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 8,676,232	\$ 8,898,944	\$ 222,712	\$ 8,625,777
Personal property taxes	649,011	641,445	(7,566)	630,994
Vehicle taxes	911,142	978,401	67,259	925,017
Fee in lieu of tax	50,000	84,044	34,044	74,904
Intergovernmental	35,026	35,499	473	35,026
Interest	129,674	168,105	38,431	146,408
Other	13,245	13,246	1	-
Total revenues	<u>10,464,330</u>	<u>10,819,684</u>	<u>355,354</u>	<u>10,438,126</u>
Expenditures				
Debt Service:				
Principal	9,933,000	9,933,000	-	9,650,000
Interest	2,315,696	2,242,256	73,440	2,645,046
Agents fees	6,000	2,162	3,838	4,187
Bond issuance costs	38,245	36,765	1,480	61,834
Total expenditures	<u>12,292,941</u>	<u>12,214,183</u>	<u>78,758</u>	<u>12,361,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,828,611)</u>	<u>(1,394,499)</u>	<u>434,112</u>	<u>(1,922,941)</u>
Other Financing Sources (Uses)				
Transfers in	1,792,848	1,792,848	-	1,425,338
Proceeds of Refunding Bonds	6,985,000	6,985,000	-	-
Debt service - principal	(6,960,000)	(6,960,000)	-	-
Issuance of bonded debt	-	-	-	15,410,000
Payment to refund bonds	-	-	-	(15,337,428)
Total other financing sources	<u>1,817,848</u>	<u>1,817,848</u>	<u>-</u>	<u>1,497,910</u>
Net change in fund balance	<u>(10,763)</u>	<u>423,349</u>	<u>434,112</u>	<u>(425,031)</u>
Fund balance at beginning of year	<u>7,354,651</u>	<u>7,354,651</u>	<u>-</u>	<u>7,779,682</u>
Fund balance at end of year	<u>\$ 7,343,888</u>	<u>\$ 7,778,000</u>	<u>\$ 434,112</u>	<u>\$ 7,354,651</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Pooled cash and investments	\$ 156,397	\$ 187,407
Receivables, net:		
Fees	32,046	-
Restricted assets	<u>232,044</u>	<u>226,538</u>
Total assets	<u>\$ 420,487</u>	<u>\$ 413,945</u>
 Fund Balance		
Restricted for debt service	<u>\$ 420,487</u>	<u>\$ 413,945</u>
Total fund balance	<u>\$ 420,487</u>	<u>\$ 413,945</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, 2017
 (with comparative actual amounts for the year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 243,675	\$ 243,675	\$ -	\$ 242,550
Interest	-	692	692	261
Total revenues	<u>243,675</u>	<u>244,367</u>	<u>692</u>	<u>242,811</u>
Expenditures				
Debt Service:				
Principal	210,000	210,000	-	199,500
Interest	33,075	27,825	5,250	38,063
Agents fees	600	-	600	-
Total debt service	<u>243,675</u>	<u>237,825</u>	<u>5,850</u>	<u>237,563</u>
Net change in fund balance	-	6,542	6,542	5,248
Fund balance at beginning of year	<u>413,945</u>	<u>413,945</u>	-	<u>408,697</u>
Fund balance at end of year	<u>\$ 413,945</u>	<u>\$ 420,487</u>	<u>\$ 6,542</u>	<u>\$ 413,945</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, 2017

(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 55,152,579	\$ 49,250,297
Accounts receivable (net of allowance of \$150,474 in 2017 and \$421,366 in 2016)	1,454,327	2,358,567
Accounts receivable-insurance	91,144	-
Interest receivable	-	35,231
Due from other governments	599,957	1,233,602
Inventories	1,031,701	981,859
Prepaid items	223,489	134,580
Total current assets	<u>58,553,197</u>	<u>53,994,136</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	45,833,041	27,984,713
Investments	-	12,930,216
Receivables - PFC and CFC	970,503	1,030,181
Total restricted assets	<u>46,803,544</u>	<u>41,945,110</u>
Capital assets:		
Land, easements and infrastructure	32,455,493	32,455,493
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	208,854,469	212,715,024
Construction-in-progress	872,045	696,550
Total capital assets, net	<u>242,182,007</u>	<u>245,867,067</u>
Service concession arrangement (SCA)	7,825,057	-
Total assets	<u>355,363,805</u>	<u>341,806,313</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	739,141	665,450
Difference between projected and actual investment experience	1,114,361	766,228
Difference between expected and actual retirement plan experience	139,115	204,503
Change in proportionate share of net pension liability	306,311	274,493
Total deferred outflows of resources	<u>2,298,928</u>	<u>1,910,674</u>
Total assets and deferred outflows of resources	<u>\$ 357,662,733</u>	<u>\$ 343,716,987</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

- CONTINUED -

	<u>2017</u>	<u>2016</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,442,845	\$ 1,256,715
Construction accounts and retainage payable	-	619,488
Accrued salaries, wages and compensated absences	419,390	427,338
Other accrued expenses	338,762	302,958
Due to other funds	1,141,465	1,061,145
Unearned revenue from operating agreements	459,836	275,138
Due to other governments	50,500	-
Capital lease payable - current portion	55,623	54,990
Amounts due to tenants, airlines, car rentals	587,975	890,491
Total current liabilities	<u>4,496,396</u>	<u>4,888,263</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,370,000	1,320,000
Accrued interest payable	1,466,997	1,493,397
Total current liabilities payable from restricted assets	<u>2,836,997</u>	<u>2,813,397</u>
Noncurrent liabilities:		
Revenue bonds payable	55,249,353	56,612,451
Compensated absences - long term	944,881	953,840
Net other post-employment benefits obligation (NOO)	831,402	818,582
Net pension liability	12,518,662	11,300,441
Present value of payments under Service Concession Arrangement	7,825,057	-
Capital lease payable	277,993	333,615
Total non-current liabilities	<u>77,647,348</u>	<u>70,018,929</u>
Total liabilities	<u>84,980,741</u>	<u>77,720,589</u>
Deferred Inflows of Resources		
Difference between projected and actual investment earnings - pension	-	682,866
Difference between expected and actual retirement plan experience	11,326	16,958
Total deferred inflows of resources	<u>11,326</u>	<u>699,824</u>
Net position		
Net investment in capital assets	186,599,038	188,866,010
Restricted for:		
Debt service	22,956,681	21,248,771
Capital projects	21,007,757	17,882,860
Unrestricted	42,107,190	37,298,933
Total net position	<u>272,670,666</u>	<u>265,296,574</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 357,662,733</u>	<u>\$ 343,716,987</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, 2017
(with comparative amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Landing fees	\$ 1,595,249	\$ 1,383,031
Airline terminal rents	6,309,725	6,296,539
Concessions and rentals	10,113,063	8,680,907
Baggage Handling System	809,144	904,012
Security fees	236,605	202,399
Leases	908,524	832,026
Fuel sales - FBO	5,397,309	4,452,995
Other airline services	536,733	504,729
Federal revenue- TSA LEO reimbursement program	115,570	132,129
Other	800,420	712,888
Total operating revenues	<u>26,822,342</u>	<u>24,101,655</u>
Less, signatory airline rebate and incentive fee waivers	<u>(332,614)</u>	<u>(755,696)</u>
Net operating revenues	<u>26,489,728</u>	<u>23,345,959</u>
Operating Expenses		
Salaries and benefits	8,825,459	8,300,850
Utilities	1,714,881	1,574,291
Baggage Handling System	809,144	904,012
Outside and professional services	1,257,770	1,300,602
Maintenance and supplies	1,642,293	1,398,001
Fuel cost of sales	3,375,877	2,696,440
Vehicle and equipment (non-capital) expense	461,816	448,912
Insurance	427,470	431,491
Dues, memberships and travel	244,878	224,314
Office supplies	39,269	43,547
Indirect cost allocation	400,000	296,945
Depreciation and amortization	11,750,454	11,381,544
Bad debt expense	<u>(67,669)</u>	<u>66,022</u>
Total operating expenses	<u>30,881,642</u>	<u>29,066,971</u>
Operating loss	<u>(4,391,914)</u>	<u>(5,721,012)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

- CONTINUED -

	<u>2017</u>	<u>2016</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC)	4,388,439	3,917,745
Contract Facility Charges (CFC)	3,312,600	3,130,401
Intergovernmental revenues - City of Myrtle Beach	2,168,152	2,169,260
Gain / (loss) on disposal/sale of capital assets	27,093	24,525
Other expense	(144,152)	(55,922)
Interest income	663,970	391,725
Interest expense	(2,945,001)	(2,998,892)
Interest subsidy on Recovery Zone Economic Bonds	298,410	298,731
Net non-operating revenues (expenses)	<u>7,769,511</u>	<u>6,877,573</u>
 Income before capital contributions	 <u>3,377,597</u>	 <u>1,156,561</u>
Capital Contributions		
Federal grant revenue - capital projects	3,959,468	693,876
State grant revenue - capital projects	37,027	605
Net capital contributions	<u>3,996,495</u>	<u>694,481</u>
 Increase in net position	 <u>7,374,092</u>	 <u>1,851,042</u>
Net Position		
Beginning of year	<u>265,296,574</u>	<u>263,445,532</u>
End of year	<u>\$ 272,670,666</u>	<u>\$ 265,296,574</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

(with comparative amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 20,678,278	\$ 17,063,814
FBO fuel sales and airline services	5,880,750	5,002,912
Other	784,791	721,692
Cash paid for:		
Salaries and benefits	(8,688,077)	(8,237,708)
Maintenance, supplies, fuel, utilities and equipment	(10,209,895)	(9,037,358)
Net cash provided by operating activities	<u>8,445,847</u>	<u>5,513,352</u>
Cash flows from non-capital financing activities		
Settlement-insurance	(78,202)	-
Building demolition and tree removal	(157,093)	(55,922)
Net cash used in non-capital financing activities	<u>(235,295)</u>	<u>(55,922)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	7,760,717	6,867,938
Acquisition and construction of capital assets	(8,684,882)	(7,029,434)
Sale of capital assets	27,093	24,525
Interest paid on bonds and notes	(2,964,500)	(3,017,390)
Principal payments on bonds and notes	(1,320,000)	(1,270,000)
Call premium on cash redemption		
Receipt of federal subsidy for "RZEDB" (Series 2010B)	298,410	298,731
Principal payments on capital lease obligation	(54,989)	(95,639)
Receipt of intergovernmental and private grants	2,168,152	2,169,260
Proceeds from Airport Improvement Program, TSA and State grants	4,680,640	1,608,820
Net cash used in capital and related financing activities	<u>1,910,641</u>	<u>(443,189)</u>
Cash flows from investing activities		
Investment purchases	-	(12,930,216)
Investment sales	12,930,216	16,584,952
Interest on investments	699,201	393,192
Net cash provided by investing activities	<u>13,629,417</u>	<u>4,047,928</u>
Net increase in cash and cash equivalents	<u>23,750,610</u>	<u>9,062,169</u>
Cash and cash equivalents, beginning of year		
Unrestricted	49,250,297	46,286,871
Restricted	27,984,713	21,885,970
	<u>77,235,010</u>	<u>68,172,841</u>
Cash and cash equivalents, end of year		
Unrestricted	55,152,579	49,250,297
Restricted	45,833,041	27,984,713
	<u>\$ 100,985,620</u>	<u>\$ 77,235,010</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	<u>2017</u>	<u>2016</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (4,391,914)	\$ (5,721,012)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	11,750,454	11,381,544
Bad debt expense	(67,669)	66,022
(Increase) decrease in certain assets:		
Accounts receivable	971,909	(426,630)
Prepaid items	(88,909)	(34,947)
Inventories	(49,842)	(89,263)
(Decrease) increase in certain liabilities:		
Accounts payable	186,130	412,646
Accrued salaries, wages and compensated absences	(16,907)	(214,206)
Net other post-employment benefit obligation	12,820	5,009
Net pension obligation and related deferred inflows and outflows	141,469	272,339
Other accrued expenses	35,804	(120,291)
Due to Horry County - General Fund	80,320	113,052
Unearned revenue	184,698	(29,678)
Amounts due to tenants, airlines, car rentals	(302,516)	(101,233)
Net cash provided by operating activities	<u>\$ 8,445,847</u>	<u>\$ 5,513,352</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUND

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, 2017

	<u>Fleet</u>	<u>Communications</u>	<u>Total</u>
Assets			
Current assets:			
Pooled cash and investments	\$ 23,970,186	\$ 436,066	\$ 24,406,252
Accounts receivable	-	4,067	4,067
Due from other governments-SWA	-	100,711	100,711
Prepaid	-	79,800	79,800
Inventory	240,489	-	240,489
Total current assets	<u>24,210,675</u>	<u>620,644</u>	<u>24,831,319</u>
Non-current assets:			
Capital assets:			
Land improvements	17,750	-	17,750
Machinery and equipment	35,948,017	4,273,472	40,221,489
Construction-in-progress	3,338	-	3,338
Less, accumulated depreciation	<u>(23,335,620)</u>	<u>(1,428,607)</u>	<u>(24,764,227)</u>
Net capital assets	<u>12,633,485</u>	<u>2,844,865</u>	<u>15,478,350</u>
Total assets	<u>36,844,160</u>	<u>3,465,509</u>	<u>40,309,669</u>
Deferred outflows of resources:			
Contributions to retirement plan after measurement date	93,858	22,570	116,428
Difference between expected and actual retirement plan experience	14,513	-	14,513
Difference between projected and actual investment experience	117,789	-	117,789
Change in proportionate share of net pension liability	<u>33,272</u>	<u>-</u>	<u>33,272</u>
Total deferred outflows of resources	<u>259,432</u>	<u>22,570</u>	<u>282,002</u>
Total assets and deferred outflows of resources	<u>\$ 37,103,592</u>	<u>\$ 3,488,079</u>	<u>\$ 40,591,671</u>
Liabilities			
Current liabilities:			
Accounts payable-trade	\$ 251,158	\$ 11,148	\$ 262,306
Accrued salaries, wages and compensated absences	19,271	4,217	23,488
Capital Lease - current portion	-	516,081	516,081
Total current liabilities	<u>270,429</u>	<u>531,446</u>	<u>801,875</u>
Non-current liabilities:			
Compensated absences - long term	96,739	-	96,739
Capital lease payable	-	2,217,353	2,217,353
Net other post-employment benefits obligation	210,936	2,802	213,738
Net pension liability	<u>1,400,046</u>	<u>-</u>	<u>1,400,046</u>
Total non-current liabilities	<u>1,707,721</u>	<u>2,220,155</u>	<u>3,927,876</u>
Total Liabilities	<u>1,978,150</u>	<u>2,751,601</u>	<u>4,729,751</u>
Deferred Inflows of Resources			
Difference between expected and actual retirement plan experience	<u>1,520</u>	<u>-</u>	<u>1,520</u>
Total deferred inflows of resources	<u>1,520</u>	<u>-</u>	<u>1,520</u>
Net position			
Net investment in capital assets	12,633,485	111,431	12,744,916
Restricted for capital	<u>22,490,437</u>	<u>625,047</u>	<u>23,115,484</u>
Total net position	<u>35,123,922</u>	<u>736,478</u>	<u>35,860,400</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 37,103,592</u>	<u>\$ 3,488,079</u>	<u>\$ 40,591,671</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017

	Fleet	Communications	Total
Operating Revenues			
Charges for services	\$ 8,439,851	\$ 1,333,834	\$ 9,773,685
Fees	-	899,075	899,075
Intergovernmental-Other	-	20,436	20,436
Other	-	1,122	1,122
Total operating revenues	<u>8,439,851</u>	<u>2,254,467</u>	<u>10,694,318</u>
Operating Expenses			
Personal services	1,317,109	219,211	1,536,320
Contractual services	35,492	911,111	946,603
Supplies and materials	37,707	33,748	71,455
Business and transportation	1,747,642	15,617	1,763,259
Indirect cost allocation plan	9,336	33,986	43,322
Depreciation	3,984,481	530,726	4,515,207
Other	11,073	5,200	16,273
Disaster	8,667	2,657	11,324
Total operating expenses	<u>7,151,507</u>	<u>1,752,256</u>	<u>8,903,763</u>
Operating income (loss)	<u>1,288,344</u>	<u>502,211</u>	<u>1,790,555</u>
Nonoperating revenues (expenses)			
Gain (loss) on disposal of assets	97,629	-	97,629
Other	75,252	-	75,252
Interest revenue	117,261	-	117,261
Interest expense	-	(93,202)	(93,202)
Net non-operating revenues	<u>290,142</u>	<u>(93,202)</u>	<u>196,940</u>
Income before transfers	<u>1,578,486</u>	<u>409,009</u>	<u>1,987,495</u>
Transfers in	393,806	567,439	961,245
Transfers out	<u>(4,147)</u>	<u>(239,970)</u>	<u>(244,117)</u>
Change in net position	1,968,145	736,478	2,704,623
Net position, beginning of year	<u>33,155,777</u>	-	<u>33,155,777</u>
Net position, end of year	<u>\$ 35,123,922</u>	<u>\$ 736,478</u>	<u>35,860,400</u>

HORRY COUNTY, SOUTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Fleet</u>	<u>Communications</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from:			
Services	\$ 8,439,851	\$ 1,229,056	\$ 9,668,907
Fees and Other	-	900,197	900,197
Intergovernmental	-	20,436	20,436
Cash paid for:			
Salaries and benefits	(1,156,388)	(234,762)	(1,391,150)
Maintenance, supplies, fuel, utilities and equipment	(2,204,469)	(1,029,128)	(3,233,597)
Other supplies and miscellaneous costs	(11,073)	(41,843)	(52,916)
Net cash provided by operating activities	<u>5,067,921</u>	<u>843,956</u>	<u>5,911,877</u>
Cash flows from non-capital and related financing activities			
Transfers in	393,806	782,287	1,176,093
Transfers out	(4,147)	(239,970)	(244,117)
Net cash provided by non-capital and related financing activities	<u>389,659</u>	<u>542,317</u>	<u>931,976</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(4,459,915)	(355,376)	(4,815,291)
Proceeds from disposition of capital assets	176,638	-	176,638
Principal paid on capital debt	-	(501,629)	(501,629)
Interest paid on capital debt	-	(93,202)	(93,202)
Miscellaneous proceeds	75,252	-	75,252
Net cash used in capital and other related financing activities	<u>(4,208,025)</u>	<u>(950,207)</u>	<u>(5,158,232)</u>
Cash flows from investing activities			
Interest income	117,261	-	117,261
Net cash provided by investing activities	<u>117,261</u>	<u>-</u>	<u>117,261</u>
Net change in cash and cash equivalents	1,366,816	436,066	1,802,882
Cash and cash equivalents, beginning of year	22,603,370	-	22,603,370
Cash and cash equivalents, end of year	<u>\$ 23,970,186</u>	<u>\$ 436,066</u>	<u>\$ 24,406,252</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,288,344	\$ 502,211	\$ 1,790,555
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	3,984,481	530,726	4,515,207
(Increase) decrease in assets:			
Accounts receivable	-	(4,067)	(4,067)
Due from other governments	-	(100,711)	(100,711)
Prepaid	-	(79,800)	(79,800)
Inventories	194,612	-	194,612
Increase (decrease) in liabilities:			
Accounts payable	(560,237)	11,148	(549,089)
Accrued salaries, wages and compensated absences	160,721	(15,551)	145,170
Net cash provided by operating activities	<u>\$ 5,067,921</u>	<u>\$ 843,956</u>	<u>\$ 5,911,877</u>
Noncash capital and financing activities			
Capital lease transferred from General Liabilities	-	3,235,063	3,235,063
Capital assets transferred from General Assets	-	3,020,215	3,020,215

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2017
(with comparative amounts for June 30, 2016)

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Pooled cash and investments	\$ 23,970,186	\$ 22,603,370
Inventory	240,489	435,101
Total current assets	<u>24,210,675</u>	<u>23,038,471</u>
Non-current assets:		
Capital assets:		
Land improvements	17,750	17,750
Machinery and equipment	35,948,017	33,844,722
Construction-in-progress	3,338	-
Less, accumulated depreciation	<u>(23,335,620)</u>	<u>(21,625,412)</u>
Net capital assets	<u>12,633,485</u>	<u>12,237,060</u>
Total assets	<u>36,844,160</u>	<u>35,275,531</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	93,858	76,809
Difference between expected and actual retirement plan experience	14,513	20,491
Difference between projected and actual investment experience	117,789	81,722
Change in proportionate share of net pension liability	<u>33,272</u>	<u>7,632</u>
Total deferred outflows of resources	<u>259,432</u>	<u>186,654</u>
Total assets and deferred outflows of resources	<u>\$ 37,103,592</u>	<u>\$ 35,462,185</u>
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 251,158	\$ 811,395
Accrued salaries, wages and compensated absences	19,271	16,196
Total current liabilities	<u>270,429</u>	<u>827,591</u>
Non-current liabilities:		
Compensated absences - long term	96,739	110,237
Net other post-employment benefits obligation	210,936	199,449
Net pension liability	<u>1,400,046</u>	<u>1,095,790</u>
Total non-current liabilities	<u>1,707,721</u>	<u>1,405,476</u>
Total Liabilities	<u>1,978,150</u>	<u>2,233,067</u>
Deferred Inflows of Resources		
Difference between projected and actual investment earning - pension	-	72,272
Difference between expected and actual retirement plan experience	1,520	1,069
Total deferred inflows of resources	<u>1,520</u>	<u>73,341</u>
Net position		
Net investment in capital assets	12,633,485	12,237,060
Restricted for capital	<u>22,490,437</u>	<u>20,918,717</u>
Total net position	<u>35,123,922</u>	<u>33,155,777</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 37,103,592</u>	<u>\$ 35,462,185</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, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Charges for services	\$ 8,439,851	\$ 7,054,364
Total operating revenues	<u>8,439,851</u>	<u>7,054,364</u>
Operating Expenses		
Personal services	1,317,109	1,060,078
Contractual services	35,492	35,382
Supplies and materials	37,707	35,345
Business and transportation	1,747,642	1,468,591
Indirect cost allocation plan	9,336	6,736
Capital Outlay	-	-
Depreciation	3,984,481	3,834,375
Other	11,073	11,171
Disaster	8,667	-
Other	-	-
Total operating expenses	<u>7,151,507</u>	<u>6,451,678</u>
Operating income (loss)	<u>1,288,344</u>	<u>602,686</u>
Nonoperating revenues		
Gain (loss) on disposal of assets	97,629	254,707
Other	75,252	116,781
Interest	117,261	61,984
Net non-operating revenues	<u>290,142</u>	<u>433,472</u>
Income before transfers	<u>1,578,486</u>	<u>1,036,158</u>
Transfers in	393,806	513,647
Transfers out	<u>(4,147)</u>	<u>(193,371)</u>
Change in net position	1,968,145	1,356,434
Net position, beginning of year	<u>33,155,777</u>	<u>31,799,343</u>
Net position, end of year	<u><u>\$ 35,123,922</u></u>	<u><u>\$ 33,155,777</u></u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 8,439,851	\$ 7,054,364
Cash paid for:		
Salaries and benefits	(1,156,388)	(1,065,267)
Maintenance, supplies, fuel, utilities and equipment	(2,204,469)	(849,886)
Other supplies and miscellaneous costs	(11,073)	(11,171)
Net cash provided by operating activities	<u>5,067,921</u>	<u>5,128,040</u>
Cash flows from non-capital and related financing activities		
Transfers in	393,806	513,647
Transfers out	(4,147)	(193,371)
Net cash provided by non-capital and related financing activities	<u>389,659</u>	<u>320,276</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(4,459,915)	(4,415,824)
Proceeds from disposition of capital assets	176,638	378,027
Miscellaneous proceeds	75,252	116,781
Net cash used in capital and other related financing activities	<u>(4,208,025)</u>	<u>(3,921,016)</u>
Cash flows from investing activities		
Interest income	117,261	69,198
Net cash provided by investing activities	<u>117,261</u>	<u>69,198</u>
Net change in cash and cash equivalents	1,366,816	1,596,498
Cash and cash equivalents, beginning of year	22,603,370	21,006,872
Cash and cash equivalents, end of year	<u>\$ 23,970,186</u>	<u>\$ 22,603,370</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,288,344	\$ 602,686
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,984,481	3,834,375
(Increase) decrease in assets:		
Inventories	194,612	(41,946)
Increase (decrease) in liabilities:		
Accounts payable	(560,237)	738,114
Accrued salaries, wages and compensated absences	160,721	(5,189)
Net cash provided by operating activities	<u>\$ 5,067,921</u>	<u>\$ 5,128,040</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA
COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2017
(with comparative amounts for June 30, 2016)

	2017*	2016
Assets		
Current assets:		
Pooled cash and investments	\$ 436,066	\$ -
Accounts receivable	4,067	-
Due from other governments	100,711	-
Prepaid	79,800	-
Total current assets	620,644	-
Non-current assets:		
Capital assets:		
Machinery and equipment	4,273,472	-
Less, accumulated depreciation	(1,428,607)	-
Net capital assets	2,844,865	-
Total assets	3,465,509	-
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	22,570	-
Total deferred outflows of resources	22,570	-
Total assets and deferred outflows of resources	\$ 3,488,079	\$ -
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 11,148	\$ -
Accrued salaries, wages and compensated absences	4,217	-
Capital lease payable	516,081	-
Total current liabilities	531,446	-
Non-current liabilities:		
Net other post-employment benefits obligation	2,802	-
Capital lease payable	2,217,353	-
Total non-current liabilities	2,220,155	-
Total Liabilities	2,751,601	-
Net position		
Net investment in capital assets	111,431	-
Restricted for capital	625,047	-
Total net position	736,478	-
Total liabilities, deferred inflows of resources and net position	\$ 3,488,079	\$ -

* Initial year of Communications Internal Service Fund.

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017*</u>	<u>2016</u>
Operating Revenues		
Charges for services	\$ 1,333,834	\$ -
Fees	899,075	-
Intergovernmental-Other	20,436	-
Other	1,122	-
Total operating revenues	<u>2,254,467</u>	<u>-</u>
Operating Expenses		
Personal services	219,211	-
Contractual services	911,111	-
Supplies and materials	33,748	-
Business and transportation	15,617	-
Indirect cost allocation plan	33,986	-
Depreciation	530,726	-
Other	5,200	-
Disaster	2,657	-
Total operating expenses	<u>1,752,256</u>	<u>-</u>
Operating income (loss)	<u>502,211</u>	<u>-</u>
Nonoperating revenues		
Interest expense	<u>(93,202)</u>	-
Net non-operating revenues	<u>(93,202)</u>	<u>-</u>
Income before transfers	<u>409,009</u>	<u>-</u>
Transfers in	567,439	-
Transfers out	<u>(239,970)</u>	<u>-</u>
Change in net position	736,478	-
Net position, beginning of year	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ 736,478</u>	<u>\$ -</u>

* Initial year of Communications Internal Service Fund.

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017
(with comparative actual amounts for the year ended June 30, 2016)

	<u>2017*</u>	<u>2016</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 1,229,056	\$ -
Fees and Other	900,197	-
Intergovernmental	20,436	-
Cash paid for:		
Salaries and benefits	(234,762)	-
Maintenance, supplies, fuel, utilities and equipment	(1,029,128)	-
Other supplies and miscellaneous costs	(41,843)	-
Net cash provided by operating activities	<u>843,956</u>	<u>-</u>
Cash flows from non-capital and related financing activities		
Transfers in	782,287	-
Transfers out	(239,970)	-
Net cash provided by non-capital and related financing activities	<u>542,317</u>	<u>-</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(355,376)	-
Proceeds from disposition of capital assets	-	-
Principal paid on capital debt	(501,629)	-
Interest paid on capital debt	(93,202)	-
Net cash used in capital and other related financing activities	<u>(950,207)</u>	<u>-</u>
Net change in cash and cash equivalents	436,066	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	<u>\$ 436,066</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 502,211	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	530,726	-
(Increase) decrease in assets:		
Accounts receivable	(4,067)	-
Due from other governments	(100,711)	-
Prepaid	(79,800)	-
Increase (decrease) in liabilities:		
Accounts payable	11,148	-
Accrued salaries, wages and compensated absences	(15,551)	-
Net cash provided by operating activities	<u>\$ 843,956</u>	<u>\$ -</u>
Noncash capital and financing activities		
Capital lease transferred from General Liabilities	3,235,063	-
Capital assets transferred from General Assets	3,020,215	-

* Initial year of Communications Internal Service Fund.

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, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Totals-Agency Funds				
Assets:				
Cash and investments	\$ 15,270,723	\$ 44,698,169	\$ 44,884,773	\$ 15,084,119
Pooled cash and investments	372,093,730	600,338,562	673,869,858	298,562,434
Taxes receivable	170,447,495	462,328,911	580,647,338	52,129,068
Fees receivable	589,464	10,414,329	10,221,864	781,929
Total assets	<u>\$ 558,401,412</u>	<u>\$ 1,117,779,971</u>	<u>\$ 1,309,623,833</u>	<u>\$ 366,557,550</u>
Liabilities:				
Due to others	\$ 558,401,412	\$ 1,117,779,971	\$ 1,309,623,833	\$ 366,557,550
Total liabilities	<u>\$ 558,401,412</u>	<u>\$ 1,117,779,971</u>	<u>\$ 1,309,623,833</u>	<u>\$ 366,557,550</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>City of Conway</u>				
Assets:				
Pooled cash and investments	\$ 93,145	\$ 5,920,305	\$ 5,926,026	\$ 87,424
Taxes receivable	1,020,966	5,954,513	5,920,305	1,055,174
Total	<u>\$ 1,114,111</u>	<u>\$ 11,874,818</u>	<u>\$ 11,846,331</u>	<u>\$ 1,142,598</u>
Liabilities:				
Due to others	<u>\$ 1,114,111</u>	<u>\$ 11,874,818</u>	<u>\$ 11,846,331</u>	<u>\$ 1,142,598</u>
<u>City of Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 338,663	\$ 33,494,092	\$ 33,633,007	\$ 199,748
Taxes receivable	5,331,295	32,686,577	32,811,487	5,206,385
Fees receivable	30,496	704,581	682,605	52,472
Total	<u>\$ 5,700,454</u>	<u>\$ 66,885,250</u>	<u>\$ 67,127,099</u>	<u>\$ 5,458,605</u>
Liabilities:				
Due to others	<u>\$ 5,700,454</u>	<u>\$ 66,885,250</u>	<u>\$ 67,127,099</u>	<u>\$ 5,458,605</u>
<u>Town of Loris</u>				
Assets:				
Pooled cash and investments	\$ 7,376	\$ 972,134	\$ 970,056	\$ 9,454
Taxes receivable	221,082	1,010,073	972,134	259,021
Total	<u>\$ 228,458</u>	<u>\$ 1,982,207</u>	<u>\$ 1,942,190</u>	<u>\$ 268,475</u>
Liabilities:				
Due to others	<u>\$ 228,458</u>	<u>\$ 1,982,207</u>	<u>\$ 1,942,190</u>	<u>\$ 268,475</u>
<u>City of North Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 114,728	\$ 16,945,490	\$ 16,968,972	\$ 91,246
Taxes receivable	1,226,270	16,991,550	16,945,490	1,272,330
Fees receivable	-	70,662	70,662	-
Total	<u>\$ 1,340,998</u>	<u>\$ 34,007,702</u>	<u>\$ 33,985,124</u>	<u>\$ 1,363,576</u>
Liabilities:				
Due to others	<u>\$ 1,340,998</u>	<u>\$ 34,007,702</u>	<u>\$ 33,985,124</u>	<u>\$ 1,363,576</u>
<u>Town of Surfside Beach</u>				
Assets:				
Pooled cash and investments	\$ 23,025	\$ 3,017,451	\$ 3,023,027	\$ 17,449
Taxes receivable	250,643	3,038,088	3,017,451	271,280
Total	<u>\$ 273,668</u>	<u>\$ 6,055,539</u>	<u>\$ 6,040,478</u>	<u>\$ 288,729</u>
Liabilities:				
Due to others	<u>\$ 273,668</u>	<u>\$ 6,055,539</u>	<u>\$ 6,040,478</u>	<u>\$ 288,729</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Town of Atlantic Beach</u>				
Assets:				
Pooled cash and investments	\$ 3,392	\$ 235,085	\$ 234,512	\$ 3,965
Taxes receivable	40,544	221,715	235,085	27,174
Total	<u>\$ 43,936</u>	<u>\$ 456,800</u>	<u>\$ 469,597</u>	<u>\$ 31,139</u>
Liabilities:				
Due to others	<u>\$ 43,936</u>	<u>\$ 456,800</u>	<u>\$ 469,597</u>	<u>\$ 31,139</u>
<u>Town of Aynor</u>				
Assets:				
Pooled cash and investments	\$ 4,281	\$ 197,821	\$ 200,208	\$ 1,894
Taxes receivable	33,052	211,473	197,821	46,704
Total	<u>\$ 37,333</u>	<u>\$ 409,294</u>	<u>\$ 398,029</u>	<u>\$ 48,598</u>
Liabilities:				
Due to others	<u>\$ 37,333</u>	<u>\$ 409,294</u>	<u>\$ 398,029</u>	<u>\$ 48,598</u>
<u>Town of Briarcliff Acres</u>				
Assets:				
Pooled cash and investments	\$ 4,037	\$ 291,849	\$ 292,486	\$ 3,400
Taxes receivable	16,964	288,045	291,849	13,160
Total	<u>\$ 21,001</u>	<u>\$ 579,894</u>	<u>\$ 584,335</u>	<u>\$ 16,560</u>
Liabilities:				
Due to others	<u>\$ 21,001</u>	<u>\$ 579,894</u>	<u>\$ 584,335</u>	<u>\$ 16,560</u>
<u>Horry County School District</u>				
<u>Horry County School District Operations/Debt</u>				
Assets:				
Pooled cash and investments	\$ 363,554,169	\$ 524,761,225	\$ 604,806,736	\$ 283,508,658
Taxes receivable	162,145,354	399,502,383	517,849,155	43,798,582
Fees receivable	379,269	7,039,112	6,912,070	506,311
Total	<u>\$ 526,078,792</u>	<u>\$ 931,302,720</u>	<u>\$ 1,129,567,961</u>	<u>\$ 327,813,551</u>
Liabilities:				
Due to others	<u>\$ 526,078,792</u>	<u>\$ 931,302,720</u>	<u>\$ 1,129,567,961</u>	<u>\$ 327,813,551</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Murrells Inlet-Garden City</u>				
<u>Murrells Inlet-Garden City Fire District</u>				
Assets:				
Pooled cash and investments	\$ 37,216	\$ 2,406,561	\$ 2,414,051	\$ 29,726
Taxes receivable	161,325	2,424,494	2,406,561	179,258
Total	<u>\$ 198,541</u>	<u>\$ 4,831,055</u>	<u>\$ 4,820,612</u>	<u>\$ 208,984</u>
Liabilities:				
Due to others	<u>\$ 198,541</u>	<u>\$ 4,831,055</u>	<u>\$ 4,820,612</u>	<u>\$ 208,984</u>
<u>Grand Strand Water and Sewer Authority</u>				
Assets:				
Pooled cash and investments	\$ 710	\$ 616	\$ 1,326	\$ -
Front footage assessment	-	616	616	-
Total	<u>\$ 710</u>	<u>\$ 1,232</u>	<u>\$ 1,942</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ 710</u>	<u>\$ 1,232</u>	<u>\$ 1,942</u>	<u>\$ -</u>
<u>Fireman's Fund</u>				
Assets:				
Cash	<u>\$ -</u>	<u>\$ 137,877</u>	<u>\$ -</u>	<u>\$ 137,877</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 137,877</u>	<u>\$ -</u>	<u>\$ 137,877</u>
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	<u>\$ 357,698</u>	<u>\$ 223,589</u>	<u>\$ 435,395</u>	<u>\$ 145,892</u>
Liabilities:				
Due to others	<u>\$ 357,698</u>	<u>\$ 223,589</u>	<u>\$ 435,395</u>	<u>\$ 145,892</u>
<u>Police Fund</u>				
Assets:				
Cash	<u>\$ 5,652</u>	<u>\$ 80,618</u>	<u>\$ 85,993</u>	<u>\$ 277</u>
Liabilities:				
Due to others	<u>\$ 5,652</u>	<u>\$ 80,618</u>	<u>\$ 85,993</u>	<u>\$ 277</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ 92,405	\$ 55,231	\$ 147,636	\$ -
Liabilities:				
Due to others	\$ 92,405	\$ 55,231	\$ 147,636	\$ -
<u>Environmental Services</u>				
Assets:				
Cash	\$ 46,239	\$ 139	\$ -	\$ 46,378
Liabilities:				
Due to others	\$ 46,239	\$ 139	\$ -	\$ 46,378
<u>Library Endowment</u>				
Assets:				
Cash	\$ 71,287	\$ 7,164	\$ 25,067	\$ 53,384
Liabilities:				
Due to others	\$ 71,287	\$ 7,164	\$ 25,067	\$ 53,384
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 64,502	\$ 92,106	\$ 91,569	\$ 65,039
Liabilities:				
Due to others	\$ 64,502	\$ 92,106	\$ 91,569	\$ 65,039
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ 58,728	\$ 78,942	\$ 78,633	\$ 59,037
Liabilities:				
Due to others	\$ 58,728	\$ 78,942	\$ 78,633	\$ 59,037
<u>Solicitor DEU Asset Forfeiture</u>				
Assets:				
Cash	\$ 208,975	\$ 299,417	\$ 253,826	\$ 254,566
Liabilities:				
Due to others	\$ 208,975	\$ 299,417	\$ 253,826	\$ 254,566

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Police Flower Fund</u>				
Assets:				
Cash	\$ 3,039	\$ -	\$ 3,039	\$ -
Liabilities:				
Due to others	\$ 3,039	\$ -	\$ 3,039	\$ -
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 6,175	\$ -	\$ 6,175
Cash	7,346,060	2,555,911	2,500,120	7,401,851
Fees receivable	179,699	2,599,358	2,555,911	223,146
Total	<u>\$ 7,525,759</u>	<u>\$ 5,161,444</u>	<u>\$ 5,056,031</u>	<u>\$ 7,631,172</u>
Liabilities:				
Due to others	<u>\$ 7,525,759</u>	<u>\$ 5,161,444</u>	<u>\$ 5,056,031</u>	<u>\$ 7,631,172</u>
<u>Developer LOC</u>				
Assets:				
Pooled cash and investments	<u>\$ 7,912,988</u>	<u>\$ 12,089,758</u>	<u>\$ 5,399,451</u>	<u>\$ 14,603,295</u>
Liabilities:				
Due to others	<u>\$ 7,912,988</u>	<u>\$ 12,089,758</u>	<u>\$ 5,399,451</u>	<u>\$ 14,603,295</u>
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash and investments	<u>\$ 7,016,138</u>	<u>\$ 41,167,175</u>	<u>\$ 41,263,495</u>	<u>\$ 6,919,818</u>
Liabilities:				
Due to others	<u>\$ 7,016,138</u>	<u>\$ 41,167,175</u>	<u>\$ 41,263,495</u>	<u>\$ 6,919,818</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

**SCHEDULES OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE**

June 30, 2017

(With comparative amounts for June 30, 2016)

Governmental funds- capital assets	<u>2017</u>	<u>2016</u>
Land and easements	\$ 23,877,800	\$ 23,758,693
Land improvements	9,625,955	8,931,458
Buildings and improvements	237,905,570	237,300,324
Machinery, equipment and	96,252,242	105,152,711
Intangible Assets	552,070	552,070
Infrastructure	488,432,623	482,985,121
Construction-in-progress	66,284,129	42,527,535
	<hr/>	<hr/>
Total governmental funds capital assets	<u>\$ 922,930,389</u>	<u>\$ 901,207,912</u>
Investment in governmental funds capital assets by source		
General Obligations Bonds	\$ 185,713,571	\$ 185,713,571
General Fund Revenue	133,386,060	137,360,921
Special Revenue Fund Revenue	53,058,955	52,646,617
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	540,721,500	515,436,500
	<hr/>	<hr/>
Total investment in governmental funds capital assets	<u>\$ 922,930,389</u>	<u>\$ 901,207,912</u>

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

June 30, 2017

	Land	Land improvements	Buildings and improvements	Machinery Equipment & Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
Function and Activity:								
General government	\$ 13,425,645	\$ 1,792,974	\$ 79,121,247	\$ 28,284,688	\$ 552,070	\$ -	\$ -	\$ 123,176,624
Public safety	2,820,004	144,057	100,725,082	60,681,109				164,370,252
Infrastructure	853,532	1,474,314	3,628,448	3,636,619		488,432,623		498,025,536
Health and social services	90,000	-	8,516,304	20,910				8,627,214
Cultural and recreation	6,688,619	6,214,610	45,914,489	3,628,916				62,446,634
Construction-in-progress	-						66,284,129	66,284,129
Total governmental funds capital assets	<u>\$ 23,877,800</u>	<u>\$ 9,625,955</u>	<u>\$ 237,905,570</u>	<u>\$ 96,252,242</u>	<u>\$ 552,070</u>	<u>\$ 488,432,623</u>	<u>\$ 66,284,129</u>	<u>\$ 922,930,389</u>

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, 2017

	Balances June 30, 2016	Additions	Deletions/ Transfers	Balances June 30, 2017
Functions and Activity:				
General government	\$ 123,009,613	83,664	83,347	\$ 123,176,624
Public Safety	172,873,508	7,090,995	(15,594,251)	164,370,252
Infrastructure & Regulation	492,135,746	4,471,421	1,418,369	498,025,536
Health and Social Services	8,627,214	-	-	8,627,214
Cultural and Recreation	62,034,296	88,002	324,336	62,446,634
Construction-in-progress	42,527,535	28,351,158	(4,594,564)	66,284,129
Total governmental funds capital assets	\$ 901,207,912	\$ 40,085,240	\$ (18,362,763)	\$ 922,930,389
Class:				
Land and easements	\$ 23,758,693	-	119,107	\$ 23,877,800
Land improvements	8,931,458	62,845	631,652	9,625,955
Buildings and improvements	237,300,324	2,157	603,089	237,905,570
Machinery, equipment and vehicles	105,152,711	7,230,438	(16,130,907)	96,252,242
Intangible Assets	552,070	-	-	552,070
Infrastructure	482,985,121	4,438,642	1,008,860	488,432,623
Construction-in-progress	42,527,535	28,351,158	(4,594,564)	66,284,129
Total governmental funds capital assets	\$ 901,207,912	\$ 40,085,240	\$ (18,362,763)	\$ 922,930,389

HORRY COUNTY, SOUTH CAROLINA

SCHEDULES OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2017
(with comparison for the year ended June 30, 2016)

	Clerk of Court	Magistrate	Probate	Total 2017	Total 2016
Fines collected	\$ 1,822,828	\$ 2,589,434	\$ 56,800	\$ 4,469,062	\$ 4,867,539
Assessments collected	80,269	533,073	-	613,342	671,618
Surcharges collect	99,540	510,558	-	610,098	788,229
Total fines and assessments collected	\$ 2,002,637	\$ 3,633,065	\$ 56,800	\$ 5,692,502	\$ 6,327,386
Fines retained by County	\$ 475,962	\$ 1,657,949	\$ -	\$ 2,133,911	\$ 2,327,972
Assessments retained by County	28,404	131,335	-	159,739	184,452
Surcharges retained by County	78,953	53,015	-	131,968	157,744
Total fines and assessments retained by County	\$ 583,319	\$ 1,842,299	\$ -	\$ 2,425,618	\$ 2,670,168
Fines remitted to State Treasurer	\$ 1,346,866	\$ 931,485	\$ 56,800	\$ 2,335,151	\$ 2,539,567
Assessments remitted to State Treasurer	51,865	401,738	-	453,603	487,166
Surcharges remitted to State Treasurer	20,587	457,543	-	478,130	630,485
Total fines and assessments remitted to State Treasurer	\$ 1,419,318	\$ 1,790,766	\$ 56,800	\$ 3,266,884	\$ 3,657,218

CAPITAL BUDGETARY COMPARISON SCHEDULES

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECTS SALES TAX - RIDE II
 BUDGETARY COMPARISON SCHEDULES
 FOR THE YEAR ENDED JUNE 30, 2017

<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	\$ 11,365,340	\$ 11,365,330	\$ 10
Project #2	Resurface 12 miles	945,000	839,422	839,422	-
Project #3	Backgate Interchange	49,500,000	123,370,000 ¹	104,614,893	18,755,107
Project #4	Widen 707	132,250,000	103,410,000	62,472,653	40,937,347
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	16,172,458	16,037,626	134,832
Project #8	Resurface 12 miles	1,035,000	1,500,300	1,473,826	26,474
Project #9	Widen Glenss Bay	76,000,000	76,034,044	49,557,632	26,476,412
Project #10	Resurface 12 miles	1,080,000	1,791,256	1,211,332	579,924
Project #11	Pave 25 miles - DR	27,750,000	27,755,232	14,186,615	13,568,617
Project #12	Resurface 12 miles	1,125,000	1,798,537	621,142	1,177,395
Project #13	International Dr	6,500,000	25,500,000	8,844,255	16,655,745
Project #14	Resurface 7 miles	682,500	948,029	125,710	822,319
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>36,128,500</u>	<u>12,324,773</u>	<u>23,803,727</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 450,459,684</u>	<u>\$ 295,307,154</u>	<u>\$ 155,152,530</u>

¹ Includes SCDOT Funding of \$15,000,000 for Project #3.

DR = Dirt Road

Note: From inception through June 30, 2017.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2017
(With comparative actual amounts for the year ended June 30, 2016)

	2017				2016
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Disposal fee	\$ -	\$ -	\$ -	\$ -	\$ 781,419
Intergovernmental - state	535,000	816,360	816,360	-	455,250
Intergovernmental - other	-	400,000	400,240	240	430,315
Interest	-	-	182,865	182,865	71,274
Other-donations	486	-	-	-	-
Total revenues	<u>535,486</u>	<u>1,216,360</u>	<u>1,399,465</u>	<u>183,105</u>	<u>1,738,258</u>
Expenditures					
Capital outlay:					
Contractual Services	-	42,582	26,835	15,747	-
Supplies and materials	-	774,379	774,379	-	679,483
Infrastructure	-	140,308	-	140,308	-
Capital outlay	6,651,647	28,678,084	12,381,577	16,296,507	7,761,330
Contingency	-	829,427	-	829,427	-
Capital lease principal	3,964,366	4,031,935	3,991,829	40,106	1,892,842
Capital lease interest	310,673	282,825	282,825	-	749,450
Other	-	-	-	-	-
Total expenditures	<u>10,926,686</u>	<u>34,779,540</u>	<u>17,457,445</u>	<u>17,322,095</u>	<u>11,083,105</u>
Excess (deficiency) of revenue over expenditures	<u>(10,391,200)</u>	<u>(33,563,180)</u>	<u>(16,057,980)</u>	<u>17,505,200</u>	<u>(9,344,847)</u>
Other Financing Sources (Uses)					
Issuance of bonded debt	750,000	2,876,836	3,000,000	123,164	-
Capital lease	350,000	350,000	-	(350,000)	370,950
Transfers in	8,798,200	8,727,408	8,727,409	1	22,724,168
Transfers out	(682,518)	(777,687)	(777,687)	-	(274,598)
Total other financing sources (uses)	<u>9,215,682</u>	<u>11,176,557</u>	<u>10,949,722</u>	<u>(226,835)</u>	<u>22,820,520</u>
Net change in fund balance	<u>(1,175,518)</u>	<u>(22,386,623)</u>	<u>(5,108,258)</u>	<u>17,278,365</u>	<u>13,475,673</u>
Fund balance at beginning of year	<u>22,393,795</u>	<u>22,393,795</u>	<u>22,393,795</u>	<u>-</u>	<u>8,918,122</u>
Fund balance at end of year	<u>\$ 21,218,277</u>	<u>\$ 7,172</u>	<u>\$ 17,285,537</u>	<u>\$ 17,278,365</u>	<u>\$ 22,393,795</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

	2008 as restated	2009 as restated	2010	2011	2012	2013 as restated	2014 as restated	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 386,522	\$ 488,550	\$ 532,927	\$ 551,832	\$ 576,387	\$ 592,217	\$ 609,438	\$ 619,432	\$ 641,192	\$ 675,266
Restricted	186,578	206,516	231,335	309,063	348,119	345,339	353,422	311,619	276,761	244,117
Unrestricted	(241,001)	(255,722)	(218,404)	(256,844)	(240,372)	(162,562)	(116,907)	(215,437)	(162,063)	(110,124)
Total governmental activities net position	<u>\$ 332,099</u>	<u>\$ 439,344</u>	<u>\$ 545,858</u>	<u>\$ 604,051</u>	<u>\$ 684,134</u>	<u>\$ 774,994</u>	<u>\$ 845,953</u>	<u>\$ 715,614</u>	<u>\$ 755,890</u>	<u>\$ 809,259</u>
Business-type activities										
Net investment in capital assets	\$ 80,109	\$ 87,137	\$ 104,452	\$ 116,287	\$ 138,123	\$ 168,610	\$ 171,153	\$ 193,870	\$ 188,866	\$ 186,599
Restricted	26,679	26,894	30,469	42,403	45,038	32,929	33,430	36,532	39,132	43,965
Unrestricted	41,020	45,253	41,989	43,140	42,948	43,095	47,059	33,043	37,298	42,107
Total business-type activities net position	<u>\$ 147,808</u>	<u>\$ 159,284</u>	<u>\$ 176,910</u>	<u>\$ 201,830</u>	<u>\$ 226,109</u>	<u>\$ 244,634</u>	<u>\$ 251,642</u>	<u>\$ 263,445</u>	<u>\$ 265,296</u>	<u>\$ 272,671</u>
Primary government										
Net investment in capital assets	\$ 466,631	\$ 575,687	\$ 637,378	\$ 668,119	\$ 714,510	\$ 760,827	\$ 780,591	\$ 813,302	\$ 830,058	\$ 861,865
Restricted	213,257	233,410	261,804	351,466	393,157	378,268	386,852	348,151	315,893	288,082
Unrestricted (deficit)	(199,981)	(210,469)	(176,415)	(213,704)	(197,424)	(119,467)	(69,848)	(182,394)	(124,765)	(68,017)
Total primary government net position	<u>\$ 479,907</u>	<u>\$ 598,628</u>	<u>\$ 722,767</u>	<u>\$ 805,881</u>	<u>\$ 910,243</u>	<u>\$ 1,019,628</u>	<u>\$ 1,097,595</u>	<u>\$ 979,059</u>	<u>\$ 1,021,186</u>	<u>\$ 1,081,930</u>

**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									
	<u>2008</u>	<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>
	as restated	as restated				as restated	as restated			
Expenses										
Governmental activities:										
General government	\$ 38,239	\$ 37,914	\$ 34,971	\$ 34,962	\$ 33,091	\$ 33,488	\$ 35,355	\$ 33,225	\$ 36,108	\$ 38,544
Public safety	98,133	101,642	91,214	101,668	106,451	99,823	108,655	112,844	117,869	125,577
Health and social services	2,542	2,432	2,354	2,504	2,659	2,753	2,852	2,738	2,548	2,562
Infrastructure and regulation	18,910	23,492	31,037	34,998	28,236	27,786	27,780	30,247	32,640	39,278
Improvements to state roadways	-	-	-	35,731	15,722	25,118	31,821	33,078	32,980	36,039
Culture, recreation and tourism	10,836	9,426	4,629	9,307	10,523	11,376	12,046	13,331	14,388	20,807
Economic development	430	2,292	2,019	1,366	3,555	2,882	3,786	3,465	2,307	3,873
Debt service	16,767	7,530	8,964	11,970	9,652	10,485	9,757	10,060	8,067	6,869
Horry-Georgetown Tech	3,000	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200	3,400
Higher Education Commission	910	1,170	1,140	1,325	1,200	1,150	1,236	2,606	1,249	1,133
Total governmental activities expenses	<u>189,767</u>	<u>188,898</u>	<u>180,301</u>	<u>237,246</u>	<u>214,436</u>	<u>218,346</u>	<u>236,788</u>	<u>245,017</u>	<u>251,356</u>	<u>278,082</u>
Business-type activities:										
Airport	19,714	17,440	17,264	19,818	19,834	22,482	30,284	31,962	32,065	33,826
Total business-type activities expenses	<u>19,714</u>	<u>17,440</u>	<u>17,264</u>	<u>19,818</u>	<u>19,834</u>	<u>22,482</u>	<u>30,284</u>	<u>31,962</u>	<u>32,065</u>	<u>33,826</u>
Total primary government expenses	<u>209,481</u>	<u>206,338</u>	<u>197,565</u>	<u>257,064</u>	<u>234,270</u>	<u>240,828</u>	<u>267,072</u>	<u>276,979</u>	<u>283,421</u>	<u>311,908</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	12,295	10,203	11,899	12,346	12,595	20,979	19,180	17,360	17,508	19,177
Public safety	15,687	16,918	17,875	17,988	16,787	12,811	12,506	13,849	16,499	17,546
Health and social services	49	71	70	69	70	79	-	-	-	-
Infrastructure and regulation	4,177	4,387	11,666	12,165	12,634	12,261	12,579	17,860	25,784	26,243
Culture, recreation and tourism	593	99	108	91	93	88	95	117	115	107
Economic Development	-	-	-	-	-	69	127	141	332	389
Operating grants and contributions	597	5,196	4,800	2,769	2,368	4,864	5,355	10,450	11,445	29,216
Capital grants and contributions	666	317	1,908	10,702	6,726	4,899	3,015	3,231	7,709	3,428
Total governmental activities program revenues	<u>34,064</u>	<u>37,191</u>	<u>48,326</u>	<u>56,130</u>	<u>51,273</u>	<u>56,050</u>	<u>52,857</u>	<u>63,008</u>	<u>79,392</u>	<u>96,106</u>
Business-type activities:										
Charges for services:										
Airport	24,634	19,726	18,902	24,661	25,841	24,433	28,291	30,215	30,337	34,191
Operating grants and contributions	-	2,992	3,217	7,310	4,720	2,424	2,102	2,163	2,169	2,168
Capital grants and contributions	-	-	12,486	12,115	12,949	14,565	6,415	20,655	694	3,996
Total business-type activities program revenues	<u>24,634</u>	<u>22,718</u>	<u>34,605</u>	<u>44,086</u>	<u>43,510</u>	<u>41,422</u>	<u>36,808</u>	<u>53,033</u>	<u>33,200</u>	<u>40,355</u>
Total primary government program revenues	<u>58,698</u>	<u>59,909</u>	<u>82,931</u>	<u>100,216</u>	<u>94,783</u>	<u>97,472</u>	<u>89,665</u>	<u>116,041</u>	<u>112,592</u>	<u>136,461</u>

**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									
	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u> as restated	<u>2014</u> as restated	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense)/Revenues										
Governmental activities	(155,703)	(151,707)	(131,975)	(181,116)	(163,163)	(162,296)	(183,931)	(182,009)	(171,964)	(181,976)
Business-type activities	4,920	5,278	17,341	24,268	23,676	18,973	6,524	21,071	1,135	6,529
Total primary government program net expense	<u>(150,783)</u>	<u>(146,429)</u>	<u>(114,634)</u>	<u>(156,848)</u>	<u>(139,487)</u>	<u>(143,323)</u>	<u>(177,407)</u>	<u>(160,938)</u>	<u>(170,829)</u>	<u>(175,447)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	104,702	117,673	115,546	165,944	173,342	180,833	180,437	121,250	140,530	145,777
Investment earnings	7,880	6,717	4,656	2,382	2,014	1,770	1,923	1,334	1,995	2,615
Other	156,476	145,733	118,287	69,863	67,890	70,172	72,530	67,709	69,715	86,953
Transfers	(312)	(500)	-	-	-	-	-	-	-	-
Total governmental activities	<u>268,746</u>	<u>269,623</u>	<u>238,489</u>	<u>239,309</u>	<u>243,246</u>	<u>252,775</u>	<u>254,890</u>	<u>190,293</u>	<u>212,240</u>	<u>235,345</u>
Business-type activities:										
Other	-	4,091	(446)	453	282	198	177	66	324	181
Investment earnings	3,161	1,607	731	199	321	306	307	200	392	665
Transfers	312	500	-	-	-	-	-	-	-	-
Total business-type activities	<u>3,473</u>	<u>6,198</u>	<u>285</u>	<u>652</u>	<u>603</u>	<u>504</u>	<u>484</u>	<u>266</u>	<u>716</u>	<u>846</u>
Total primary government	<u>272,219</u>	<u>275,821</u>	<u>238,774</u>	<u>239,961</u>	<u>243,849</u>	<u>253,279</u>	<u>255,374</u>	<u>190,559</u>	<u>212,956</u>	<u>236,191</u>
Change in Net Position										
Governmental activities:	113,043	117,916	106,514	58,193	80,083	90,479	70,959	8,284	40,276	53,369
Business-type activities:	8,393	11,476	17,626	24,920	24,279	19,477	7,008	21,337	1,851	7,375
Total primary government	<u>\$ 121,436</u>	<u>\$ 129,392</u>	<u>\$ 124,140</u>	<u>\$ 83,113</u>	<u>\$ 104,362</u>	<u>\$ 109,956</u>	<u>\$ 77,967</u>	<u>\$ 29,621</u>	<u>\$ 42,127</u>	<u>60,744</u>

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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

	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u> as restated	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund										
Reserved	\$ 1,250	\$ 1,174	\$ 3,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved/designated	3,254	5,309	8,375	-	-	-	-	-	-	-
Unreserved/undesignated	24,579	24,341	24,739	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,532	169	1,975	77	1,319	338	255
Restricted	-	-	-	-	-	1,000	117	-	-	-
Committed	-	-	-	25,392	29,082	28,282	31,775	27,273	46,565	53,858
Assigned	-	-	-	343	343	473	-	-	-	427
Unassigned	-	-	-	9,797	7,108	10,431	9,391	12,194	7,734	9,269
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>
280 All other governmental funds										
Reserved	196,056	272,586	256,012	-	-	-	-	-	-	-
Unreserved for:										
Special revenue funds	33,327	3,721	38,972	-	-	-	-	-	-	-
Capital project funds (deficit)	12,415	(7,235)	2,016	-	-	-	-	-	-	-
Nonspendable	-	-	-	857	20	19	75	-	210	67
Restricted	-	-	-	291,148	321,734	353,322	398,696	360,259	331,527	277,979
Committed	-	-	-	16,719	13,420	24,270	26,581	29,857	33,702	37,063
Unassigned (deficit)	-	-	-	(1,199)	(1,134)	(3,292)	(107)	(469)	(314)	(298)
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>
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>

*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>2008</u>	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>	<u>2012</u> as restated	<u>2013</u> as restated	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues										
Property Taxes	\$ 104,607	\$ 114,821	\$ 118,249	\$ 115,241	\$ 114,481	\$ 117,238	\$ 124,996	\$ 123,181	\$ 139,589	\$ 144,912
Licenses and permits	9,999	7,551	6,572	6,272	6,537	7,344	7,797	8,805	10,217	11,106
Intergovernmental	21,210	22,296	24,025	19,701	34,545	22,391	25,030	22,216	22,572	28,265
Sales Tax Major Capital Projects (3)	63,537	63,549	58,070	61,477	64,802	65,732	69,733	1,139	304	403
Fees and fines	64,570	65,709	66,446	34,081	33,301	36,178	33,491	35,992	44,562	45,354
Hospitality & Local Accommodations fees (4)	-	-	-	36,867	39,452	39,917	42,291	45,280	47,348	49,986
Documentary Stamps	4,356	2,406	2,469	2,305	2,340	2,764	3,200	3,823	4,135	4,523
Interest on investments	7,880	7,834	4,658	2,383	2,015	1,770	1,923	1,310	1,933	2,497
Accommodation tax (1)	996	865	845	3,835	3,677	4,082	4,135	3,890	4,026	4,119
Cost allocation	1,685	2,100	3,077	3,055	3,167	2,787	3,069	3,302	3,570	3,801
Other	5,585	4,617	4,018	3,864	4,448	4,900	4,614	4,529	6,207	6,989
Total revenues	<u>284,425</u>	<u>291,748</u>	<u>288,429</u>	<u>289,081</u>	<u>308,765</u>	<u>305,103</u>	<u>320,279</u>	<u>253,467</u>	<u>284,463</u>	<u>301,955</u>
Expenditures										
General government	30,143	30,810	28,070	28,687	28,210	29,673	30,150	28,222	30,807	32,796
Public safety	79,117	84,810	87,461	93,942	99,887	92,996	101,040	104,798	110,286	114,552
Infrastructure and regulation (2)	32,898	29,208	31,611	54,990	59,689	52,922	60,474	29,994	33,125	40,507
Economic development	383	2,292	2,019	1,423	1,800	1,753	2,737	3,502	2,339	3,934
Health and social services	822	867	2,232	2,382	2,436	2,532	2,624	2,510	2,296	2,332
Culture and recreation	8,699	8,821	9,807	8,863	9,786	10,577	10,833	11,748	12,698	18,155
Capital outlay	28,822	50,118	56,796	37,060	29,302	16,749	19,113	31,983	20,541	36,658
Conservation and natural resources	47	-	-	-	-	-	-	-	-	-
Horry-Georgetown Tech	3,000	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200	3,400
Higher Education	910	1,170	1,140	1,325	1,200	1,150	1,236	1,204	1,249	1,133
Improvements to state roadways	-	-	-	-	-	-	-	33,078	32,980	36,039
Debt service:										
Principal	21,704	28,130	27,675	31,198	33,299	26,305	28,408	28,528	30,983	33,582
Interest and fees	14,477	16,075	17,359	14,605	13,687	21,509	20,890	23,180	21,058	22,182
Other charges	10,925	5,008	1,025	44	1,906	1,194	1,119	-	-	-
Total expenditures	<u>231,947</u>	<u>260,309</u>	<u>269,168</u>	<u>277,934</u>	<u>284,549</u>	<u>260,845</u>	<u>282,124</u>	<u>302,170</u>	<u>301,562</u>	<u>345,270</u>
Excess of revenues over (under) expenditures	<u>52,478</u>	<u>31,439</u>	<u>19,261</u>	<u>11,147</u>	<u>24,216</u>	<u>44,258</u>	<u>38,155</u>	<u>(48,703)</u>	<u>(17,099)</u>	<u>(43,315)</u>

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

	<u>2008</u>	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>	<u>2012</u> as restated	<u>2013</u> as restated	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transfers in	50,686	48,717	45,103	16,176	11,733	9,693	12,709	12,347	30,663	19,217
Transfers out	(50,997)	(49,221)	(45,103)	(19,967)	(12,759)	(10,981)	(13,166)	(12,445)	(30,920)	(20,149)
Issuance of bonded debt	62,000	8,155	26,040	-	8,740	-	252	29,500	20,910	3,000
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	6,985
Premium on bonds issued	1,496	-	1,151	-	285	-	-	-	-	-
Payments to refunded bond escrow agent	-	(10,671)	(13,260)	-	(8,881)	-	-	(29,384)	(15,337)	-
Debt service - principal	-	-	-	-	-	-	-	-	-	(6,960)
Capital leases	4,442	-	-	-	-	-	-	-	-	-
Sale of assets	330	400	94	259	216	148	95	95	513	80
Other	-	-	580	2,091	2,603	460	12,082	12,312	600	-
Total other financing sources (uses)	<u>67,957</u>	<u>(2,620)</u>	<u>14,605</u>	<u>(1,441)</u>	<u>1,937</u>	<u>(680)</u>	<u>11,972</u>	<u>12,425</u>	<u>6,429</u>	<u>2,173</u>
Extraordinary item	-	-	-	1,120	-	-	-	-	-	-
Net change in fund balances (3)	<u>\$ 120,435</u>	<u>\$ 28,819</u>	<u>\$ 33,866</u>	<u>\$ 10,826</u>	<u>\$ 26,153</u>	<u>\$ 43,578</u>	<u>\$ 50,127</u>	<u>\$ (36,278)</u>	<u>\$ (10,670)</u>	<u>\$ (41,142)</u>
Debt service as a percentage of noncapital expenditures	17.6%	21.0%	21.2%	16.9%	20.0%	19.9%	18.7%	19.1%	18.5%	18.1%

(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 Works.

(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				
2007	2008	354,361	1,107,275	5,167	142,105	160,068	1,768,976	47.3	31,163,189	5.68%
2008	2009	394,601	1,264,297	5,088	133,789	172,811	1,970,586	47.3	34,797,636	5.66%
2009	2010	419,503	1,278,502	5,162	128,942	174,070	2,006,179	47.3	35,591,828	5.64%
2010	2011	465,852	1,282,410	5,524	109,872	165,332	2,028,990	44.9	36,448,278	5.57%
2011	2012	478,287	1,283,108	5,552	120,615	157,156	2,044,718	45.2	36,851,012	5.55%
2012	2013	489,498	1,269,741	5,597	134,214	154,820	2,053,870	45.2	37,099,739	5.54%
2013	2014	499,771	1,274,902	5,558	152,537	151,714	2,084,482	45.2	37,690,344	5.53%
2014	2015	489,077	1,215,768	5,474	173,197	213,486	2,097,002	45.2	37,546,392	5.59%
2015	2016	513,292	1,227,759	5,423	184,997	172,049	2,103,520	52.4	38,152,375	5.51%
2016	2017	545,379	1,243,694	5,462	195,705	185,414	2,175,654	52.4	39,526,858	5.50%

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 FY2007.
- (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)

	<u>2007</u>	<u>2008</u>	<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>
County Direct Rates (2)											
General Fund	36.7	36.7	36.7	34.8	35.6	35.6	35.6	35.6	42.8	42.8	42.8
Debt Retirement	5.3	5.3	5.3	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	1.9	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 (Began in 2001)	2.3	2.3	2.3	2.2	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Direct Rate	<u>47.3</u>	<u>47.3</u>	<u>47.3</u>	<u>44.9</u>	<u>45.2</u>	<u>45.2</u>	<u>45.2</u>	<u>45.2</u>	<u>52.4</u>	<u>52.4</u>	<u>52.4</u>
Unincorp. County Rates (2)											
Rural Fire	16.3	16.3	16.3	15.2	15.2	15.2	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
Waste Management	6.4	6.4	6.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
School District Rates (2)											
Operating	115.3	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1	123.1
Debt Service	28.0	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total School Rate	<u>143.3</u>	<u>143.3</u>	<u>139.3</u>	<u>132.2</u>	<u>130.2</u>	<u>130.2</u>	<u>130.2</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>
Other Fire Districts Rates (2)											
Aynor Fire Contract	16.3	16.3	16.3	15.2	15.2	15.2	21.2	21.2	21.2	21.2	21.2
Atlantic Beach Fire Contract	16.3	16.3	16.3	15.2	15.2	15.2	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	10.0	14.0	14.0	14.0
City Rates (2)											
Town of Atlantic Beach	94.5	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5	105.7
Town of Aynor	72.2	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8	82.0
Town of Briarcliff Acres	52.8	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4	82.4
City of Loris	105.0	105.0	105.0	103.7	103.7	111.7	111.7	111.7	115.0	115.0	118.5
City of Myrtle Beach	61.4	64.4	62.9	66.1	66.1	66.1	66.1	74.5	74.5	77.5	77.5
City of Myrtle Beach Tax Credit (Began in 2010)			1.5	58.5	58.5	58.5	58.5	61.5	61.2	64.0	63.5
City of N. Myrtle Beach	30.5	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3	41.3
City of Surfside Beach	44.0	44.0	44.0	40.0	40.0	40.0	40.0	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)										
	<u>2007</u>	<u>2008</u>	<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>
Special District Rates (2)											
Crabtree	3.6	3.6	3.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Todd Swamp	3.5	3.5	3.5	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Buck Creek	3.8	3.8	3.8	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Simpson Creek	3.4	3.4	3.4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Mt Gilead	17.4	7.4	7.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Socastee Rec	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	0.0
Cartwheel	3.9	3.9	3.9	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Gapway	3.8	3.8	3.8	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Arcadian Shores	35.0	35.0	35.0	32.3	32.3	32.3	32.3	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
River Grande (Began in TY 2012)						0.0	0.0	0.0	0.0	0.0	0.0

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Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Rates are per \$1,000 of assessed value.
- (3) A property reappraisal was performed for the Tax Year 2010. This reappraisal was delayed by one (1) tax year.
- (4) A property reappraisal was performed for the Tax Year 2014.
- (5) 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 2017 (Tax Year 2016)			Fiscal Year 2008 (Tax Year 2007)		
	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)	\$ 19,506,880	1	0.90%	43,461,474	1	2.46%
Horry Electric Coop Inc	18,835,060	2	0.87%	14,821,585	2	0.84%
Hard Rock Park (4)	7,051,530	3	0.32%			
Lawyers Title Insurance Corp	5,260,390	4	0.24%	4,588,012	6	0.26%
Bluegreen Vacations Unlimited Inc	5,225,960	5	0.24%	5,395,063	5	0.30%
South Carolina Electric & Gas	4,294,370	6	0.20%			
Marriott Ownership Resorts Inc	4,068,990	7	0.19%			
Time Warner Cable Southeast LI	3,789,400	8	0.17%			
Ocean Lakes Family Campground	3,412,220	9	0.16%			0.00%
AVX Corporation	3,377,753	10	0.16%	3,675,874	9	0.21%
Horry Telephone Co-Operative				1,591,586	3	0.09%
Verizon South Inc				1,281,167	4	0.07%
Sand Castle South Condo Conversion				4,484,628	7	0.25%
Sc Coastal Development Inc				3,784,332	8	0.21%
Wild Wing Company LLC				3,599,690	10	0.20%
Totals	<u>\$ 74,822,553</u>		<u>3.45%</u>	<u>\$ 86,683,411</u>		<u>4.89%</u>

Notes:

- (1) Property that is exempt from the County portion of taxes have been subtracted from Total Assessed Value.
- (2) TY 2016 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.
- (3) TY 2007 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.
- (4) HRP Myrtle Beach Operations LLC - The Hard Rock Park property is currently under bankruptcy protection.

Source: Horry County Treasurer

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>TAX YEAR</u>	<u>FOR THE FISCAL YEAR ENDED JUNE 30</u>	<u>TOTAL TAX LEVY FOR FISCAL YEAR (2)</u>	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>		<u>COLLECTIONS IN SUBSEQUENT YEARS (2)</u>	<u>TOTAL COLLECTIONS TO DATE</u>	
			<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>
2007	2008	104,959	99,918	95.20%	2,219	102,137	97.31%
2008	2009	116,478	108,765	93.38%	4,738	113,503	97.45%
2009	2010	117,841	110,020	93.36%	4,924	114,944	97.54%
2010	2011	114,534	108,254	94.52%	3,100	111,354	97.22%
2011	2012	115,734	108,294	93.57%	3,765	112,059	96.82%
2012	2013	116,221	109,743	94.43%	3,355	113,098	97.31%
2013	2014	123,735	117,524	94.98%	2,589	120,113	97.07%
2014	2015	123,477	117,081	94.82%	1,698	118,779	96.20%
2015	2016	141,353	134,090	94.86%	1,992	136,082	96.27%
2016	2017	146,307	139,192	95.14%			

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
2007	2008	16.3	875	14,262	13,538	94.92%	327	13,864	97.21%
2008	2009	16.3	963	15,703	14,643	93.25%	621	15,264	97.21%
2009	2010	16.3	978	15,942	14,886	93.37%	627	15,513	97.31%
2010	2011	15.2	1,007	15,313	14,446	94.34%	426	14,872	97.13%
2011	2012	15.2	1,013	15,394	14,373	93.37%	502	14,875	96.63%
2012	2013	15.2	1,023	15,547	14,617	94.02%	477	15,094	97.08%
2013	2014	19.5	1,030	20,076	18,977	94.53%	414	19,391	96.59%
2014	2015	19.5	1,041	20,298	19,172	94.45%	300	19,472	95.93%
2015	2016	19.5	1,078	21,016	19,824	94.33%	271	20,094	95.61%
2016	2017	19.5	1,093	21,312	20,171	94.65%			
2017	2018 (3)	19.5	not available						

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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					BUSINESS-TYPE ACTIVITIES		PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1) (2)	DEBT PER CAPITA (1) (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	BASEBALL STADIUM COPS BONDS	REVENUE BONDS	CAPITAL LEASES	TOTAL OUTSTANDING DEBT		
2008	137,920	11,405	334,103	13,115	2,024	11,140	345	510,052	6.59%	1,957
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	not available	792 (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 4.0% growth rate for 2017

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)
2008	122,890	15,441	107,449	0.34%	426
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

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 \$6,925 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 \$2,360 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, 2017
(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	\$ 444,560	100.00%	\$ 444,560
City of Myrtle Beach	178,229	100.00%	178,229
City of Conway	7,205	100.00%	7,205
City of North Myrtle Beach	5,255	100.00%	5,255
City of Loris	535	100.00%	535
Town of Surfside	311	100.00%	<u>311</u>
Subtotal, overlapping debt			636,095
Horry County direct debt (1)	208,681	100.00%	<u>208,681</u>
Total direct and overlapping debt		100.00%	<u>\$ 844,776</u>

Notes:

(1) Horry County direct debt outstanding includes all general obligation long-term bonds as noted below:

	<u>Amounts</u>
(a) Fire District G.O. Bonds have their own designated millage (fire millage is assessed only to unincorporated	\$ 6,925
(b) Special Purpose/Tax District G.O. Bonds have their own designated millage (Special Purpose Districts,	2,360
(c) All general obligation long-term bonds (excluding items a and b above)	65,842
(d) Certificates of Participation (added beginning in FY 2013)	451
(e) Ride IGA #1 & #2 (added beginning in FY 2013)	110,608
(f) Capitalized Leases (added beginning in FY 2012)	21,104
(g) Debt Outstanding includes the unamortized premiums (beginning in FY 2012)	<u>1,391</u>

Total Horry County Direct Debt \$ 208,681

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

	<u>2008</u>	<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>
Debt limit	(1) \$142,364	\$158,493	\$161,340	\$163,165	\$164,423	\$165,155	\$167,604	\$173,555	\$182,646	\$169,590
Total net debt applicable to limit	(1) <u>122,890</u>	(1) <u>116,050</u>	(1) <u>122,175</u>	<u>114,797</u>	<u>104,999</u>	<u>95,845</u>	<u>87,853</u>	<u>82,275</u>	<u>74,185</u>	<u>65,842</u>
Legal debt margin	(1) <u>\$19,474</u>	(1) <u>\$42,443</u>	(1) <u>\$39,165</u>	<u>\$48,368</u>	<u>\$59,424</u>	<u>\$69,310</u>	<u>\$79,751</u>	<u>\$91,280</u>	<u>\$108,461</u>	<u>\$103,748</u>
Total net debt applicable to the limit as a percentage of debt limit	86.32%	73.22%	75.73%	70.36%	63.86%	58.03%	52.42%	47.41%	40.62%	38.82%

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Legal Debt Margin Calculation for Fiscal Year 2017:

Assessed value	\$2,109,299
Plus: Assessed value - Merchant's inventory	<u>10,572</u>
Total assessed value	2,119,871
Debt limit (8% of total assessed value)	169,590
Debt application to limit:	
General obligation bonds (2a) (2b)	<u>65,842</u>
Legal debt margin	<u>\$103,748</u>

- Notes:
- (1) Total net debt applicable to limit and Legal Debt Margin are restated for fiscal years 2008 and 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
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS						SPECIAL OBLIGATION DEBT SERVICE BONDS & CERTIFICATES OF PARTICIPATION				
	(AMOUNTS EXPRESSED IN THOUSANDS)						(AMOUNTS EXPRESSED IN THOUSANDS)				
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	HOSPITALITY FEE 1% ASSESSMENT		DEBT SERVICE		COVERAGE
			PRINCIPAL	INTEREST	COLLECTIONS (1) (5)		PRINCIPAL	INTEREST			
2008 (2) (3)	21,363	10,186	11,177	520	816	8.36	6,259	1,458	807	2.76	
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	

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		ACCOMMO- ADMISSIONS		TOTAL
	SALES	DATIONS	ADMISSIONS	TOTAL	
2008	3,391,490	2,001,752	865,494	6,258,736	
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	

AMOUNT COLLECTED (BY MONTH AND YEAR)

MONTH	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
July	1,143,039	1,108,955	1,048,404	985,038	955,275	955,598	958,975	888,715	931,951	944,987
August	827,716	844,871	871,787	826,709	684,783	720,899	698,052	693,258	801,544	759,521
September	736,540	706,316	599,513	574,377	591,767	504,896	499,516	454,524	424,155	500,049
October	453,098	465,121	479,206	434,470	404,677	423,102	395,982	369,881	405,397	415,930
November	421,354	374,974	360,434	326,990	313,625	308,316	311,328	293,071	311,601	370,305
December	418,325	378,790	341,751	333,666	299,958	286,391	261,015	270,984	283,668	299,408
January	331,905	318,345	293,480	269,513	251,676	240,108	240,241	221,323	248,956	249,828
February	372,770	352,143	335,571	307,125	285,636	278,637	249,628	252,863	276,924	314,073
March	536,419	568,190	485,630	456,963	458,199	433,268	347,140	373,772	380,656	477,104
April	705,706	587,077	591,915	573,483	511,823	542,321	526,507	481,358	518,259	550,536
May	663,000	631,869	614,746	586,581	549,655	517,418	487,804	470,509	457,778	560,842
June	1,016,330	953,182	954,964	894,504	831,630	824,602	758,741	706,476	698,814	816,153
	<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>	<u>6,258,736</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>
2008	\$11,338,177
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	\$10,688,118
2018	\$10,659,027

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>YEAR</u>	<u>COUNTY POPULATION (5B) (3B)</u>	<u>PERSONAL INCOME (AMOUNTS EXPRESSED IN THOUSANDS) (2A)(3B)</u>	<u>PER CAPITA PERSONAL INCOME (3B)</u>	<u>SCHOOL ENROLLMENT (1A) (4B) (7B)</u>	<u>LABOR FORCE (4A)(6B)</u>	<u>EMPLOYMENT (4A)(6B)</u>	<u>COUNTY % UNEMP. (4A)(6B)</u>	<u>STATE % UNEMP. (4A) (6B)</u>
2008	260,609	7,738,585	29,694	36,068	138,738	130,649	5.8	6.6
2009	265,640	7,640,089	28,761	37,735	138,823	123,905	10.7	11.9
2010	270,516	7,756,764	28,674	37,421	137,908	122,691	11.0	11.2
2011	275,390	8,142,275	29,566	38,206	140,863	125,494	10.9	11.1
2012	281,751	8,495,538	30,153	38,665	140,676	127,054	9.7	9.8
2013	289,050	8,928,142	30,888	39,419	141,853	129,973	8.4	8.3
2014	298,258	9,540,891	31,989	40,341	142,247	132,892	6.6	6.6
2015	309,199	10,150,918	32,830	41,490	145,127	135,511	6.6	6.3
2016	322,342	10,901,662	33,820	42,465	147,075	139,313	5.3	5.3
2017	335,236 5A	not available	not available	43,188	149,887	143,454	4.3	4.2

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Personal Income = County Population (above) x Per Capita Personal Income (above) **or**
Per Capita Personal Income = Personal Income (above) / County Population (above).
- (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 4.0% growth rate for 2017

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)	2017 (1)			2008 (4)		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District (6)	5,720	1	3.82%	4,853	1	3.44%
Wal-Mart (6)	2,234	2	1.49%	2,100	3	1.49%
Horry County Government (5)	2,109	3	1.41%	1,927	4	1.37%
Conway Medical Center (6)	1,540	4	1.03%	1,050	6	0.74%
Grand Strand Regional Medical Center (6)	1,427	5	0.95%	975	7	0.69%
Coastal Carolina University (7)	1,198	6	0.80%			
McLeod Health (Loris & Seacoast) (6)	1,197	7	0.80%			
City of Myrtle Beach (7)	899	8	0.60%	927	8	0.66%
Lowes Home Centers (6)	720	9	0.48%			
Horry Telephone Cooperative (6)	673	10	0.45%	700	9	0.50%
Burroughs & Chapin				3,000	2	2.13%
AVX Corporation				1,200	5	0.85%
Conbraco				400	10	0.28%
Totals	<u>17,717</u>		<u>12.98%</u>	<u>17,132</u>		<u>13.36%</u>

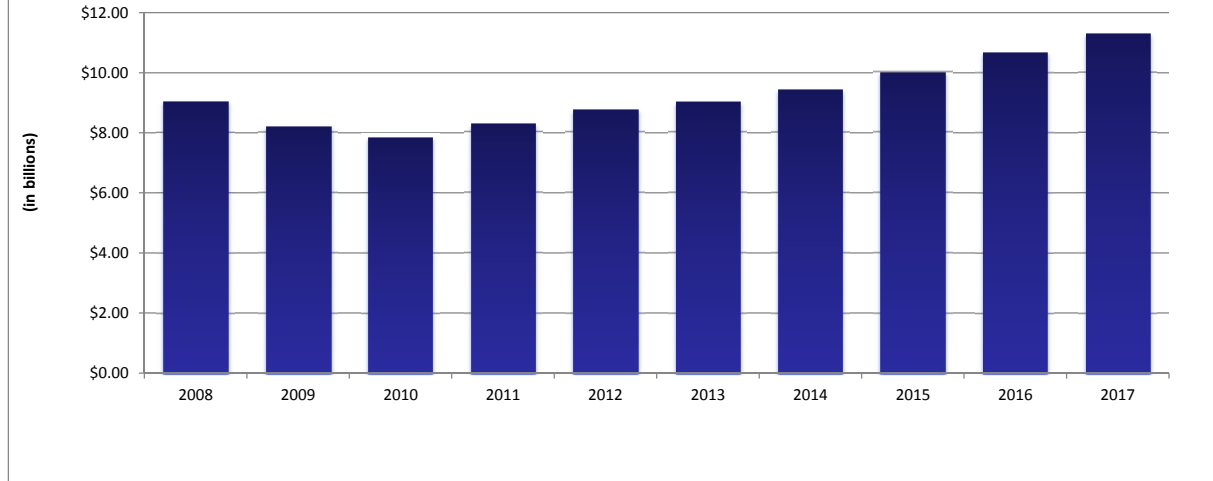
Notes (A):

- (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) 2008 Horry County Comprehensive Annual Financial Report
- (5) Horry County Finance Department
- (6) Employer Human Resources Department
- (7) Employer Website

**HORRY COUNTY, SOUTH CAROLINA
GROSS RETAIL SALES FIGURES
LAST TEN YEARS**



<u>YEAR</u>	<u>GROSS SALES</u>	<u>PERCENTAGE CHANGE</u>
2008	9,064,308,659	(2.2)
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	5.5
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

Notes:

- (1) Gross Sales information is reported on a Fiscal Year basis from 2008 forward due to accounting method, software and tracking changes at The Department of Revenue.

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**

	Full-time Equivalent Employees as of June 30,									
	<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (4)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General government	964	354	341	340	307	309	362	367	284	287
Public safety										
Police	347	263	261	262	226	236	248	238	242	254
Fire (1)	288	136	151	151	150	147	177	184	173	165
EMS (1)	-	171	185	182	179	179	179	167	158	150
Sheriff & Detention Center	-	274	320	347	346	348	346	343	362	374
Courts	-	196	203	201	205	211	215	211	211	188
Other	-	98	100	110	143	155	113	113	109	113
Health and social services	-	3	3	5	6	6	7	7	7	6
Infrastructure and regulation										
Public Works	127	79	79	81	79	84	83	85	83	84
Code Enforcement	-	47	44	42	41	39	39	38	43	43
Fleet	15	16	15	14	16	17	17	16	20	20
Other	-	79	68	62	61	59	64	67	148	150
Culture, recreation and tourism										
Libraries	50	54	62	60	65	79	69	67	59	58
Parks	18	40	55	57	62	62	68 (5)	67 (5)	60	63
Other	-	5	4	4	5	5	8	10	8	8
Economic development										
CDBG	-	2	3	3	3	3	3	3	3	3
Myrtle Beach Reg. Economic Dev. (6)	-	-	-	-	-	-	-	-	2	3
<u>Business-type Activities:</u>										
Airports	118	112	105	104	109	130	140	137	133	140
Total Primary Government	<u>1,927</u>	<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>

Source: Horry County Human Resources Department

(1) Fire/EMS was combined prior to FY2009 for reporting only.

(2) Increased detail level of functional staffing; prior actual comparisons not available.

(3) 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.

(4) 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.

(5) 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.

(6) Myrtle Beach Regional Economic Development was added in 2016.

**HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Functions and Programs

For the Fiscal Year Ended June 30,

	<u>2008</u>	<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>Governmental Activities:</u>										
General government										
Information Technology/GIS:										
# of GIS Parcels Maintained	227,572	231,344	232,551	233,563	234,576	236,046	238,132	240,510	243,318	246,647
# of Servers Maintained (7)	98	123	103	100	75	55	78	72	75	115
Register of Deeds:										
Total Documents Filed	177,261	150,260	130,657	128,533	142,085	153,410	153,019	163,657	158,370	153,432
Assessor:										
Assessments of Building Permits	15,294	12,854	10,228	9,835	8,506	7,269	4,997	4,073	6,034	7,573
Special Assessments	21,054	17,507	10,346	10,566	10,255	8,143	9,169	10,008	13,264	12,345
Real Property Parcels	226,799	237,276	241,974	244,624	248,050	246,240	246,960	247,948	250,597	253,315
Human Resources:										
# of Applications Taken	7,392	8,322	4,777	12,209	14,701	15,170	21,164	18,080	19,826	16,691
Public safety										
Police:										
# of Calls for Service	139,302	134,514	129,909	130,532	129,109	120,796	120,771	123,458	119,816	122,645
# of Index Crimes (1) (6)	9,752	9,164	10,045	9,539	9,174	9,559	9,086	9,207	9,431	8,855
Index Crime Clearance Rate (1) (6)	20.45%	19.00%	19.50%	19.75%	18.15%	23.98%	24.51%	17.81%	15.76%	22.92%
# of Call Responsive Officers Per Shift	18	20	20	16	18	23	25	21	25	25
Fire:										
# of Calls for Service	43,188	42,594	42,612	40,631	46,468	48,454	52,278	52,501	57,791	59,315
# of Structure Fires	721	674	651	581	586	436	540	287	542	508
# of Ambulance Transports	20,510	20,961	20,982	23,600	23,831	23,967	24,805	26,922	28,909	29,797
# of Career Fire Fighters Per Shift	85	93	97	93	93	96	107	107	107	107
Emergency 911:										
# of 911 Calls (8)	225,530	221,693	214,880	234,944	249,786	233,032	210,310	250,681	268,417	272,254
# of Radio Dispatches	189,244	190,962	187,323	189,471	224,520	223,386	223,241	234,841	235,399	235,087
# of Telecommunicators per shift	10	10	10	10	11	11	11	11	11	8
Sheriff's Office/Jail:										
# of Bookings	16,172	15,880	13,400	13,380	13,013	13,290	13,308	13,069	12,693	12,193
Average daily population	632	632	641	579	635	629	659	608	624	716
Infrastructure and regulation										
Code Enforcement:										
# Building Permits	8,459	6,673	7,397	7,258	7,250	8,082	8,997	10,217	11,149	11,935
Public Works:										
Miles of Dirt Road Scraped	793	779	748	701	682	667	647	639	617	600
Dirt Roads Paved	2.69	1.77	13.99	13.71	5.74	4.03	7.23	4.70	6.47	5.51
Signage Replaced/Installed (6)	1,364	1,421	1,500	1,887	1,324	1,186	898	1,018	1,075	761
Miles of Ditches Cleaned	2,700	1,123	268	252	240	219	694	679	403	599

**HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Functions and Programs

For the Fiscal Year Ended June 30,

	<u>2008</u>	<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>Governmental Activities (Continued):</u>										
Engineering:										
Dirt Roads Paved	9.07	9.72	19.01	28.47	6.01	9.23	11.50	3.92	17.57	13.64
Fleet:										
# Vehicles Maintained	695	700	824	831	822	830	828	832	838	845
# Heavy Equipment Vehicles Maintained	259	270	229	266	272	310	311	320	325	330
# Vehicles Repaired or Work Orders	8,501	8,277	8,111	7,872	7,835	7,592	8,386	8,042	8,456	8,171
Culture, recreation and tourism										
Library:										
Circulation	1,041,436	1,141,871	1,095,571	1,182,823	939,393	973,605	1,013,753	1,040,622	1,045,682	980,413
Patron Traffic Count	758,719	772,354	749,652	716,092	656,379	785,768	733,530	726,015	702,067	596,470
New Patrons Registered	28,780	26,572	23,555	15,764	12,290	15,318	12,238	11,404	11,603	12,116
Parks & Recreation:										
# Programs	161	180	187	193	216	223	227	245	248	319
Baseball Stadium:										
Paid Tickets (2)	187,009	183,094	167,334	155,076	160,062	154,633 (2)	176,218 (2)	182,450	170,606	173,670
<u>Business-type Activities:</u>										
Airports										
Deplanements	835,496	740,602	772,733	901,080	818,477	777,998	863,393	886,345	942,948	1,029,014
Industrial parks - (Three Parks) (3) (4) (5) (6) (9)										
	(3)(4)(5)(6)	(3)(4)(5)(6)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)

Notes:

- (1) # of Index Crimes & Clearance Rates not available due to software migration issues.
- (2) Fiscal Year is January through December. Revenue months are April through September. The # of "Paid Tickets" have been revised for FY2014 and FY2015 to incorporate new information.
- (3) Operating indicators are not available for the Industrial Parks prior to FY2006.
- (4) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
- (5) The beginning balance of total acreage owned by the County (used in the calculation of % of County owned acres) is as of July 1, 2005 and does not include unusable property such as roads.
- (6) Operating Indicators that are not available are indicated with N/A
- (7) The 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.
- (8) 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. 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.
- (9) 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

Source: Various County Departments

**HORRY COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

For the Fiscal Year Ended June 30,

Functions and Programs	<u>2008</u>	<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>Governmental Activities:</u>										
General Government										
Building Complexes	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police(2):										
Patrol units	368	352	320	299	279	285	229	194	207	211
Sheriff/Detention Center(1):										
Transport Vehicles				102	97	106	107	110	111	116
Fire/Rescue:										
Stations	41	41	39	39	39	35	39	39	39	39
Trucks(Fire/Pumpers)	66	66	67	68	68	66	66	66	66	72
Ambulances	32	36	36	28	29	29	28	28	28	28
Health and Social Services										
Health Departments (bldg)	4	4	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)	1334	1413	1426	1431	1429	1436	1440	1442	1456	1462
Heavy equipment:										
Motorgraders	25	25	24	21	15	17	16	14	14	14
Dump trucks	21	24	17	26	23	19	20	20	20	23
Other	139	206	173	155	109	148	152	157	163	167
Culture, Recreation and Tourism										
Museums	1	1	2	2	2	2	2	2	2	2
Libraries	9	9	9	9	9	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,

Functions and Programs	<u>2008</u>	<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>
Parks:										
Parks	20	35	35	35	35	35	35	35	35	34
Tennis Courts	15	7	7	13	13	13	13	13	17	14
Ball Fields	28	34	34	35	38	38	38	38	38	39
Soccer Fields	15	19	20	22	21	21	21	21	21	30
Recreation Centers/Headquarters	2	2	4	4	6	6	6	6	6	6
Conservation/Natural Resources										
Off Site Facilities:										
Boat Landings	27	27	27	27	27	28	28	28	28	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.

Source: Horry County Finance Department

COMPLIANCE

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2017

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	\$ 4,003,856	\$ -
Passed through the SC Department of Transportation				
Highway Planning and Construction East Coast Greenway Carolina Forest Trail	Not Available	20.205	93,032	-
Total U S Department of Transportation			4,096,888	-
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	177,798	-
Total U S Department of Agriculture			177,798	-
U S DEPARTMENT OF INTERIOR				
Passed through the SC Department of Natural Resources				
Lee's Landing Boat Landing	F16AF00527	15.605	93,945	-
Total U S Department of Interior			93,945	-
U S DEPARTMENT OF HOMELAND SECURITY				
Direct Assistance				
Transportation Security Administration (TSA) Law Enforcement Officer Reimbursement Program	HSTS02-08-H-SLR120	97.090	115,570	-
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	14SHSP09	97.067	42,420	-
Pee Dee Regional WMD SWAT Team Enhancement	16SHSP14	97.067	15,851	-
Pee Dee Regional WMD Bomb Team Enhancement	16SHSP07	97.067	16,718	-
Pee Dee Regional WMD SWAT Team Enhancement	15SHSP07	97.067	230,257	-
Pee Dee Regional WMD SWAT Team Enhancement	15SHSP13	97.067	115,199	-
Pee Dee RMAT	15SHSP27	97.067	49,750	-
			470,195	-
Fire Recruitment and Retention	EMW-2013-FF-00066	97.083	89,194	-
FEMA Disaster Grants - Public Assistance	PA-04-SC-4286	97.036	7,410	-
FEMA Disaster Grants - Public Assistance	PA-04-SC-4241	97.036	290,830	-
			298,240	-
Local Emergency Management Performance Grant FY 2016	16EMPG01	97.042	75,204	-
Local Emergency Management Performance Grant FY 2015	15EMPG01	97.042	7,609	-
			82,813	-
Total U S Department of Homeland Security			1,056,012	-
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	32,588	-
Child Support Enforcement - Incentive	C15026C	93.563	90,167	-
Filing Fees	C15026C	93.563	97,650	-
Child Support Enforcement	C15026C	93.563	306,846	-
			527,251	-
Total U S Department of Health and Human Services			527,251	-

(Continued)

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2017

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 HOUSING AND URBAN DEVELOPMENT				
Direct Assistance				
Community Development Block Grant	B16-UC-45-0006	14.218	889,133	623,812
Community Development Block Grant	B14-UC-45-0006	14.218	203,459	88,600
Community Development Block Grant	B15-UC-45-0006	14.218	<u>634,071</u>	<u>603,847</u>
			<u>1,726,663</u>	<u>1,316,259</u>
Emergency Shelter Grants Program	E16-UC-45-0006	14.231	<u>203,000</u>	<u>203,000</u>
Total U S Department of Housing and Urban Development			<u>1,929,663</u>	<u>1,519,259</u>
U S DEPARTMENT OF JUSTICE				
Direct Assistance				
Equitable Sharing Program	Not Available	16.922	<u>21,728</u>	-
Passed through Office of the Governor/Division of Public Safety				
Edward Byrne Memorial Justice Grant Program				
Solicitor - Violent Crime Prosecutor	1G15031	16.738	132,525	-
Justice Assistance Grant	2014-DJ-BX-0769	16.738	5,451	-
Justice Assistance Grant	2016-DJ-BX-0657	16.738	64,088	-
Justice Assistance Grant	2015-DJ-BX-0453	16.738	<u>38,171</u>	-
Total Edward Byrne Memorial Justice Grant Program			<u>240,235</u>	-
State Criminal Alien Assistance Program - Illegal Alien	2015-AP-BX-0433	16.606	<u>5,961</u>	-
Police - Bilingual Victim Advocate	1V15126	16.575	10,367	-
Police - Victim Advocate	1V16027	16.575	102,897	-
Police - Victim Advocate	1V15155	16.575	63,402	-
Detention - Victim Advocate	1V14149	16.575	528	-
Solicitor - Victim Advocate	1V15124	16.575	14,723	-
Solicitor - Victim Advocate	1V15152	16.575	18,418	-
Solicitor - Victim Advocate	1V16022	16.575	<u>265,936</u>	-
			<u>476,271</u>	-
Solicitor - Interpersonal Violence Team	1K16009	16.588	<u>42,975</u>	-
Total U S Department of Justice			<u>787,170</u>	-
Total Expenditures of Federal Awards			<u>\$ 8,668,727</u>	<u>\$ 1,519,259</u>

Horry County, South Carolina

Notes to the Schedule of Expenditures of Federal Awards For the year ended June 30, 2017

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, 2017. 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, 2016 through June 30, 2017, 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, 2017, FEMA approved approximately \$291 thousand of eligible expenditures that 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 remaining fund information of Horry County (the County) as of and for the year ended June 30, 2017, 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 12, 2017. Our report includes a reference to other auditors who audited the financial statements of the Solicitor's Intervention Programs (blended component unit), Horry County Department of Airports (enterprise fund), 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*.

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, flowing style.

Charleston, South Carolina
December 12, 2017



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's) 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, 2017, except for the Airport Improvement Program – CFDA number 20.106, which was audited by other auditors. The other auditor's report thereon has been furnished to us, and our opinion, insofar as it relates to the County's compliance, in all material respects, with the requirements described above for the Airport Improvement Program – CFDA number 20.106, is based solely on the report of other auditors. The County's major federal programs are identified in the 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 \$1,273,758 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, 2017. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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 and other auditors conducted our audits 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 audits 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 and the other auditors believe that our audits provide a reasonable basis for our opinion on compliance for each major federal program. However, our audits do not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion and in the opinion of other auditors, 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, 2017.

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 and the other auditors 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 and other auditors did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Charleston, South Carolina
December 12, 2017

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2017

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? _____ yes X 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)? _____ yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
20.106	Airport Improvement Program (audited by other auditors)
14.218	Community Development Block Grant (CDBG)
97.067	Homeland Security Grant Program

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, 2017

Section II. Financial Statement Findings

None noted.

Section III. Federal Award Findings

None noted.

Horry County, South Carolina
Summary Schedule of Prior Year Audit Findings
For the Year ended June 30, 2017

None noted.