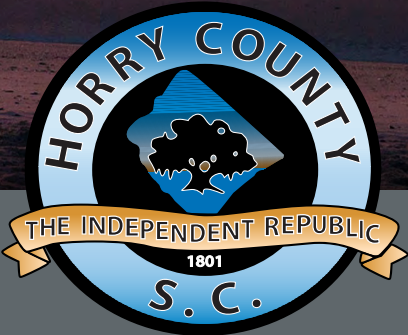


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



HORRY COUNTY
SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

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HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA



LETTER OF TRANSMITTAL
DECEMBER 3, 2019

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

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Horry County, South Carolina, for the fiscal year ending June 30, 2019.

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

Horry County's financial statements have been audited by Elliott Davis, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on auditor's judgment, including the assessment of risk of material misstatement to the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was sufficient and appropriate evidence for rendering an unmodified opinion that Horry County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 118-

120 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other financial information section of this report, which begins on page 160.

Factors Affecting Financial Condition

Stability and continued growth in tourism along with improving real estate indicators from increased building permits, business licenses, and Register of Deeds values provide a base for the County to continue enhancing our constituent services, focus on economic development, and developing needed infrastructure for the future. The information following in this letter and presented in the financial statements will give greater details of these accomplishments and is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Most of the County's thirty-three (33) miles of beaches stretching from Cherry Grove to Garden City have been developed residually 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 31.5 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", The South's Best Beach Towns 2019 by Southern Living, and seventh on the "Best US Golf Destination" by USA Today's 10 Best. Whether seeking an exciting sporting event or recreational vacation, the perfect family beach, the ideal retirement location, or the best place to host a meeting, visitors to the Myrtle Beach area will find award-



winning offerings in every lifestyle category. According to an Economic Impact of Travel report produced by the U.S. Travel Association (2016), Horry County led all counties in South Carolina, in travel expenditures in 2018. Domestic travel expenditures in Horry County reached \$4.5 billion, accounting for 31.5 percent of the state total travel expenditures of \$14.4 billion; up 5.2 percent from 2017. These expenditures supported \$857.4 million in payroll income and 43,900 jobs. The County leads all counties, of the State, in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism.

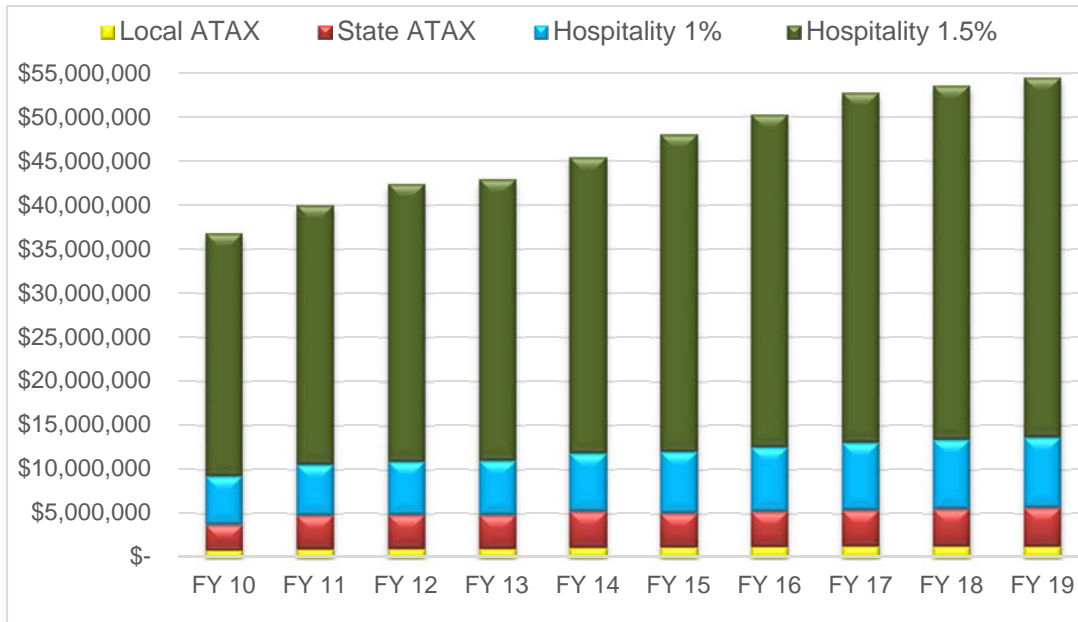
Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 20.4 million people visited the area in 2018. There are approximately 425 hotels and 157,000 accommodations units available for rent and approximately 1,800 full-service restaurants along the Grand Strand. Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the Myrtle Beach Area Chamber of Commerce was 53.3 percent in 2018 vs. 54.3 percent in 2017 and the annual average daily rate was \$108.26 in 2018 vs. \$107.41 in the prior year. Gross retail sales in the County were \$11.8 billion in 2018 up from \$11.3.

The Myrtle Beach area contributes a large portion of the golf revenue within the state. While the quantity is certainly impressive, the quality is nothing short of awesome. Challenging layouts, stunning vistas and impeccably maintained fairways and greens are the hallmark of the courses that make up the world's most impressive collection of public courses. The Myrtle Beach golf community also hosts some of the game's most popular amateur tournaments, including the Myrtle Beach World Amateur Handicap Championship, a 72-hole event that attracts between 3,000 to 5,000 players from across the globe, and the Palmetto High School Golf Championship, the nation's largest high school golf tournament. In addition, the area serves as the host of the Hootie & the Blowfish Monday After the Masters Celebrity Pro-Am, an event that has raised more than \$3 million for charity since coming to the Grand Strand and in 2019 hosted an NCAA Division 1



golf regional tournament. In 2018, approximately 2.7 million total rounds of golf were played across the Grand Strand (Rounds data reported by Myrtle Beach Area Chamber of Commerce).

The following graph shows that the County's revenues from the tourism industry have continued to grow and achieve historic highs. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for fiscal year 2010 – fiscal year 2019.



Higher Education

Horry County is home to several institutions of higher education including Coastal Carolina University (CCU), 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 84 major fields of study. Among CCU's 21 graduate-level programs are 26 master's degrees, two educational specialist degrees, and two Ph.D. programs: coastal and marine systems science and education. With 514 full time faculty, the University continues their rapid growth to a current enrollment of 10,641 including 49 percent South Carolina residents, 49 percent out-of-state residents and international students from 61 countries. Annual economic impact was estimated at \$565.5 million for 2017. As the 2016 College World Series Champions, CCU 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 65 associate degrees, diplomas, and 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. In 2019 HGTC and CCU formed an additional partnership (Coastal Bound) to provide students with additional CCU services early in their collegiate career. 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 20.4 million annual visitors, sports event planners are also now discovering what makes Myrtle Beach the ideal location for any sporting event. Sports tourism accounted for over \$137 million in 2018. The top five sports facilities include: Myrtle Beach Sports Center featuring eight basketball courts, 16 volleyball courts and 100,000-square-feet of configurable space for numerous indoor events; North Myrtle Beach Park and

Sports Complex includes two state-of-the-art sports complexes utilizing a 160 acre tract including a 12-acre open meadow, Zipline and Tree Top adventure and a 20-acre lake; Grand Park Athletic Complex features seven large multipurpose fields and two youth fields utilizing synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football; Coastal Carolina University provides 127,685 square-foot Student Recreation and Convocation Center (The HTC Center) including gymnasium seating more than 3,000 people for basketball, graduations and concert events; and The Ripken Experience, a one-of-a-kind youth baseball complex centrally located in Myrtle Beach featuring professional fields with popular synthetic playing surface, FieldTurf, include four regulation-sized diamonds and five youth diamonds, designed after historic ballparks from baseball history.

Medical Services

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

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

Conway Medical Center (CMC) announced in the Fall of 2016 a \$65 million expansion of existing facilities and free standing emergency department and physician offices. In 2019, CMC announced a partnership with Duke Health to open a new state-of-the-art cancer center.

Tidelands Health, the largest health care provider in Georgetown County, is continuing its expansion into Horry County with a new medical park at the Market Common in Myrtle Beach. The \$44 million, 65,000-square-foot building is to be used for outpatient services and was completed in 2019. 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 2019's (tax year 2018) revenue for real property taxes increased due to growth in assessed value. Increases continue in revenue for vehicles as population is increasing at a 4.0 percent annual rate and for Fee in Lieu of Tax due to development within multi-county business park properties.

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

<u>Tax Year</u>	<u>Real</u>	<u>Personal</u>	<u>Total⁽¹⁾</u>
2009	1,703,167	303,012	2,006,179
2010	1,753,786	275,204	2,028,990
2011	1,766,946	277,772	2,044,718
2012	1,764,836	289,034	2,053,870
2013	1,780,231	304,251	2,084,482
2014	1,710,319	386,683	2,097,002
2015	1,746,474	357,046	2,103,520
2016	1,794,535	381,119	2,175,654
2017	1,854,839	376,254	2,231,093
2018	1,936,313	383,312	2,319,625

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

Building Permits Issued

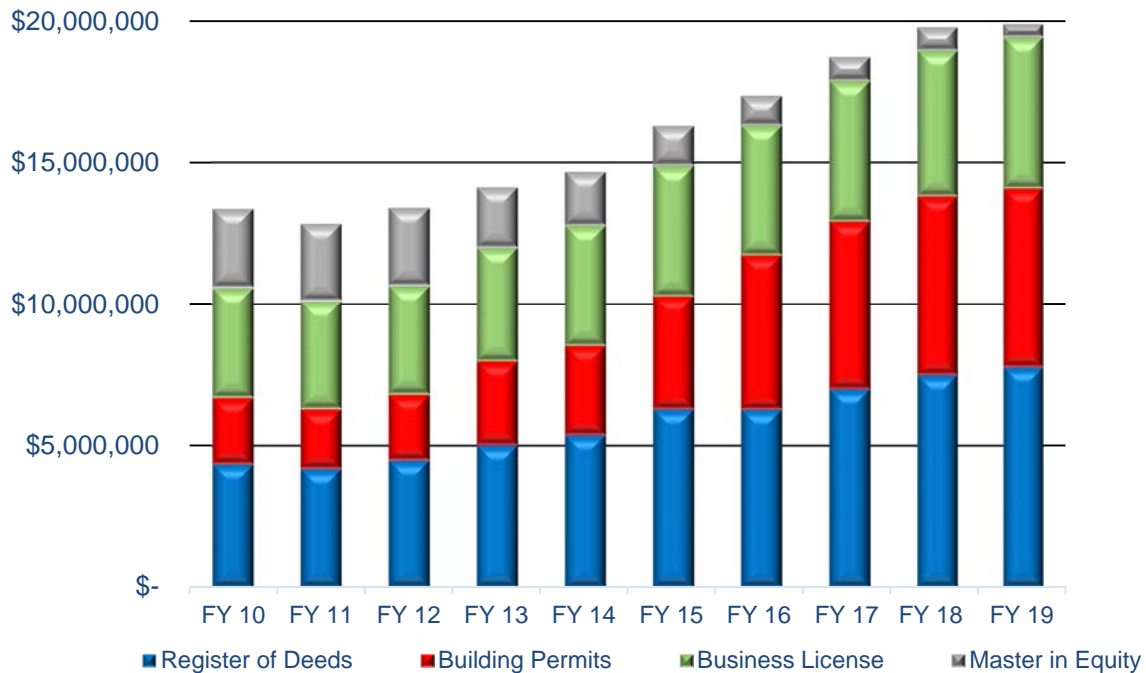
Horry County experienced a decline in construction due to the Great Recession, but has steadily seen an increase in permits issued and revenue received. The number of permits issued increased 4.0 percent for 2019 resulting in a 1.0 percent increase in revenues.

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Revenue</u>
2010	7,397	2,338,830
2011	7,258	2,106,250
2012	7,250	2,321,424
2013	8,082	2,960,873
2014	8,997	3,159,978
2015	10,217	4,020,778
2016 ¹	11,149	5,490,169
2017	11,930	5,958,122
2018	12,493	6,346,257
2019	12,990	6,347,074

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 Register of Deeds recording fees and Master in Equity documentary stamps. Revenues from these economically sensitive areas are reflecting a moderate year over year growth. The fiscal year 2020 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, 2019 of \$80.0 million (46.6 percent of the fiscal year 2019 General Fund expenditure budget) remains within the policy guidelines set by County Council for budgetary and planning purposes. In fiscal 2017, County Council increased reserve requirements for its major operating governmental funds (General Fund, Fire Special Revenue Fund, Stormwater Special Revenue Fund, and Recreation Special Revenue Fund). This change to the fiscal policy increased and categorized the reserve from the prior stabilization reserve of 15 percent of the next year's General Fund operating budget to a three (3) component reserve including eighteen (18) percent cash flow reserve, two (2) percent revenue stabilization, and five (5) percent disaster reserve for a total reserve goal of twenty-five (25) percent.

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

Major Initiatives

Economic Development

Our strong commitment to building and diversifying our economy is evidenced by our support and funding of the Myrtle Beach Regional Economic Development Corporation (MBREDC). Similar to the past few years, there were continued expansions and job openings in 2019 resulting in a continued historically low unemployment rate. According to the U.S. Bureau of Labor and Statistics, the Myrtle Beach Small Metropolitan Area's (SMA) unemployment rate was 4.3 percent at June 30, 2019 which is a slight increase from the June 2018 rate of 4.1 percent. The area experienced employment growth of 1,950 jobs over the prior year. According to the US Census the Horry County area is the 2nd fastest growing Metro-Area in the US and is ranked in the top five for workforce development programs by Area Development Magazine.

New jobs announced from relocation or expansion of jobs through MBREDC efforts exceed 2,000 from 2012 to 2019. Myrtle Beach-Conway-North Myrtle Beach ranked in the Top 20 "Prime Workforce" Cities in 2016 by Area Development Magazine. Forbes ranked Myrtle Beach, S.C. #16 for The Best Places for Business and Careers in 2015.

New announcements in fiscal year 2019 include Sure Trac Inc., an existing Horry County manufacturer who will hire approximately 20 employees and make a capital investment of \$2.55 million over the next five years. Emcompass Health plans to build and operate a new 46-bed inpatient rehabilitation hospital in Little River that represents an investment of approximately \$23 million and could bring up to 134 employees over the next five years. B&B Crane Service LLC, a NC based industrial company announced plans to establish operations in Horry County. The company will hire approximately 48 new employees, retain 52 existing employees and make a capital investment of \$10 million over the next five years.

The County currently operates five (5) industrial parks (Atlantic Center, Cool Springs Business Park, Pineridge Business Center, Loris Commerce Park, and International Technology and Aeronautical Park) and is in the planning stages for an additional park, which are industry specific. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of two of these parks. Two additional industrial parks were added in fiscal year 2019 with Grand Strand Water and Sewer Authority - Marine Park in Bucksport and with Santee Cooper – Ascot Valley industrial park with over 220 acres.

Opportunity Zones

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

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

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

Airport

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

Enplanements, or the number of passengers boarding a plane, increased 5.5% in fiscal year 2019 to 1,281,708 enplaned passengers. This increase of 66,467 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. During fiscal year 2019, the ten airlines operating at the Airport offered nonstop air service from 50 markets. For the 12-month period, new nonstop air service from Houston and Orlando was introduced, while 38 of the existing market-pairs experienced seat capacity increases. Overall, carriers serving Myrtle Beach scheduled a record 1.779 million departing seats from the Airport.



During fiscal year 2019 several capital projects began or were completed, funded by the federal Airport Improvement Program (AIP) grants, and local funds, including passenger facility charges (PFCs) and Airport cash. At MYR, the rehabilitation of Taxiway A-South began, to be followed by three additional components in upcoming years. Also at MYR, a third baggage makeup unit was added; surface parking was expanded; two fuel farm tanks were added; and a General Aviation System Plan was completed.

The average airline cost per enplaned passenger (CPE) at MYR was \$7.20 for fiscal year 2019 and \$6.93 for fiscal year 2018. 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 \$9.27 and \$9.23, respectively. Rates and charges of Signatory airlines, serving MYR, represented 30.0% and 30.5% total operating revenues in fiscal year 2019 and 2018, respectively. Of the Signatory airline carriers, Spirit Airlines represents 48.5% of airport traffic, American Airlines 20.8%, Delta Air Lines 13.4%, and Allegiant 9.7%. Non-signatory airlines comprise 7.6% of MYR's passenger traffic.

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

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

Road Improvement and Development Effort (RIDE)

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

RIDE I - The County enacted an ordinance in fall 1996 that implemented a 1.5 percent Hospitality Fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for the County to partner with the State of South Carolina to meet the infrastructure needs of the County. Infrastructure included Hwy 22 (Conway Bypass), Hwy 31 (Carolina Bays Parkway, and Hwy 544 widening. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County totaling of \$550 million as the local share of the \$1.1 billion project. The County was required to make payments from its Hospitality 1.5% Special Revenue Fund to repay the loans. On February 15, 2019 the RIDE I debt was defeased by Horry County.

RIDE II - On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law ended April 30, 2014. Infrastructure Included the Backgate Interchange, Aynor Overpass, Hwy 707 widening, Glenn's Bay Road widening and interchange, International Drive, along with 100 miles of dirt road paving and 67 miles of road resurfacing. As of June 30, 2019, the capital project sales tax fund had generated \$453.5 million in revenue. Spending totaled \$383.2 million through year-end which results in \$70.3 million fund balance on hand at year end for use in construction on the above projects.



RIDE III – With both the success of the RIDE II program and the large continued infrastructure need, voters approved a ballot referendum for new one-cent Capital Projects Sales Tax in November 2016. The sales tax went into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverage and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight years or April 30, 2025. The eight-year projected revenues from the 1% Sales Tax is \$592 million. Infrastructure includes Hwy 501 widening, Carolina Forest Boulevard widening, Forestbrook Road widening, Conway Perimeter Road, SC Hwy 9 East Widening, Hwy 701 N widening, Palmetto Point Boulevard extension, Fred Nash Boulevard extension, Southern Evacuation Lifeline (SELL) – Environmental Studies and ROW, and SC Hwy. 31 (Carolina Bays Parkway) Extension to SC/NC State line along with 100 miles of dirt road paving and 100 miles of road resurfacing. As of June 30, 2019, the Capital Project Sales Tax Fund had generated \$158.6 million in revenue. Spending totaled \$19.4 million through year-end which results in \$139.2 million fund balance on hand at year end for use in construction on the above projects.

I-73 Planning

The Army Corps of Engineers issued the permit to begin construction of Interstate I-73 in June of 2018. The total cost for I-73 is approximately \$1.3 billion for the southern section and approximately \$1.1 billion for the northern section, giving a total of approximately \$2.4 billion for the entire project. To date, approximately \$116.6 million has been directed to I-73 from various funding sources including federal earmarks and associated state matches, state budget provisos, the South Carolina State Transportation Infrastructure Bank, and the TIGER grant. Approximately \$86 million of this amount has been expended on preliminary engineering, environmental analyses/documentation, right-of-way acquisition, and construction of the TIGER project. Horry County Council is working with the local municipalities to commit a portion of the 1.5% Hospitality Fee collected countywide as local match funding to assist the State in its request for federal road



infrastructure funding. A lawsuit, filed by the Southern Environmental Law Center (SELC) representing the S.C. Coastal Conservation League is pending as of June 30, 2019.

Capital Projects Completed and Projects under Construction

Fire and Rescue completed its construction to relocate the Aynor Station at an estimated cost of \$1.6 million, through prior proceeds from a general obligation Fire District debt issuance and pay-as-you-go funding. The County initiated the replacement of the computer added mass appraisal software in the Assessors office (\$2.0 million), completed a backup disaster recovery data center (\$1.4 million), completed the implementation of Register of Deeds recording software (\$0.5 million), and completed the implementation for a new E-911 emergency call system (\$2.7 million). In addition, the County began the process of planning and design for a new Emergency Operations Center that will include a new space for E-911, design an addition or replacement of the Olin I Blanton County Complex located on 21st Avenue in Myrtle Beach, and used excess revenues from a prior year to pay off a PEPCO lease of \$7.5 million.

Funding

The County's Capital Improvement Plan focuses on on-going projects that are to be funded with bond proceeds, pay-as-you-go funding, or grants. County Council also approved the addition to the Capital Improvement Plan and commitment of \$5.0 million from fiscal year 2019 General Fund excess revenues to the replacement of the Public Safety enterprise software.

The County also maintains an AA+ rating from S & P Global Ratings and Fitch as well as Aa1 rating from Moody's.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty-second (32) 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, 2018 for fiscal year ended June 30, 2019. This was the thirtieth (30) consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Robert Jordan", is written over a light blue horizontal line.

Robert Jordan
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, 2018

Christopher P. Morrell

Executive Director/CEO

Horry County

County Council



Harold Worley
District 1
Vice Chairman



Bill Howard
District 2



Dennis DiSabato
District 3



Gary Loftus
District 4



Tyler Servant
District 5



Cam Crawford
District 6



Orton Bellamy
District 7



Johnny Vaught
District 8



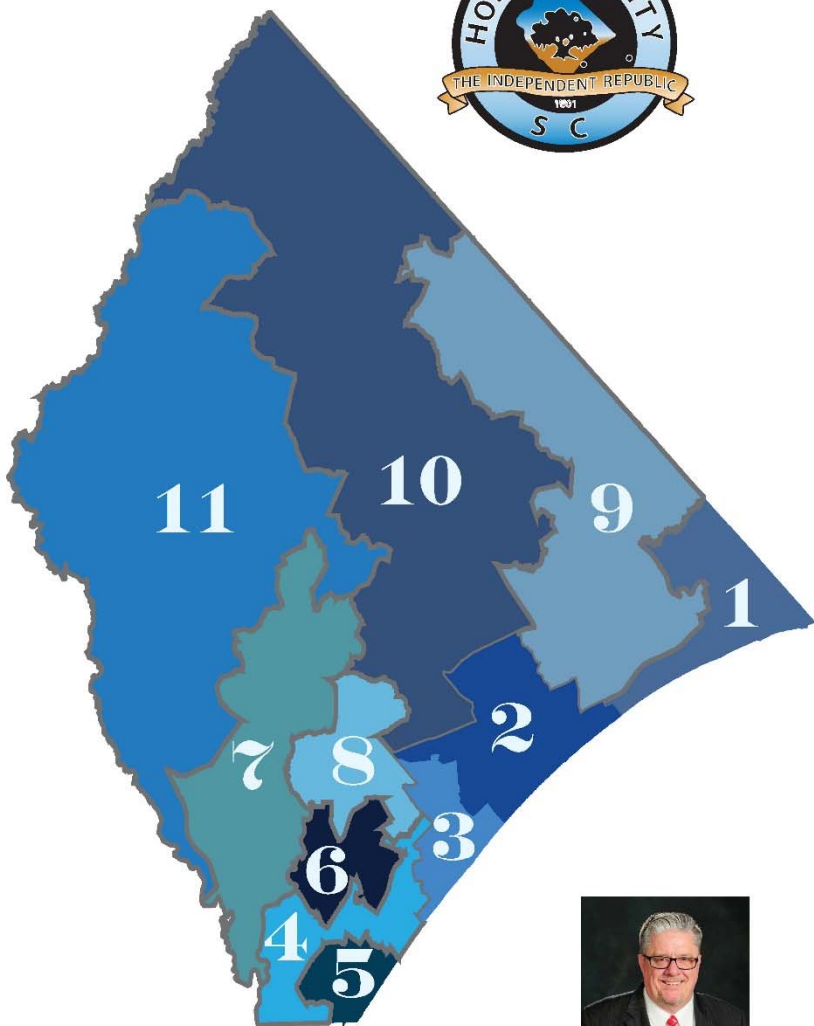
W. Paul Prince
District 9



Danny Hardee
District 10



Al Allen
District 11



Johnny Gardner
Chairman

Version 5-9-19

MEMBERS OF COUNTY COUNCIL

Johnny Gardner	Chairman
Harold G. Worley	Member, District 1 and Vice Chairman
Bill Howard	Member, District 2
Dennis DiSabato	Member, District 3
Gary Loftus	Member, District 4
Tyler Servant	Member, District 5
Cam Crawford	Member, District 6
Orton Bellamy	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

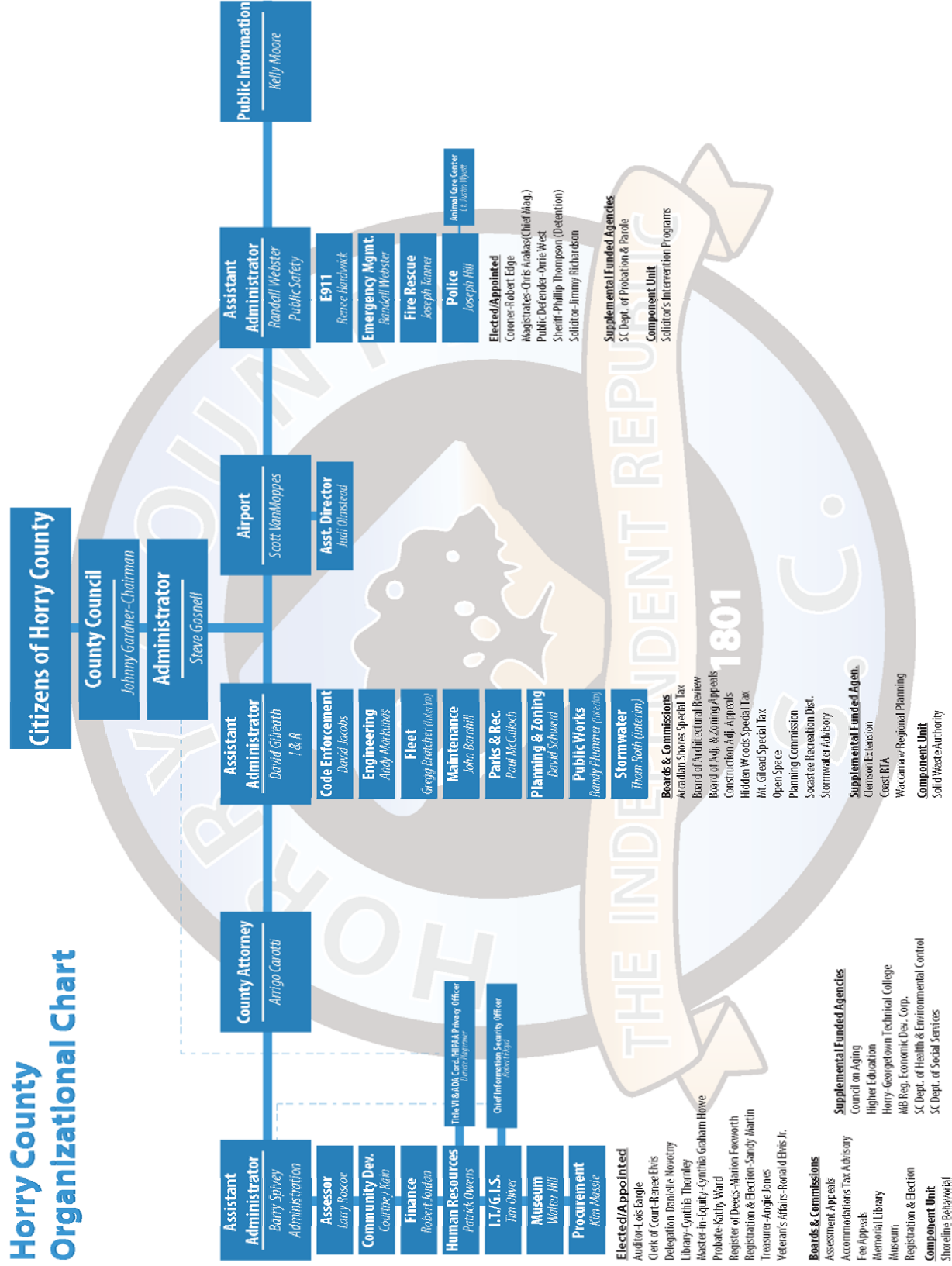
Chris Arakas	Chief Magistrate
Pat Hartley	Clerk to Council
Cynthia Thornley	Library
Cynthia Graham Howe	Master in Equity
Orrie West	Public Defender Fifteenth Circuit
Marion D. Foxworth, III	Register of Deeds
Sandy Martin	Registration & Election
Ronald Elvis, Jr.	Veteran's Affairs

ADMINISTRATIVE OFFICIALS

Steve Gosnell	County Administrator
Barry Spivey	Assistant County Administrator - Administration
David Gilreath	Assistant County Administrator - Infrastructure and Regulation
Randy Webster	Assistant County Administrator – Public Safety
Scott VanMoppes	Director, Department of Airports
Arrigo Carotti	County Attorney
Joseph Hill	Chief of Police
Joseph Tanner	Chief of Fire and Rescue
Lawrence Roscoe	Assessor

As of 11/16/2019

Horry County Organizational Chart



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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solicitor's Intervention Programs (blended component unit), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Solicitor's Intervention Programs financial statements represent 0.08 percent, 0.01 percent, and 0.19 percent, respectively of the assets, net position, and revenues of the aggregate remaining fund information. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the blended component unit and both discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2019, 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.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019 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 3, 2019

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, 2019. 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 \$1.78 billion. This represents a \$69.4 million increase from fiscal year 2018. Capital assets, net increased \$46.6 million due primarily to spending for new construction, including a \$41.3 million increase in road infrastructure for governmental activities and a \$14.8 million increase in construction-in-progress for business-type activities.
- Total liabilities decreased \$76.0 million from fiscal year 2018. During fiscal year 2019, Capital Lease obligations decreased by \$9.2 million and RIDE debt with the State Infrastructure Bank was defeased of \$80.1 million. Net pension liability increased \$3.1 million.
- Net position of the County totaled \$1.36 billion at June 30, 2019 an increase of \$143.5 million from fiscal year 2018. Net investment in capital assets increased \$66.5 million. Restricted net position increased \$74.0 million. The County's capital project sales tax program excess of revenue over expenditures was \$42.6 million in fiscal year 2019 as construction-in-progress accelerated on several major projects in RIDE III and projects began to near completion in the RIDE II program.
- At June 30, 2019, fund balance for the General Fund was \$80.0 million or 46.6 percent of total budgeted General Fund expenditures and transfers out, compared to \$78.1 million or 46.7 percent for the previous year. The fiscal year 2019 actual results reflect a \$1.9 million increase in fund balance due primarily to a \$10.1 million favorable expenditure variance and one time uses of savings for Capital projects and a lease payoff.
- Property tax revenue for the General Fund for fiscal year 2019 was \$100.3 million compared to \$97.2 million for fiscal year 2018, an increase of \$3.1 million due to increased assessed value primarily from new residential properties.
- Tourism-related revenues, primarily used to fund infrastructure related debt service, reflected positive growth in fiscal year 2019 and Hospitality Fees increased 1.63 percent to \$50.7 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 27 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required by State law and by bond covenants. The County uses other funds to control and manage money for particular purposes or to demonstrate compliance with the use restrictions associated with certain taxes and grants.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The County maintains five major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, General Improvement Capital Projects Fund, Capital Project Sales Tax Fund (RIDE II), Capital Project Sales Tax Fund (RIDE III), and RIDE Program Debt Service Fund, which are considered to be the major funds. Data for the other thirty (30) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 115 of this report.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition and position. In the case of the County, as reflected in the primary government funds, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$1.36 billion at the close of the fiscal year ended June 30, 2019. At the end of fiscal year 2019, the County reported the following Net Position:

Horry County's Net Position						
<i>(amounts expressed in thousands)</i>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 536,981	\$ 526,383	\$ 133,254	\$ 121,024	\$ 670,235	\$ 647,407
Capital Assets, net	851,427	822,462	259,284	241,629	1,110,711	1,064,091
Total Assets	1,388,408	1,348,845	392,538	362,653	1,780,946	1,711,498
Deferred Outflows of Resources	35,987	38,658	2,200	2,244	38,187	40,902
Current Liabilities	81,188	77,638	13,865	6,846	95,053	84,484
Long-term Liabilities	287,666	373,170	68,574	69,640	356,240	442,810
Total Liabilities	368,854	450,808	82,439	76,486	451,293	527,294
Deferred Inflows of Resources:	5,826	5,074	4,426	5,934	10,252	11,008
Net Position:						
Net investment in capital assets	792,528	743,701	205,209	187,510	997,737	931,211
Restricted	324,942	257,151	58,439	52,277	383,381	309,428
Unrestricted (deficit)	(67,755)	(69,231)	44,225	42,690	(23,530)	(26,541)
Total Net Position	\$ 1,049,715	\$ 931,621	\$ 307,873	\$ 282,477	\$ 1,357,588	\$ 1,214,098

Net Position of the County's governmental activities increased 12.7 percent from \$931.6 million to \$1.05 billion. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities increased 11.6 percent to \$1.12 billion at year end. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so forth). The County continues to invest in needed capital improvements and provides for a large portion of annual capital needs without the use of debt thereby increasing Net Position. Restricted Net Position includes the \$209.6 million excess Capital Project Sales Tax revenues over expenditures for RIDE II (\$70.3 million) and RIDE III (\$139.3 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 in subsequent years and utilize this accumulated excess over the next several years.

Unrestricted Net Position for governmental activities reflected a \$67.8 million deficit at the end of this year. This deficit is primarily the result of the net pension liability 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 business-type activities increased 9.0 percent from \$282.5 million in 2018 to \$307.9 million in 2019. This increase resulted from positive non-operating revenues and federal and state restricted capital project grant revenues.

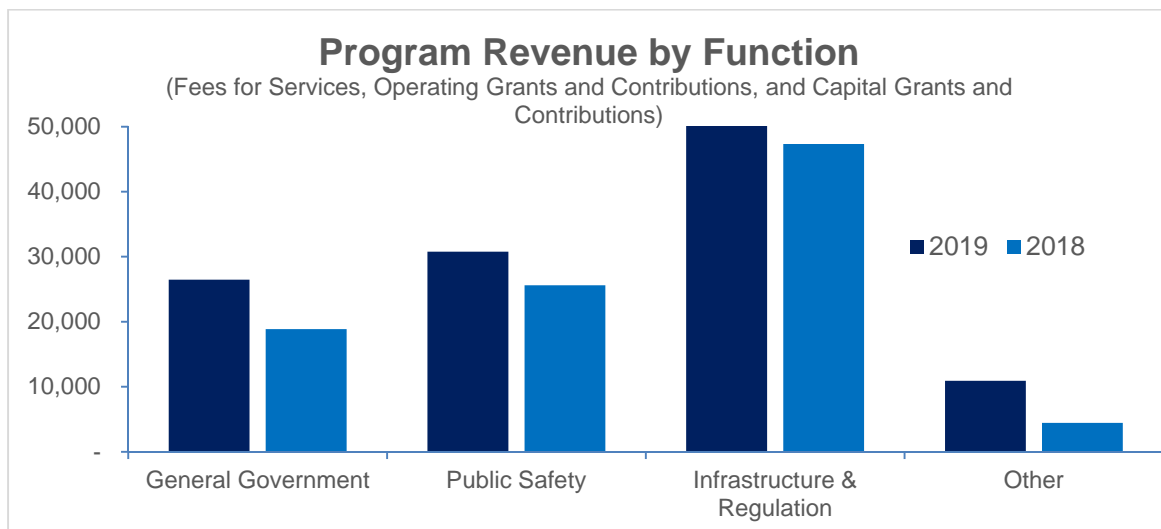
The total fund balances for governmental funds was \$399.1 million at the end of fiscal year 2019. Capital assets are not reported in these funds because they are not financial resources, and are not available to pay for current period expenditures. Capital assets as of June 30, 2019, which are not included in this fund balance, totaled \$851.4 million. Long-term liabilities of \$287.7 million are not due and payable in the current period and therefore are also not reported in these funds.

Governmental activities

Governmental activities increased the County's Net Position during the year by \$118.1 million. Key elements of this increase are as shown below.

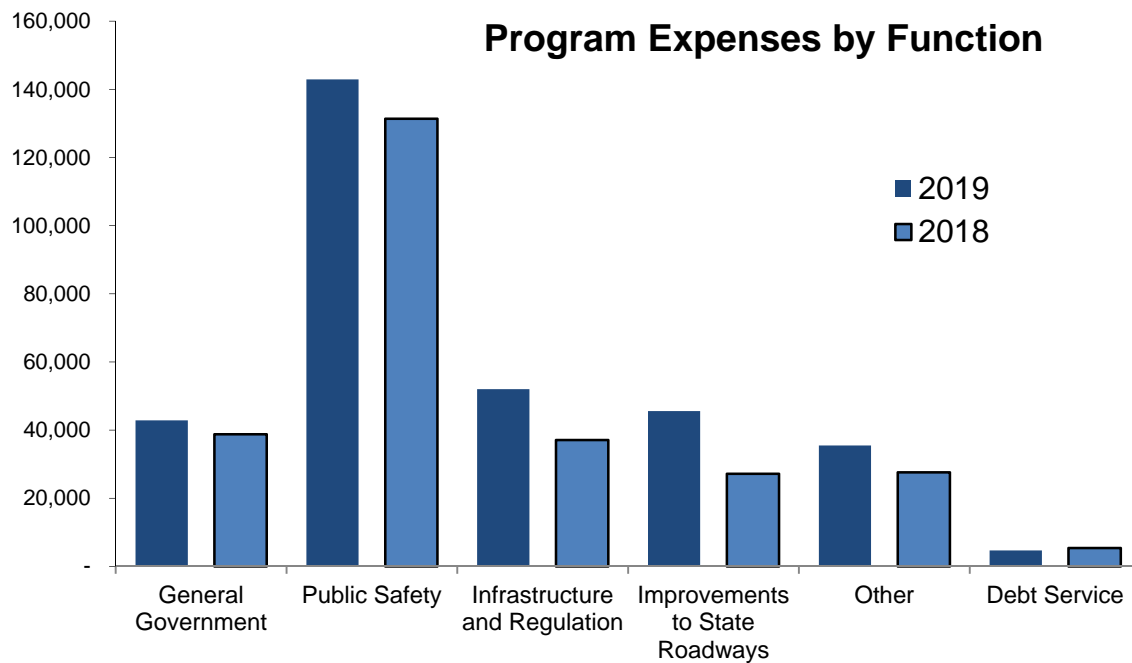
Horry County's Changes in Net Position (amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Fees for services	\$ 72,010	\$ 64,406	\$ 43,406	\$ 40,707	\$ 115,416	\$ 105,113
Operating Grants and Contributions	39,648	12,891	2,416	2,366	42,064	15,257
Capital Grants and Contributions	10,203	18,956	15,832	3,728	26,035	22,684
General Revenues: Property taxes, Shared revenue and Unallocated intergovernmental	249,554	236,545	-	-	249,554	236,545
Other	70,332	69,417	4,338	1,501	74,670	70,918
Total Revenues	<u>441,747</u>	<u>402,215</u>	<u>65,992</u>	<u>48,302</u>	<u>507,739</u>	<u>450,517</u>
Expenses:						
General government	42,855	38,814	-	-	42,855	38,814
Public safety	142,931	131,400	-	-	142,931	131,400
Infrastructure and regulation	52,037	37,123	-	-	52,037	37,123
Improvements to state roadways	26,590	27,208	-	-	26,590	27,208
Health and social services	2,727	3,273	-	-	2,727	3,273
Culture, recreation and tourism	42,500	14,706	-	-	42,500	14,706
Economic development	4,174	4,134	-	-	4,174	4,134
HGTC and Higher Education Commission	5,131	5,506	-	-	5,131	5,506
Interest	4,708	5,413	-	-	4,708	5,413
Airports	-	-	40,596	38,147	40,596	38,147
Total Expenses	<u>323,653</u>	<u>267,577</u>	<u>40,596</u>	<u>38,147</u>	<u>364,249</u>	<u>305,724</u>
Increase in net position	118,094	134,638	25,396	10,155	143,490	144,793
Net Position – July 1	931,621	796,983	282,477	272,322	1,214,098	1,069,305
Net Position – June 30	<u>\$ 1,049,715</u>	<u>\$ 931,621</u>	<u>\$ 307,873</u>	<u>\$ 282,477</u>	<u>\$ 1,357,588</u>	<u>\$ 1,214,098</u>

Program Revenues and Expenses – Governmental Activities



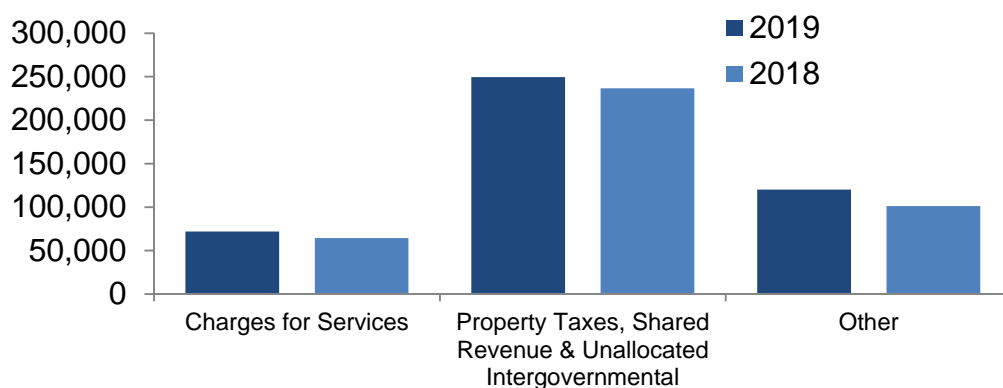
Program revenues in governmental activities increased \$25.6 million for fiscal year 2019. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In 2019, Fees for Services increased by \$7.6 million due primarily to increases in stormwater fees of \$2.6 million road fee of \$0.4 million, building inspection fees of \$0.4 million, and documentary stamps of \$0.5 million. Grants and Contributions of \$49.8 million increased by \$18.0 million due primarily to higher Federal and State reimbursements

for Hurricane Matthew, higher E-911 capital reimbursements, higher developer contributions, and the Thompson Estate donation of \$4.4 million for the benefit of the Conway Library in the current year.



Program expenses in governmental activities increased \$56.1 million or 21.0 percent due primarily to increased contributions to municipalities of \$19.0 million, increased improvements to county infrastructure of \$14.9 million, higher spending of \$8.7 million for beach renourishment, and higher personnel expenses from an average 3% merit increase along with increases in retirement and health insurance.

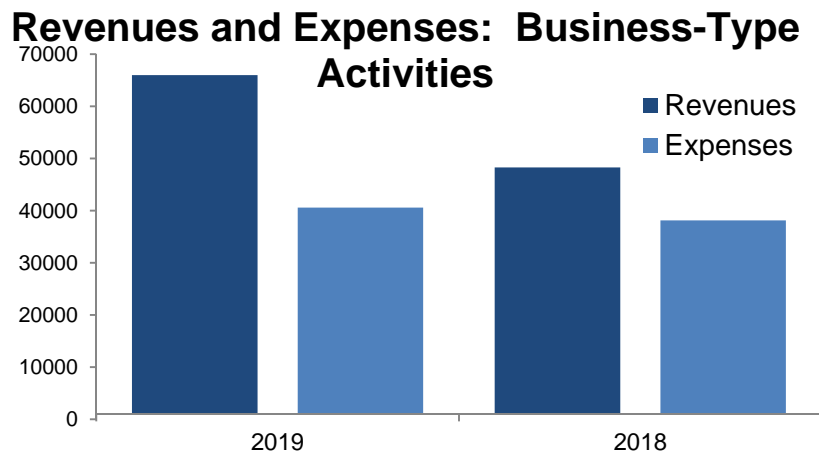
Revenues by Source - Governmental Activities



Revenues in the governmental activities increased \$39.5 million for fiscal year 2019 which includes a Grants increase of \$18.0 million noted above, Sales Tax increase of \$3.6 million, Property Tax increase of \$9.4 million, and \$6.2 million increase in investment earnings.

Business-type activities

Business-type activities increased the County's net position by \$25.4 million, primarily the result of capital grant revenues and other non-operating revenues. Fees for services increased \$2.7 million for terminal rents, concessions, rentals and fuel sales. Program expenses increased \$2.4 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 2019, the County's governmental funds reported combined ending fund balances of \$399.1 million, a decrease of \$30.0 million from the prior year. General Fund growth of \$1.9 million and growth of \$66.8 million in RIDE III offset reductions in RIDE II (completion of some major projects), and RIDE program debt service (defeasance of loan). Unassigned Fund Balance which is undesignated in the governmental funds of \$12.5 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)

	2019	2018	Variance
Nonspendable			
Inventory and prepaid	\$ 418	\$ 334	\$ 84
Restricted			
Debt service	17,497	85,673	(68,176)
Capital	231,356	192,827	38,529
Other	32,669	33,968	(1,299)
Committed			
Cash flow reserve	31,656	29,340	2,316
Disaster reserve	8,793	8,150	643
Revenue reserve	3,517	3,260	257
Other purposes	3,399	3,648	(249)
Debt service	-	6,919	(6,919)
Infrastructure and regulation	20,266	19,446	820
Economic development	1,638	1,812	(174)
Capital	24,281	20,794	3,487
Public safety, culture, recreation and tourism	6,255	6,323	(68)
OPEB	3,979	2,425	1,554
Abatement/demolition	911	3,000	(2,089)
Unassigned	12,460	11,202	1,258
Total	<u>\$ 399,095</u>	<u>\$ 429,121</u>	<u>\$ (30,026)</u>

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2019, Fund Balance totaled \$80.0 million. Council committed \$66.9 million of fund balance including a cash flow reserve (\$31.7 million), a disaster reserve (\$8.8 million), a revenue reserve (\$3.5 million), commitment for capital projects (\$10.9 million) and for OPEB (\$4.0 million). Unassigned Fund Balance is \$12.7 million in the General Fund. 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 7.4 percent of the total General Fund expenditures and transfers out. Total Fund Balance represents 46.6 percent of budgeted General Fund expenditures and transfers out.

The Fund Balance of the General Fund increased by \$1.9 million during the current fiscal year. This increase is a result of revenues over budget of \$6.6 million coupled with positive expenditure savings to budget of \$10.1 million.

Net change in fund balance

(amounts expressed in thousands)

Planned use of fund balance	<u>\$ (14,825)</u>
Revenues over budget	6,578
Expenditures under budget	10,130
Other Financing Sources (Uses) under budget	<u>(3)</u>
Net budget savings from the General Fund	<u>16,705</u>
Net change in Fund Balance from FY 2018	<u>\$ 1,880</u>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2019 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2018. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2019 generated a net increase in Fund Balance of \$1.9 million in the General Fund.

Comparison of FY 2019 General Fund Results to FY 2018

(amounts expressed in thousands)

Increase in Property Taxes , primarily due to value increase	\$ 3,103
Decrease in Intergovernmental Revenue , primarily due to lower state grants	(264)
Decrease in Fees and Fines , primarily due to Master in Equity fees	(210)
Increase in Register of Deeds Documentary Stamps , due to increased instruments filed	364
Increase in Licenses and Permits , primarily due to increased residential building permits	188
Increase in Interest on Investments , primarily due to increased interest rates	2,205
Increase in Cost Allocations , increased central service allocations to other funds	1,008
Increase in Other Revenues , primarily from rents and prisoner housing reimbursements	304
Decrease in net Other Financing Sources (Uses) , primarily due to higher transfers out	(8,460)
Increase in Expenditures , primarily due to increases in personal services	(10,679)
Net decrease in General Fund results compared to FY 2018 results	(12,441)
Net increase in fund balance from FY 2018 General Fund results	14,321
Net increase in the fund balance of the General Fund from FY 2019 results	<u>\$ 1,880</u>

RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed countywide on accommodations, prepared foods, beverages, and admissions. The proceeds of this fee, after payment of an administrative fee to the General Fund, are pledged to repay the RIDE debt owed to the State Infrastructure Bank. These fees are recorded as revenue in the RIDE Program Debt Service Fund and used to fund the debt service payments. Due to the growth in tourism in recent years, the Hospitality Fees have exceeded the required debt service. The County defeased the RIDE IGA debt on February 15, 2019. The remaining balance of funds are available to the County for other uses as provided in the Ordinances establishing the 1.5% Hospitality Fee. The County is a defendant in a lawsuit asserting municipal consent is required to collect the 1.5% Hospitality Fee within the municipalities. The Circuit Court issued a temporary injunction of municipal collections pending the disposition of the lawsuit. The County has offered in Resolution R-36-19 to return the collections within each municipality to those municipalities in exchange for collective funding of I-73. Included in the expenditures (and offset by a liability) is a \$19.0 million estimate of the municipal collections through June 30, 2019.

Horry County's RIDE Program Debt Service Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2018	<u>\$ 77,702</u>
Revenues	43,552
Expenditures	(31,013)
Other Financing Sources (Uses)	<u>(80,566)</u>
Net change in Fund Balance	<u>(68,027)</u>
Fund Balance, June 30, 2019	<u>\$ 9,675</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 2019, \$15.2 million was transferred in from other funds. The fund balance of \$15.9 million at June 30, 2019 reflects the resources previously funded and available to complete the capital projects currently in process. Expenditures included Debt Service of \$7.5 million to pay off a PEPCO lease, earlier than scheduled.

Horry County's General Improvement Capital Project Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2018	<u>\$ 20,192</u>
Revenues	1,634
Expenditures	(18,244)
Other Financing Sources (Uses)	<u>12,270</u>
Net change in Fund Balance	<u>(4,340)</u>
Fund Balance, June 30, 2019	<u>\$ 15,852</u>

The Capital Projects Sales Tax Fund (RIDE II) reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. Interest revenue was \$2.3 million in fiscal year 2019 as the statutory collection period has now ended and no additional sales taxes are collected. Total receipts life to date of the program through June 30, 2019 are \$453.5 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 2019 total \$26.5 million and includes construction of \$22.6 million on State roadways and \$3.4 million on County roadways. The excess of expenditures over revenues of \$24.2 million decreases the accumulated fund balance to \$70.3 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, 2018	<u>\$ 94,509</u>
Revenues	2,275
Expenditures	<u>(26,470)</u>
Net change in Fund Balance	<u>(24,195)</u>
Fund Balance, June 30, 2019	<u>\$ 70,314</u>

In November 2016 voters approved a ballot referendum for new one-cent Capital Projects Sales Tax (RIDE III). The sales tax went into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverages, and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight years or April 30, 2025. The eight year projection revenues from the 1% Sales Tax is \$592 million. For fiscal year 2019 Revenues total \$82.5 million. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects. Expenditures for 2019 total \$15.7 million and include initial design and project management costs, as well as the beginning of approved projects. The excess of revenues over expenditures of \$66.8 million increases the accumulated fund balance to \$139.3 million. The funds are restricted to specific projects and accumulate due to anticipated timing of project design, permitting, and right-of-way acquisition.

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

(amounts expressed in thousands)

Fund Balance, July 1, 2018	<u>\$ 72,526</u>
Revenues	82,485
Expenditures	<u>(15,725)</u>
Net change in Fund Balance	<u>66,760</u>
Fund Balance, June 30, 2019	<u><u>\$ 139,286</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 \$364.6 million. The Department of Airports reflects a \$25.4 million or 9.0 percent increase in 2019. This increase resulted from positive operating revenues from concessions, airline terminal rents and fuel sales at Myrtle Beach International Airport. 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 \$24.8 million at June 30, 2019. This reflects a \$2.7 million increase during the year including \$8.0 million of assets purchased, less \$5.7 million for annual depreciation and asset disposals. The remaining Net Position of \$31.9 million is restricted for future replacement of the covered equipment.

Horry County's Proprietary Funds Net Position

(amounts expressed in thousands)

	Department of Airports		Internal Service Funds		Total	
	2019	2018	2019	2018	2019	2018
Net investment in capital assets	\$ 205,209	\$ 187,510	\$ 24,755	\$ 21,976	\$ 229,964	\$ 209,486
Restricted for:						
Debt Service	31,238	27,799	-	-	31,238	27,799
Capital	27,201	24,478	31,929	26,652	59,130	51,130
Unrestricted	44,225	42,690	-	-	44,225	42,690
Total net position	<u>\$ 307,873</u>	<u>\$ 282,477</u>	<u>\$ 56,684</u>	<u>\$ 48,628</u>	<u>\$ 364,557</u>	<u>\$ 331,105</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 \$3.3 million from the original budget. These increases were reflected in program revenues (\$2.2 million) primarily within public safety as well as grant reimbursements (\$1.1 million) and added to the budget when received.

The final budgeted expenditures increased \$9.6 million. The primary reason for these expenditure budget adjustments was budgetary roll forward of unspent dedicated amounts from fiscal year 2018 of \$6.3 million and an equal increase of \$2.2 million and \$1.1 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 \$6.6 million and actual expenditures were less than the final budget by \$10.1 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 \$2.1 million primarily related to both real (\$2.1 million) and personal (\$0.2 million) property taxes. Vehicle taxes reflected a decline of \$0.2 million due to lower assessed values.
- Investment earnings were over budget by \$2.3 million due to higher interest rates and active management.
- Cost allocation was higher by \$0.9 million due to greater services provided to other funds.
- Other revenues were higher than budget by \$0.9 million due to increased rents and fees.
- 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
Abatement/Demolition	\$ 961	\$ 50	\$ (911)
Assessor	4,168	3,893	(275)
Clerk of Court-Family Court	829	303	(526)
Code Enforcement	3,403	3,182	(221)
County Council	1,669	1,002	(667)
County Engineer	1,747	1,449	(298)
Department Overhead	5,041	3,946	(1,095)
Detention Center	27,861	26,703	(1,158)
Grants Administration	434	173	(261)
Human Resources	1,806	1,504	(302)
Legal	1,416	973	(443)
Library	5,001	4,600	(401)
Maintenance	5,233	4,796	(437)
Parking Program	343	89	(254)
Planning	2,300	1,936	(364)
Public Safety Division	1,305	682	(623)
Public Works	10,840	9,581	(1,259)
Sheriff	7,731	7,521	(210)
Total of above			\$ (9,705)
Various other departments (under) budget			(425)
Total expenditures (under) budget			<u>\$ (10,130)</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, 2019 amounts to \$1.1 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), leasehold improvements, equipment, intangible assets, infrastructure, and construction-in-progress. The total increase of \$46.6 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 4.4 percent change from the prior year (a 3.5 percent increase for governmental activities and a 7.3 percent increase 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 \$41.3 million increase in road infrastructure, \$12.4 million in County machinery and equipment, and \$31.5 million in Airport capital. These addition amounts are reduced by depreciation during the year of \$33.4 million and asset disposals of \$4.4 million.

Horry County's Capital Assets						
<i>(amounts expressed in thousands)</i>						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land, Easements, and Imp.	\$ 30,208	\$ 29,809	\$ 45,297	\$ 46,380	\$ 75,505	\$ 76,189
Intangible Assets	131	184	-	-	131	184
Infrastructure	601,889	560,587	9,182	9,182	611,071	569,769
Construction-in-Progress	39,025	47,598	18,601	3,845	57,626	51,443
Buildings and Improvements	130,851	138,459	119,465	121,176	250,316	259,635
Machinery and Equipment	49,323	45,825	8,690	6,944	58,013	52,769
Runways and Taxiways	-	-	58,049	54,102	58,049	54,102
Total	\$ 851,427	\$ 822,462	\$ 259,284	\$ 241,629	\$1,110,711	\$1,064,091

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 63 percent paved roads and 37 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of the condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads.

The following assessment 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.

	<u>2019</u>	<u>2018</u>
Arterial	90.6%	85.3%
Collector	86.0%	88.7%
Access	<u>87.7%</u>	<u>88.9%</u>
Overall system	<u>87.6%</u>	<u>88.8%</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 and RIDE III) programs 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 tables below reflect the cost incurred to date for these projects.

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

(amounts expressed in thousands)

	<u>Current Year</u>	<u>Project to Date</u>
Backgate interchange	\$ 2,063	\$ 106,694
Widen 707	12,306	89,307
Widen Glenss Bay	<u>8,277</u>	<u>70,106</u>
Total	<u>\$ 22,646</u>	<u>\$ 266,107</u>

**Horry County's Improvements to State Roadways
(RIDE III)**

(amounts expressed in thousands)

	<u>Current Year</u>	<u>Project to Date</u>
Extend Palmetto Pointe Blvd.	\$ 1,030	\$ 1,223
Hwy 501 & Hwy 31	769	1,089
US Hwy 701 N Widening	813	820
Others	<u>1,332</u>	<u>1,568</u>
Total	<u>\$ 3,944</u>	<u>\$ 4,700</u>

Additional information on infrastructure assets can be found in Required Supplementary Information (RSI) and Capital Projects Sales Tax Budgetary Comparison Schedules.

Debt Administration

At June 30, 2019, the County had total bonded debt outstanding of \$107.1 million. This is a decrease from the prior year of approximately \$103.3 million and represents the normal amortization of prior balances for General Obligation and Revenue bonds and the defeasance of \$89.7M in RIDE IGA loans. Of the total bonded debt outstanding, \$53.2 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 Airport revenues pledged to repay the Revenue Bonds. During the year, the County repaid the Certificates of Participation issued for a baseball stadium and the RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank.

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, 2019 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	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 53,209	\$ 65,144	\$ -	\$ -	\$ 53,209	\$ 65,144
Revenue Bonds	-	-	53,848	55,257	53,848	55,257
Baseball Stadium COPS	-	231	-	-	-	231
RIDE IGA Loans	-	89,765	-	-	-	89,765
Total	<u>\$ 53,209</u>	<u>\$155,140</u>	<u>\$ 53,848</u>	<u>\$ 55,257</u>	<u>\$107,057</u>	<u>\$210,397</u>

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, 2019, amounts reserved for debt service totaled \$39.1 million. This represents a decrease of \$62.6 million from the prior year due to the repayment of the RIDE IGA loans utilizing the prior year debt service reserves. Revenue Bonds reflected a \$3.5 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	
	2019	2018	2019	2018	2019	2018
General Debt	\$ 7,840	\$ 7,734	\$ -	\$ -	\$ 7,840	\$ 7,734
Special Obligation	-	237	-	-	-	237
Revenue Bonds	-	-	31,238	27,799	31,238	27,799
RIDE IGA Loans	-	65,885	-	-	-	65,885
Total	<u>\$ 7,840</u>	<u>\$ 73,856</u>	<u>\$ 31,238</u>	<u>\$ 27,799</u>	<u>\$ 39,078</u>	<u>\$101,655</u>

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

Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors currently affecting the County:

- As of June 2019, the unemployment rate for the County per the Bureau of Labor Statistics and Workforce (not seasonally adjusted) was 4.3 percent, up from 4.1 percent at June 2018. The unemployment rate for the state of South Carolina as of June 2019 was 3.5 percent, down from 3.8 percent at June 2018.
- The fiscal year 2019 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, 2019 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 2020 budget compared to fiscal year 2019 as follows:

- Increasing revenue – property taxes; economically sensitive areas for hospitality fees, building inspection permits, ROD and EMS collections;
- Increasing expenditures overall including a 4.4 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 2020 budget for recurring expenditures.

All of these factors were considered in preparing the County's budget for the 2020 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2019, unassigned fund balance in the General Fund increased from \$11.8 million to \$12.7 million primarily due to favorable revenue and expenditure results in fiscal year 2019. Total fund balance in the General Fund increased from \$78.1 million to \$80.0 million. Projections at this time indicate that at the end of fiscal year 2020, 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 Robert Jordan, Finance Director, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2019

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,290	\$ 24,438	\$ 26,728	\$ 2,741	\$ 38,333
Pooled cash and investments	11,484	24,824	36,308	-	-
Investments	396,968	-	396,968	-	5,002
Receivables, net:					
Property taxes	6,570	-	6,570	-	-
Accounts and other	5,818	2,582	8,400	399	1,669
Fees	10,519	-	10,519	-	-
Due from other governments	60,569	4,435	65,004	522	1,144
Prepaid items	3,224	91	3,315	-	-
Inventories	259	1,267	1,526	-	49
Restricted funds - investments	4,756	-	4,756	650	-
Total current assets	502,457	57,637	560,094	4,312	46,197
Restricted assets:					
Cash and cash equivalents	-	16,824	16,824	-	-
Pooled cash and investments	-	43,127	43,127	-	-
Accounts and other receivables	-	-	-	306	-
Receivables - PFC and CFC	-	1,403	1,403	-	-
Total restricted assets	-	61,354	61,354	306	-
Non-current assets:					
Investments	34,524	10,004	44,528	-	-
Capital assets, net:					
Land, easements, intangible assets and infrastructure	627,006	32,103	659,109	138	7,918
Depreciable capital assets, net	185,396	208,580	393,976	632	36,231
Construction-in-progress	39,025	18,601	57,626	-	1,188
Total capital assets, net	851,427	259,284	1,110,711	770	45,337
Service concession arrangement (SCA)	-	4,259	4,259	-	-
Total non-current assets	885,951	273,547	1,159,498	770	45,337
Total assets	1,388,408	392,538	1,780,946	5,388	91,534
Deferred Outflows of Resources					
Deferred charge on refunding	2,153	-	2,153	-	-
Deferred outflows - pension	31,925	2,140	34,065	1,211	1,676
Deferred outflows - OPEB	1,909	60	1,969	-	62
Total deferred outflows of resources	35,987	2,200	38,187	1,211	1,738

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
Liabilities					
Current liabilities payable from non-restricted assets:					
Accounts payable - trade	14,243	5,944	20,187	88	1,403
Accounts payable - other	195	-	195	-	-
Accrued salaries, related taxes and compensated absences	13,272	424	13,696	74	301
Unearned revenue from operating agreements	-	712	712	13	-
Internal balances	(892)	892	-	-	-
Due to component units	1,144	-	1,144	-	-
Due to other governments	21,169	51	21,220	-	-
Construction and retainage payable	-	1,486	1,486	-	-
Other accrued liabilities	18,110	355	18,465	-	-
Accrued interest payable	416	-	416	-	-
General and special obligation bonds payable - current portion	11,660	-	11,660	-	-
Capital lease obligations - current portion	1,871	57	1,928	-	-
Amounts due to tenants	-	1,053	1,053	-	-
Total current liabilities payable from non- restricted assets	81,188	10,974	92,162	175	1,704
Current liabilities payable from restricted assets:					
Revenue bonds payable - current portion	-	1,480	1,480	-	-
Accrued interest payable	-	1,411	1,411	-	-
Total current liabilities payable from restricted assets	-	2,891	2,891	-	-
Total current liabilities	81,188	13,865	95,053	175	1,704
Non-current (long-term) liabilities:					
General and special obligation bonds payable	41,549	-	41,549	-	-
Revenue bonds payable	-	52,368	52,368	-	-
Compensated absences	4,097	743	4,840	63	191
Capital lease obligations	7,927	165	8,092	-	-
Net OPEB liability	40,597	1,375	41,972	120	2,206
Net pension liability	193,496	13,923	207,419	5,131	8,998
Landfill closures costs	-	-	-	-	15,915
Landfill post closure care costs	-	-	-	-	4,912
Total non-current liabilities	287,666	68,574	356,240	5,314	32,222
Total liabilities	368,854	82,439	451,293	5,489	33,926
Deferred Inflows of Resources					
Deferred inflows - Present value of payments under service concession arrangement	-	4,259	4,259	-	-
Deferred inflows - pension	2,685	66	2,751	274	665
Deferred inflows - OPEB	3,141	101	3,242	-	138
Total deferred inflows of resources	5,826	4,426	10,252	274	803

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
Net Position					
Net investment in capital assets	792,528	205,209	997,737	769	45,338
Restricted for capital projects	281,745	27,201	308,946	650	-
Restricted for debt service	7,840	31,238	39,078	-	-
Restricted for other purposes	35,357	-	35,357	-	-
Unrestricted (deficit)	(67,755)	44,225	(23,530)	(583)	13,205
Total net position	<u>\$ 1,049,715</u>	<u>\$ 307,873</u>	<u>\$ 1,357,588</u>	<u>\$ 836</u>	<u>\$ 58,543</u>

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

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

Functions and Programs	Expenses	Program Revenue		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 42,855	\$ 20,508	\$ 5,967	\$ -
Public safety	142,931	19,463	11,184	127
Health and social services	2,727	-	7	-
Infrastructure and regulation	52,037	30,532	13,093	10,076
Improvements to state roadways	26,590	-	-	-
Culture, recreation and tourism	42,500	1,128	5,929	-
Economic development	4,174	379	3,422	-
Interest	4,708	-	27	-
HGTC and Higher Education Commission	5,131	-	19	-
Total governmental activities	323,653	72,010	39,648	10,203
Business-type activities:				
Airports	40,596	43,406	2,416	15,832
Total primary government	\$ 364,249	\$ 115,416	\$ 42,064	\$ 26,035
Component units				
Shoreline Behavioral	\$ 5,837	\$ 2,843	\$ 2,880	\$ 650
Solid Waste Authority	23,537	26,563	506	286
Total component units	\$ 29,374	\$ 29,406	\$ 3,386	\$ 936

General Revenue

Property taxes
Capital Project Sales Tax
Fees-in-lieu of taxes
Intergovernmental - unrestricted
Accommodations tax
Local accommodations fee
Hospitality fee
Unrestricted investment earnings
Other
Gain/(loss) on disposal of capital asset
Total general revenue
Change in net position
Net position - beginning of year
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	Total	Shoreline Behavioral	Solid Waste Authority
\$ (16,380)	\$ -	\$ (16,380)	\$ -	\$ -
(112,157)	-	(112,157)	-	-
(2,720)	-	(2,720)	-	-
1,664	-	1,664	-	-
(26,590)	-	(26,590)	-	-
(35,443)	-	(35,443)	-	-
(373)	-	(373)	-	-
(4,681)	-	(4,681)	-	-
(5,112)	-	(5,112)	-	-
(201,792)	-	(201,792)	-	-
-	21,058	21,058	-	-
(201,792)	21,058	(180,734)	-	-
-	-	-	536	-
-	-	-	-	3,818
-	-	-	536	3,818
153,500	-	153,500	-	-
80,938	-	80,938	-	-
4,262	-	4,262	-	-
10,854	-	10,854	-	-
4,379	-	4,379	-	-
1,262	-	1,262	-	-
50,750	-	50,750	-	-
11,464	2,374	13,838	6	887
2,168	85	2,253	-	41
309	1,879	2,188	-	5
319,886	4,338	324,224	6	933
118,094	25,396	143,490	542	4,751
931,621	282,477	1,214,098	294	53,792
\$ 1,049,715	\$ 307,873	\$ 1,357,588	\$ 836	\$ 58,543

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	General Improvement Capital Projects	Capital Project Sales Tax - RIDE II
Assets			
Cash and cash equivalents	\$ 1,777,807	\$ -	\$ -
Pooled cash and investments	95,481,977	16,367,947	72,203,700
Receivables, net:			
Property taxes	4,101,520	-	-
Accounts and other	5,071,999	-	-
Fees	2,064,999	-	-
Due from other funds	1,793,110	-	-
Due from other governments	8,987,768	356,800	105,650
Inventories	67,701	-	-
Prepaid items	294,444	-	-
Restricted funds - investments	-	-	-
Total Assets	<u>\$ 119,641,325</u>	<u>\$ 16,724,747</u>	<u>\$ 72,309,350</u>
Liabilities			
Accounts payable - trade	\$ 3,482,173	\$ 873,071	\$ 1,889,577
Accounts payable - other	-	-	-
Accrued salaries and wages	4,435,760	-	-
Due to other funds	-	-	-
Due to component units	307,893	-	-
Due to other governments	1,880,184	-	-
Due to taxpayers for overpayment	244,312	-	-
Funds held in trust-delinquent taxes	12,156,939	-	-
Other liabilities	4,433,081	-	-
Total liabilities	<u>26,940,342</u>	<u>873,071</u>	<u>1,889,577</u>
Deferred Inflows of Resources			
Unavailable revenue-fees and other	8,372,568	-	105,650
Unavailable revenue-property taxes	4,318,798	-	-
Total deferred inflows of resources	<u>12,691,366</u>	<u>-</u>	<u>105,650</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 512,488	\$ 2,290,295
122,483,305	22,481,558	82,975,634	411,994,121
-	-	2,468,156	6,569,676
-	-	655,833	5,727,832
-	6,215,457	2,238,435	10,518,891
-	-	-	1,793,110
36,132,833	-	14,986,388	60,569,439
-	-	-	67,701
-	-	55,748	350,192
-	-	4,755,939	4,755,939
<u>\$ 158,616,138</u>	<u>\$ 28,697,015</u>	<u>\$ 108,648,621</u>	<u>\$ 504,637,196</u>
\$ 2,535,326	\$ -	\$ 6,166,862	\$ 14,947,009
-	-	194,828	194,828
5,382	-	918,450	5,359,592
-	-	901,177	901,177
-	-	-	307,893
-	19,022,349	265,971	21,168,504
-	-	-	244,312
-	-	-	12,156,939
-	-	1,275,764	5,708,845
<u>2,540,708</u>	<u>19,022,349</u>	<u>9,723,052</u>	<u>60,989,099</u>
16,789,639	-	12,788,231	38,056,088
-	-	2,178,178	6,496,976
<u>16,789,639</u>	<u>-</u>	<u>14,966,409</u>	<u>44,553,064</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
- CONTINUED -

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax - RIDE II</u>
Fund Balances			
Nonspendable	362,145	-	-
Restricted for capital projects	-	2,505,696	70,314,123
Restricted for public safety	-	-	-
Restricted for culture, recreation and tourism	-	-	-
Restricted for infrastructure and regulation	-	-	-
Restricted for economic development	-	-	-
Restricted for health and social services	-	-	-
Restricted for debt service	-	-	-
Committed to public safety	2,616,652	-	-
Committed to culture, recreation and tourism	290,061	-	-
Committed to infrastructure and regulation	1,813,772	-	-
Committed to capital projects	10,935,000	13,345,980	-
Committed to reserves/stabilization	43,966,260	-	-
Committed to economic development	-	-	-
Committed to other purposes	2,416,928	-	-
Committed to OPEB	3,979,248	-	-
Committed to abatement/demolition	911,362	-	-
Unassigned (deficit)	12,718,189	-	-
Total fund balances	<u>80,009,617</u>	<u>15,851,676</u>	<u>70,314,123</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 119,641,325</u>	<u>\$ 16,724,747</u>	<u>\$ 72,309,350</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
-	-	55,748	417,893
139,285,791	-	19,250,847	231,356,457
-	-	16,301,841	16,301,841
-	-	8,780,995	8,780,995
-	-	5,569,730	5,569,730
-	-	1,951,742	1,951,742
-	-	64,725	64,725
-	9,674,666	7,822,047	17,496,713
-	-	-	2,616,652
-	-	3,347,857	3,637,918
-	-	18,452,297	20,266,069
-	-	-	24,280,980
-	-	-	43,966,260
-	-	1,638,162	1,638,162
-	-	981,426	3,398,354
-	-	-	3,979,248
-	-	-	911,362
-	-	(258,257)	12,459,932
<u>139,285,791</u>	<u>9,674,666</u>	<u>83,959,160</u>	<u>399,095,033</u>
<u>\$ 158,616,138</u>	<u>\$ 28,697,015</u>	<u>\$ 108,648,621</u>	<u>\$ 504,637,196</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
- CONTINUED -

Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:	<i>(amounts expressed in thousands)</i>
Total fund balances - governmental funds	\$ 399,095
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.	824,986
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.	6,497
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.	38,056
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	2,153
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.	56,684
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.	(216,039)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period are reported in the funds.	(61,717)
Net position end of year - governmental activities	<u><u>\$ 1,049,715</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, 2019

		General Improvement Capital Projects	Capital Project Sales Tax - RIDE II
Revenues	General Fund		
Real property taxes	\$ 82,985,278	\$ -	\$ -
Personal property taxes	5,724,428	-	-
Vehicle taxes	8,482,570	-	-
Fee in lieu of tax	3,153,830	-	-
Intergovernmental	12,770,648	1,073,217	-
Sales tax	-	-	-
Accommodations tax	226,147	-	-
Fees and fines	21,048,303	-	-
Local Accommodations tax	302,560	-	-
Hospitality fees	7,725,859	-	-
Documentary stamps	5,337,630	-	-
License and permits	11,881,915	-	-
Interest on investments	2,880,979	560,396	2,274,901
Cost allocation	4,437,499	-	-
Other	5,339,991	-	-
Total revenues	<u>172,297,637</u>	<u>1,633,613</u>	<u>2,274,901</u>
Expenditures			
Current:			
General government	35,003,743	885,580	-
Public safety	92,222,664	92,840	-
Health and social services	1,583,352	-	-
Infrastructure and regulation	16,966,040	-	245,334
Improvements to state roadways	-	-	22,645,791
Culture, recreation and tourism	5,412,738	94,260	-
Economic development	489,307	-	-
HGTC & Higher Education Commission	-	-	-
Debt service	-	7,824,879	-
Capital outlay	380,072	9,345,953	3,578,516
Total expenditures	<u>152,057,916</u>	<u>18,243,512</u>	<u>26,469,641</u>
Excess (deficiency) of revenues over expenditures	<u>20,239,721</u>	<u>(16,609,899)</u>	<u>(24,194,740)</u>
Other Financing Sources (Uses)			
Sales of capital assets	87,902	-	-
Payment to defease Ride 1 IGA loan	-	-	-
Transfers in	678,691	15,226,225	-
Transfers out	(19,126,747)	(2,956,567)	-
Total other financing sources (uses)	<u>(18,360,154)</u>	<u>12,269,658</u>	<u>-</u>
Net change in fund balance	1,879,567	(4,340,241)	(24,194,740)
Fund balances at beginning of year	78,130,050	20,191,917	94,508,863
Fund balances at end of year	<u>\$ 80,009,617</u>	<u>\$ 15,851,676</u>	<u>\$ 70,314,123</u>

Capital Project Sales Tax - RIDE III	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
\$ -	\$ -	\$ 44,962,271	\$ 127,947,549
-	-	3,432,266	9,156,694
-	-	5,545,717	14,028,287
-	-	1,108,132	4,261,962
-	-	23,891,965	37,735,830
79,838,737	-	-	79,838,737
-	-	4,189,658	4,415,805
-	-	27,394,022	48,442,325
-	-	959,353	1,261,913
-	42,469,059	555,005	50,749,923
-	-	-	5,337,630
-	-	-	11,881,915
1,922,920	1,083,111	2,027,543	10,749,850
-	-	-	4,437,499
723,750	-	7,422,329	13,486,070
<u>82,485,407</u>	<u>43,552,170</u>	<u>121,488,261</u>	<u>423,731,989</u>
-	-	545,414	36,434,737
-	-	39,766,057	132,081,561
-	-	895,135	2,478,487
3,034,861	-	32,354,383	52,600,618
3,943,940	-	-	26,589,731
-	19,022,348	15,936,670	40,466,016
-	-	3,678,313	4,167,620
-	-	5,130,560	5,130,560
-	11,990,558	14,883,783	34,699,220
8,746,873	-	12,750,091	34,801,505
<u>15,725,674</u>	<u>31,012,906</u>	<u>125,940,406</u>	<u>369,450,055</u>
<u>66,759,733</u>	<u>12,539,264</u>	<u>(4,452,145)</u>	<u>54,281,934</u>
-	-	22,548	110,450
-	(80,142,393)	-	(80,142,393)
-	-	8,751,462	24,656,378
-	(424,691)	(6,424,516)	(28,932,521)
-	(80,567,084)	2,349,494	(84,308,086)
66,759,733	(68,027,820)	(2,102,651)	(30,026,152)
72,526,058	77,702,486	86,061,811	429,121,185
<u>\$ 139,285,791</u>	<u>\$ 9,674,666</u>	<u>\$ 83,959,160</u>	<u>\$ 399,095,033</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

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

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ (30,026)
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.	16,514
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	44,553
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	(34,742)
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.	10,203
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.	(6,655)
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.	110,191
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities.	8,056
Change in net position - Governmental Activities	<u>\$ 118,094</u>

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

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,437,808	\$ -
Pooled cash and investments	24,824,379	30,982,577
Accounts receivable, net	2,582,218	90,060
Due from other governments	4,435,020	-
Prepaid items	90,953	2,874,024
Inventories	1,266,385	187,856
Total current assets	<u>57,636,763</u>	<u>34,134,517</u>
Restricted assets:		
Cash and cash equivalents	16,823,511	-
Investments	43,127,157	-
Receivables - PFC and CFC	1,403,189	-
Total restricted assets	<u>61,353,857</u>	<u>-</u>
Noncurrent assets:		
Investments	<u>10,003,880</u>	<u>-</u>
Capital assets, net:		
Land, easements and infrastructure	32,103,263	17,750
Depreciable capital assets, net	208,580,273	26,424,173
Construction-in-progress	18,601,055	-
Total capital assets, net	<u>259,284,591</u>	<u>26,441,923</u>
Service concession arrangement (SCA)	4,258,637	-
Total noncurrent assets	<u>273,547,108</u>	<u>26,441,923</u>
Total assets	<u>392,537,728</u>	<u>60,576,440</u>
Deferred outflows of resources		
Deferred outflows-pension	2,139,557	255,953
Deferred outflows-OPEB	60,357	16,428
Total deferred outflows of resources	<u>2,199,914</u>	<u>272,381</u>
Total assets and deferred outflows of resources	<u>\$ 394,737,642</u>	<u>\$ 60,848,821</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2019

- CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 5,944,415	\$ 131,085
Construction accounts and retainage payable	1,485,990	-
Accrued salaries, wages and compensated absences	423,526	21,563
Due to other funds	891,934	-
Other accrued liabilities	355,301	19,833
Unearned revenue from operating agreements	712,356	-
Due to other governments	50,500	-
Capital leases payable - current portion	56,909	546,246
Amounts due to tenants, airlines and car rentals	1,052,447	-
	<u>10,973,378</u>	<u>718,727</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,480,000	-
Accrued interest payable	1,411,072	-
Total current liabilities payable from restricted assets	<u>2,891,072</u>	<u>-</u>
Total current liabilities	<u>13,864,450</u>	<u>718,727</u>
Non-current liabilities:		
Compensated absences	743,356	136,036
Revenue bonds payable	52,368,157	-
Net OPEB liability	1,374,942	323,277
Net pension liability	13,923,096	1,756,490
Capital lease payable	164,821	1,140,158
Total non-current liabilities	<u>68,574,372</u>	<u>3,355,961</u>
Total liabilities	<u>82,438,822</u>	<u>4,074,688</u>
Deferred inflows of resources:		
Deferred inflows - present value of payments under service concession arrangement	4,258,637	-
Deferred inflows - pension	66,226	65,262
Deferred inflows - OPEB	101,419	24,488
Total deferred inflows of resources	<u>4,426,282</u>	<u>89,750</u>
Net position		
Net investment in capital assets	205,208,714	24,755,519
Restricted for:		
Debt service	31,238,112	-
Capital projects	27,200,434	31,928,864
Unrestricted	44,225,278	-
Total net position	<u>307,872,538</u>	<u>56,684,383</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 394,737,642</u>	<u>\$ 60,848,821</u>

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Fund
Operating Revenues		
Concessions and rentals	\$ 12,245,642	\$ -
Fuel sales - FBO	9,481,826	-
Airline terminal rents	7,679,557	-
Baggage handling system	898,703	-
Landing fees	2,513,953	-
Leases	966,481	-
Other airline services	739,462	-
Other	824,477	-
Federal revenue - TSA LEO reimbursement program	137,630	-
Charges for services	-	13,163,926
Intergovernmental	-	98,811
Fees	-	894,592
Security fees	352,469	-
Total operating revenues	35,840,200	14,157,329
Less, signatory airline rebate and incentive fee waivers	(1,312,435)	-
Net operating revenues	34,527,765	14,157,329
Operating Expenses		
Personnel costs	10,911,127	1,710,236
Depreciation and amortization	12,322,351	5,666,629
Baggage handling system	898,703	-
Fuel cost of sales	6,388,104	-
Outside and professional services	1,493,214	444,709
Utilities	1,822,171	-
Maintenance and supplies	2,045,647	94,582
Indirect cost allocation	400,000	46,695
Cost allocation	-	695,689
Vehicle and equipment (non-capital)	552,404	2,688,689
Insurance	416,001	-
Memberships, travel, fuels and lubricants	482,471	-
Office supplies	31,627	-
Other	-	25,770
Total operating expenses	37,763,820	11,372,999
Operating income (loss)	(3,236,055)	2,784,330

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Non-operating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	5,502,345	-
Contract Facility Charges (CFC's)	3,375,804	-
Interest on investments	2,373,621	714,597
Intergovernmental revenues	2,366,496	-
Redevelopment Authority grant revenue	50,000	-
Gain on disposal/sale of capital assets	1,879,128	236,982
Other	(216,130)	101,932
Interest subsidy on recovery zone economic bonds	300,654	-
Interest expense	(2,831,878)	(57,638)
Total non-operating revenues (expenses)	12,800,040	995,873
Income before capital contributions and transfers	9,563,985	3,780,203
Capital contributions, net	15,831,960	-
Transfers in	-	4,586,458
Transfers out	-	(310,316)
Change in net position	25,395,945	8,056,345
Net Position		
Beginning of year	282,476,593	48,628,038
End of year	\$ 307,872,538	\$ 56,684,383

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, 2019

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Cash Flows provided by (used for) Operating Activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 23,872,511	\$ -
FBO fuel sales and airline services	10,287,793	-
Vending, FBO ramp fees, hanger fees and other	959,612	-
Services, fees and miscellaneous charges	-	14,049,233
Intergovernmental	-	98,811
Cash paid for:		
Personnel costs	(9,966,495)	(1,401,284)
Maintenance, supplies, fuel, utilities and equipment	(9,703,331)	(6,746,172)
Other supplies and miscellaneous costs	-	(25,770)
Net cash provided by operating activities	<u>15,450,090</u>	<u>5,974,818</u>
Cash Flows from Non-Capital Financing Activities		
Insurance settlement	17,884	-
Building demolition/Tree removal	(297,289)	-
Other non-operating income	-	11,604
Transfers in	-	4,586,458
Transfers out	-	(310,316)
Net cash provided (used for) by non-capital financing activities	<u>(279,405)</u>	<u>4,287,746</u>
Cash Flows from Capital and Related Financing Activities		
Receipt of passenger and Contract Facility Charges	8,893,119	-
Acquisition and construction of capital assets	(28,957,814)	(7,960,401)
Proceeds from sale of capital assets	2,345,215	282,152
Interest paid on bonds, notes and capital lease	(2,860,351)	(63,883)
Principal payments on bonds and notes	(1,415,000)	-
Receipt of federal subsidy for "RZEDB" (Series 2010B)	300,654	-
Principal payments on capital lease obligation	(56,262)	(530,949)
Receipt of intergovernmental and private grants	2,479,771	-
Miscellaneous proceeds	-	101,792
Proceeds from airport improvement program, TSA and State grants	11,705,316	-
Net cash used for capital and related financing activities	<u>(7,565,352)</u>	<u>(8,171,289)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
Cash Flows from Investing Activities		
Investment sales	22,425,000	-
Interest on investments	2,156,442	714,597
Net cash provided by investing activities	24,581,442	714,597
Net increase in cash and cash equivalents	32,186,775	2,805,872
Cash and cash equivalents at beginning of year (of which \$53,727,322 is restricted for Airports)	77,026,080	28,176,701
Cash and cash equivalents at end of year (of which \$59,950,668 is restricted for Airports)	\$ 109,212,855	\$ 30,982,573
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (3,236,055)	\$ 2,784,330
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	12,322,351	5,666,629
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable, net	(95,051)	(9,285)
Prepaid items	116,906	(2,787,003)
Inventories	(62,131)	816
Deferred outflow of resources	-	328,807
(Decrease) increase in liabilities and deferred inflows of resources:		
Accounts payable	4,803,370	10,379
Accrued salaries, wages and compensated absences	(100,846)	11,647
Net OPEB liability	106,114	6,043
Net pension liability	939,364	(78,737)
Deferred inflows of resources	-	41,192
Other accrued expenses	10,536	-
Due to other funds	(41,670)	-
Unearned revenue	283,127	-
Amounts due to tenants, airlines and car rentals	404,075	-
Net cash provided by operating activities	\$ 15,450,090	\$ 5,974,818
Noncash capital and financing activities		
Trade in value of capital asset	\$ 106,251	\$ -

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2019

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 9,869,368
Pooled cash and investments	287,319,481
Taxes receivable	46,755,376
Fees receivable	1,106,871
Total assets	<u>\$ 345,051,096</u>
Liabilities	
Due to others	<u>\$ 345,051,096</u>
Total liabilities	<u>\$ 345,051,096</u>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

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

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

A. Reporting Entity

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

Government-Wide and Fund Financial Statements

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

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

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

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

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, Solicitor, Public Defender, Multi-County Business Park Rollback, E-911, Library Thompson Estate, CDBG Grant Program, and Recreation.

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

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

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

Fiduciary Fund Type

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

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

C. Measurement Focus and Basis of Accounting

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

C. Measurement Focus and Basis of Accounting

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

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

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

Estimates

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

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.

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

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

Investments

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

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

Receivables and Allowance for Doubtful Accounts

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

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

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 or sold. Inventories in the Road Maintenance/CTC Special Revenue fund are construction materials held for construction.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

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 or sold (consumption method).

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

Interfund Receivables and Payables

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

Restricted Assets

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

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

Capital Assets and Depreciation

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

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

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

Depreciation of HCSWA's Subtitle D landfill is calculated based on the percent of the landfill's capacity used times its cost.

Intangible Assets & Amortization

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

Capitalization of Interest

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

Deferred Inflows/Outflows of Resources

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

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

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

Debt Premiums and Discounts

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

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

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. The Airport reports a deferred inflow associated with the present value of payments under the service concession arrangement that is amortized over the life of the arrangement using the straight line method.

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations (including post-employment benefit obligations, compensated absences, and net pension obligation) are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Long-term debt represents unmatured principal of general, special obligation and revenue bond indebtedness. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, long-term contracts using actual or imputed interest rates and long-term portions of claims or judgments including rebatable arbitrage. Liabilities arising from interfund activities do not constitute general long-term liabilities. Part of the County's long-term obligations is its Road Improvement and Development Effort (RIDE I) 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

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

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

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

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

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

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

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

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

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

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

(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.

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;

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

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. In 2010, the FAA approved application #10-04-C-00-MYR in the amount of \$104,020,700 to fund the Terminal Capacity Enhancement Program (TCEP). The Airport was authorized to impose a PFC of \$4.50 per enplaned passenger to utilize PFC on construction cost in the amount of \$19,000,000 and debt service related expenditures of \$85,020,700.

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.

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

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.

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*

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

Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68 the County reports its share of the State of South Carolina's net pension liability.

Net OPEB liability

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

E. Reclassification

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

F. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 3, 2019, the date the financial statements were available to be issued.

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, 2019, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not required to be presented in the accompanying basic financial statements.

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

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

At fiscal year-end, June 30, 2019, 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 2020 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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability, continued

the required fund balance for the previous fiscal year: funds budgeted for Capital Improvement Projects; Road Maintenance local road improvements; Capital Project Sales Tax projects; SCDOT Annual Work Plan; County Council expense accounts and community benefit funds; Grants or donations; Stormwater capital projects, chemicals, and contract spraying; Berm Height Study and Singleton Swash Capital Project; Maintenance Life Cycle Program; ongoing in-house maintenance projects, Recreation capital improvements; capital items authorized by purchase order or contract but not received; accommodations tax funds approved by the Accommodations Tax Committee and County Council; ongoing capital projects at the baseball stadium; County paid parking program; Myrtle Beach Regional Economic Development Corporation (MBREDC); Coast RTA capital funding; abandoned property demolition funding; disaster expenditures funded in FY2019; infrastructure improvements in admission tax districts; spoil basin maintenance and legal expenses related therein; expenditures related to traffic lights; Public Works drainage, asphalt, and construction; heavy equipment replacement; infrastructure improvements in the Multi-County Business Park Rollback Fund; Solicitor and Public Defender Circuit Offices; Fire Apparatus Replacement; Prisoner Canteen proceeds; Department of Social Service incentives; home detention; Museum gift shop net revenues; employee benefit funds authorized under Section 19; funds designated for insurance risk retention; amounts reserved for maintenance and capital in Internal Service Funds; amounts appropriated or reserved for maintenance and capital in Watershed Levy Districts and Arcadian Shores, Mt. Gilead, and RiverGrand Special Tax Districts; Grant Match funding; funds designated for Census 2020; funds designated for Tax Year 2019 Reassessment; funds designated for Impact Fee Study; Forfeited Land Commission revenues; and 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, 2019. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

Note 3. Deposits and Investments

A. Deposits

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. Essentially all deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2019, reported amount of the County's deposits was \$131.3 million and the bank balance was \$144.4 million. The \$ 144.4 million bank balance was covered by federal depository insurance or subsequently collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment Policy

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

At June 30, 2019, 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	\$ 23,209	\$ 3,066	\$ 20,140	\$ 3
Money Market funds	73,350	73,350	-	-
U.S. Government Agencies Securities	349,669	193,955	97,108	58,606
State of S.C. Treasurer's Investment Pool	288,862	288,862	-	-
Total investments held in the County's name	<u>\$ 735,090</u>	<u>\$ 559,233</u>	<u>\$ 117,248</u>	<u>\$ 58,609</u>

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

Level 1 - Investments reflect prices quoted in active markets.

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

Level 3 - Investments reflect prices based upon unobservable sources.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments, continued

Investment Policy, continued

		Fair Value Measurements Using (amounts show in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
	June 30, 2019			
Investments by Fair Value Level				
Certificates of Deposits	\$ 23,209	\$ 23,209	\$ -	\$ -
Money Market Funds	73,350	73,350	-	-
U.S. Government Agencies Securities	349,669	-	349,669	-
Total Investments by Fair Value Level	446,228	\$ 96,559	\$ 349,669	\$ -
Investments Measured at the Net Asset Value (NAV)				
State of S.C. Treasurer's Investment Pool	288,862			
Total Investments at the NAV	288,862			
Total Investments held in the County's name	\$ 735,090			

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

Custodial Credit Risk

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

Credit Risk

As of June 30, 2019, the County's investments in U.S. Government Agencies Securities are rated Aaa by Moody's Investors. Statutes also allow the State Treasurer to assist local governments in

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

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. 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, 2019, the County had 35.6% of its investments invested with First Citizens, 45.2% with the State of S.C. Treasurer's investment pool and 12.05% with Synovus. 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 and Investments

At June 30, 2019, the carrying amount of the HCSWA's total cash deposits was \$22,701,163 with corresponding bank balances of \$22,758,348. Of that balance, \$501,000 was covered by federal depository insurance and \$16,210,024 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name and \$6,047,324 was uninsured and uncollateralized. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

At June 30, 2019, 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
Repurchase Agreement	\$ -	\$5,157,583	\$ -	\$5,157,583
Federal Home Loan Mortgage Corporation	-	-	5,001,940	5,001,940
SC Local Government Investment Pool	10,472,279	-	-	10,472,279
	<u>\$10,472,279</u>	<u>\$5,157,583</u>	<u>\$5,001,940</u>	<u>\$20,631,802</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.

Component Units

HCSWA:

B. Designated Cash

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2019 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 9,071,644
Landfill Postclosure Care Costs	10,272,305
Equipment Replacement	5,305,644
Construction	9,425,626
MRF Contingency	94,682
OPEB Obligation	2,258,638
Waste Diversion	571,430
	<u>\$ 36,999,969</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, 2019 a total of \$3,395,341 was on deposit with local institutions in the name of Shoreline. These deposits are covered by the FDIC up to \$250,000 per institution. Any deposits in excess of FDIC limits are collateralized by securities held by the pledging financial institution in Shoreline's name. Shoreline did not recognize any losses due to default by counterparties relating to depository relationships.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments (amounts shown in thousands)

SBHS does not have policies with respect to credit rate risk, interest rate risk, concentration of credit risk or foreign currency risk. At June 30, 2019, 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:

	(amounts shown in thousands)				
	Primary	Fiduciary Fund		Discretely Presented	
	Government	Agency	Total	SBHS	HCSWA
Cash on hand	\$ 32	\$ -	\$ 32	\$ -	\$ 2
Carrying amount of deposits (cash and cash equivalents)	43,736	8,759	52,495	3,391	22,701
Carrying amount of deposits (pooled cash)	11,484	67,327	78,811	-	-
Carrying amount of investments	513,987	221,103	735,090	-	20,632
Totals	\$ 569,239	\$ 297,189	\$ 866,428	\$ 3,391	\$ 43,335
Cash and cash equivalents	\$ 26,728	\$ 8,759	\$ 35,487	\$ 2,741	\$ 38,333
Pooled cash and investments	36,308	287,319	323,627	-	-
Investments	396,968	1,111	398,079	-	5,002
Pooled cash & investments- restricted	87,655	-	87,655	-	-
Cash and cash equivalents -restricted	16,824	-	16,824	-	-
Restricted funds - investments	4,756	-	4,756	650	-
Totals	\$ 569,239	\$ 297,189	\$ 866,428	\$ 3,391	\$ 43,335

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, 2019, are as follows:

	(amounts shown in thousands)		
	Governmental Activities	Business-type Activity	Totals
Property taxes	\$ 18,900	\$ -	\$ 18,900
Less, allowance for uncollectibles and amounts not available for current period	(12,330)	-	(12,330)
Net property taxes	6,570	-	6,570
Accounts and other			
Other	4,068	2,759	6,827
EMS billings	16,056	-	16,056
Less, allowance for uncollectibles	(14,306)	(177)	(14,483)
Net accounts and other	5,818	2,582	8,400
Fees			
Road fees	2,855	-	2,855
Hospitality fees	7,541	-	7,541
Stormwater Management fees	310	-	310
Other fees	1,220	-	1,220
Less Allowance for uncollectibles	(1,407)	-	(1,407)
Net fees	10,519	-	10,519
Total receivables, net	\$ 22,907	\$ 2,582	\$ 25,489

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

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

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

Gross receivables at June 30, 2019 for the discretely presented component unit HCSWA totaled \$1,684,435 and were reported net of \$15,000 in allowance for doubtful accounts.

Gross receivables & due from other governments (current and non-current) at June 30, 2019 for the discretely presented component unit SBHS totaled \$5,177,351 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$3,950,000 allowance for uncollectible accounts.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables, continued

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, 2019, SBHS's revenue for Debt Setoff was approximately \$87,762.

2) GEAR - Gear is a program whereby the SCDOR impounds a portion of individuals recurring wages. Amounts impounded are remitted monthly to SBHS less an administrative fee of 28.5%. For the fiscal year ended June 30, 2019, SBHS's revenue from GEAR was \$59,802.

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, 2019 were as follows:

Due To	Due From				Total
	Arcadian Shores	CDBG	Tourism & Promotion	Airport	
General Fund	\$ 36	\$ 289	\$ 576	\$ 892	\$ 1,793
Total	<u>\$ 36</u>	<u>\$ 289</u>	<u>\$ 576</u>	<u>\$ 892</u>	<u>\$ 1,793</u>

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

	Receivable	Payable
Primary government:		
General Fund	\$ -	\$ 309
Waste Management	-	835
Component units:		
SHBS	309	-
HCSWA	835	-
	<u>\$ 1,144</u>	<u>\$ 1,144</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, continued (amounts shown in thousands)

The following table summarizes interfund transfers during the year ended June 30, 2019:

	Transfers from					Total
	General Fund	General Improvement Capital Projects Fund	RIDE Program Debt Service	Non-major Governmental Funds	Internal Service Fund	
Transfers to						
General Fund	\$ -	\$ -	\$ 425	\$ -	\$ 254	\$ 679
Road Maintenance	10	-	-	-	-	10
CDBG	-	-	-	332	-	332
Grants	330	100	-	66	-	496
Victim Witness	328	-	-	-	-	328
Solicitor	4,431	-	-	-	-	4,431
Public Defender	1,211	-	-	-	-	1,211
Recreation	266	-	-	25	-	291
Capital Projects	12,175	-	-	3,047	4	15,226
General Debt Service	-	-	-	1,653	-	1,653
Internal Service	376	2,856	-	1,302	52	4,586
Total	\$ 19,127	\$ 2,956	\$ 425	\$ 6,425	\$ 310	\$ 29,243

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 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, 2019 are as follows:

	Governmental Activities				Business-type Activities Department of Airports
	General	Other Non-Major	Gen Improve Capital	Capital (Ride II & III)	
State	\$ 4,499	\$ 7,306	\$ 357	\$ 36,150	\$ -
Federal	4,449	7,579	-	88	4,435
Other	40	101	-	-	-
Total	\$ 8,988	\$ 14,986	\$ 357	\$ 36,238	\$ 4,435

	Discretely Presented	
	SBHS	HCSWA
State	\$ 182	\$ 229
Federal	-	80
Primary Government	309	835
Other	31	-
Total	\$ 522	\$ 1,144

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, 2019 are as follows:

<i>(amounts shown in thousands)</i>					
Governmental Activities	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 24,437	\$ 202	\$ -	\$ 458	\$ 25,097
Intangible Assets	20	-	-	-	20
Infrastructure	560,587	10,076	(2,200)	33,426	601,889
	585,044	10,278	(2,200)	33,884	627,006
Construction-in-progress	47,598	32,757	(613)	(40,717)	39,025
Total capital assets not depreciated	632,642	43,035	(2,813)	(6,833)	666,031
Subject to depreciation/amortization:					
Land improvements	9,897	196	-	-	10,093
Buildings and improvements	239,760	111	-	269	240,140
Machinery, equipment and vehicles	99,713	1,663	(1,665)	6,564	106,275
Intangible Assets	532	-	-	-	532
Totals	349,902	1,970	(1,665)	6,833	357,040
Total general capital assets	982,544	45,005	(4,478)	-	1,023,071
Less, accumulated depreciation:					
Land improvements	(4,541)	(456)	-	-	(4,997)
Buildings and improvements	(101,654)	(7,976)	-	-	(109,630)
Machinery, equipment and vehicles	(77,712)	(6,952)	1,627	-	(83,037)
Intangible assets	(368)	(53)	-	-	(421)
Totals	(184,275)	(15,437)	1,627	-	(198,085)
Net general capital assets	798,269	29,568	(2,851)	-	824,986
<u>Internal Service Fund Capital Assets</u>					
Subject to depreciation:					
Land improvements	18	-	-	-	18
Buildings and improvements	363	-	-	-	363
Machinery, equipment and vehicles	35,051	3,993	(1,186)	-	37,858
Heavy equipment	16,941	3,967	(1,108)	-	19,800
Totals	52,373	7,960	(2,294)	-	58,039
Total internal service fund capital assets	52,373	7,960	(2,294)	-	58,039
Less, accumulated depreciation					
Land improvements	(2)	(1)	-	-	(3)
Buildings and improvements	(10)	(12)	-	-	(22)
Machinery, equipment and vehicles	(16,441)	(3,938)	1,141	-	(19,238)
Heavy Equipment	(11,727)	(1,716)	1,108	-	(12,335)
Totals	(28,180)	(5,667)	2,249	-	(31,598)
Net internal service fund capital assets	24,193	2,293	(45)	-	26,441
Net capital assets - Governmental Activities	\$ 822,462	\$ 31,861	\$ (2,896)	\$ -	\$ 851,427

Roadway improvements by the County using Capital Project Sales Tax for infrastructure owned and maintained by the state are not capitalized but are expensed as incurred. Total roadway improvements expensed for the year ended June 30, 2019 was \$26,589,732.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets, continued

	<i>(amounts shown in thousands)</i>			
Business-type Activities	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Not subject to depreciation:				
Land and easements	\$ 23,274	\$ -	\$ (353)	\$ 22,921
Infrastructure	9,182	-	-	9,182
	32,456	-	(353)	32,103
Construction-in-progress	3,845	15,713	(957)	18,601
Total capital assets not depreciated	36,301	15,713	(1,310)	50,704
Subject to depreciation:				
Buildings and improvements	176,737	3,346	(1,096)	178,987
Runways and taxiways	100,307	8,075	(3,799)	104,583
Machinery and equipment	24,000	3,251	(3,102)	24,149
Land improvements	38,181	1,122	(27)	39,276
Totals	339,225	15,794	(8,024)	346,995
Total Business-Type Assets	375,526	31,507	(9,334)	397,699
Less accumulated depreciation:				
Buildings and improvements	(55,561)	(5,057)	1,096	(59,522)
Runways and taxiways	(46,205)	(3,908)	3,579	(46,534)
Machinery and equipment	(17,056)	(1,505)	3,102	(15,459)
Land improvements	(15,075)	(1,852)	27	(16,900)
Totals	(133,897)	(12,322)	7,804	(138,415)
Net capital assets - Business-type Activities	\$ 241,629	\$ 19,185	\$ (1,530)	\$ 259,284

During the year ended June 30, 2019, depreciation expense for the Airport totaled \$12,322,351.

During the fiscal year, the Airport's asset additions include CRE runway 5-23 pavement rehabilitation, MYR baggage handling system bag make-up improvements, two 30,000 gallon tanks for the MYR commercial fuel farm, airport rescue and fire-fighting (ARFF) refurbished Oshkosh striker and rapid intervention vehicle, and for the MYR terminal additional seating and a mobile lactation unit, as well as other projects and general capital machinery and equipment.

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2019, are as follows:

	<i>(amounts shown in thousands)</i>	
Component Units	SBHS	HCSWA
Land	\$ 138	\$ 7,918
Subtitle D (Class 3) landfill	-	36,526
Buildings	1,506	12,228
Vehicles, machinery and equipment	234	23,952
Other improvements	-	12,993
Construction-in-progress	-	1,188
Totals	1,878	94,805
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(25,573)
Buildings	(959)	(4,750)
Vehicles, machinery and equipment	(149)	(15,076)
Other improvements	-	(4,069)
Totals	(1,108)	(49,468)
Net capital assets - Component Units	\$ 770	\$ 45,337

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	\$ 35,506
Building Projects	1,941
IT Projects	1,254
Machinery & Equipment	193
Recreation	131
Total	<u>\$ 39,025</u>

Estimated total costs to complete these projects approximates \$16.9 million.

Business-type Activities: (Department of Airports)	(amounts shown in thousands)
East Side Commerce Park	\$ 50
GA Facility Development	1,339
MYR RAC Improvements	322
MYR GA Ramp Rehab - Phase 1	57
MYR TCEP Façade/Improvements	40
GA System Plan (All)	389
MYR Master Plan Study	462
MYR Term B Boarding Bridges Improvements	7
MYR Parking Capacity Phase 1	38
MYR Customs FIS Phase 1	1,079
CRE Grading, Erosion & Drainage	281
MYR Taxiway A & B Pavement Rehabilitation	13,179
CRE Runway 5-23 Pavement Rehabilitation	82
HYW NAVAID-PAPI Rehabilitation	138
CRE Hangar - Hurricane	19
Retainage Payable	1,119
Total	<u>\$ 18,601</u>

Estimated remaining costs to complete these Airport projects approximates \$77.2 million.

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

MYR began this project in FY19, and as of June 30, 2019, the first component (Taxiway A-South) was approximately 35% complete. Taxiway A-North construction will begin in the fall of 2019.

CRE's runway 05-23 rehabilitation was completed in FY19, and design work has commenced for the rehabilitation of parallel Taxiway A. FAA grant funding has been received and a contract for construction has been issued.

Construction is underway for a new General Aviation Transient Hangar (GA Facility Development). Concrete flooring is complete and steel erection began in the first quarter of FY20.

The FAA-mandated Airport Master Plan Study is a comprehensive study of the Airport and its surrounding environment, and discusses the short, medium, and long term plans for airport development in a report format. The last airport master planning effort was completed in 2001. Masters plans are primarily for use by members of the aviation community, especially airport sponsors, airport staff, airport consultants, FAA representatives, state aviation officials, airlines and airport tenants. The Master Plan is the airport's strategy for the future development of the airport, encompassing a 20 year forecast.

In partnership with the Department of Homeland Security, a complete new Federal Inspection Station (FIS) project is also underway, funded locally. This project will be completed in early 2020.

At June 30, 2019, the Airport had outstanding purchase orders relating to the projects above in the amount of 33.1 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 United States Air Force Base - Myrtle Beach 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 USAF 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 USAF 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 the 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 at Deed Book 2623, page number 1491. The property transferred excludes portions of MYR property, which are still undergoing environmental remediation and cleanup efforts by the United States Government.

With respect to the runway, 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 "Aviation Easements". Buildings and structures are being specifically identified and recorded at fair value at the date of the gift.

County depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2019 is as follows: general government (\$4,481,593); public safety (\$7,882,686); infrastructure and regulation (\$400,275); culture and recreation (\$2,440,762) and health and social services (\$231,779). Capital assets held by the Internal Service Fund (\$5,666,629).

Note 8. Long-Term Debt

A. Governmental Activities Debt

Long-term debt at June 30, 2019, is comprised of general and special obligation bonds, direct payments, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA) in which the balance was defeased in the current year (See below for further reference), accumulated compensated absences liability, pension, other post-employment benefits, and long-term capital leases, including financed purchases. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

A. Governmental Activities Debt

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) issued in 1998 to provide funds for the County's portion of the construction of a Baseball Stadium were fully repaid during the fiscal year. The debt was 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 had 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. In prior years, this amount was shown as part of the restricted fund balance in the Special Obligation Debt Service Fund.

The County had also entered into certain IGA with the State of South Carolina Transportation Infrastructure Bank. Horry County was required to make payments from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County was not obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances were 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.

On February 15, 2019, the County utilized \$80.1 million from the restricted funds which were placed in an irrevocable trust at the South Carolina Transportation Infrastructure Bank (SIB) to pay off in entirety the RIDE I Program IGA Loan #2 debt. As a result, the RIDE I Program IGA Loan #2 debt is defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. This defeasance did not result in a refunding nor was an economic gain or loss recognized.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

Change in the County's long-term debt for its Governmental Activities at June 30, 2019 are as follows:

Bonded Debt:	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Current Portion
General Obligation Bonds					
G.O. Bonds of 2008 dated May 20 for \$62 million with interest at 4% to 5% - \$50 million Detention Center / \$12 million Libraries, matured March 2019	\$ 4,180	\$ -	\$ (4,180)	\$ -	\$ -
G.O. Bonds of 2009 (Series A) dated December 30 for \$5.04 million with interest at 2% to 3% - Recreation and Library, matures March 2020	1,120	-	(550)	570	570
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	4,530	-	(1,445)	3,085	1,510
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	620	-	(200)	420	205
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	3,400	-	(900)	2,500	485
G.O. Bonds of 2011 (Series B) dated December 6 for \$2.1M with interest at 2% to 3% - Series 2004B Refunding - HGTC, matures March 2024	1,350	-	(205)	1,145	210
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 ¹	3,848	-	(935)	2,913	950
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 ¹	24,604	-	(486)	24,118	4,840
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 ¹	10,970	-	(2,675)	8,295	2,725
G.O. Bonds of 2016 (Series A) dated November 15 for \$3.0M with interest of 2.19% - Fire Protection District, matures March 2031 ¹	2,345	-	(160)	2,185	165
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 ¹	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	231	-	(231)	-	-
Total governmental bonded debt	64,183	-	(11,967)	52,216	11,660
Unamortized premiums	1,192	-	(199)	993	-
Net governmental bonded debt	<u>\$ 65,375</u>	<u>\$ -</u>	<u>\$ (12,166)</u>	<u>\$ 53,209</u>	<u>\$ 11,660</u>

¹ - Denotes G.O. bonds-direct placement

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

A. Governmental Activities Debt

Other general long-term obligations of the County's Governmental Activities at June 30, 2019 are as follows:

	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Current Portion
Other general long-term obligations:					
RIDE - IGA Loan #2	\$ 89,765	\$ -	\$ (89,765)	\$ -	\$ -
Net RIDE - IGA Loans payable	\$ 89,765	\$ -	\$ (89,765)	\$ -	\$ -
<u>Capital Lease Obligations</u>					
Energy performance contract	7,257	-	(7,257)	-	-
Fire apparatus 2	5,037	-	(775)	4,262	775
Fire apparatus 2	4,400	-	(550)	3,850	550
Total General Capital Lease Obligations	16,694	-	(8,582)	8,112	1,325
<u>Internal Service Fund Capital Lease Obligations</u>					
Public safety Motorola radios	2,217	-	(531)	1,686	546
Total capital leases	18,911	-	(9,113)	9,798	1,871
Total OPEB liability	39,715	882	-	40,597	-
Accumulated compensation absences, net	11,426	8,456	(7,893)	11,989	7,893
Net pension liability	190,908	2,588	-	193,496	-
Total other general long-term obligations	350,725	11,926	(106,771)	255,880	9,764
Total net governmental activities long-term debt	\$ 416,100	\$ 11,926	\$ (118,937)	\$ 309,089	\$ 21,424

2 Denotes financed purchases

	(amounts shown in thousands)				
	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Current Portion
Governmental Activities					
General obligation bonds	\$ 15,200		\$ (7,480)	\$ 7,720	\$ 2,980
General obligation bonds - direct placements	48,752		(4,256)	44,496	8,680
Total	\$ 63,952	\$ -	\$ (11,736)	\$ 52,216	\$ 11,660

The County's outstanding GO bonds from direct placements related to governmental activities of \$44.5 million require the County's full faith, credit and taxing power and this debt is irrevocably pledged for the payment of the direct placements. The property taxes shall be levied and collected annually in the same manner as other county taxes are levied and collected. The county is required to set a millage rate that applies to all taxable property in the County sufficient to pay the principal and interest on the debt obligations.

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

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

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

Changes in financed purchases for the year ended June 30, 2019, are as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Current Portion
Governmental Activities					
Financed Purchases	\$ 9,437	\$ -	\$ (1,325)	\$ 8,112	\$ 1,325
Total	\$ 9,437	\$ -	\$ (1,325)	\$ 8,112	\$ 1,325

The County's outstanding financed purchases related to governmental activities of \$8.1 million contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment. The equipment must then be returned to lessor at the County's expense, and the equipment and all of the County's rights therein shall be deemed surrendered to lessor. The County has pledged fire apparatus equipment, including fire pumper trucks, fire tanker, fire ladder trucks and fire tower truck, as collateral for the financed purchases.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt , continued

B. Business-type Activities (Enterprise Funds) Debt

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

The Series 2010A Bonds were issued to pay a portion of the cost of construction of the TCEP at the Myrtle Beach International Airport and to fund capitalized interest on the Series 2010A Bonds, fund the debt service reserve, and pay the costs of issuance of the Series 2010A Bonds, and mature in July, 2040. The remaining unamortized original issue discount for the 2010A Bond was \$151,843 at June 30, 2019.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard improvements, fund the capitalized interest on the Series 2010B Bonds, fund the debt service reserve requirements, and pay cost of issuance of the Series 2010B Bonds, and mature in July 2040. 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 6.2% in fiscal year 2019. Series 2010B Bond currently has interest only payments and the first principal payment will occur on July 1, 2030.

The Airport received total interest subsidies of \$300,654 for fiscal year 2019.

The revenue bonds are secured by the pledge of net revenues derived by MYR. The Airport received net revenues in the amount of \$18,168,702 while net debt service was \$4,001,490. 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 2019 satisfies the Series 2010 revenue bond covenant.

In general, failure to pay debt service, failure to meet the Rate Covenant, and failure to meet other covenants listed after notice by a required portion of bondholders and a cure period are events of default. There are no subjective acceleration clauses.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2019, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
Revenue Bonds:	June 30, 2018	Additions	Deletions	June 30, 2019
Revenue bond, 2010A Series				
dated November 17, with interest at 4.375%				
to 5% due 2011-2040	\$ 45,695	\$ -	\$ (1,415)	\$ 44,280
Revenue bond, 2010B Series				
dated November 17, with interest at 7.328%				
due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	55,415	-	(1,415)	54,000
Less, original issue discount	(159)	7	-	(152)
Less, current maturities	(1,415)	(1,480)	1,415	(1,480)
Net Revenue Bonds	\$ 53,841	\$ (1,473)	\$ -	\$ 52,368

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 obligation bonds, direct placements, and revenue bond at their respective present values at June 30, 2019 for the County, are summarized as follows:

<i>(amounts shown in thousands)</i>						
<u>Years Ending</u> <u>June 30,</u>	G.O Bonds -					
	G.O. Bonds		Direct Placements		Airport Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,980	\$ 250	\$ 8,680	\$ 800	\$ 1,480	\$ 2,822
2021	2,490	145	8,827	644	1,540	2,763
2022	740	57	10,361	485	1,615	2,690
2023	760	40	6,648	299	1,680	2,625
2024	750	20	2,351	181	1,745	2,558
2025-2029	-	-	7,214	335	10,020	11,506
2030-2034	-	-	415	14	12,595	8,836
2035-2039	-	-	-	-	15,875	4,932
2040-2044	-	-	-	-	7,450	642
Total	\$ 7,720	\$ 512	\$ 44,496	\$ 2,758	\$ 54,000	\$ 39,374

<u>Years Ending</u> <u>June 30,</u>	Total Debt Service Requirements	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 13,140	\$ 3,872
2021	12,857	3,552
2022	12,716	3,232
2023	9,088	2,964
2024	4,846	2,759
2025-2029	17,234	11,841
2030-2034	13,010	8,850
2035-2039	15,875	4,932
2040-2044	7,450	642
Total	\$ 106,216	\$ 42,644

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 Subsidy*</u>	<u>Debt Service Requirements</u>
2020	\$ 1,480	\$ 2,822	\$ (301)	\$ 4,001
2021	1,540	2,763	(301)	4,002
2022	1,615	2,690	(301)	4,004
2023	1,680	2,625	(301)	4,004
2024	1,745	2,558	(302)	4,001
2025-2029	10,020	11,506	(1,508)	20,018
2030-2034	12,595	8,836	(1,427)	20,004
2035-2039	15,875	4,932	(819)	19,988
2040-2044	7,450	642	(106)	7,986
Total	\$ 54,000	\$ 39,374	\$ (5,366)	\$ 88,008

*Assumes a 6.2% reduction on the 45% subsidy payment based upon federal guidance for subsidy payments made in federal fiscal year 2019 and 5.9% fiscal year 2020 and forward.

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 (internal service fund obligations) have been recorded at the present value of the future minimum lease payments as follows:

Year Ended June 30,	(amounts shown in thousands)	
	Motorola Radios	Total
2020	\$ 595	\$ 595
2021	595	595
2022	595	595
Total lease payments	1,785	1,785
Less, interest	(99)	(99)
Present value of future minimum lease payments	1,686	1,686
Less, current portion	(546)	(546)
Total non-current portion	<u>\$ 1,140</u>	<u>\$ 1,140</u>

The County's financed purchases (internal service fund obligations) have been recorded at the present value of the future minimum lease payments as follows:

Year Ended June 30,	(amounts shown in thousands)		
	Fire Apparatus	Fire Apparatus	Total
2020	\$ 861	\$ 617	\$ 1,478
2021	846	607	1,453
2022	830	598	1,428
2023	814	588	1,402
2024	799	579	1,378
Thereafter	391	1,129	1,520
Total financed purchases payments	4,541	4,118	8,659
Less, interest	(279)	(268)	(547)
Present value of future minimum payments	4,262	3,850	8,112
Less, current portion	(775)	(550)	(1,325)
Total non-current portion	<u>\$ 3,487</u>	<u>\$ 3,300</u>	<u>\$ 6,787</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

Business-type Activities (Enterprise Funds):

During fiscal year 2013, the Airport entered into a ten-year non-cancelable lease for an additional generator for the Airport's new terminal building. This additional lease was effective April 1, 2013. The annual interest rate on the lease is 1.15% per annum. The fair market value of the generator at acquisition was \$558,650, and the net book value of the generator as of June 30, 2019 was \$217,013.

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

<u>Year Ended June 30,</u>	<u>Total</u>
2020	\$ 59,148
2021	59,148
2022	59,148
2023	49,290
Total payments	226,734
Less, amount representing interest	(5,004)
Present value of future minimum lease payments	221,730
Less, current portion	(56,909)
Total non-current portion	<u>\$ 164,821</u>

The changes in the County's capital leases and other long-term obligations for its business-type activities for June 30, 2019 are as follows:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>	<u>Current Portion</u>
Capital leases	\$ 277,992	\$ -	\$ (56,262)	\$ 221,730	\$ 56,909
Compensated absences	1,108,571	358,936	(476,366)	991,141	247,785
Net OPEB obligation	1,266,906	108,036	-	1,374,942	-
Net Pension Liability	13,423,046	500,050	-	13,923,096	-
Total Long Term Liability	<u>\$ 16,076,515</u>	<u>\$ 967,022</u>	<u>\$ (532,628)</u>	<u>\$16,510,909</u>	<u>\$ 304,694</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

B. Operating Lease Agreements

Lessor (Department of Airports)

The Airport derives a substantial portion of its revenues from charges to air carriers, aeronautical businesses and schools, and concessionaires. Substantially all of the assets classified as capital assets in the statement of net position 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, 2019:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2020	\$ 8,321
2021	8,274
2022	6,170
2023	1,752
2024	1,145
2025-2029	3,226
Total	<u>\$ 28,888</u>

At June 30, 2019, the total historical cost and net book value of certain property leased to parties external to the County reporting entity is \$112,527,234 and \$72,019,836, respectively.

Lessee (SBHS)

At June 30, 2019 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2020	\$ 14,166
2021	14,166
2022	12,150
2023	930
2024	930
Total	<u>\$ 42,342</u>

Total lease expense for the fiscal year ended June 30, 2019 was approximately \$14,166.

C. Other Long-Term Liabilities

SBHS at June 30, 2019

The changes in the SBHS's other long-term obligations for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Amounts due within one year
Compensated absences	\$ 119,478	\$ 112,272	\$ (94,542)	\$ 137,208	\$ 74,092
Total OPEB Liability	127,517	-	(7,132)	120,385	-
Net Pension Liability	5,258,036	-	(127,438)	5,130,598	-
Total Long-term liabilities	<u>\$ 5,505,031</u>	<u>\$ 112,272</u>	<u>\$ (229,112)</u>	<u>\$ 5,388,191</u>	<u>\$ 74,092</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, 2019

	Balance, June 30, 2018	Additions	Deductions	Balance, June 30, 2019	Amounts due within one year
Compensated absences	\$ 347,939	\$ 240,428	\$ (197,157)	\$ 391,210	\$ 200,000
Total OPEB liability	2,103,060	102,574	-	2,205,634	-
Net pension liabilities	8,748,236	249,882	-	8,998,118	-
Landfill closure costs	15,321,277	594,090	-	15,915,367	-
Landfill postclosure care costs	4,728,609	183,355	-	4,911,964	-
Total Long-term liabilities	<u>\$ 31,249,121</u>	<u>\$ 1,370,329</u>	<u>\$ (197,157)</u>	<u>\$ 32,422,293</u>	<u>\$ 200,000</u>

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

MYR 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, 2019, the County estimates the Settlement due to the Signatory Airlines is \$205,893. This amount is included in amounts due to tenants on the accompanying Statement of Net Position.

MYR has also entered into agreements with airlines that serve the Airport and are not party 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, 2019, the Non-signatory Airlines operating at the Airport were United Airlines, WestJet Airlines, Frontier Airlines, Elite Airways, Porter Airlines and Sun Country Airlines.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these closure and postclosure care costs as operating expenses in each period based on landfill capacity used as of each balance sheet date. For purposes of closure and postclosure care, the Class 2 and Class 3 landfills are considered a single site. At June 30, 2019, the percentage utilization of the estimated total capacity of the landfills was 50.9%. The closure and postclosure care liabilities at June 30, 2019 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites and totaled \$15,915,367 and \$4,911,964, respectively. The HCSWA will recognize the remaining estimated closure and postclosure care costs totaling \$15,352,545 and \$4,738,259, respectively, as the remaining estimated capacity of the permitted landfills are filled.

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

The HCSWA is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the SWA is the local government financial test. At June 30, 2019, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$9,071,644 and \$10,272,305 of cash, cash equivalents and investments at June 30, 2019 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, 2019:

	<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	\$ 851,427,570	\$ 259,284,591	\$ -	\$ -
Component units	-	-	769,604	45,337,743
Add, deferred charge on refunding	2,152,679	-	-	-
Less, G.O. bonds, retainage payable, special revenue bonds and capital leases, net of unspent proceeds	(61,052,710)	(54,075,877)	-	-
Total net investment in capital assets	<u>\$ 792,527,539</u>	<u>\$ 205,208,714</u>	<u>\$ 769,604</u>	<u>\$45,337,743</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 2020 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 2020 Operating budget	18% cash management reserve at June 30, 2019	5% disaster reserve at June 30, 2019	2% revenue stabilization reserve at June 30, 2019
General Fund	\$ 175,865,042	\$ 31,655,708	\$ 8,793,252	\$ 3,517,301
Fire Fund	22,037,594	3,966,767	1,101,880	440,752
Stormwater Management Fund	7,455,966	1,342,074	372,798	149,119
Recreation Fund	7,469,507	1,344,511	373,475	149,390
General Debt Service Fund	n/a	n/a	n/a	n/a

	FY 2020 Debt Service	Related restricted fund balance at June 30, 2019	Total Reserves at June 30, 2019
General Fund	\$ n/a	\$ n/a	\$ 43,966,261
Fire Fund	1,375,000	687,500	6,196,899
Stormwater Management Fund	n/a	n/a	1,863,991
Recreation Fund	n/a	n/a	1,867,376
General Debt Service Fund	11,844,369	5,922,185	5,922,185

At June 30, 2019 the Community Development Block Grant Funds had a deficit fund balance of \$258,257. This deficit fund balance will be repaid from future grant revenues.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances, continued

The County's governmental funds maintain various types of restricted and committed fund balances which are reported in compliance with GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Restricted net position and fund balance consist of restricted financial assets reduced by liabilities and deferred inflows of resources related to those assets. The County's restricted net position, restricted fund balance, and committed fund balance for governmental activities/funds at June 30, 2019 is as follows:

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Restricted or Committed for Capital projects			
RIDE II Road Infrastructure	\$ 70,380,860	\$ 70,314,123	\$ -
RIDE III Road Infrastructure	155,692,263	139,285,791	-
Vehicle Fleet Replacement	31,928,864	-	-
County Road Paving Plan	18,259,775	16,385,054	-
Fire Apparatus	2,977,216	2,865,793	-
General Capital Projects	2,505,696	2,505,696	13,345,980
Total Restricted or Committed for Capital	<u>281,744,674</u>	<u>231,356,457</u>	<u>13,345,980</u>
Restricted or Committed for Bond Debt Service			
General Obligation	7,840,333	7,822,047	-
Total Restricted or Committed for Debt Service	<u>7,840,333</u>	<u>7,822,047</u>	<u>-</u>
Restricted for Other Purposes			
Special Tax Districts			
County Road Paving Plan	-	-	18,452,297
RIDE Debt Service	9,674,666	9,674,666	-
Fire District	-	8,096,633	-
Waste Management Collection System	6,806,921	1,457,157	-
E911 Emergency Telephone System	4,543,317	5,338,483	-
Stormwater System Maintenance	796,712	2,019,971	-
Recreation Programs	563,545	3,119,796	-
Watersheds Maintenance	804,248	801,523	-
Mt Gilead Road Maintenance	141,357	140,219	-
Socastee Recreation Maintenance	113,357	113,357	-
Fantasy Harbor Admissions	396,222	396,222	-
Senior Citizens Programs	97,905	64,725	-
Arcadian Shores	33,826	32,692	-
Special Purpose Districts			
Higher Education Commission	146,038	86,703	-
Horry Georgetown Technical College	572,458	423,108	-
Funding for Non-capital Infrastructure Improvements			
Beach Renourishment	3,407,361	59,504	3,347,857

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	-	374,781	-
Solicitor	-	1,233,669	-
Public Defender	-	1,545,504	-
Grants	492,340	-	981,426
Victim Witness	-	87,552	-
Contractual Restrictions			
B&C MCBP	543,717	543,717	-
Voluntary Developer Contributions	578,741	578,741	-
Baseball Stadium Maintenance	162,378	162,378	-
Library Thompson Estate	4,437,078	4,437,078	-
Myrtle Beach Area Regional Economic Development Corporation Closing Fund	1,044,608	1,555,520	1,638,162
Commitments by Ordinance			
Fiscal Reserves	-	-	43,966,260
Other Post Employment Benefits	-	-	3,979,248
Budget carryforwards to next year	-	-	18,983,775
Total Restricted or Committed for Other Purposes	35,356,795	42,343,699	91,349,025
Totals	<u>\$ 324,941,802</u>	<u>\$281,522,203</u>	<u>\$ 104,695,005</u>
Unrestricted (deficit)	<u>\$ (67,754,695)</u>		
Total Net Position	<u>\$ 1,049,714,646</u>		

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

Note 13. Capital Contributions (amounts shown in thousands)

For the governmental activities, capital contributions during the fiscal year ended June 30, 2019, are as follows:

	Governmental Activities
Donated capital-infrastructure	\$ 10,076
Donated capital-grants	127
Total	<u>\$ 10,203</u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2019, are as follows:

	Business -Type Activities
Grants and other cash contributions	\$ 15,832
Total	<u>\$ 15,832</u>

Capital contributions in the discretely presented component units for the fiscal year ended June 30, 2019, are as follows:

	SBHS	HCSWA
Grants and other cash contributions	\$ 650	\$ 286
Totals	<u>\$ 650</u>	<u>\$ 286</u>

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

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

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

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

Plan Descriptions

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

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

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

HCSWA

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

SBHS

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

Benefits

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

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

Required employee contribution rates¹ for fiscal year 2019 are as follows:

SCRS

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

PORS

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

Required employer contribution rates¹ for fiscal year 2019 are as follows:

SCRS

Employer Class Two	14.41% of earnable compensation
Employer Class Three	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	16.84% of earnable compensation
Employer Class Three	16.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

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

HCSWA

Employee and employer contribution rates are currently 9.00% and 14.56%, respectively, of earnable compensation. The HCSWA's contributions to the SCRS for the fiscal year ended June 30, 2019 were \$592,512. The contributions made by the HCSWA were equal to the required contributions for the year.

SBHS

Employee and employer contribution rates are currently 9.00% and 14.56%, respectively, of earnable compensation. The SBHS's contributions to the SCRS for the fiscal year ended June 30, 2019 were \$373,537. The contributions made by the SBHS were equal to the required contributions for the year.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5%(varies by service) ¹	3.5% to 9.5%(varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ Includes inflation at 2.25%.		

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

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

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

Net Pension Liability

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

System	Proportional Share of Net Pension Liability
SCRS	\$ 114,745,125
PORS	\$ 92,674,219
Total	\$ 207,419,344

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements. For the years ending June 30, 2018 and 2017, the County's percentage of the SCRS NPL were 0.512099% and 0.500143% respectively. For the years ending June 30, 2018 and 2017, the County's percentage of the PORS NPL were 3.27061% and 3.34873%, respectively.

HCSWA

At June 30, 2019, the HCSWA reported a liability of \$8,998,118 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The HCSWA's proportion of the net pension liability was based on a projection of the HCSWA's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the HCSWA's proportion was 0.040158%, which is an increase of 0.001297% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the HCSWA recognized pension expense of \$768,149.

SBHS

At June 30, 2019, SBHS reported a liability of \$5,130,598 for its proportionate share of the net pension liability for the SCRS. The net pension liability was measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined based on the most recent actuarial valuation that was projected forward to the measurement date. SBHS's proportion of the net pension liability was based on a projection of SBHS's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2018, SBHS's SCRS proportion was 0.0233357 percent as compared to its June 30, 2017 proportion of 0.022897 percent.

For the year ended June 30, 2019, SBHS recognized pension expense of approximately \$377,992 for the SCRS.

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.28 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.03 percent real rate of return and a 2.25 percent inflation component.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public	33.0%	6.99%	2.31%
Global Private	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Party	8.0%	3.75%	0.30%
Hedge Fund (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate

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

Sensitivity Analysis

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

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 146,622,890	\$ 114,745,069	\$ 91,955,480
PORS	\$ 124,936,412	\$ 92,674,207	\$ 66,248,752
Total	\$ 271,559,302	\$ 207,419,276	\$ 158,204,232

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA & SBHS

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
SCRS System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
HCSWA	\$ 11,497,924	\$ 8,998,118	\$ 7,210,996
SBHS	\$ 6,555,951	\$ 5,130,598	\$ 4,111,607

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2019, the County recognized pension expense of \$23,517,497 (SCRS portion is \$11,840,837 plus PORS portion is \$11,676,660). At June 30, 2019, the County reported deferred outflows (inflows) of resources related to SCRS pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 7,476,952	\$ -
Differences in actual and expected retirement plan experience	207,129	-
Net difference between projected and actual investment earnings	1,822,728	-
Assumption Changes	4,552,443	-
Change in proportionate share of net pension liability	1,026,000	-
Difference between expected and actual investment earnings	-	675,243
Total SCRS	\$ 15,085,252	\$ 675,243

At June 30, 2019, 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	\$ 8,160,270	\$ -
Differences in actual and expected retirement plan experience	2,855,442	-
Net difference between projected and actual investment earnings	1,853,261	-
Assumption Changes	6,110,463	-
Change in proportionate share of net pension liability	-	2,076,613
Total PORS	\$ 18,979,436	\$ 2,076,613

For the year ended June 30, 2019, total deferred outflows of resources are \$34,064,688 and total deferred inflows of resources are \$2,751,856.

The County reported \$15,637,222 (net of PEBA credit) as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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, 2019. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2019 was 4.080 years for SCRS and 4.348 years for PORS and at June 30, 2018 was 4.073 years for SCRS and 4.553 years for PORS.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
2019	2020	\$(5,049,713)	\$(5,283,757)
2020	2021	(2,764,483)	(3,421,319)
2021	2022	739,121	(65,945)
2022	2023	142,019	28,467
Net Balance of Deferred Outflows / (Inflows) of Resources		\$(6,933,056)	\$(8,742,554)

HCSWA

At June 30, 2019, the SWA reported deferred outflows of resources and deferred inflows of resources related to pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual pension liability experience	\$ 16,243	\$ 52,951
Assumption Changes	356,995	-
Differences between projected and actual earnings on plan investments	445,533	302,598
Changes in proportion and differences between HCSWA contributions and proportionate share of contributions	264,503	309,051
HCSWA contribution subsequent to the measurement date	592,512	-
Total	\$ 1,675,786	\$ 664,600

The \$592,512 amount reported as deferred outflows of resources related to pension plan resulting from HCSWA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plan will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2020	\$ 317,843
2021	156,180
2022	(45,655)
2023	(9,694)
Total	<u>\$ 418,674</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

SBHS

At June 30, 2019, SBHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,261	\$ 30,192
Assumption Changes	203,553	-
Net difference between projected and actual earnings on pension plan investments	254,037	172,537
Change in allocated proportion	367,230	71,078
Contributions after the Measurement Date	377,426	-
Total	\$ 1,211,507	\$ 273,807

The \$377,426 reported as a deferred outflows of resources related to SBHS's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2020	\$ 417,588
2021	225,413
2022	(72,386)
2023	(10,341)
Total	<u>\$ 560,274</u>

B. Post-Employment Healthcare Benefits

Plan Description

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

Retirement Eligibilities

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Early (reduced) Retirement Requirements

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

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

Deferred Retirement Benefits

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

Premium Sharing

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

County Subsidy – SCRS

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

County Subsidy – PORS

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

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

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

1. The County subsidy of retiree health insurance will begin at age 62. Employees can still retire before that age if they are eligible, but the County will not pay the health insurance premiums until age 62. The retiree can stay on the County plan and pay the total premiums personally, or opt-out of the plan and obtain coverage elsewhere, then opt-back in to the plan at age 62 to receive the County funded benefit.
2. The 75% tier is eliminated. Employees are eligible for the County payment of 50% of the premiums, at 15 years of County service, and 100% coverage at 28 or 25 years of service.
3. The amount of the County subsidy will not increase by more than 3% over the amount paid by the County in the prior calendar year. Any increase in cost above 3% will be absorbed by the retiree. The maximum employer subsidy for non-grandfathered retirees was \$451.13/mo. in 2018 and \$464.66/mo. in 2019.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

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

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

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

Duty and Non-Duty Disability Retirement Benefits

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

Duty and Non-Duty Death in Service Retirement Benefits

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

Benefits for Spouses of Retired Employees

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

Dental Coverage

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

Retiree Opt-Out

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

Medicare – Eligible Provisions

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

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

In line with CPI-U changes, the original \$150/mo. subsidy for Medicare retirees increased to \$160.14 for 2018 and \$163.82 for 2019.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. The cost of these benefits is recognized as an expenditure of the governmental, internal service, or enterprise fund in which the employee accrued the benefit as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2019, the County contributed \$1,002,580 for existing retirees, net of the implicit rate subsidy.

Implicit Subsidy

Horry County participates in the State of South Carolina's health plan which utilizes a "blended premium" structure. Said another way, the overall health care premiums for active employees and retirees are stated in terms of a single "blended premium". The difference between the underlying retiree claims and the blended overall health care premium is referred to as an "implicit" or "hidden" subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees. For fiscal year 2019, the County recognized a \$646,664 Implicit Subsidy for existing retirees.

Total OPEB Liability

The County's total OPEB liability of \$41,970,552 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions and other inputs.

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date of June 30, 2018, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.62% as of June 30, 2018
Inflation	2.25%
Salary Increases	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation.
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS).
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for females SCRS members, 125% for male PORS members, and 111% for female PORS members.
Health Care Trend Rates	Initial rate of 6.75% declining to an ultimate rate of 4.15% after 14 years; Ultimate trend rate includes a 0.15% adjustment for the excise tax. The County's post-65 HRA contributions are assumed to increase at 2.25% per year.
Participation Rates	Participation rates are assumed to vary based on service and Grandfathered status: 80% to 100% for Grandfathered retirees with over 15 years at retirement; 20% to 100% for Non-Grandfathered retirees with over 15 years at retirement; 20% for retirees hired after June 30, 2011 or with less than 15 years at retirement.

Other Information:

Notes	There were benefit changes during the year. The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.
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Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.62% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

Plan Assets

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

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of June 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	324
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>2,089</u>
Total Plan Members	<u>2,413</u>

Changes in the Total OPEB Liability

Total OPEB liability – June 30, 2018	\$40,981,150
Service Cost	1,274,075
Interest on the total OPEB liability	1,452,251
Changes of benefit terms	-
Differences between expected and actual experience of the total OPEB liability	253,350
Changes in assumptions	(341,030)
Benefit payments	<u>(1,649,244)</u>
Net changes	<u>989,402</u>
Total OPEB Liability – June 30, 2019	<u>\$41,970,552</u>
Covered - employee payroll	\$86,571,859

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

a. Explicit benefit payments	\$ 1,002,580	
b. Implicit benefit payments	<u>646,664</u>	(explicit benefit payments * 0.645)
c. Total Benefit payments	\$ 1,649,244	

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

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.62%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease 2.62%	Current Discount Rate Assumption 3.62%	1% Increase 4.62%
<u>\$ 48,206,205</u>	<u>\$ 41,970,552</u>	<u>\$ 36,810,838</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

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

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

1% Decrease	Current Healthcare Cost Trend Assumption	1% Increase
\$ 35,537,210	\$ 41,970,552	\$ 50,078,467

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 224,449	\$ -
Changes in assumptions	-	3,242,071
Contributions subsequent to the measurement date	1,744,447	-
Total	<u>\$ 1,968,896</u>	<u>\$ 3,242,071</u>

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

Year Ending June 30	Net Deferred Outflows/Inflows
2020	\$ (444,507)
2021	(444,507)
2022	(444,507)
2023	(444,507)
2024	(444,507)
Thereafter	(795,087)
Total	<u>\$ (3,017,622)</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA:

Plan Description

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

Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The HCSWA's total OPEB liability of \$2,205,634 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions and Other Inputs

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA:

The discount rate used to measure the total OPEB liability was 3.62%. The discount rate was based on fixed-income municipal bonds with twenty years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2018.

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

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

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

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

Changes in the Total OPEB Liability

Changes in the total OPEB liability during the year ended June 30, 2019 were as follows:

Balance at June 30, 2018	\$ 2,103,060
Changes for the Year	
Service Cost	104,433
Interest	75,760
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(8,214)
Changes of Assumptions	(15,043)
Benefit Payments	(54,362)
Balance at June 30, 2019	<u>\$ 2,205,634</u>

Changes of assumptions reflect a change in the discount rate from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

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

The following presents the total OPEB liability of the HCSWA, as well as what the HCSWA's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) than the current discount rate:

	1.0% Decrease <u>(2.62%)</u>	Discount Rate <u>(3.62%)</u>	1.0% Increase <u>(4.62%)</u>
Total OPEB Liability	<u>\$ 2,474,437</u>	<u>\$ 2,205,634</u>	<u>\$ 1,975,929</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

HCSWA:

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

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

	1.0% Decrease (5.75% Decreasing to 3.15%)	Healthcare Cost Trend Rates (6.75% Decreasing to 4.15%)	1.0% Increase (7.75% Decreasing to 5.15%)
Total OPEB Liability	<u>\$ 1,889,905</u>	<u>\$ 2,205,634</u>	<u>\$ 2,596,823</u>

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

For the year ended June 30, 2019, the HCSWA recognized OPEB expense of \$155,381. At June 30, 2019, the HCSWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SWA Contributions Subsequent to the Measurement Date	\$ 62,706	\$ -
Difference Between Expected and Actual Experience		7,112
Changes of Assumptions	-	131,289
	<u>\$ 62,706</u>	<u>\$ 138,401</u>

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

Year Ended June 30, 2020	\$ 24,812
2021	24,812
2022	24,812
2023	24,812
2024	24,812
Thereafter	14,341
	<u>\$ 138,401</u>

SBHS:

Plan Description

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans, continued

SBHS:

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.

Funding Policies

The plan is not administered thru a trust, rather, SBHS administers the plan. SBHS has not separately set aside assets to fund this obligation. Rather, SBHS pays for post-employment health care benefits on a pay-as-you-go basis as a single-employer plan. During the year ended June 30, 2019 SBHS contributed approximately \$12,072 towards the cost of retiree health insurance coverage. SBHS has measured the liability using the alternative valuation method rather than an actuarial valuation as allowed for under GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* which SBHS adopted for the fiscal year ended June 30, 2018. SBHS has recorded a post-employment benefit obligation in the amount of \$120,385 at June 30, 2019 for this liability. This liability was measured as of June 30, 2019 based upon the expected life expectancy of the participants, their age, and the expected future payments. Plan participants were born in 1962 and 1963 and have a life expectancy of age 79. A discount rate of 4.5% was used to measure the net present value of the liability along with a 3.0% rate of inflation for premium increases.

Sensitivity Analysis

The following table presents the sensitivity of SBHS of the OPEB liability as of June 30, 2019 to changes in the discount rate, calculated using the discount rate of 4.5 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.5 percent) or 1% point higher (5.5 percent) than the current rate, this is a significant estimate:

	1.0% Decrease (3.50%)	Current Discount Rate (4.50%)	1.0% Increase (5.50%)
Total OPEB Liability	<u>\$ 155,160</u>	<u>\$ 120,385</u>	<u>\$ 167,971</u>

The following table represents the components of the net OPEB liability as of June 30, 2019:

OPEB beginning balance at June 30, 2018	\$ 127,517
Changes for the Year:	
Service cost	-
Interest	4,940
Benefit payments	<u>(12,072)</u>
Net change in OPEB liability	(7,132)
OPEB ending balance at June 30, 2019	<u>\$ 120,385</u>

Note 15. Segment Information

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

The Department of Airports Enterprise Fund is responsible for operation, maintenance and development of the County's Airport System - including Conway, North Myrtle Beach, Myrtle Beach, and Loris general aviation airports and 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 71% of the Airport's revenues or just over \$25.3 million of the \$35.8 million total operating revenue. Signatory Airlines generate \$10.7 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 30.0% in fiscal year 2019 and 30.5% in 2018, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 48.5% of the airline traffic, American Airlines 20.8%, Delta Air Lines 13.4% and Allegiant Air 9.7%.

For the year ended June 30, 2019 there are two customers whose balance represents approximately 30% 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 County's 1.5% Hospitality Fee, or from any other source of revenues, fees, or taxes. Certificates of Participation (COPS) were fully repaid during the fiscal year.

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. In prior years, this amount was 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, 2019. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects

On February 15, 2019, the County utilized \$80.1 million from restricted funds which were placed in an irrevocable trust at the South Carolina Transportation Infrastructure Bank (SIB) to pay off in entirety the RIDE I Program IGA Loan #2 debt. As a result, the RIDE I Program IGA Loan #2 debt is defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. This defeasance did not result in a refunding nor was an economic gain or loss recognized.

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 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects, continued

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 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects, continued

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 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.

Agreements related to I-73

During fiscal year 2019, the County entered into a Financial Participation Agreement with the South Carolina Department of Transportation (SCDOT) for the development of the proposed I-73 project. The project consists of the design, right-of-way acquisition, permitting, wetlands mitigation, and construction to Federal and SCDOT and any other applicable standards. The project also includes any work necessary to bring SC-22 in Horry County up to interstate standards or to mitigate against future flood damage. The County's obligation to make payments is limited available funds and approval of a scope of work contained in an Annual Work Plan. Funding for this agreement is limited to the 1.5% Hospitality Fee revenue. Due to the active litigation noted in this report, the approval of the first Annual Work Plan has been extended until December 30, 2019.

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.

The County is a defendant in a lawsuit asserting municipal consent is required to collect the 1.5% Hospitality Fee within the municipalities. The Circuit Court issued a temporary injunction of municipal collections pending the disposition of the lawsuit. The County has offered in Resolution R-36-19 to return the collections within each municipality to those municipalities in exchange for collective funding of I-73. Included in the expenditures is a \$19.0 million estimate of the municipal collections for the period ending June 30, 2019.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies, continued

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.

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); Forestbrook 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 \$112.1 million in encumbrances at June 30, 2019. Encumbrances for the major governmental funds are as follows: \$0.4 million is encumbered in the General Fund primarily related to public works maintenance and countywide annual service contracts; \$4.7 million is encumbered in the General Capital Improvements Project Fund primarily related to various capital projects; \$10.4 million is encumbered in the Capital Project Sales Tax Fund- RIDE II primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax; \$74.7 million is encumbered in the Capital Project Sales Tax Fund- RIDE III primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax. Other significant encumbrances from non-major funds at June 30, 2019 are: the Road Maintenance & CTC Fund had \$4.1 million in encumbrances primarily related to multiple road paving projects; the Economic Development Fund had \$2.0 million in encumbrances primarily for performance agreements incentives; \$11.2 million in encumbrances for the Grant Fund primarily related to TIGER Grant rail project; and the CDBG Grant Program Special Revenue Fund had \$2.2 million of encumbrances. Encumbrances for the Internal Service Funds are \$1.8 million for replacement of light vehicles and heavy equipment; Encumbrances for the Department of Airports are \$33.1 million for various capital projects.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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, 2019, 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. During the year ended June 30, 2019, the SWA settled a claim that was not covered by insurance in the amount of \$180,227.

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.

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, 2019 were \$6,632,124. In addition, the County made capital contributions to the HCSWA in the amount of \$285,529 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 \$894,592 for the year ended June 30, 2019.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. 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	\$ 399,095,033
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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	1,023,007,291
Less, accumulated depreciation	<u>(198,021,644)</u>
Net amount reported	<u>824,985,647</u>

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	6,496,976
Grant reimbursements	15,487,700
Accommodations tax	787,562
Fees and fines	4,991,187
Capital project sales tax	<u>16,789,639</u>
Net amount reported	<u>44,553,064</u>

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>56,684,383</u>

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

General & special obligation bonds	(52,216,000)
Capital leases payable	(8,112,500)
Deferred charges on refunding	2,152,679
Bond premium	(992,806)
Compensated absences	(11,851,654)
Net post employment benefit liability	(41,496,387)
Net pension liability	(162,690,880)
Accrued interest	<u>(395,930)</u>
Net amount reported	<u>(275,603,478)</u>

Total net position, end of year - governmental activities	<u><u>\$ 1,049,714,649</u></u>
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HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. 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	\$ (30,026,152)
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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	34,801,504
Assets disposals	(2,851,758)
Depreciation expense	(15,435,886)
Net amount reported	<u>16,513,860</u>

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	1,948,488
Grants reimbursements	6,742,433
Fees and fines	20,963
Capital project sales tax	1,099,225
Net amount reported	<u>9,811,109</u>

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>10,202,506</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.

Total post employment benefit liability	(420,324)
Accrued compensated absences	(550,516)
Net pension liability	(5,683,962)
Net amount reported	<u>(6,654,802)</u>

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	11,967,000
Repayments of SC Transportation Infrastructure Bank Loan (SIB) principal	89,765,067
Repayments of capital leases	8,581,893
Change in accrued interest expense & amortization of bond premiums	(122,892)
Net amount reported	<u>110,191,068</u>

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)

	8,056,345
Change in net position-governmental activities	<u>\$ 118,093,934</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. 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, 2019, the County abated property tax revenues of \$170,443 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)	\$ 155,369
Special Source Revenue Credit (SSRC)	15,075
Total	<u>\$ 170,444</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. 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 \$70,752.
- 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 \$55,584.
- 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 \$29,032.

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 2019.

Note 23. Service Concession Arrangement

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

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

During fiscal year 2019 parking concessions revenues recorded were \$4,984,720. Revenue of \$1,900,767 recognized in fiscal year 2019 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$2,834,720 for fiscal year 2019. Agreement terms do not specify guarantees or commitments required of Horry County Department of Airports. Accordingly, no liabilities have been recorded in conjunction with this contractual arrangement for either year presented. For each year presented in this report, the Statement of Net Position reflects the net present value of the service concession arrangement within assets and also as a deferred inflow of resources.

	<u>2019</u>
Opening Service Concession Arrangement and Deferred inflows of resources	\$ 6,159,404
Less: amortization of discounted minimum annual payments	<u>(1,900,767)</u>
Service Concession Arrangement and Deferred inflow of resources at June 30,	<u>\$ 4,258,637</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 24. Subsequent event

On November 19, 2019, County Council authorized the Administrator to provide notice to terminate the County's Financial Participation Agreement with the South Carolina Department of Transportation.

Note 25. New Accounting Pronouncements

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

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

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

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*). The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 25. New Accounting Pronouncements, continued

This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. 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, 2019

(with comparative actual amounts for for the year ended June 30, 2018)

	2019				2018
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Real property taxes	\$ 80,734,353	\$ 80,802,578	\$ 82,985,278	\$ 2,182,700	\$ 79,949,841
Personal property taxes	5,561,626	5,561,626	5,724,428	162,802	5,544,570
Vehicle taxes	8,681,408	8,681,408	8,482,570	(198,838)	8,383,400
Fee in lieu of taxes	3,154,834	3,154,834	3,153,830	(1,004)	3,364,476
Intergovernmental	11,675,757	12,747,051	12,996,795	249,744	13,261,099
Fees and fines	29,318,924	29,327,614	29,076,722	(250,892)	29,286,461
Documentary stamps	5,219,446	5,219,446	5,337,630	118,184	4,973,474
License and permits	11,672,194	11,672,194	11,881,915	209,721	11,694,040
Interest on investments	602,038	602,035	2,880,979	2,278,944	676,251
Cost allocation	3,500,411	3,500,411	4,437,499	937,088	3,429,198
Other	2,277,153	4,449,940	5,339,991	890,051	5,036,308
Total revenues	162,398,144	165,719,137	172,297,637	6,578,500	165,599,118
Expenditures					
General Government:					
County Council	1,232,721	1,668,579	1,002,404	666,175	1,056,865
County Administrator	1,514,960	1,699,527	1,581,927	117,600	1,175,084
Finance	1,863,482	1,953,004	1,903,352	49,652	1,748,524
Department Overhead	5,844,340	5,040,587	3,945,925	1,094,662	3,467,117
Human Resources	1,723,015	1,806,486	1,503,841	302,645	1,336,392
Procurement	681,381	747,255	898,464	(151,209)	563,853
IT/GIS	5,801,201	5,848,961	5,749,799	99,162	5,582,604
Assessor	3,970,304	4,168,484	3,892,855	275,629	3,765,283
Assessor Appeals Board	9,403	9,403	3,611	5,792	3,338
Registrar of Deeds	1,338,048	1,342,981	1,283,523	59,458	1,172,064
Maintenance	5,327,595	5,232,987	4,796,028	436,959	4,775,422
Registration and Election	649,919	741,282	640,498	100,784	608,716
Public Information	208,279	382,853	306,120	76,733	269,453
Treasurer	2,197,487	2,342,637	2,306,710	35,927	2,207,585
Auditor	1,806,724	1,833,695	1,814,328	19,367	1,704,460
Probate Judge	1,172,124	1,176,802	1,110,998	65,804	1,122,055
Master-in-Equity	503,231	504,173	448,533	55,640	430,201
Legal	1,017,110	1,415,605	973,085	442,520	795,225
Grant Administration	366,519	434,082	172,803	261,279	108,396
Delegation	96,365	97,066	85,068	11,998	87,846
Business License	670,192	690,759	689,790	969	639,175
Total	37,994,400	39,137,208	35,109,662	4,027,546	32,619,658
Less, capital outlay	(20,667)	(152,812)	(105,919)	(46,893)	(126,689)
Net general government	37,973,733	38,984,396	35,003,743	3,980,653	32,492,969

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2019				2018
	Budget		Actual	Variance	Actual
	Original	Final			
Public Safety:					
Public Safety Division	1,340,059	1,305,201	682,108	623,093	945,857
Clerk of Court	2,139,520	2,223,583	2,069,635	153,948	1,956,966
Clerk of Court - DSS	677,441	683,661	666,096	17,565	636,106
Clerk of Court - Family Court:	308,475	829,234	303,419	525,815	383,023
Magistrates	3,349,117	3,397,719	3,307,365	90,354	3,189,983
Communications	1,307,876	1,307,876	1,307,876	-	1,365,559
Sheriff	7,335,253	7,730,569	7,520,742	209,827	7,005,753
Police	24,313,442	25,382,186	25,485,906	(103,720)	22,543,444
Emergency Management	560,342	536,325	487,317	49,008	507,649
Emergency 911	3,457,184	3,471,976	3,360,820	111,156	3,191,304
Coroner	1,104,442	1,070,944	1,028,791	42,153	1,005,531
Detention Center	25,992,740	27,860,739	26,703,449	1,157,290	25,118,138
Emergency Medical Services	17,340,232	17,299,756	18,207,529	(907,773)	15,700,304
Animal Care Center	1,281,628	1,325,431	1,277,203	48,228	1,178,378
Parking Program	88,000	343,147	88,561	254,586	51,282
Total	90,595,751	94,768,347	92,496,817	2,271,530	84,779,277
Less, capital outlay	(178,500)	(283,940)	(274,153)	(9,787)	(284,979)
Net public safety	90,417,251	94,484,407	92,222,664	2,261,743	84,494,298
Infrastructure and Regulation:					
Infrastructure and Regulation Division	466,311	489,014	471,002	18,012	451,677
County Engineer	1,568,274	1,746,505	1,449,131	297,374	1,354,517
Public Works	9,878,349	10,840,004	9,580,808	1,259,196	8,623,701
Code Enforcement	3,364,619	3,402,513	3,182,470	220,043	2,953,145
Planning	2,173,980	2,299,648	1,936,206	363,442	2,016,101
Environmental Services	287,322	286,149	274,825	11,324	190,113
Railroad	-	45,041	21,541	23,500	50,687
Abatement/Demolition	-	961,419	50,057	911,362	21,943
Total	17,738,855	20,070,293	16,966,040	3,104,253	15,661,884
Less, capital outlay	-	-	-	-	(24,238)
Net infrastructure and regulation	17,738,855	20,070,293	16,966,040	3,104,253	15,637,646

- CONTINUED -

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

	2019				2018
	Budget		Actual	Variance	Actual
	Original	Final			
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance Program	905,015	902,367	898,078	4,289	890,945
Health Department	135,296	140,745	115,606	25,139	115,537
Department of Social Services	91,378	129,486	111,221	18,265	103,234
Veteran Affairs	412,221	474,102	458,447	15,655	387,592
Net health and social services	<u>1,543,910</u>	<u>1,646,700</u>	<u>1,583,352</u>	<u>63,348</u>	<u>1,497,308</u>
Culture, Recreation, and Tourism:					
Library	4,839,518	5,001,341	4,599,940	401,401	4,455,140
Museum	819,333	905,034	812,798	92,236	805,613
Net culture, recreation and tourism	<u>5,658,851</u>	<u>5,906,375</u>	<u>5,412,738</u>	<u>493,637</u>	<u>5,260,753</u>
Contributions to Agencies:					
Other Agencies	<u>99,308</u>	<u>659,172</u>	<u>489,307</u>	<u>169,865</u>	<u>1,559,444</u>
Capital outlay	<u>199,167</u>	<u>436,752</u>	<u>380,072</u>	<u>56,680</u>	<u>435,906</u>
Total expenditures	<u>153,631,075</u>	<u>162,188,095</u>	<u>152,057,916</u>	<u>10,130,179</u>	<u>141,378,324</u>
Excess of revenues over expenditures	<u>8,767,069</u>	<u>3,531,042</u>	<u>20,239,721</u>	<u>16,708,679</u>	<u>24,220,794</u>
Other Financial Sources (Uses)					
Sale of capital assets	100,000	100,000	87,902	(12,098)	19,320
Transfers in	670,183	670,183	678,691	8,508	688,541
Transfers out	(18,082,693)	(19,126,747)	(19,126,747)	-	(10,607,565)
Total other financing sources (uses)	<u>(17,312,510)</u>	<u>(18,356,564)</u>	<u>(18,360,154)</u>	<u>(3,590)</u>	<u>(9,899,704)</u>
Net change in fund balance	(8,545,441)	(14,825,522)	1,879,567	16,705,089	14,321,090
Fund balance at beginning of year	78,130,050	78,130,050	78,130,050	-	63,808,960
Fund balance at end of year	<u>\$ 69,584,609</u>	<u>\$ 63,304,528</u>	<u>\$ 80,009,617</u>	<u>\$ 16,705,089</u>	<u>\$ 78,130,050</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2019

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

Horry County's road system consists of approximately 63% paved roads and 37% 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 927 paved miles at the end of FY 2019.
- 2) The current economic conditions prompted County Council's increase of the Road Fee in fiscal year 2016 to \$50 annually from \$30 to provide a recurring revenue source to address the growing road maintenance needs.
- 3) In May 2017, a one-cent sales tax was implemented and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 100 miles of County maintained roads over a 8 year period. This is the second successive sales tax program addressing road needs.
- 4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited at least once every three years and rated. Maintenance costs needed at June 30, 2019 to improve all roads with a rating of 1 or 2 to a rating of 3 or better are \$18.4 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		
	2019	2018	2017
Arterial	90.6%	85.3%	85.3%
Collector	86.0%	88.7%	85.2%
Access	87.7%	88.9%	87.6%
Overall system	87.6%	88.8%	87.3%

Percentage of Miles in Substandard Condition			
	Condition		
	2019	2018	2017
Arterial	9.4%	14.7%	14.7%
Collector	14.0%	11.3%	14.8%
Access	12.3%	11.1%	12.4%
Overall System	12.4%	11.2%	12.7%

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2019

- CONTINUED -

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

Comparison of Needed-To-Actual Maintenance/Preservation					
	2019	2018	2017	2016	2015
Arterial:					
Needed	\$ 396,800	\$ 505,600	\$ 507,212	\$ 1,078,400	\$ 888,000
Actual	263,748	257,828	180,797	181,846	88,291
Collector:					
Needed	1,620,800	1,288,000	1,641,182	2,083,200	1,398,400
Actual	1,077,326	656,583	585,004	351,282	139,038
Access:					
Needed	16,345,600	14,374,400	15,271,788	17,891,200	14,840,000
Actual	10,864,724	7,329,820	5,443,673	3,016,924	1,475,488
Overall System:					
Needed	18,363,200	16,168,000	17,420,182	21,052,800	17,126,400
Actual	12,205,798	8,244,231	6,209,474	3,550,052	1,702,817
Difference	\$ 6,157,402	\$ 7,923,769	\$ 11,210,708	\$ 17,502,748	\$ 15,423,583

* 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.

Condition Rating and Actual Maintenance/Preservation of Airport Infrastructures

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2019

- CONTINUED -

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

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

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

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

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

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

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
2019	\$ 194,500	\$ 236,960
2018	158,500	210,081
2017	97,000	149,700
2016	69,000	125,296
2015	54,000	62,688
2014	75,000	107,525
2013	44,860	60,937
2012	60,400	96,900
2011	44,000	54,600
2010	50,000	43,500
2009	54,000	56,700

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

- **MYR South Ramp Expansion (\$3.6M)** - This project expanded the MYR commercial ramp size by nearly 50% in order to accommodate additional aircraft and the new terminal.
- **MYR "B-2" (\$2.8M)** – This project included the construction of a new taxiway in order to allow general aviation and charter aircraft faster access to and from the runway.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2019

- CONTINUED -

**B. Condition Rating and Actual Maintenance/Preservation of Department of Airport's Infrastructure
(continued)**

- **MYR Ramp Rehabilitation (\$2.8M)** - This project removed all remaining asphalt pavement on the Commercial Ramp at MYR and replaced it with 12 inches of P-501 Concrete over 5 inches of Cement Treated Base.
- **MYR Expansion of Taxiway "A" (\$5.0M)** – In order to expand the existing Ramp for the proposed New Terminal, Taxiway "A" was expanded.
- **MYR Runway Rehabilitation (Budget \$20.5M)** – During fiscal year 2015 the construction work for complete rehabilitation of the MYR runway was completed. Additionally, 1,700 linear feet of taxiway "A" was replaced as part of this project. The full length was milled and replaced with variable depth asphalt. The runway rehabilitation meets the most current FAA design criteria.
- **General Aviation Ramp Rehabilitation (\$3.8M)** – The General Aviation (GA) Ramp encompasses all aircraft parking aprons associated with the FBO and GA tenants. The vast majority of the apron is over forty (40) years old and was the primary aircraft parking apron for the United States Air Force (USAF). The PMMS identified future capital requirements based on the functional and structural conditions of the airfield pavement at MYR. Maintenance performed crack repairs and joint sealing over the years. A major rehabilitation and/or reconstruction of the entire GA ramp is recommended.
- MYR is experiencing tremendous growth in aircraft operations and increases in aircraft size from airline and military operators. The growth is bringing heavier aircraft more frequently to MYR, resulting in an increase in pavement deterioration beyond its original design strength when constructed. HCDCA needs to rehabilitate its airfield taxiway pavement and lighting infrastructure before the pavement condition exceeds safety limits. A multi-phased approach to reduce stakeholder operational impacts will be used to deliver the project.
 - **Phase I of the project includes Taxiway A – South**, with construction beginning in January, 2019 by Summers Concrete. In order to accommodate Runway Safety Area work, nightly runway closures began in July, 2019 and will continue into November, 2019.
 - **Phase II of the project includes Taxiway A – North**. A contract has been executed with Summers Concrete with both FAA discretionary and supplemental funding guaranteed.
 - Future phases for Taxiway B will be designed and bid beginning in FY21.

HORRY COUNTY, SOUTH CAROLINA

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

Last 10 Fiscal Years

Primary Government

	2019	2018
Total OPEB liability		
Service cost	\$ 1,274,075	\$ 1,464,093
Interest	1,452,251	1,271,263
Changes in benefit terms	-	-
Difference between expected and actual experience	253,350	-
Changes of assumptions	(341,030)	(3,808,954)
Benefit payments	(1,649,244)	(1,499,250)
Net change in total OPEB liability	989,402	(2,572,848)
Total OPEB liability - beginning	40,981,150	43,553,998
Total OPEB liability - ending	<u>\$ 41,970,552</u>	<u>\$ 40,981,150</u>
 Covered- employee payroll	 \$ 86,571,859	 \$ 86,927,292
Total OPEB liability as a percentage of covered - employee payroll	48.48%	47.14%

Notes to Schedule:

Changes of assumptions reflect changes in the discount rate each period. The following discount rate were used: 2017 - 2.92%; 2018 - 3.56%; and 2019 - 3.62%.

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

HCSWA

	2019	2018
Total OPEB liability		
Service cost	\$ 104,433	\$ 116,448
Interest	75,760	63,387
Changes in benefit terms	-	-
Difference between expected and actual experience	(8,214)	-
Changes of assumptions	(15,043)	(161,647)
Benefit payments	(54,362)	(55,411)
Net change in total OPEB liability	102,574	(37,223)
Total OPEB liability - beginning	2,103,060	2,140,283
Total OPEB liability - ending	<u>\$ 2,205,634</u>	<u>\$ 2,103,060</u>
 Covered- employee payroll	 \$ 3,788,268	 \$ 3,406,157
Total OPEB liability as a percentage of covered - employee payroll	58.22%	61.74%

HORRY COUNTY, SOUTH CAROLINA

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

Last 10 Fiscal Years

Notes to Schedule:

Changes of assumptions reflect the effects of changes in the discount rate each period. The following discount rate were used: 2017 - 2.92%; 2018 - 3.56%; and 2019 - 3.62%.

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

This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

SBHS

	2019	2018
Total OPEB liability		
Service cost	\$ -	\$ -
Interest	4,940	389
Changes in benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	(12,072)	(11,622)
Net change in total OPEB liability	(7,132)	(11,233)
Total OPEB liability - beginning (2018 as restated)	127,517	138,750
Total OPEB liability - ending	<u>\$ 120,385</u>	<u>\$ 127,517</u>
Covered- employee payroll	\$ -	\$ -
Total OPEB liability as a percentage of covered - employee payroll	N/A	N/A

Notes to Schedule:

This schedule is intended to present information for ten years. The additional years' information will be presented as it becomes available.

The plan liability was measured using the alternative method rather than an actuarial valuation.

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

HORRY COUNTY, SOUTH CAROLINA

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

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

Primary Government	2019	2018	2017	2016	2015	2014
SCRS						
County's proportion of the net pension liability	0.5121%	0.5001%	0.5171%	0.5004%	0.4974%	0.4974%
County's proportionate share of the net pension liability	\$ 114,745	\$ 112,590	\$ 110,460	\$ 94,899	\$ 85,636	\$ 89,217
County's covered payroll	\$ 53,070	\$ 50,464	\$ 50,092	\$ 46,896	\$ 46,170	\$ 43,201
County's proportionate share of the net pension liability as a percentage of its covered payroll	216.21%	223.11%	220.51%	202.36%	185.48%	206.52%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.33%	52.91%	57.00%	59.90%	NA
Primary Government						
PORS						
County's proportion of the net pension liability	3.2710%	3.3487%	3.4903%	3.3468%	3.3383%	3.3383%
County's proportionate share of the net pension liability	\$ 92,674	\$ 91,740	\$ 88,530	\$ 72,943	\$ 63,910	\$ 69,202
County's covered payroll	\$ 45,267	\$ 45,046	\$ 44,471	\$ 41,487	\$ 40,290	\$ 36,939
County's proportionate share of the net pension liability as a percentage of its covered payroll	204.73%	203.66%	199.07%	175.82%	158.62%	187.34%
Plan fiduciary net position as a percentage of the total pension liability	61.73%	60.94%	60.44%	64.60%	67.50%	NA
Component Units						
Horry County Solid Waste Authority						
HCSWA's proportion of the net pension liability	0.4012%	0.0388%	0.0418%	0.0406%	0.0426%	0.0426%
HCSWA's proportionate share of the net pension liability	\$ 8,998	\$ 8,748	\$ 8,938	\$ 7,693	\$ 7,332	\$ 7,638
HCSWA's covered payroll	\$ 4,161	\$ 3,923	\$ 4,052	\$ 3,804	\$ 3,866	\$ 3,854
HCSWA's proportionate share of the net pension liability as a percentage of its covered payroll	216.25%	222.99%	220.58%	202.23%	189.65%	198.18%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.33%	52.91%	57.00%	59.90%	56.39%
Shoreline Behavioral Health Services						
SBHS's proportion of the net pension liability	0.0234%	0.0234%	0.0211%	0.0189%	0.1378%	0.1378%
SBHS's proportionate share of the net pension liability	\$ 5,131	\$ 5,258	\$ 4,502	\$ 3,599	\$ 2,373	\$ 2,472
SBHS's covered payroll	\$ 2,592	\$ 2,373	\$ 2,358	\$ 2,041	\$ 1,779	\$ 1,251
SBHS's proportionate share of the net pension liability as a percentage of its covered payroll	197.96%	221.58%	190.92%	176.34%	133.39%	197.60%
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.33%	52.91%	57.00%	59.90%	56.4%

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

HORRY COUNTY, SOUTH CAROLINA

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

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

Primary Government	2019	2018	2017	2016	2015	2014	2013	2012	2011
SCRS									
Contractually required contribution	\$ 7,477	\$ 7,196	\$ 5,831	\$ 5,540	\$ 5,112	\$ 4,819	\$ 4,527	\$ 3,977	\$ 3,982
Contributions in relation to the contractually required contribution	7,477	7,196	5,831	5,540	5,112	4,819	4,527	3,977	3,982
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
County's covered payroll	53,070	50,464	50,092	46,896	46,170	43,201	39,929	40,830	40,736
Contributions as a percentage of covered payroll	14.09%	14.26%	11.64%	11.81%	11.07%	11.15%	11.34%	9.74%	9.78%
PORS									
Contractually required contribution	\$ 8,160	\$ 7,352	\$ 6,415	\$ 6,110	\$ 5,563	\$ 5,019	\$ 4,418	\$ 4,210	\$ 4,154
Contributions in relation to the contractually required contribution	8,160	7,352	6,415	6,110	5,563	5,019	4,418	4,210	4,154
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
County's covered payroll	45,267	45,046	44,470	41,487	40,290	36,939	35,440	36,153	35,337
Contributions as a percentage of covered payroll	18.03%	16.32%	14.43%	14.73%	13.81%	13.59%	12.47%	11.64%	11.76%
Component Units									
Horry County Solid Waste Authority									
Contractually required contribution	593	564	453	448	415	410	409	363	360
Contributions in relation to the contractually required contribution	593	564	453	448	415	410	409	363	360
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Solid Waste Authority's covered payroll	4,069	4,161	3,923	4,052	3,804	3,866	3,858	3,807	3,807
Contributions as a percentage of covered payroll	14.57%	13.55%	11.55%	11.06%	10.91%	10.61%	10.60%	9.54%	9.46%
Shoreline Behavioral Health Services									
Contractually required contribution	377	318	269	223	191	131	117	124	122
Contributions in relation to the contractually required contribution	377	318	269	223	191	131	117	124	122
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Shoreline's covered payroll	2,592	2,373	2,358	2,041	1,779	1,251	1,120	1,316	1,316
Contributions as a percentage of covered payroll	14.54%	13.40%	11.41%	10.93%	10.74%	10.47%	10.45%	9.42%	9.27%

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

OTHER FINANCIAL INFORMATION

COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2019

	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	\$ 512,488	\$ -	\$ -	\$ 512,488
Pooled cash and investments	71,794,980	3,434,444	7,746,210	82,975,634
Receivables, net:				
Property taxes	1,877,062	121,488	469,606	2,468,156
Accounts and other	655,833	-	-	655,833
Fees	2,226,295	25	12,115	2,238,435
Due from other governments	14,978,055	-	8,333	14,986,388
Prepaid items	55,748	-	-	55,748
Restricted assets	4,755,939	-	-	4,755,939
Total Assets	<u>\$ 96,856,400</u>	<u>\$ 3,555,957</u>	<u>\$ 8,236,264</u>	<u>\$ 108,648,621</u>
Liabilities				
Accounts payable - trade	\$ 6,166,862	\$ -	\$ -	\$ 6,166,862
Accounts payable - other	194,828	-	-	194,828
Accrued salaries and wages	918,450	-	-	918,450
Due to other funds	901,177	-	-	901,177
Due to other governments	265,971	-	-	265,971
Other liabilities	1,275,764	-	-	1,275,764
Total liabilities	<u>9,723,052</u>	<u>-</u>	<u>-</u>	<u>9,723,052</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	12,779,898	-	8,333	12,788,231
Unavailable revenue-property taxes	1,660,871	111,423	405,884	2,178,178
Total deferred inflows of resources	<u>14,440,769</u>	<u>111,423</u>	<u>414,217</u>	<u>14,966,409</u>
Fund Balances				
Nonspendable	55,748	-	-	55,748
Restricted for capital projects	16,385,054	2,865,793	-	19,250,847
Restricted for public safety	16,301,841	-	-	16,301,841
Restricted for culture, recreation and tourism	8,776,705	4,290	-	8,780,995
Restricted for infrastructure and regulation	4,995,279	574,451	-	5,569,730
Restricted for economic development	1,951,742	-	-	1,951,742
Restricted for health and social services	64,725	-	-	64,725
Restricted for debt service	-	-	7,822,047	7,822,047
Committed to culture, recreation and tourism	3,347,857	-	-	3,347,857
Committed to infrastructure and regulation	18,452,297	-	-	18,452,297
Committed to economic development	1,638,162	-	-	1,638,162
Committed to other purposes	981,426	-	-	981,426
Unassigned (deficit)	(258,257)	-	-	(258,257)
Total fund balances	<u>72,692,579</u>	<u>3,444,534</u>	<u>7,822,047</u>	<u>83,959,160</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 96,856,400</u>	<u>\$ 3,555,957</u>	<u>\$ 8,236,264</u>	<u>\$ 108,648,621</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, 2019

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Revenues				
Real property taxes	\$ 33,787,701	\$ 1,587,876	\$ 9,586,694	\$ 44,962,271
Personal property taxes	2,630,809	130,920	670,537	3,432,266
Vehicle taxes	4,331,483	222,901	991,333	5,545,717
Fees in lieu of tax	1,043,368	5,585	59,179	1,108,132
Intergovernmental	23,864,662	-	27,303	23,891,965
Accommodations tax	4,189,658	-	-	4,189,658
Fees and fines	27,394,022	-	-	27,394,022
Hospitality fees	555,005	-	-	555,005
Local accommodations tax	959,353	-	-	959,353
Interest on investments	1,704,423	79,620	243,500	2,027,543
Other	7,366,329	56,000	-	7,422,329
Total revenues	<u>107,826,813</u>	<u>2,082,902</u>	<u>11,578,546</u>	<u>121,488,261</u>
Expenditures				
Current:				
General government	545,414	-	-	545,414
Public safety	39,736,057	30,000	-	39,766,057
Infrastructure and regulation	32,354,383	-	-	32,354,383
Health and social services	895,135	-	-	895,135
Culture, recreation and tourism	15,931,170	5,500	-	15,936,670
HGTC and Higher Education Commission	5,130,560	-	-	5,130,560
Economic development	3,678,313	-	-	3,678,313
Debt service	-	1,503,771	13,380,012	14,883,783
Capital outlay	12,128,776	621,315	-	12,750,091
Total expenditures	<u>110,399,808</u>	<u>2,160,586</u>	<u>13,380,012</u>	<u>125,940,406</u>
Excess (deficiency) of revenues over expenditures	<u>(2,572,995)</u>	<u>(77,684)</u>	<u>(1,801,466)</u>	<u>(4,452,145)</u>
Other Financing Sources (Uses)				
Sale of capital assets	10,789	11,759	-	22,548
Transfers in	7,098,568	-	1,652,894	8,751,462
Transfers out	(6,424,516)	-	-	(6,424,516)
Total other financing sources (uses)	<u>684,841</u>	<u>11,759</u>	<u>1,652,894</u>	<u>2,349,494</u>
Net change in fund balance	(1,888,154)	(65,925)	(148,572)	(2,102,651)
Fund balances at beginning of year	74,580,733	3,510,459	7,970,619	86,061,811
Fund balances at end of year	<u>\$ 72,692,579</u>	<u>\$ 3,444,534</u>	<u>\$ 7,822,047</u>	<u>\$ 83,959,160</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, 2019

(with comparative amounts as of June 30, 2018)

	2019	2018
Assets		
Cash and cash equivalents	\$ 1,777,807	1,747,449
Pooled cash and investments	95,481,977	89,294,663
Receivables, net:		
Property taxes and other taxes	4,101,520	2,766,988
Accounts and other	5,071,999	4,990,435
Fees	2,064,999	1,455,013
Due from other funds	1,793,110	2,613,467
Due from other governments	8,987,768	7,851,546
Inventories	67,701	64,523
Prepaid items	294,444	264,180
Total Assets	<u>\$ 119,641,325</u>	<u>111,048,264</u>
Liabilities		
Accounts payable	3,482,173	3,123,477
Due to other governments	1,880,184	3,525,866
Accrued salaries and wages	4,435,760	4,876,078
Due to component unit	307,893	258,454
Due to taxpayers for overpayment	244,312	244,312
Funds held in trust - proceeds from sale of properties due to delinquent taxes	12,156,939	8,040,061
Other accrued liabilities	4,433,081	4,659,751
Total Liabilities	<u>26,940,342</u>	<u>24,727,999</u>
Deferred inflows of resources		
Unavailable revenues - fees and other	8,372,568	5,666,597
Unavailable revenues - property taxes	4,318,798	2,523,618
Total deferred inflows of resources	<u>12,691,366</u>	<u>8,190,215</u>
Fund balances		
Nonspendable	362,145	328,703
Committed to public safety	2,616,652	2,001,085
Committed to culture, recreation & tourism	290,061	327,045
Committed to infrastructure & regulation	1,813,772	1,412,475
Committed to reserves/stabilization	43,966,260	40,750,230
Committed to other purposes	2,416,928	2,007,677
Committed to debt service	-	6,918,492
Committed to capital	10,935,000	6,200,000
Committed to OPEB	3,979,248	2,425,323
Committed to abatement/demolition	911,362	961,420
Committed to mosquito spraying	-	3,000,000
Unassigned	12,718,189	11,797,600
Total fund balances	<u>80,009,617</u>	<u>78,130,050</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,641,325</u>	<u>111,048,264</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD ENDED JUNE 30, 2019
(with comparative actual amounts for the period ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 80,802,578	\$ 82,985,278	\$ 2,182,700	\$ 79,949,841
Personal property taxes	5,561,626	5,724,428	162,802	5,544,570
Vehicle taxes	8,681,408	8,482,570	(198,838)	8,383,400
Fee in lieu of tax	3,154,834	3,153,830	(1,004)	3,364,476
Total property taxes	<u>98,200,446</u>	<u>100,346,106</u>	<u>2,145,660</u>	<u>97,242,287</u>
<u>Intergovernmental:</u>				
Federal grants	266,216	298,447	32,231	642,674
Inventory tax	306,286	229,715	(76,571)	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	12,000	12,000	-	11,188
Veteran affairs	6,708	6,708	-	6,708
State shared	11,249,315	11,116,234	(133,081)	11,161,559
State - Library	492,998	492,998	-	471,259
Accommodations tax	218,137	226,147	8,010	217,488
Other - state	187,516	606,671	419,155	436,062
Total intergovernmental	<u>12,747,051</u>	<u>12,996,795</u>	<u>249,744</u>	<u>13,261,099</u>
<u>Fees and Fines:</u>				
Planning fees	153,000	185,677	32,677	178,480
EMS	9,703,000	9,352,374	(350,626)	9,462,405
RMC fees	2,589,675	2,419,744	(169,931)	2,512,495
Clerk of Court fees and fines	576,090	627,345	51,255	603,456
Library	106,066	86,832	(19,234)	101,065
Sheriff fines	45,300	49,622	4,322	56,340
Family court fees	461,000	455,497	(5,503)	460,239
Probate court fees	609,000	596,382	(12,618)	613,383
Magistrates' fees and fines	1,779,450	1,987,513	208,063	1,873,944
Master in Equity fees	930,000	448,317	(481,683)	819,770
CATV fees	4,182,500	4,219,779	37,279	4,195,856
Beach franchise fees	52,000	54,004	2,004	53,133
Hospitality Fees	7,527,389	7,725,859	198,470	7,747,826
Local Accommodations Tax	329,604	302,560	(27,044)	295,918
Other	283,540	565,217	281,677	312,151
Total fees and fines	<u>29,327,614</u>	<u>29,076,722</u>	<u>(250,892)</u>	<u>29,286,461</u>

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	5,219,446	5,337,630	118,184	4,973,474
<u>Licenses and Permits:</u>				
Business licenses	5,161,350	5,322,178	160,828	5,111,681
Building inspection permits	6,230,994	6,347,074	116,080	6,346,257
Other permits	69,850	74,516	4,666	76,426
Marriage licenses	210,000	138,147	(71,853)	159,676
Total licenses and permits	11,672,194	11,881,915	209,721	11,694,040
<u>Interest on investments:</u>	602,035	2,880,979	2,278,944	676,251
<u>Cost allocation:</u>	3,500,411	4,437,499	937,088	3,429,198
<u>Other:</u>				
Casino Boat	775,000	718,690	(56,310)	736,498
Rent	161,991	384,015	222,024	189,556
Other	3,512,949	4,237,286	724,337	4,110,254
Total other	4,449,940	5,339,991	890,051	5,036,308
Total revenue	165,719,137	172,297,637	6,578,500	165,599,118
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personnel costs	573,248	568,999	4,249	554,865
Contractual services	245,204	200,453	44,751	249,491
Supplies and material	613,353	171,639	441,714	178,441
Business and transportation	226,774	61,313	165,461	64,975
Capital outlay	10,000	-	10,000	9,093
Total	1,668,579	1,002,404	666,175	1,056,865
County Administrator:				
Personnel costs	947,138	939,901	7,237	659,347
Contractual services	638,838	614,882	23,956	490,543
Supplies and material	12,223	8,609	3,614	5,118
Business and transportation	19,255	18,367	888	20,076
Disaster	-	168	(168)	-
Programs	82,073	-	82,073	-
Total	1,699,527	1,581,927	117,600	1,175,084

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Finance:				
Personnel costs	1,834,865	1,808,077	26,788	1,645,715
Contractual services	36,747	26,687	10,060	39,866
Supplies and material	54,852	43,071	11,781	38,950
Business and transportation	26,540	25,517	1,023	23,504
Other	-	-	-	489
Total	1,953,004	1,903,352	49,652	1,748,524
Department Overhead:				
County Council:				
Personnel costs	1,710,660	985,176	725,484	958,107
Contractual services	1,806,973	1,578,480	228,493	1,633,019
Supplies and material	1,497,477	885,882	611,595	773,971
Business and transportation	25,477	-	25,477	-
Disaster	-	496,387	(496,387)	102,020
Total	5,040,587	3,945,925	1,094,662	3,467,117
Human Resources/Risk Management:				
Personnel costs	555,643	509,557	46,086	463,362
Contractual services	951,565	754,527	197,038	731,702
Supplies and material	66,416	39,525	26,891	30,528
Business and transportation	123,821	105,186	18,635	64,728
Employee programs	80,282	66,287	13,995	43,500
Other	10,017	10,017	-	2,572
Programs	18,742	18,742	-	-
Total	1,806,486	1,503,841	302,645	1,336,392

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Procurement:				
Personnel costs	590,717	565,246	25,471	481,990
Contractual services	54,023	45,790	8,233	22,069
Supplies and material	25,070	11,197	13,873	20,171
Business and transportation	23,069	18,999	4,070	20,636
Capital outlay	51,456	51,456	-	5,694
Other	2,920	2,920	-	3,800
Disaster	-	202,856	(202,856)	9,493
Total	747,255	898,464	(151,209)	563,853
IT/GIS:				
Personnel costs	3,417,377	3,321,488	95,889	3,152,098
Contractual services	1,897,247	1,849,481	47,766	1,949,606
Supplies and material	399,154	384,404	14,750	391,536
Business and transportation	97,003	96,435	568	84,364
Capital outlay	36,500	-	36,500	-
Other	1,680	1,680	-	5,000
Disaster	-	96,311	(96,311)	-
Total	5,848,961	5,749,799	99,162	5,582,604
Assessor:				
Personnel costs	3,630,331	3,509,594	120,737	3,443,643
Contractual services	293,302	276,614	16,688	215,226
Supplies and material	155,254	26,794	128,460	37,663
Business and transportation	51,295	41,551	9,744	42,640
Other	38,302	38,302	-	26,111
Total	4,168,484	3,892,855	275,629	3,765,283
Assessor Appeals Board:				
Personnel costs	8,403	2,797	5,606	3,181
Supplies and material	1,000	814	186	157
Total	9,403	3,611	5,792	3,338

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Registrar of Deeds:				
Personnel costs	1,047,815	990,671	57,144	958,464
Contractual services	154,375	153,794	581	124,920
Supplies and material	118,811	117,941	870	81,231
Business and transportation	5,980	5,509	471	7,441
Capital outlay	16,000	15,608	392	-
Total	1,342,981	1,283,523	59,458	1,172,064
Maintenance:				
Personnel costs	3,518,197	3,355,893	162,304	3,393,195
Contractual services	456,314	405,402	50,912	489,963
Supplies and material	903,246	607,895	295,351	651,546
Business and transportation	109,426	109,422	4	112,164
Capital outlay	8,372	8,372	-	29,023
Disaster	-	71,612	(71,612)	37,386
Other	237,432	237,432	-	62,145
Total	5,232,987	4,796,028	436,959	4,775,422
Registration and Election:				
Personnel costs	511,771	491,507	20,264	431,324
Contractual services	79,699	68,487	11,212	83,258
Supplies and material	126,613	60,223	66,390	89,506
Business and transportation	19,440	16,522	2,918	4,628
Other	3,759	3,759	-	-
Total	741,282	640,498	100,784	608,716
Public Information:				
Personnel costs	305,590	270,352	35,238	157,339
Contractual services	10,374	10,307	67	20,185
Supplies and material	57,939	14,215	43,724	8,426
Business and transportation	8,950	7,493	1,457	624
Capital outlay	-	-	-	82,879
Disaster	-	3,753	(3,753)	-
Total	382,853	306,120	76,733	269,453

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Treasurer:				
Personnel costs	1,979,309	1,975,856	3,453	1,891,579
Contractual services	48,037	47,321	716	45,111
Supplies and material	208,820	205,839	2,981	156,800
Business and transportation	14,676	14,676	-	16,480
Capital outlay	15,169	15,169	-	-
Other	76,626	47,849	28,777	97,615
Total	2,342,637	2,306,710	35,927	2,207,585
Auditor:				
Personnel costs	1,642,276	1,634,627	7,649	1,566,943
Contractual services	50,181	47,187	2,994	40,329
Supplies and material	97,709	89,974	7,735	76,463
Business and transportation	12,775	11,787	988	12,439
Capital outlay	15,315	15,314	1	-
Other	15,439	15,439	-	8,286
Total	1,833,695	1,814,328	19,367	1,704,460
Probate Judge:				
Personnel costs	1,116,402	1,064,991	51,411	1,074,117
Contractual services	11,600	5,218	6,382	8,359
Supplies and material	39,200	34,688	4,512	34,027
Business and transportation	9,600	6,101	3,499	5,552
Total	1,176,802	1,110,998	65,804	1,122,055
Master-in-Equity:				
Personnel costs	451,391	405,694	45,697	385,928
Contractual services	41,700	36,539	5,161	37,400
Supplies and material	8,282	5,124	3,158	5,588
Business and transportation	2,800	1,176	1,624	1,285
Total	504,173	448,533	55,640	430,201

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Legal:				
Personnel costs	490,220	490,214	6	463,986
Contractual services	915,556	473,046	442,510	321,223
Supplies and material	4,462	4,458	4	3,366
Business and transportation	5,367	5,367	-	6,650
Total	1,415,605	973,085	442,520	795,225
Grants Administration:				
Personnel costs	165,350	164,675	675	95,441
Contractual services	4,034	4,032	2	2,954
Supplies and material	2,185	2,183	2	9,765
Business and transportation	1,913	1,913	-	236
Other	260,600	-	260,600	-
Total	434,082	172,803	261,279	108,396
Delegation:				
Personnel costs	94,174	82,366	11,808	86,313
Contractual services	98	97	1	584
Supplies and material	2,794	2,605	189	949
Total	97,066	85,068	11,998	87,846
Business License:				
Personnel costs	633,597	632,733	864	595,361
Contractual services	20,049	20,047	2	4,202
Supplies and material	21,845	21,843	2	18,305
Business and transportation	9,168	9,167	1	9,907
Other	6,100	6,000	100	11,400
Total	690,759	689,790	969	639,175
Total general government	39,137,208	35,109,662	4,027,546	32,619,658

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
Public Safety:				
Public Safety Division:				
Personnel costs	474,706	276,038	198,668	243,170
Contractual services	506,445	270,797	235,648	697,974
Supplies and material	187,650	3,062	184,588	2,299
Business and transportation	8,900	4,711	4,189	2,414
Other	127,500	127,500	-	-
Total	1,305,201	682,108	623,093	945,857
Clerk of Court:				
Personnel costs	1,768,815	1,725,059	43,756	1,671,209
Contractual services	256,154	245,669	10,485	170,013
Supplies and material	126,065	93,152	32,913	107,894
Business and transportation	6,700	5,755	945	7,850
Other	65,849	-	65,849	-
Total	2,223,583	2,069,635	153,948	1,956,966
Clerk of Court - DSS Family Court:				
Personnel costs	641,795	640,645	1,150	622,958
Contractual services	11,422	5,581	5,841	-
Supplies and material	28,110	18,828	9,282	13,118
Business and transportation	2,334	1,042	1,292	30
Total	683,661	666,096	17,565	636,106
Clerk of Court - Family Court:				
Personnel costs	287,917	268,395	19,522	328,238
Contractual services	1,535	1,025	510	501
Supplies and material	8,192	8,189	3	5,669
Business and transportation	698	472	226	30
Capital outlay	-	-	-	27,072
Other	530,892	25,338	505,554	21,513
Total	829,234	303,419	525,815	383,023
Magistrates:				
Personnel costs	3,049,041	3,029,839	19,202	2,891,010
Contractual services	179,524	148,897	30,627	179,784
Supplies and material	118,152	92,714	25,438	74,683
Business and transportation	51,002	35,915	15,087	44,506
Total	3,397,719	3,307,365	90,354	3,189,983

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Communications:				
Supplies and material	129,345	129,345	-	185,378
Other	1,178,531	1,178,531	-	1,180,181
Total	1,307,876	1,307,876	-	1,365,559
Sheriff:				
Personnel costs	6,359,007	6,138,538	220,469	6,142,612
Contractual services	130,773	130,763	10	110,755
Supplies and material	160,133	150,007	10,126	114,102
Business and transportation	386,386	386,386	-	376,597
Capital outlay	7,400	6,501	899	6,809
Other	539,610	536,737	2,873	211,489
Programs	147,260	65,929	81,331	43,389
Disaster	-	105,881	(105,881)	-
Total	7,730,569	7,520,742	209,827	7,005,753
Police:				
Personnel costs	18,936,840	18,870,160	66,680	17,370,996
Contractual services	1,029,560	1,029,149	411	1,004,734
Supplies and material	849,086	784,422	64,664	587,567
Business and transportation	1,729,047	1,720,846	8,201	1,468,219
Capital outlay	62,140	61,092	1,048	-
Other	2,218,939	2,165,296	53,643	1,850,684
Programs	556,574	311,051	245,523	261,244
Disaster	-	543,890	(543,890)	-
Total	25,382,186	25,485,906	(103,720)	22,543,444
Emergency Management:				
Personnel costs	434,554	390,035	44,519	408,738
Contractual services	52,233	42,361	9,872	39,308
Supplies and material	30,695	23,291	7,404	24,399
Business and transportation	16,223	13,750	2,473	11,710
Other	2,620	2,620	-	22,800
Disaster	-	15,260	(15,260)	694
Total	536,325	487,317	49,008	507,649

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Emergency 911:				
Personnel costs	3,419,040	3,262,668	156,372	3,146,612
Contractual services	22,263	13,132	9,131	23,243
Supplies and material	27,023	26,482	541	17,199
Business and transportation	3,650	3,030	620	4,250
Disaster	-	55,508	(55,508)	-
Total	3,471,976	3,360,820	111,156	3,191,304
Coroner:				
Personnel costs	579,486	578,791	695	513,340
Contractual services	410,108	373,216	36,892	402,685
Supplies and material	24,900	18,400	6,500	40,319
Business and transportation	35,900	28,180	7,720	13,432
Capital outlay	-	-	-	14,845
Other	20,550	20,550	-	20,910
Disaster	-	9,654	(9,654)	-
Total	1,070,944	1,028,791	42,153	1,005,531
Detention Center:				
Personnel costs	19,288,228	19,169,185	119,043	18,095,550
Contractual services	3,943,745	3,901,791	41,954	3,881,519
Supplies and material	2,322,054	2,106,186	215,868	2,070,558
Business and transportation	319,085	277,345	41,740	302,326
Capital outlay	79,400	79,350	50	75,940
Other	1,347,121	787,098	560,023	344,731
Disaster	-	186,429	(186,429)	41,120
Programs	561,106	196,065	365,041	306,394
Total	27,860,739	26,703,449	1,157,290	25,118,138
Emergency Medical Services:				
Personnel costs	13,876,370	13,741,065	135,305	12,469,330
Contractual services	925,312	882,335	42,977	840,823
Supplies and material	998,258	917,849	80,409	845,523
Business and transportation	695,895	694,737	1,158	510,007
Capital outlay	135,000	127,210	7,790	160,313
Disaster	-	1,209,287	(1,209,287)	590
Other	621,472	618,435	3,037	852,300
Programs	47,449	16,611	30,838	21,418
Total	17,299,756	18,207,529	(907,773)	15,700,304

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Animal Care Center:				
Personnel costs	1,024,858	1,010,134	14,724	945,790
Contractual services	66,690	59,929	6,761	48,170
Supplies and material	176,769	175,773	996	171,187
Business and transportation	16,240	13,099	3,141	13,231
Disaster	-	3,268	(3,268)	-
Other	40,874	15,000	25,874	-
Total	1,325,431	1,277,203	48,228	1,178,378
Parking Program:				
Contractual services	40,609	34,575	6,034	26,872
Supplies and material	75,347	53,986	21,361	24,410
Programs	227,191	-	227,191	-
Total	343,147	88,561	254,586	51,282
Total public safety	94,768,347	92,496,817	2,271,530	84,779,277
<u>Infrastructure & Regulation</u>				
Infrastructure & Regulation Division:				
Personnel costs	288,939	288,642	297	271,288
Contractual services	193,483	179,650	13,833	176,083
Supplies and material	3,382	2,094	1,288	1,731
Business and transportation	3,210	616	2,594	2,575
Total	489,014	471,002	18,012	451,677
County Engineer:				
Personnel costs	1,179,984	1,071,402	108,582	1,070,634
Contractual services	425,052	248,237	176,815	214,605
Supplies and material	49,500	41,560	7,940	17,808
Business and transportation	44,055	36,043	8,012	39,948
Disaster	-	3,975	(3,975)	-
Other	47,914	47,914	-	11,522
Total	1,746,505	1,449,131	297,374	1,354,517

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - Infrastructure & Regulation (continued)				
Public Works:				
Personnel costs	4,895,236	4,473,274	421,962	4,188,994
Contractual services	483,691	433,815	49,876	981,863
Supplies and material	2,465,471	1,283,503	1,181,968	930,956
Business and transportation	1,477,987	1,475,308	2,679	1,248,386
Disaster	-	397,289	(397,289)	54,502
Other	1,517,619	1,517,619	-	1,219,000
Total	10,840,004	9,580,808	1,259,196	8,623,701
Code Enforcement:				
Personnel costs	3,019,274	2,814,492	204,782	2,659,713
Contractual services	60,920	57,028	3,892	52,343
Supplies and material	84,312	81,683	2,629	45,368
Business and transportation	119,883	111,143	8,740	103,461
Other	118,124	118,124	-	92,260
Total	3,402,513	3,182,470	220,043	2,953,145
Planning:				
Personnel costs	1,926,239	1,725,194	201,045	1,904,025
Contractual services	218,988	67,930	151,058	47,252
Supplies and material	57,712	51,573	6,139	24,414
Business and transportation	21,184	15,984	5,200	16,623
Capital outlay	-	-	-	6,312
Other	75,525	75,525	-	17,475
Total	2,299,648	1,936,206	363,442	2,016,101
Environmental Services:				
Personnel costs	249,902	242,287	7,615	151,326
Contractual services	18,786	16,123	2,663	6,154
Supplies and material	10,461	10,311	150	14,707
Business and transportation	7,000	6,104	896	-
Capital outlay	-	-	-	17,926
Total	286,149	274,825	11,324	190,113
Railroad:				
Supplies and material	45,041	21,541	23,500	50,687
Total	45,041	21,541	23,500	50,687
Abatement/Demolition:				
Supplies and material	961,419	50,057	911,362	21,943
Total	961,419	50,057	911,362	21,943
Total infrastructure & regulation	20,070,293	16,966,040	3,104,253	15,661,884

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personnel costs	429,135	414,778	14,357	369,503
Contractual services	3,325	2,867	458	2,136
Supplies and material	31,508	31,226	282	6,853
Business and transportation	10,134	9,576	558	9,100
Total	474,102	458,447	15,655	387,592
 Medically Indigent Assistance Program:				
Personnel costs	67,795	63,886	3,909	68,346
Contractual services	449	384	65	335
Supplies and material	830	515	315	593
Other	833,293	833,293	-	821,671
Total	902,367	898,078	4,289	890,945
 Health Department:				
Contractual services	116,745	115,606	1,139	115,537
Supplies and material	24,000	-	24,000	-
Total	140,745	115,606	25,139	115,537
 Department of Social Services:				
Contractual services	102,320	102,319	1	94,950
Supplies and material	18,882	618	18,264	-
Other	8,284	8,284	-	8,284
Total	129,486	111,221	18,265	103,234
Total health and social services	1,646,700	1,583,352	63,348	1,497,308

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2019			2018
	Final Budget	Actual	Variance	Actual
Expenditures - (continued)				
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personnel costs	3,219,875	2,961,574	258,301	2,941,723
Contractual services	574,673	545,170	29,503	504,884
Supplies and material	1,059,433	967,756	91,677	943,540
Business and transportation	37,375	31,877	5,498	28,843
Other	90,963	90,963	-	34,730
Programs	19,022	2,600	16,422	1,420
Total	5,001,341	4,599,940	401,401	4,455,140
Museum:				
Personnel costs	482,917	482,798	119	459,061
Contractual services	249,886	240,160	9,726	235,506
Supplies and material	41,231	36,595	4,636	45,313
Business and transportation	34,066	28,334	5,732	22,004
Other	96,934	24,911	72,023	43,729
Total	905,034	812,798	92,236	805,613
Total culture, recreation and tourism	5,906,375	5,412,738	493,637	5,260,753
<u>Contributions to agencies:</u>	659,172	489,307	169,865	1,559,444
Total other agencies	659,172	489,307	169,865	1,559,444
Total expenditures	162,188,095	152,057,916	10,130,179	141,378,324
Excess of revenue over expenditures	3,531,042	20,239,721	16,708,679	24,220,794
Other Financing Sources (Uses)				
Sale of assets	100,000	87,902	(12,098)	19,320
Transfers in	670,183	678,691	8,508	688,541
Transfer out	(19,126,747)	(19,126,747)	-	(10,607,565)
Total other financing sources (uses)	(18,356,564)	(18,360,154)	(3,590)	(9,899,704)
Net change in fund balance	(14,825,522)	1,879,567	16,705,089	14,321,090
Fund balance at beginning of year	78,130,050	78,130,050	-	63,808,960
Fund balance at end of year	\$ 63,304,528	\$ 80,009,617	\$ 16,705,089	\$ 78,130,050

SPECIAL REVENUE FUNDS

Special revenue funds are used accounts for specific revenue received which are restricted to expenditures for particular purposes (other than capital projects). The County currently has established the following special revenue funds:

Fire – accounts for operations of thirty-three (33) stations throughout unincorporated areas of Horry County. Revenue is collected from 19.5 mills levied on property tax on the unincorporated area of the County.

Tourism and Promotion – accounts for the revenue derived from a state-wide 2% levied room tax earmarked for the promotion of tourism in South Carolina.

Waste Management Recycling – accounts for solid waste collection and recycling programs of Horry County. Revenue is collected from 6.0 mills levied on property tax on the unincorporated areas of the County.

Higher Education – accounts for revenue collected from 0.7 mills levied on real and personal property for debt payment requirements of the Higher Education Commission and for the purpose of providing tuition assistance for students.

Horry-Georgetown Tech – accounts for revenue collected from 1.8 mills levied on real and personal property for debt payment requirements of Horry-Georgetown Technical Education Center and for the purpose of providing maintenance on the grounds & buildings owned by the County.

Watershed – accounts for revenue collected from property taxes for maintenance of the following watersheds: Cartwheel – 3.4 mills, Crab Tree – 3.2 mills, Todd Swamp – 3.1 mills, Simpson Creek – 2.9 mills, Buck Creek – 3.2 mills, and Gapway – 3.1 mills.

Mt. Gilead – accounts for revenue collected from 30.0 mills levied on property taxes for road improvements in the Mt. Gilead Community.

Socastee Recreation – accounts for FY 2019 revenue collected from 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.

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.

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.

Library Thompson Estate - accounts for the Thompson Family contribution designated to Horry County Library's Conway branch.

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, 2019

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	8,615,256	-	2,322,875	76,086	395,808	800,449
Receivables, net:						
Property taxes	1,102,479	-	348,992	67,089	169,289	3,800
Accounts and other	-	111,169	-	-	-	-
Fees	293	45,716	90	1,696	4,361	-
Due from other governments	1,295,092	2,307,519	5,042,443	1,167	3,000	-
Prepaid items	50,800	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total assets	\$ 11,063,920	\$ 2,464,404	\$ 7,714,400	\$ 146,038	\$ 572,458	\$ 804,249
Liabilities						
Liabilities						
Accounts payable-trade	\$ 261,252	\$ 549,385	\$ 907,480	\$ -	\$ -	\$ -
Accounts payable-other	-	-	-	-	-	-
Accrued salaries and wages	371,898	33,539	-	-	-	-
Due to other funds	-	576,300	-	-	-	-
Due to other governments	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	633,150	1,159,224	907,480	-	-	-
Deferred Inflows of Resources						
Unavailable revenue-fees and other	1,295,092	930,399	5,042,443	1,167	3,000	-
Unavailable revenue-property taxes	988,245	-	307,320	58,168	146,350	2,726
Total deferred inflows of resources	2,283,337	930,399	5,349,763	59,335	149,350	2,726
Fund Balances						
Nonspendable	50,800	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Restricted for public safety	8,096,633	-	-	-	-	-
Restricted for culture, recreation and tourism	-	374,781	-	86,703	423,108	-
Restricted for infrastructure and regulation	-	-	1,457,157	-	-	801,523
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)	8,147,433	374,781	1,457,157	86,703	423,108	801,523
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 11,063,920	\$ 2,464,404	\$ 7,714,400	\$ 146,038	\$ 572,458	\$ 804,249

Non-Major Funds

Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen
\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
405,975	114,781	38,023,306	3,253,707	730,289	396,222	77,948	280,643
1,635	134	-	-	-	-	-	38,275
-	-	23,530	-	-	-	27,935	-
-	-	1,585,188	176,526	-	-	-	969
-	-	1,161,056	-	1,103,738	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 407,610</u>	<u>\$ 114,915</u>	<u>\$ 40,793,180</u>	<u>\$ 3,430,233</u>	<u>\$ 1,834,027</u>	<u>\$ 396,222</u>	<u>\$ 105,883</u>	<u>\$ 319,887</u>
\$ 266,253	1,558	\$ 3,175,764	\$ 22,872	\$ 153,745	\$ -	\$ 4,861	221,982
-	-	-	-	-	-	-	-
-	-	10,292	-	19,225	-	13,470	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	187,291	-	-	-
<u>266,253</u>	<u>1,558</u>	<u>3,186,056</u>	<u>22,872</u>	<u>360,261</u>	<u>-</u>	<u>18,331</u>	<u>221,982</u>
-	-	2,769,773	-	492,340	-	-	-
1,138	-	-	-	-	-	-	33,180
<u>1,138</u>	<u>-</u>	<u>2,769,773</u>	<u>-</u>	<u>492,340</u>	<u>-</u>	<u>-</u>	<u>33,180</u>
-	-	-	-	-	-	-	-
-	-	16,385,054	-	-	-	-	-
-	-	-	-	-	-	87,552	-
-	113,357	-	59,504	-	-	-	-
140,219	-	-	-	-	-	-	-
-	-	-	-	-	396,222	-	-
-	-	-	-	-	-	-	64,725
-	-	-	3,347,857	-	-	-	-
-	-	18,452,297	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	981,426	-	-	-
-	-	-	-	-	-	-	-
<u>140,219</u>	<u>113,357</u>	<u>34,837,351</u>	<u>3,407,361</u>	<u>981,426</u>	<u>396,222</u>	<u>87,552</u>	<u>64,725</u>
<u>\$ 407,610</u>	<u>\$ 114,915</u>	<u>\$ 40,793,180</u>	<u>\$ 3,430,233</u>	<u>\$ 1,834,027</u>	<u>\$ 396,222</u>	<u>\$ 105,883</u>	<u>\$ 319,887</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2019

Non-Major Funds

	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Solicitor
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 511,588
Pooled cash and investments	76,880	272,413	3,233,517	3,164,714	549,317
Receivables, net:					
Property taxes	971	-	-	-	-
Accounts and other	-	-	75,375	-	364,195
Fees	-	29,316	206,173	171,848	-
Due from other governments	-	-	-	1,619,283	231,005
Prepaid items	-	-	-	-	-
Restricted assets	-	101,977	-	-	216,884
Total assets	<u>\$ 77,851</u>	<u>\$ 403,706</u>	<u>\$ 3,515,065</u>	<u>\$ 4,955,845</u>	<u>\$ 1,872,989</u>
Liabilities					
Liabilities					
Accounts payable-trade	\$ 8,280	\$ -	\$ 109,455	\$ 90,410	\$ 111,447
Accounts payable-other	-	-	-	-	194,828
Accrued salaries and wages	-	-	5,755	39,046	310,761
Due to other funds	35,745	-	-	-	-
Due to other governments	-	241,328	-	-	11,778
Other liabilities	-	-	-	1,049,954	-
Total liabilities	<u>44,025</u>	<u>241,328</u>	<u>115,210</u>	<u>1,179,410</u>	<u>628,814</u>
Deferred Inflows of Resources					
Unavailable revenue-fees and other	-	-	206,173	1,756,464	10,506
Unavailable revenue-property taxes	1,134	-	-	-	-
Total deferred inflows of resources	<u>1,134</u>	<u>-</u>	<u>206,173</u>	<u>1,756,464</u>	<u>10,506</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Restricted for public safety	-	-	-	-	1,233,669
Restricted for culture, recreation and tourism	-	162,378	-	-	-
Restricted for infrastructure and regulation	32,692	-	-	2,019,971	-
Restricted for economic development	-	-	1,555,520	-	-
Restricted for health and social services	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-
Committed to economic development	-	-	1,638,162	-	-
Committed to other purposes	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-
Total fund balances / (deficits)	<u>32,692</u>	<u>162,378</u>	<u>3,193,682</u>	<u>2,019,971</u>	<u>1,233,669</u>
Total liabilities, deferred inflows of resources and fund balances / (deficits)	<u>\$ 77,851</u>	<u>\$ 403,706</u>	<u>\$ 3,515,065</u>	<u>\$ 4,955,845</u>	<u>\$ 1,872,989</u>

Non-Major Funds						
Public Defender	Multi-County Business Park Rollback	E-911	Library Thompson Estate	CDBG Grant Program	Recreation	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 512,488
1,520,571	543,717	3,675,300	-	-	3,265,206	71,794,980
-	-	-	-	-	144,398	1,877,062
-	-	53,629	-	-	-	655,833
-	-	-	-	-	4,119	2,226,295
64,453	-	1,704,855	-	226,427	218,017	14,978,055
-	-	-	-	-	4,948	55,748
-	-	-	4,437,078	-	-	4,755,939
<u>\$ 1,585,024</u>	<u>\$ 543,717</u>	<u>\$ 5,433,784</u>	<u>\$ 4,437,078</u>	<u>\$ 226,427</u>	<u>\$ 3,637,488</u>	<u>\$ 96,856,400</u>
\$ 2,629	\$ -	\$ 83,548	\$ -	\$ 126,284	\$ 69,657	\$ 6,166,862
-	-	-	-	-	-	194,828
36,891	-	11,753	-	9,570	56,250	918,450
-	-	-	-	289,132	-	901,177
-	-	-	-	12,865	-	265,971
-	-	-	-	-	38,519	1,275,764
<u>39,520</u>	<u>-</u>	<u>95,301</u>	<u>-</u>	<u>437,851</u>	<u>164,426</u>	<u>9,723,052</u>
-	-	-	-	46,833	225,708	12,779,898
-	-	-	-	-	122,610	1,660,871
-	-	-	-	46,833	348,318	14,440,769
-	-	-	-	-	4,948	55,748
-	-	-	-	-	-	16,385,054
1,545,504	-	5,338,483	-	-	-	16,301,841
-	-	-	4,437,078	-	3,119,796	8,776,705
-	543,717	-	-	-	-	4,995,279
-	-	-	-	-	-	1,951,742
-	-	-	-	-	-	64,725
-	-	-	-	-	-	3,347,857
-	-	-	-	-	-	18,452,297
-	-	-	-	-	-	1,638,162
-	-	-	-	-	-	981,426
-	-	-	-	(258,257)	-	(258,257)
<u>1,545,504</u>	<u>543,717</u>	<u>5,338,483</u>	<u>4,437,078</u>	<u>(258,257)</u>	<u>3,124,744</u>	<u>72,692,579</u>
<u>\$ 1,585,024</u>	<u>\$ 543,717</u>	<u>\$ 5,433,784</u>	<u>\$ 4,437,078</u>	<u>\$ 226,427</u>	<u>\$ 3,637,488</u>	<u>\$ 96,856,400</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, 2019

	Non-Major Funds					
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed
Revenues						
Real property taxes	\$ 18,207,142	\$ -	\$ 6,458,069	\$ 1,342,209	\$ 3,451,223	\$ 111,773
Personal property taxes	1,510,093	-	498,586	93,905	241,417	1,692
Vehicle taxes	2,553,168	-	867,004	139,311	356,859	-
Fee in lieu of tax	64,418	-	23,377	10,396	21,317	-
Intergovernmental	83,317	6,057	24,436	8,123	10,782	-
Accommodations tax	-	4,189,658	-	-	-	-
Fees and fines	-	-	-	-	-	-
Hospitality fees	-	338,160	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	183,009	2,445	66,256	9,987	27,203	18,090
Other	56,599	23,461	-	-	-	-
Total revenues	<u>22,657,746</u>	<u>4,559,781</u>	<u>7,937,728</u>	<u>1,603,931</u>	<u>4,108,801</u>	<u>131,555</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	20,322,276	1,690,012	-	-	-	-
Infrastructure and regulation	-	-	10,114,188	-	-	44,379
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	2,423,005	-	-	-	-
HGTC and Higher Education Commission	-	-	-	1,430,560	3,700,000	-
Economic development	-	-	-	-	-	-
Capital outlay	124,523	59,343	-	-	-	-
Total expenditures	<u>20,446,799</u>	<u>4,172,360</u>	<u>10,114,188</u>	<u>1,430,560</u>	<u>3,700,000</u>	<u>44,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,210,947</u>	<u>387,421</u>	<u>(2,176,460)</u>	<u>173,371</u>	<u>408,801</u>	<u>87,176</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Sale of Assets	10,789	-	-	-	-	-
Transfers out	(4,195,779)	(258,116)	-	(225,550)	(242,100)	-
Total other financing sources (uses)	<u>(4,184,990)</u>	<u>(258,116)</u>	<u>-</u>	<u>(225,550)</u>	<u>(242,100)</u>	<u>-</u>
Net change in fund balance	(1,974,043)	129,305	(2,176,460)	(52,179)	166,701	87,176
Fund balances (deficits), at beginning of year	<u>10,121,476</u>	<u>245,476</u>	<u>3,633,617</u>	<u>138,882</u>	<u>256,407</u>	<u>714,347</u>
Fund balances (deficits), at end of year	<u>\$ 8,147,433</u>	<u>\$ 374,781</u>	<u>\$ 1,457,157</u>	<u>\$ 86,703</u>	<u>\$ 423,108</u>	<u>\$ 801,523</u>

Non-Major Funds

Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen
\$ 127,708	\$ 902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 766,931
3,005	-	-	-	-	-	-	53,618
-	-	-	-	-	-	-	79,305
-	-	-	-	-	-	-	4,727
-	-	317,055	4,291,250	8,883,263	-	3,208	82
-	-	-	-	-	-	-	-
-	-	16,147,936	-	9,920	-	371,334	-
-	-	-	-	-	-	-	-
-	-	-	959,353	-	-	-	-
7,833	2,616	817,731	142,305	2,527	8,560	3,639	3,500
-	29,389	111,358	5,886	1,645,795	-	1,335	-
<u>138,546</u>	<u>32,907</u>	<u>17,394,080</u>	<u>5,398,794</u>	<u>10,541,505</u>	<u>8,560</u>	<u>379,516</u>	<u>908,163</u>
-	-	-	-	545,414	-	-	-
-	-	-	-	1,580,748	-	711,560	-
302,893	-	7,048,091	-	8,158,566	-	-	-
-	-	-	-	-	-	-	895,135
-	53,870	-	8,857,421	71,718	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	11,084,366	-	378,705	-	-	-
<u>302,893</u>	<u>53,870</u>	<u>18,132,457</u>	<u>8,857,421</u>	<u>10,735,151</u>	<u>-</u>	<u>711,560</u>	<u>895,135</u>
<u>(164,347)</u>	<u>(20,963)</u>	<u>(738,377)</u>	<u>(3,458,627)</u>	<u>(193,646)</u>	<u>8,560</u>	<u>(332,044)</u>	<u>13,028</u>
-	-	341,704	-	496,144	-	327,622	-
-	-	-	-	-	-	-	-
-	(25,000)	-	-	-	-	-	-
<u>-</u>	<u>(25,000)</u>	<u>341,704</u>	<u>-</u>	<u>496,144</u>	<u>-</u>	<u>327,622</u>	<u>-</u>
(164,347)	(45,963)	(396,673)	(3,458,627)	302,498	8,560	(4,422)	13,028
304,566	159,320	35,234,024	6,865,988	678,928	387,662	91,974	51,697
<u>\$ 140,219</u>	<u>\$ 113,357</u>	<u>\$ 34,837,351</u>	<u>\$ 3,407,361</u>	<u>\$ 981,426</u>	<u>\$ 396,222</u>	<u>\$ 87,552</u>	<u>\$ 64,725</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, 2019

	Non-Major Funds					
	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Solicitor	Public Defender
Revenues						
Real property taxes	\$ 62,107	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	227	-	-	-	-	-
Vehicle taxes	-	-	-	-	-	-
Fee in lieu of tax	-	-	899,016	-	-	-
Intergovernmental	-	-	1,422	19,211	2,223,471	1,302,052
Accommodations tax	-	-	-	-	-	-
Fees and fines	-	-	369,557	7,645,021	2,024,591	126,100
Hospitality fees	-	216,845	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Interest	1,880	7,518	63,074	55,687	78,947	37,367
Other	500	25,006	-	-	-	-
Total revenues	<u>64,714</u>	<u>249,369</u>	<u>1,333,069</u>	<u>7,719,919</u>	<u>4,327,009</u>	<u>1,465,519</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	10,982,651	2,478,681
Infrastructure and regulation	48,721	-	-	6,637,545	-	-
Health and social services	-	-	-	-	-	-
Culture, recreation and tourism	-	73,303	-	-	-	-
HGTC and Higher Education Commission	-	-	-	-	-	-
Economic development	-	-	926,437	-	-	-
Capital outlay	-	195,633	-	201,799	-	-
Total expenditures	<u>48,721</u>	<u>268,936</u>	<u>926,437</u>	<u>6,839,344</u>	<u>10,982,651</u>	<u>2,478,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,993</u>	<u>(19,567)</u>	<u>406,632</u>	<u>880,575</u>	<u>(6,655,642)</u>	<u>(1,013,162)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	4,431,346	1,211,252
Sale of Assets	-	-	-	-	-	-
Transfers out	-	-	(180,000)	(896,957)	(35,311)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(180,000)</u>	<u>(896,957)</u>	<u>4,396,035</u>	<u>1,211,252</u>
Net change in fund balance	15,993	(19,567)	226,632	(16,382)	(2,259,607)	198,090
Fund balances (deficits), at beginning of year	<u>16,699</u>	<u>181,945</u>	<u>2,967,050</u>	<u>2,036,353</u>	<u>3,493,276</u>	<u>1,347,414</u>
Fund balances (deficits), at end of year	<u>\$ 32,692</u>	<u>\$ 162,378</u>	<u>\$ 3,193,682</u>	<u>\$ 2,019,971</u>	<u>\$ 1,233,669</u>	<u>\$ 1,545,504</u>

Non-Major Funds					
Multi-County Business Park Rollback	E-911	Library Thompson Estate	CDBG Grant Program	Recreation	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,259,637	\$ 33,787,701
-	-	-	-	228,266	2,630,809
-	-	-	-	335,836	4,331,483
-	-	-	-	20,117	1,043,368
-	3,176,102	-	3,421,305	93,526	23,864,662
-	-	-	-	-	4,189,658
-	699,563	-	-	-	27,394,022
-	-	-	-	-	555,005
-	-	-	-	-	959,353
11,746	78,908	11,568	-	62,027	1,704,423
-	-	4,425,510	-	1,041,490	7,366,329
11,746	3,954,573	4,437,078	3,421,305	5,040,899	107,826,813
-	-	-	-	-	545,414
-	1,970,129	-	-	-	39,736,057
-	-	-	-	-	32,354,383
-	-	-	-	-	895,135
-	-	-	-	4,451,853	15,931,170
-	-	-	-	-	5,130,560
-	-	-	2,751,876	-	3,678,313
-	-	-	-	84,407	12,128,776
-	1,970,129	-	2,751,876	4,536,260	110,399,808
11,746	1,984,444	4,437,078	669,429	504,639	(2,572,995)
-	-	-	-	290,500	7,098,568
-	-	-	-	-	10,789
-	-	-	(332,210)	(33,493)	(6,424,516)
-	-	-	(332,210)	257,007	684,841
11,746	1,984,444	4,437,078	337,219	761,646	(1,888,154)
531,971	3,354,039	-	(595,476)	2,363,098	74,580,733
\$ 543,717	\$ 5,338,483	\$ 4,437,078	\$ (258,257)	\$ 3,124,744	\$ 72,692,579

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	2019	2018
Assets		
Pooled cash and investments	\$ 8,615,256	\$ 10,739,153
Receivables, net:		
Property taxes	1,102,479	802,789
Fees	293	631
Accounts and Other	-	178
Due from other governments	1,295,092	441,245
Prepaid items	50,800	-
Total assets	<u>\$ 11,063,920</u>	<u>\$ 11,983,996</u>
Liabilities		
Accounts payable - trade	\$ 261,252	\$ 399,103
Accrued salaries and wages	371,898	310,659
Total liabilities	<u>633,150</u>	<u>709,762</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	1,295,092	434,597
Unavailable revenue-property taxes	988,245	718,161
Total deferred inflows of resources	<u>2,283,337</u>	<u>1,152,758</u>
Fund Balance		
Nonspendable	50,800	-
Restricted for public safety	8,096,633	10,121,476
Total fund balance	<u>8,147,433</u>	<u>10,121,476</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 11,063,920</u>	<u>\$ 11,983,996</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 17,657,354	\$ 18,207,142	\$ 549,788	\$ 17,370,283
Personal property taxes	1,478,866	1,510,093	31,227	1,475,676
Vehicle taxes	2,623,770	2,553,168	(70,602)	2,467,680
Fee in lieu of tax	45,455	64,418	18,963	104,113
Intergovernmental - federal	-	-	-	31,500
Intergovernmental - state	88,851	83,317	(5,534)	37,512
Interest	50,000	183,009	133,009	145,170
Other	34,324	56,599	22,275	12,800
Total revenues	<u>21,978,620</u>	<u>22,657,746</u>	<u>679,126</u>	<u>21,644,734</u>
Expenditures				
Current:				
Public safety:				
Personnel costs	15,152,224	14,874,646	277,578	13,956,605
Contractual services	1,300,493	1,106,346	194,147	1,210,157
Supplies and materials	1,315,227	1,053,917	261,310	975,793
Business and transportation	1,004,413	865,835	138,578	780,848
Capital outlay	310,547	124,523	186,024	143,624
Programs	250,000	-	250,000	-
Other	281,818	218,113	63,705	142,101
Disaster	-	952,900	(952,900)	35,817
Indirect cost allocation	1,300,000	1,250,519	49,481	1,469,176
Total expenditures	<u>20,914,722</u>	<u>20,446,799</u>	<u>467,923</u>	<u>18,714,121</u>
Excess of revenues over expenditures	<u>1,063,898</u>	<u>2,210,947</u>	<u>1,147,049</u>	<u>2,930,613</u>
Other Financing Sources (Uses)				
Sale of Assets	-	10,789	10,789	8,674
Transfers out	(4,195,779)	(4,195,779)	-	(1,894,510)
Total other financing sources (uses)	<u>(4,195,779)</u>	<u>(4,184,990)</u>	<u>10,789</u>	<u>(1,885,836)</u>
Net change in fund balance	<u>(3,131,881)</u>	<u>(1,974,043)</u>	<u>1,157,838</u>	<u>1,044,777</u>
Fund balance at beginning of year	10,121,476	10,121,476	-	9,076,699
Fund balance at end of year	<u>\$ 6,989,595</u>	<u>\$ 8,147,433</u>	<u>\$ 1,157,838</u>	<u>\$ 10,121,476</u>

HORRY COUNTY, SOUTH CAROLINA
TOURISM & PROMOTION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Accounts and other	\$ 111,169	\$ 40,561
Fees	45,716	39,673
Due from other governments	2,307,519	2,243,712
Total assets	<u>\$ 2,464,404</u>	<u>\$ 2,323,946</u>
Liabilities		
Accounts payable - trade	\$ 549,385	\$ 498,804
Accrued salaries and wages	33,539	34,982
Due to other funds	576,300	578,146
Total liabilities	<u>1,159,224</u>	<u>1,111,932</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	930,399	966,538
Total deferred inflows of resources	<u>930,399</u>	<u>966,538</u>
Fund Balance		
Restricted for culture, recreation and tourism	374,781	245,476
Total fund balance	<u>374,781</u>	<u>245,476</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,464,404</u>	<u>\$ 2,323,946</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 147,878	\$ 6,057	\$ (141,821)	\$ -
Accommodations tax	4,037,463	4,189,658	152,195	4,034,525
Hospitality fees	333,099	338,160	5,061	288,099
Interest	-	2,445	2,445	3,433
Other	22,963	23,461	498	55,446
Total revenues	4,541,403	4,559,781	18,378	4,381,503
Expenditures				
Current:				
Public safety				
Personnel costs	1,498,316	1,336,704	161,612	1,464,491
Contractual services	24,080	23,232	848	18,811
Supplies and materials	25,223	24,270	953	34,194
Business and transportation	137,512	94,413	43,099	100,902
Capital outlay	59,343	59,343	-	15,402
Other	181,630	181,130	500	121,200
Disaster	-	30,263	(30,263)	-
Total public safety	1,926,104	1,749,355	176,749	1,755,000
Culture, recreation and tourism:				
Personnel costs	700,656	693,761	6,895	642,950
Contractual services	71,877	70,890	987	102,935
Supplies and materials	23,296	23,296	-	45,408
Business and transportation	173,318	173,318	-	196,983
Capital outlay	60,812	-	60,812	16,709
Other	49,656	49,656	-	97,215
Disaster	-	1,015	(1,015)	-
Contributions to other agencies	1,374,349	1,411,069	(36,720)	1,364,157
Total culture, recreation and tourism	2,453,964	2,423,005	30,959	2,466,357
Total expenditures	4,380,068	4,172,360	207,708	4,221,357
Excess of revenues over expenditures	161,335	387,421	226,086	160,146
Other Financing Sources (Uses)				
Transfers out	(294,941)	(258,116)	36,825	(103,474)
Total other financing sources (uses)	(294,941)	(258,116)	36,825	(103,474)
Net change in fund balance	(133,606)	129,305	262,911	56,672
Fund balance at beginning of year	245,476	245,476	-	188,804
Fund balance at end of year	\$ 111,870	\$ 374,781	\$ 262,911	\$ 245,476

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 2,322,875	\$ 1,799,614
Receivables, net:		
Property taxes	348,992	268,391
Fees	90	196
Due from other governments	5,042,443	6,934,894
Total assets	<u>\$ 7,714,400</u>	<u>\$ 9,003,095</u>
Liabilities		
Accounts payable - trade	\$ 907,480	\$ 818,839
Total liabilities	<u>907,480</u>	<u>818,839</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	5,042,443	4,310,033
Unavailable revenue-property taxes	307,320	240,606
Total deferred inflows of resources	<u>5,349,763</u>	<u>4,550,639</u>
Fund Balance		
Restricted for infrastructure and regulation	1,457,157	3,633,617
Total fund balance	<u>1,457,157</u>	<u>3,633,617</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,714,400</u>	<u>\$ 9,003,095</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 6,260,203	\$ 6,458,069	\$ 197,866	\$ 6,163,153
Personal property taxes	485,785	498,586	12,801	484,312
Vehicle taxes	878,395	867,004	(11,391)	832,104
Fee in lieu of tax	38,600	23,377	(15,223)	36,157
Intergovernmental	-	24,436	24,436	2,634,856
Interest	25,000	66,256	41,256	35,237
Total revenues	<u>7,687,983</u>	<u>7,937,728</u>	<u>249,745</u>	<u>10,185,819</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	8,625,485	9,413,794	(788,309)	9,010,004
Capital outlay	369,185	-	369,185	-
Indirect cost allocation	6,000	9,605	(3,605)	13,161
Disaster	-	690,789	(690,789)	-
Total expenditures	<u>9,000,670</u>	<u>10,114,188</u>	<u>(1,113,518)</u>	<u>9,023,165</u>
Excess (deficiency) of revenues over expenditures	(1,312,687)	(2,176,460)	(863,773)	1,162,654
Fund balance at beginning of year	<u>3,633,617</u>	<u>3,633,617</u>	-	2,470,963
Fund balance at end of year	<u>\$ 2,320,930</u>	<u>\$ 1,457,157</u>	<u>\$ (863,773)</u>	<u>\$ 3,633,617</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 76,086	\$ 127,580
Receivables, net:		
Property taxes	67,089	49,218
Fees	1,696	1,683
Due from other governments	1,167	2,851
Total assets	<u>\$ 146,038</u>	<u>\$ 181,332</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	\$ 1,167	\$ -
Unavailable revenue-property taxes	58,168	42,450
Total deferred inflows of resources	<u>59,335</u>	<u>42,450</u>
 Fund Balance		
Restricted for culture, recreation and tourism	86,703	138,882
Total fund balance	<u>86,703</u>	<u>138,882</u>
Total deferred inflows of resources and fund balance	<u>\$ 146,038</u>	<u>\$ 181,332</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,314,657	\$ 1,342,209	\$ 27,552	\$ 1,295,001
Personal property taxes	91,079	93,905	2,826	90,721
Vehicle taxes	142,564	139,311	(3,253)	137,622
Fee in lieu of tax	12,000	10,396	(1,604)	9,543
Intergovernmental	10,704	8,123	(2,581)	11,056
Interest	1,800	9,987	8,187	10,290
Total revenues	<u>1,572,804</u>	<u>1,603,931</u>	<u>31,127</u>	<u>1,554,233</u>
Expenditures				
Current:				
Higher Education Commission	<u>1,430,560</u>	<u>1,430,560</u>	-	1,447,169
Total expenditures	<u>1,430,560</u>	<u>1,430,560</u>	-	<u>1,447,169</u>
Excess of revenues over expenditures	<u>142,244</u>	<u>173,371</u>	<u>31,127</u>	<u>107,064</u>
Other Financing Sources (Uses)				
Transfers out	<u>(225,550)</u>	<u>(225,550)</u>	-	(222,400)
Total other financing sources	<u>(225,550)</u>	<u>(225,550)</u>	-	<u>(222,400)</u>
Net change in fund balance	<u>(83,306)</u>	<u>(52,179)</u>	<u>31,127</u>	(115,336)
Fund balance at beginning of year	<u>138,882</u>	<u>138,882</u>	-	<u>254,218</u>
Fund balance at end of year	<u>\$ 55,576</u>	<u>\$ 86,703</u>	<u>\$ 31,127</u>	<u>\$ 138,882</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 395,808	\$ 230,710
Receivables, net:		
Property taxes	169,289	126,324
Fees	4,361	4,326
Due from other governments	3,000	3,963
Total assets	<u>\$ 572,458</u>	<u>\$ 365,323</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	\$ 3,000	\$ -
Unavailable revenue-property taxes	146,350	108,916
Total deferred inflows of resources	<u>149,350</u>	<u>108,916</u>
 Fund Balance		
Restricted for culture, recreation and tourism	423,108	256,407
Total fund balance	<u>423,108</u>	<u>256,407</u>
Total deferred inflows of resources and fund balance	<u>\$ 572,458</u>	<u>\$ 365,323</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,381,104	\$ 3,451,223	\$ 70,119	\$ 3,329,837
Personal property taxes	234,395	241,417	7,022	233,220
Vehicle taxes	365,362	356,859	(8,503)	352,615
Fee in lieu of tax	30,500	21,317	(9,183)	29,876
Intergovernmental	14,050	10,782	(3,268)	14,956
Interest	4,000	27,203	23,203	16,836
Total revenues	<u>4,029,411</u>	<u>4,108,801</u>	<u>79,390</u>	<u>3,977,340</u>
Expenditures				
Current:				
Horry-Georgetown Tech	3,787,311	3,700,000	87,311	4,058,841
Total expenditures	<u>3,787,311</u>	<u>3,700,000</u>	<u>87,311</u>	<u>4,058,841</u>
Excess (deficiency) of revenues over expenditures	<u>242,100</u>	<u>408,801</u>	<u>166,701</u>	<u>(81,501)</u>
Other Financing Sources (Uses)				
Transfers out	(242,100)	(242,100)	-	(240,625)
Total other financing sources (uses)	<u>(242,100)</u>	<u>(242,100)</u>	<u>-</u>	<u>(240,625)</u>
Net change in fund balance	-	166,701	166,701	(322,126)
Fund balance at beginning of year	<u>256,407</u>	<u>256,407</u>	<u>-</u>	<u>578,533</u>
Fund balance at end of year	<u>\$ 256,407</u>	<u>\$ 423,108</u>	<u>\$ 166,701</u>	<u>\$ 256,407</u>

HORRY COUNTY, SOUTH CAROLINA
WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 800,449	\$ 713,502
Receivables, net:		
Property taxes	<u>3,800</u>	<u>3,622</u>
Total assets	<u>\$ 804,249</u>	<u>\$ 717,124</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>\$ 2,726</u>	<u>\$ 2,777</u>
Total deferred inflows of resources	<u>2,726</u>	<u>2,777</u>
 Fund Balance		
Restricted for infrastructure and regulation	<u>801,523</u>	<u>714,347</u>
Total fund balance	<u>801,523</u>	<u>714,347</u>
Total deferred inflows of resources and fund balance	<u>\$ 804,249</u>	<u>\$ 717,124</u>

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 104,684	\$ 111,773	\$ 7,089	\$ 103,629
Personal property taxes	-	1,692	1,692	1,256
Interest	7,450	18,090	10,640	15,759
Total revenues	112,134	131,555	19,421	120,644
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	75,638	7,319	68,319	10,407
Indirect cost allocation	36,496	37,060	(564)	27,106
Total expenditures	112,134	44,379	67,755	37,513
Excess of revenues over expenditures	-	87,176	87,176	83,131
Other Financing Sources (Uses)				
Transfers out	-	-	-	(567,829)
Total other financing sources (uses)	-	-	-	(567,829)
Net change in fund balance	-	87,176	87,176	(484,698)
Fund balance at beginning of year	714,347	714,347	-	1,199,045
Fund balance at end of year	<u>\$ 714,347</u>	<u>\$ 801,523</u>	<u>\$ 87,176</u>	<u>\$ 714,347</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 405,975	\$ 306,012
Receivables, net:		
Property taxes	1,635	499
Total assets	<u>\$ 407,610</u>	<u>\$ 306,511</u>
 Liabilities		
Accounts payable - trade	\$ 266,253	\$ 1,446
Total liabilities	<u>266,253</u>	<u>1,446</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	1,138	499
Total deferred inflows of resources	<u>1,138</u>	<u>499</u>
 Fund Balance		
Restricted for infrastructure and regulation	140,219	304,566
Total fund balance	<u>140,219</u>	<u>304,566</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 407,610</u>	<u>\$ 306,511</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 129,208	\$ 127,708	\$ (1,500)	\$ 29,218
Personal property taxes	-	3,005	3,005	427
Interest	500	7,833	7,333	3,941
Other	-	-	-	589
Total revenues	<u>129,708</u>	<u>138,546</u>	<u>8,838</u>	<u>34,175</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personnel costs	2,935	2,935	-	2,550
Contractual services	22,093	20,296	1,797	19,225
Supplies and materials	369,073	272,555	96,518	6,815
Indirect cost allocation	7,107	7,107	-	4,872
Total expenditures	<u>401,208</u>	<u>302,893</u>	<u>98,315</u>	<u>33,462</u>
Excess (deficiency) of revenues over expenditures	<u>(271,500)</u>	<u>(164,347)</u>	<u>107,153</u>	<u>713</u>
Fund balance at beginning of year	<u>304,566</u>	<u>304,566</u>	<u>-</u>	<u>303,853</u>
Fund balance at end of year	<u>\$ 33,066</u>	<u>\$ 140,219</u>	<u>\$ 107,153</u>	<u>\$ 304,566</u>

HORRY COUNTY, SOUTH CAROLINA
SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 114,781	\$ 159,889
Receivables, net:		
Property taxes	134	161
Total assets	<u>\$ 114,915</u>	<u>\$ 160,050</u>
Liabilities		
Accounts payable - trade	\$ 1,558	\$ 622
Total liabilities	<u>1,558</u>	<u>622</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	108
Total deferred inflows of resources	<u>-</u>	<u>108</u>
Fund Balance		
Restricted for culture, recreation and tourism	113,357	159,320
Total fund balance	<u>113,357</u>	<u>159,320</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 114,915</u>	<u>\$ 160,050</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ -	\$ 902	\$ 902	\$ 6,049
Personal property taxes	-	-	-	-
Interest	-	2,616	2,616	2,313
Other	-	29,389	29,389	7,904
Total revenues	-	32,907	32,907	16,266
Expenditures				
Current:				
Culture, recreation and tourism:				
Personnel costs	2,219	2,219	-	1,932
Contractual services	21,872	20,508	1,364	25,544
Supplies and materials	18,203	18,061	142	5,247
Indirect cost allocation	5,000	13,082	(8,082)	8,311
Total expenditures	47,294	53,870	(6,576)	41,034
Excess (deficiency) of revenues over expenditures	(47,294)	(20,963)	26,331	(24,768)
Other Financing Sources (Uses)				
Transfers out	(25,000)	(25,000)	-	(22,237)
Total other financing sources (uses)	(25,000)	(25,000)	-	(22,237)
Net change in fund balance	(72,294)	(45,963)	26,331	(47,005)
Fund balance at beginning of year	159,320	159,320	-	206,325
Fund balance at end of year	\$ 87,026	\$ 113,357	\$ 26,331	\$ 159,320

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	38,023,306	36,387,806
Receivables, net:		
Accounts	23,530	-
Fees	1,585,188	1,641,796
Due from other governments	1,161,056	275,395
Total assets	<u>\$ 40,793,180</u>	<u>\$ 38,305,097</u>
Liabilities		
Accounts payable - trade	\$ 3,175,764	\$ 1,144,162
Accrued salaries and wages	10,292	9,721
Total liabilities	<u>3,186,056</u>	<u>1,153,883</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	2,769,773	1,917,190
Total deferred inflows of resources	<u>2,769,773</u>	<u>1,917,190</u>
Fund Balances		
Restricted for capital projects	16,385,054	17,200,265
Committed for infrastructure and regulation	18,452,297	18,033,759
Total fund balances	<u>34,837,351</u>	<u>35,234,024</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,793,180</u>	<u>\$ 38,305,097</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 3,486,366	\$ 317,055	\$ (3,169,311)	\$ 1,341,537
Fees	15,675,866	16,147,936	472,070	15,604,940
Interest	200,000	817,731	617,731	424,884
Other	-	111,358	111,358	-
Total revenues	19,362,232	17,394,080	(1,968,152)	17,371,361
Expenditures				
Current:				
Engineer:				
Construction contracts	3,492,737	1,298,064	2,194,673	1,348,517
Capital outlay-infrastructure	33,203,202	8,154,323	25,048,879	4,381,560
Indirect cost allocation	510,226	510,225	1	515,582
Total engineer	37,206,165	9,962,612	27,243,553	6,245,659
Operations:				
Personnel costs	757,404	630,403	127,001	597,907
Contractual services	31,198	19,765	11,433	13,733
Supplies and materials	18,016	12,266	5,750	7,219
Business and transportation	116,972	75,712	41,260	146,175
Capital outlay-infrastructure	7,802,316	1,631,979	6,170,337	1,705,236
Contributions to agencies	2,059,694	2,095,731	(36,037)	-
Contributions to municipalities	2,714,851	2,897,659	(182,808)	3,313,594
Other	711,086	711,086	-	197,302
Indirect cost allocation	141,161	95,244	45,917	109,290
Total operations	14,352,698	8,169,845	6,182,853	6,090,456
Total expenditures	51,558,863	18,132,457	33,426,406	12,336,115
Excess (deficiency) of revenues over expenditures	(32,196,631)	(738,377)	31,458,254	5,035,246
Other Financing Sources (Uses)				
Transfers in	341,704	341,704	-	752,372
Total other financing sources (uses)	341,704	341,704	-	752,372
Net change in fund balance	(31,854,927)	(396,673)	31,458,254	5,787,618
Fund balance at beginning of year	35,234,024	35,234,024	-	29,446,406
Fund balance at end of year	<u>\$ 3,379,097</u>	<u>\$ 34,837,351</u>	<u>\$ 31,458,254</u>	<u>\$ 35,234,024</u>

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 3,253,707	\$ 6,702,296
Receivables, net:		
Fees	176,526	185,013
Accounts and other	-	11,193
Total assets	<u>\$ 3,430,233</u>	<u>\$ 6,898,502</u>
Liabilities		
Accounts payable-trade	\$ 22,872	\$ 21,321
Total liabilities	<u>22,872</u>	<u>21,321</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	11,193
Total deferred inflows of resources	<u>-</u>	<u>11,193</u>
Fund Balances		
Restricted for culture, recreation and tourism	59,504	2,870,990
Committed to culture, recreation and tourism	<u>3,347,857</u>	<u>3,994,998</u>
Total fund balances	<u>3,407,361</u>	<u>6,865,988</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,430,233</u>	<u>\$ 6,898,502</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - Federal	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -
Intergovernmental - state	4,750,000	4,291,250	(458,750)	-
Local accommodations tax	1,000,000	959,353	(40,647)	976,671
Interest	40,000	142,305	102,305	81,909
Other	-	5,886	5,886	-
Total revenues	<u>6,790,000</u>	<u>5,398,794</u>	<u>(1,391,206)</u>	<u>1,058,580</u>
Current:				
Culture, recreation and tourism:				
Contractual services	11,223,928	8,856,921	2,367,007	198,158
Business & transportation	500	500	-	500
Capital outlay	1,339,537	-	1,339,537	-
Total expenditures	<u>12,563,965</u>	<u>8,857,421</u>	<u>3,706,544</u>	<u>198,658</u>
Excess (deficiency) of revenues over expenditures	<u>(5,773,965)</u>	<u>(3,458,627)</u>	<u>2,315,338</u>	<u>859,922</u>
Net change in fund balance	(5,773,965)	(3,458,627)	2,315,338	859,922
Fund balance at beginning of year	6,865,988	6,865,988	-	6,006,066
Fund balance at end of year	<u>\$ 1,092,023</u>	<u>\$ 3,407,361</u>	<u>\$ 2,315,338</u>	<u>\$ 6,865,988</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 730,289	\$ 444,009
Receivables, net:		
Other	-	97
Due from other governments	1,103,738	725,084
Total assets	<u>\$ 1,834,027</u>	<u>\$ 1,169,190</u>
 Liabilities		
Accounts payable - trade	\$ 153,745	\$ 131,519
Accrued salaries and wages	19,225	15,074
Other liabilities	187,291	-
Total liabilities	<u>360,261</u>	<u>146,593</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	492,340	343,669
Total deferred inflows of resources	<u>492,340</u>	<u>343,669</u>
 Fund Balance		
Committed to other purposes	981,426	678,928
Total fund balance	<u>981,426</u>	<u>678,928</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,834,027</u>	<u>\$ 1,169,190</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ 13,690,588	\$ 6,349,598	\$ (7,340,990)	\$ 2,262,678
Intergovernmental - state	5,544,327	2,533,665	(3,010,662)	60,860
Fees	9,920	9,920	-	12,730
Interest	-	2,527	2,527	6,365
Other	3,556,979	1,645,795	(1,911,184)	49,973
Total revenues	<u>22,801,814</u>	<u>10,541,505</u>	<u>(12,260,309)</u>	<u>2,392,606</u>
Expenditures				
Current:				
General government:				
Contractual services	303,217	64,446	238,771	42,936
Other	999,952	480,968	518,984	-
Total general government	<u>1,303,169</u>	<u>545,414</u>	<u>757,755</u>	<u>42,936</u>
Public safety:				
Personnel costs	1,444,638	965,881	478,757	933,514
Contractual services	43,097	15,684	27,413	47,567
Supplies and materials	375,877	280,306	95,571	553,863
Business and transportation	122,128	30,311	91,817	12,686
Capital outlay	487,006	378,705	108,301	121,378
Other	948,653	288,566	660,087	194,752
Total public safety	<u>3,421,399</u>	<u>1,959,453</u>	<u>1,461,946</u>	<u>1,863,760</u>
Infrastructure and regulation:				
Contractual services	17,913,959	7,861,987	10,051,972	71,815
Capital outlay	381,500	-	381,500	-
Other	903,109	296,579	606,530	108,037
Total infrastructure and regulation	<u>19,198,568</u>	<u>8,158,566</u>	<u>11,040,002</u>	<u>179,852</u>
Culture, recreation and tourism				
Contractual services	49,984	-	49,984	-
Other	106,140	71,718	34,422	117,913
Total culture, recreation and tourism	<u>156,124</u>	<u>71,718</u>	<u>84,406</u>	<u>117,913</u>
Total expenditures	<u>24,079,260</u>	<u>10,735,151</u>	<u>13,344,109</u>	<u>2,204,461</u>
Excess (deficiency) of revenues over expenditures	<u>(1,277,446)</u>	<u>(193,646)</u>	<u>1,083,800</u>	<u>188,145</u>
Other Financing Sources (Uses)				
Transfers in	536,544	496,144	(40,400)	184,097
Transfers out	-	-	-	(26,928)
Total other financing sources (uses)	<u>536,544</u>	<u>496,144</u>	<u>(40,400)</u>	<u>157,169</u>
Net change in fund balance	<u>(740,902)</u>	<u>302,498</u>	<u>1,043,400</u>	<u>345,314</u>
Fund balance at beginning of year	678,928	678,928	-	333,614
Fund balance at end of year	<u>\$ (61,974)</u>	<u>\$ 981,426</u>	<u>\$ 1,043,400</u>	<u>\$ 678,928</u>

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

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 396,222	\$ 387,662
Total assets	<u>\$ 396,222</u>	<u>\$ 387,662</u>
 Fund Balance		
Restricted for economic development	\$ 396,222	\$ 387,662
Total fund balance	<u>\$ 396,222</u>	<u>\$ 387,662</u>

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Interest	\$ -	\$ 8,560	\$ 8,560	\$ 4,898
Total revenues	-	8,560	8,560	4,898
Expenditures				
Current:				
Culture, recreation and tourism				
Programs	380,510	-	380,510	-
Total expenditures	380,510	-	380,510	-
Excess (deficiency) of revenues over expenditures	(380,510)	8,560	389,070	4,898
Net change in fund balance	(380,510)	8,560	389,070	4,898
Fund balance at beginning of year	387,662	387,662	-	382,764
Fund balance at end of year	\$ 7,152	\$ 396,222	\$ 389,070	\$ 387,662

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 77,948	\$ 77,442
Receivables, net:		
Accounts and other	27,935	25,874
Total assets	<u>\$ 105,883</u>	<u>\$ 103,316</u>
 Liabilities		
Accounts payable	\$ 4,861	\$ 1,095
Accrued salaries and wages	13,470	10,247
Total liabilities	<u>18,331</u>	<u>11,342</u>
 Fund Balance		
Restricted for Public safety	87,552	91,974
Total fund balance	<u>87,552</u>	<u>91,974</u>
Total liabilities and fund balance	<u>\$ 105,883</u>	<u>\$ 103,316</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - state	\$ 3,208	\$ 3,208	\$ -	\$ -
Fees	173,017	178,848	5,831	166,976
Fines	180,000	192,486	12,486	187,357
Interest	-	3,639	3,639	784
Other	1,336	1,335	(1)	6,950
Total revenues	357,561	379,516	21,955	362,067
Expenditures				
Current:				
Public safety				
Detention:				
Personnel costs	258,218	258,212	6	243,849
Contractual services	961	961	-	600
Supplies and materials	14,087	10,920	3,167	13,713
Business and transportation	5,929	5,928	1	1,373
Other	1,336	-	1,336	-
Total detention	280,531	276,021	4,510	259,535
Solicitor - Georgetown:				
Personnel costs	65,446	66,314	(868)	46,297
Contractual services	-	-	-	585
Supplies and materials	471	447	24	1,989
Business and transportation	3,565	3,559	6	3,118
Total Solicitor - Georgetown	69,482	70,320	(838)	51,989
Solicitor:				
Personnel costs	295,413	291,232	4,181	294,168
Contractual services	74,423	69,068	5,355	21,353
Supplies and materials	4,444	4,430	14	3,194
Business and transportation	1,365	489	876	1,538
Total solicitor	375,645	365,219	10,426	320,253
Total expenditures	725,658	711,560	14,098	631,777
Excess (deficiency) of revenues over expenditures	(368,097)	(332,044)	36,053	(269,710)
Other Financing Sources (Uses)				
Transfers in	327,622	327,622	-	299,313
Total other financing sources (uses)	327,622	327,622	-	299,313
Net change in fund balance	(40,475)	(4,422)	36,053	29,603
Fund balance at beginning of year	91,974	91,974	-	62,371
Fund balance at end of year	\$ 51,499	\$ 87,552	\$ 36,053	\$ 91,974

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

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 280,643	\$ 82,489
Receivables, net:		
Property taxes	38,275	28,075
Fees	969	961
Due from other governments	-	110
Total assets	<u>\$ 319,887</u>	<u>\$ 111,635</u>
 Liabilities		
Accounts payable	\$ 221,982	\$ 35,728
Total liabilities	<u>221,982</u>	<u>35,728</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	33,180	24,210
Total deferred inflows of resources	<u>33,180</u>	<u>24,210</u>
 Fund balance		
Restricted for health and social services	64,725	51,697
Total fund balance	<u>64,725</u>	<u>51,697</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 319,887</u>	<u>\$ 111,635</u>

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 750,903	\$ 766,931	\$ 16,028	\$ 739,955
Personal property taxes	52,088	53,618	1,530	51,800
Vehicle taxes	81,198	79,305	(1,893)	78,365
Fee in lieu of tax	6,800	4,727	(2,073)	6,680
Intergovernmental - state	38	82	44	239
Interest	500	3,500	3,000	2,253
Total revenues	891,527	908,163	16,636	879,292
Expenditures				
Current:				
Health and social services:				
Contributions to agencies	887,927	887,927	-	864,571
Indirect cost allocation	3,600	7,208	(3,608)	8,989
Total expenditures	891,527	895,135	(3,608)	873,560
Excess of revenues over expenditures	-	13,028	13,028	5,732
Net change in fund balance	-	13,028	13,028	5,732
Fund balance at beginning of year	51,697	51,697	-	45,965
Fund balance at end of year	\$ 51,697	\$ 64,725	\$ 13,028	\$ 51,697

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 76,880	\$ 90,249
Receivables, net:		
Property taxes	971	749
Total assets	<u>\$ 77,851</u>	<u>\$ 90,998</u>
Liabilities		
Accounts payable - trade	\$ 8,280	\$ 4,515
Due to other funds	35,745	69,784
Total liabilities	<u>44,025</u>	<u>74,299</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	1,134	-
Total deferred inflows of resources	<u>1,134</u>	<u>-</u>
Fund Balance		
Restricted for infrastructure and regulation	32,692	16,699
Total fund balance	<u>32,692</u>	<u>16,699</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 77,851</u>	<u>\$ 90,998</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 64,479	\$ 62,107	\$ (2,372)	\$ 62,585
Personal property taxes	-	227	227	103
Interest	500	1,880	1,380	1,094
Other	-	500	500	1,000
Total revenues	64,979	64,714	(265)	64,782
Expenditures				
Current:				
Infrastructure and regulation:				
Personnel costs	2,935	2,935	-	2,550
Contractual services	47	47	-	1,128
Supplies and materials	35,117	35,116	1	13,389
Indirect cost allocation	7,584	7,584	-	5,232
Other	33,770	3,039	30,731	4,664
Total expenditures	79,453	48,721	30,732	26,963
Excess (deficiency) of revenues over expenditures	(14,474)	15,993	30,467	37,819
Net change in fund balance	(14,474)	15,993	30,467	37,819
Fund balance (deficit) at beginning of year	16,699	16,699	-	(21,120)
Fund balance at end of year	\$ 2,225	\$ 32,692	\$ 30,467	\$ 16,699

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 272,413	\$ 175,124
Receivables, net:		
Fees	29,316	18,934
Restricted assets	101,977	101,977
Total assets	<u>\$ 403,706</u>	<u>\$ 296,035</u>
Liabilities		
Due to other governments	\$ 241,328	\$ 114,090
Total liabilities	<u>241,328</u>	<u>114,090</u>
Fund Balance		
Restricted for culture, recreation and tourism	162,378	181,945
Total fund balance	162,378	181,945
Total liabilities and fund balance	<u>\$ 403,706</u>	<u>\$ 296,035</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 213,600	\$ 216,845	\$ 3,245	\$ 137,500
Interest	-	7,518	7,518	3,305
Other	25,900	25,006	(894)	28,296
Total revenues	239,500	249,369	9,869	169,101
Expenditures				
Current:				
Culture, recreation and tourism:				
Contractual services	16,616	16,616	-	16,619
Supplies and materials	52,615	52,615	-	48,859
Capital outlay	227,918	195,633	32,285	72,534
Other	4,072	4,072	-	5,929
Total expenditures	301,221	268,936	32,285	143,941
Excess (deficiency) of revenues over expenditures	(61,721)	(19,567)	42,154	25,160
Net change in fund balance	(61,721)	(19,567)	42,154	25,160
Fund balance at beginning of year	181,945	181,945	-	156,785
Fund balance at end of year	\$ 120,224	\$ 162,378	\$ 42,154	\$ 181,945

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 3,233,517	\$ 2,986,020
Receivables, net:		
Accounts and other	75,375	22,116
Fees	206,173	53,858
Total assets	<u>\$ 3,515,065</u>	<u>\$3,061,994</u>
Liabilities		
Accounts payable - trade	\$ 109,455	\$ 27,701
Accrued salaries and wages	5,755	13,385
Total liabilities	<u>115,210</u>	<u>41,086</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	206,173	53,858
Total deferred inflows of resources	<u>206,173</u>	<u>53,858</u>
Fund Balances		
Restricted for economic development	1,555,520	1,155,521
Committed to economic development	1,638,162	1,811,529
Total fund balances	<u>3,193,682</u>	<u>2,967,050</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,515,065</u>	<u>\$ 3,061,994</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Fee in lieu of tax	\$ 872,300	\$ 899,016	\$ 26,716	\$ 566,385
Intergovernmental	1,422	1,422	-	-
Fees - Rents	369,182	369,557	375	391,298
Interest	10,900	63,074	52,174	35,463
Total revenues	<u>1,253,804</u>	<u>1,333,069</u>	<u>79,265</u>	<u>993,146</u>
Expenditures				
Current:				
Economic development:				
Personnel costs	432,442	332,170	100,272	392,116
Contractual services	2,519,675	472,342	2,047,333	388,925
Supplies and materials	120,434	25,957	94,477	29,566
Other	39,740	-	39,740	-
Indirect cost allocation	95,968	95,968	-	68,438
Total expenditures	<u>3,208,259</u>	<u>926,437</u>	<u>2,281,822</u>	<u>879,045</u>
Excess (deficiency) of revenues over expenditures	<u>(1,954,455)</u>	<u>406,632</u>	<u>2,361,087</u>	<u>114,101</u>
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	327,360
Transfers out	(180,000)	(180,000)	-	(80,860)
Total other financing sources (uses)	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>	<u>246,500</u>
Net change in fund balance	(2,134,455)	226,632	2,361,087	360,601
Fund balance at beginning of year	2,967,050	2,967,050	-	2,606,449
Fund balance at end of year	<u>\$ 832,595</u>	<u>\$ 3,193,682</u>	<u>\$ 2,361,087</u>	<u>\$ 2,967,050</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 3,164,714	\$ 2,048,299
Receivables, net:		
Accounts and other	-	1,887
Fees	171,848	119,583
Due from other governments	1,619,283	672,026
Total assets	<u>\$ 4,955,845</u>	<u>\$ 2,841,795</u>
Liabilities		
Accounts payable - trade	\$ 90,410	\$ 120,309
Accrued salaries and wages	39,046	32,391
Due to other governments	1,049,954	-
Total liabilities	<u>1,179,410</u>	<u>152,700</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	1,756,464	652,742
Total deferred inflows of resources	<u>1,756,464</u>	<u>652,742</u>
Fund Balance		
Restricted for infrastructure and regulation	2,019,971	2,036,353
Total fund balance	<u>2,019,971</u>	<u>2,036,353</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,955,845</u>	<u>\$ 2,841,795</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 7,228,398	\$ 7,645,021	\$ 416,623	\$ 4,988,812
Intergovernmental	9,224	19,211	9,987	140,835
Interest	18,000	55,687	37,687	30,366
Other	-	-	-	243
Total revenues	<u>7,255,622</u>	<u>7,719,919</u>	<u>464,297</u>	<u>5,160,256</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personnel costs	2,558,830	2,280,782	278,048	1,976,277
Contractual services	1,333,223	972,074	361,149	1,168,960
Supplies and materials	376,131	293,945	82,186	347,691
Business and transportation	270,901	269,558	1,343	258,755
Construction contracts	676,247	676,247	-	382,989
Capital outlay - infrastructure	496,248	201,799	294,449	154,898
Indirect cost allocation	320,000	283,870	36,130	277,846
Disaster	-	1,288,536	(1,288,536)	909,432
Other	573,033	572,533	500	574,743
Total expenditures	<u>6,604,613</u>	<u>6,839,344</u>	<u>(234,731)</u>	<u>6,051,591</u>
Excess (deficiency) of revenues over expenditures	<u>651,009</u>	<u>880,575</u>	<u>229,566</u>	<u>(891,335)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	567,828
Transfers out	(946,957)	(896,957)	50,000	(558,727)
Total other financing sources (uses)	<u>(946,957)</u>	<u>(896,957)</u>	<u>50,000</u>	<u>9,101</u>
Net change in fund balance	<u>(295,948)</u>	<u>(16,382)</u>	<u>279,566</u>	<u>(882,234)</u>
Fund balance at beginning of year	2,036,353	2,036,353	-	2,918,587
Fund balance at end of year	<u>\$ 1,740,405</u>	<u>\$ 2,019,971</u>	<u>\$ 279,566</u>	<u>\$ 2,036,353</u>

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 511,588	\$ 978,238
Pooled cash and investments	549,317	2,374,382
Receivables, net:		
Accounts and other	364,195	363,977
Due from other governments	231,005	108,966
Restricted cash	216,884	166,426
Total assets	<u>\$ 1,872,989</u>	<u>\$ 3,991,989</u>
Liabilities		
Accounts payable - trade	\$ 111,447	\$ 23,199
Accounts payable - other	194,828	169,231
Due to other governments	11,778	11,778
Accrued salaries and wages	310,761	294,505
Total liabilities	<u>628,814</u>	<u>498,713</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	10,506	-
Total deferred inflows of resources	<u>10,506</u>	<u>-</u>
Fund Balance		
Restricted for public safety	1,233,669	3,493,276
Total fund balance	<u>1,233,669</u>	<u>3,493,276</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,872,989</u>	<u>\$ 3,991,989</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ -	\$ 5,904	\$ 5,904	\$ 83,690
Intergovernmental - state	2,190,727	2,217,567	26,840	2,424,213
Interest	15,000	78,947	63,947	46,916
Fees and fines	2,131,558	2,024,591	(106,967)	2,127,693
Total revenues	4,337,285	4,327,009	(10,276)	4,682,512
Expenditures				
Current:				
Public Safety:				
Victim Witness:				
Personnel costs	103,100	136,199	(33,099)	45,543
Contractual services	849	831	18	-
Supplies & Materials	3,421	2,631	790	2,835
Business & Transportation	329	329	-	1,748
Total Public Safety	107,699	139,990	(32,291)	50,126
State Appropriation:				
Personnel costs	1,688,762	1,702,660	(13,898)	1,403,297
Contractual services	50,621	32,450	18,171	28,969
Supplies and materials	30,990	25,395	5,595	489
Business and transportation	8,000	7,166	834	6,259
Other	823,268	454,302	368,966	194,394
Contributions to agencies	1,170,000	1,170,000	-	-
Total State Appropriation	3,771,641	3,391,973	379,668	1,633,408
Solicitor Georgetown:				
Personnel costs	1,038,705	1,035,068	3,637	965,252
Contractual services	83,162	81,783	1,379	79,815
Supplies and materials	23,397	22,778	619	23,073
Business and transportation	15,921	15,628	293	14,671
Other	8,000	8,000	-	8,800
Total Solicitor Georgetown	1,169,185	1,163,257	5,928	1,091,611

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
- CONTINUED -

	2019			2018
	Budget	Actual	Variance	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Solicitor Horry County:				
Personnel costs	3,499,694	3,511,225	(11,531)	3,323,484
Contractual services	284,414	284,412	2	248,866
Supplies and materials	121,552	121,551	1	102,733
Business and transportation	46,702	46,701	1	49,709
Other	15,358	15,358	-	16,008
Total Solicitor Horry County	3,967,720	3,979,247	(11,527)	3,740,800
Pre-Trial Intervention:				
Personnel costs	872,651	642,071	230,580	640,387
Contractual services	5,059	3,858	1,201	103,534
Supplies and materials	6,115	-	6,115	-
Business and transportation	1,000	134,139	(133,139)	98,646
Capital outlay	-	-	-	553
Other	30,016	5,670	24,346	13,763
Contributions to agencies	-	477,000	(477,000)	-
Total Pre-Trial Intervention	914,841	1,262,738	(347,897)	856,883
Drug Enforcement Unit:				
Personnel costs	241,575	237,401	4,174	249,626
Contractual services	64,688	64,683	5	50,426
Supplies and materials	73,489	73,489	-	61,347
Business and transportation	8,772	8,772	-	16,104
Other	18,830	18,830	-	23,200
Total Drug Enforcement Unit	407,354	403,175	4,179	400,703
Drug Court:				
Personnel costs	375,558	364,069	11,489	374,269
Contractual services	86,780	65,294	21,486	58,334
Supplies and materials	55,220	29,950	25,270	49,118
Business and transportation	18,045	13,299	4,746	26,233
Other	122,632	3,980	118,652	9,200
Total Drug Court	658,235	476,592	181,643	517,154

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
- CONTINUED -

	2019			2018
	Budget	Actual	Variance	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Worthless Check:				
Personnel costs	60,954	60,751	203	55,980
Contractual services	6,042	6,039	3	6,883
Supplies and materials	5,217	464	4,753	1,579
Business and transportation	1,300	1,300	-	525
Other	68,440	-	68,440	-
Total Worthless Check	141,953	68,554	73,399	64,967
Georgetown Drug Enforcement Units:				
Personnel costs	94,275	86,648	7,627	81,336
Contractual services	11,500	6,883	4,617	18,791
Supplies and materials	11,200	1,485	9,715	19,150
Business and transportation	9,034	2,109	6,925	4,615
Other	397	-	397	207
Total GT DEU	126,406	97,125	29,281	124,099
Total Public Safety expenditures	11,265,034	10,982,651	282,383	8,479,751
Excess (deficiency) of revenues over expenditures	(6,927,749)	(6,655,642)	272,107	(3,797,239)
Other Financing Sources (Uses)				
Transfers in	4,431,346	4,431,346	-	4,092,829
Transfers out	(35,311)	(35,311)	-	(3,700)
Total other financing sources (uses)	4,396,035	4,396,035	-	4,089,129
Net change in fund balance	(2,531,714)	(2,259,607)	272,107	291,890
Fund balance at beginning of year	3,493,276	3,493,276	-	3,201,386
Fund balance at end of year	\$ 961,562	\$ 1,233,669	\$ 272,107	\$ 3,493,276

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 1,520,571	\$ 1,312,735
Due from other governments	64,453	74,912
Total assets	<u>\$ 1,585,024</u>	<u>\$ 1,387,647</u>
 Liabilities		
Accounts payable - trade	\$ 2,629	\$ 2,843
Accrued salaries and wages	36,891	37,390
Total liabilities	<u>39,520</u>	<u>40,233</u>
 Fund Balance		
Restricted for public safety	<u>1,545,504</u>	<u>1,347,414</u>
Total fund balance	<u>1,545,504</u>	<u>1,347,414</u>
 Total liabilities and fund balance	<u>\$ 1,585,024</u>	<u>\$ 1,387,647</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 1,218,893	\$ 1,302,052	\$ 83,159	\$ 1,389,222
Interest	6,000	37,367	31,367	15,585
Fees and fines	126,100	126,100	-	126,099
Total revenues	1,350,993	1,465,519	114,526	1,530,906
Expenditures				
Current:				
Public Safety:				
Horry County:				
Personnel costs	1,970,327	1,858,898	111,429	1,802,754
Contractual services	148,900	140,121	8,779	91,848
Supplies & Materials	59,500	56,980	2,520	74,326
Business & Transportation	66,400	61,580	4,820	70,145
Other	1,095,908	1,500	1,094,408	15,360
Total Horry County operations	3,341,035	2,119,079	1,221,956	2,054,433
Georgetown:				
Personnel costs	286,799	277,572	9,227	258,899
Contractual services	74,300	71,146	3,154	70,914
Supplies and materials	6,450	2,526	3,924	3,022
Business and transportation	8,900	8,358	542	6,083
Other	192,175	-	192,175	-
Total Georgetown County operations	568,624	359,602	209,022	338,918
Total expenditures	3,909,659	2,478,681	1,430,978	2,393,351
Excess (deficiency) of revenues over expenditures	(2,558,666)	(1,013,162)	1,545,504	(862,445)
Other Financing Sources				
Transfers in	1,211,252	1,211,252	-	1,157,077
Total other financing sources	1,211,252	1,211,252	-	1,157,077
Net change in fund balance	(1,347,414)	198,090	1,545,504	294,632
Fund balance at beginning of year	1,347,414	1,347,414	-	1,052,782
Fund balance at end of year	\$ -	\$ 1,545,504	\$ 1,545,504	\$ 1,347,414

HORRY COUNTY, SOUTH CAROLINA
MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 543,717	\$ 531,971
Total assets	<u>\$ 543,717</u>	<u>\$ 531,971</u>
 Fund Balance		
Restricted for infrastructure and regulation	\$ 543,717	\$ 531,971
Total fund balance	<u>\$ 543,717</u>	<u>\$ 531,971</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Interest	\$ -	\$ 11,746	\$ 11,746	\$ 6,731
Total revenues	-	11,746	11,746	6,731
Expenditures				
Current:				
Infrastructure and regulation:				
Construction contracts	241,400	-	241,400	8,600
Total expenditures	241,400	-	241,400	8,600
Excess (deficiency) of revenues over expenditures	(241,400)	11,746	253,146	(1,869)
Fund balance at beginning of year	531,971	531,971	-	533,840
Fund balance at end of year	\$ 290,571	\$ 543,717	\$ 253,146	\$ 531,971

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 3,675,300	\$ 3,081,673
Receivables, net:		
Accounts and other	53,629	29,800
Due from other governments	1,704,855	693,571
Total assets	<u>\$ 5,433,784</u>	<u>\$ 3,805,044</u>
 Liabilities		
Accounts payable - trade	\$ 83,548	\$ 58,292
Accrued salaries and wages	11,753	10,584
Total liabilities	<u>95,301</u>	<u>68,876</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	382,129
Total deferred inflows of resources	<u>-</u>	<u>382,129</u>
 Fund Balances		
Restricted for public safety	<u>5,338,483</u>	<u>3,354,039</u>
Total fund balances	<u>5,338,483</u>	<u>3,354,039</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,433,784</u>	<u>\$ 3,805,044</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$ 1,599,835	\$ 3,176,102	\$ 1,576,267	\$ 1,393,318
Fees and fines	680,000	699,563	19,563	704,155
Interest	26,000	78,908	52,908	45,973
Other	-	-	-	9,336
Total revenues	<u>2,305,835</u>	<u>3,954,573</u>	<u>1,648,738</u>	<u>2,152,782</u>
Expenditures				
Current:				
Public safety:				
Personnel costs	697,173	697,170	3	565,902
Contractual services	1,306,523	1,139,791	166,732	787,737
Supplies and materials	67,151	59,644	7,507	104,181
Business and transportation	73,700	73,524	176	57,935
Contingency	161,288	-	161,288	-
Total expenditures	<u>2,305,835</u>	<u>1,970,129</u>	<u>335,706</u>	<u>1,515,755</u>
Excess of revenues over expenditures	<u>-</u>	<u>1,984,444</u>	<u>1,984,444</u>	<u>637,027</u>
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,688,000)</u>
Net change in fund balance	<u>-</u>	<u>1,984,444</u>	<u>1,984,444</u>	<u>(2,050,973)</u>
Fund balance at beginning of year	<u>3,354,039</u>	<u>3,354,039</u>	<u>-</u>	<u>5,405,012</u>
Fund balance at end of year	<u>\$ 3,354,039</u>	<u>\$ 5,338,483</u>	<u>\$ 1,984,444</u>	<u>\$ 3,354,039</u>

HORRY COUNTY, SOUTH CAROLINA

LIBRARY THOMPSON ESTATE SPECIAL REVENUE FUND
BALANCE SHEET

June 30, 2019

	<u>2019</u>
Assets	
Restricted assets	<u>\$ 4,437,078</u>
Total assets	<u><u>\$ 4,437,078</u></u>
 Fund Balance	
Restricted for culture, recreation and tourism	<u>\$ 4,437,078</u>
Total fund balance	<u><u>\$ 4,437,078</u></u>

Note: This fund began in fiscal year 2019

HORRY COUNTY, SOUTH CAROLINA

LIBRARY THOMPSON ESTATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2019

	2019		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Donations	\$ -	\$ 4,425,510	\$ 4,425,510
Interest	-	11,568	11,568
Total revenues	-	4,437,078	4,437,078
Net change in fund balance	-	4,437,078	4,437,078
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 4,437,078	\$ 4,437,078

Note: This fund began in fiscal year 2019

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

June 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Due from other governments	\$ 226,427	\$ 636,926
Total assets	<u>\$ 226,427</u>	<u>\$ 636,926</u>
 Liabilities		
Accounts payable - trade	\$ 126,284	\$ 112,080
Due to other funds	289,132	1,019,141
Due to other governments	12,865	-
Accrued salaries and wages	9,570	6,959
Total liabilities	<u>437,851</u>	<u>1,138,180</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	46,833	94,222
Total deferred inflows of resources	<u>46,833</u>	<u>94,222</u>
 Fund Balance (Deficit)		
Unassigned	(258,257)	(595,476)
Total fund balance (deficit)	<u>(258,257)</u>	<u>(595,476)</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 226,427</u>	<u>\$ 636,926</u>

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 6,289,781	\$ 3,421,005	\$ (2,868,776)	\$ 2,015,438
Interest	-	300	300	-
Total revenues	<u>6,289,781</u>	<u>3,421,305</u>	<u>(2,868,476)</u>	<u>2,015,438</u>
Expenditures				
Current:				
Economic development:				
Personnel costs	458,594	382,206	76,388	306,091
Contractual services	366,296	181,917	184,379	45,488
Supplies and materials	18,145	2,916	15,229	3,282
Business and transportation	16,534	14,068	2,466	3,638
Indirect cost allocation	38,000	38,000	-	33,462
Capital outlay	-	-	-	272,507
Programs	439,478	100	439,378	-
Contributions to agencies	4,620,524	2,132,669	2,487,855	1,368,165
Total expenditures	<u>5,957,571</u>	<u>2,751,876</u>	<u>3,205,695</u>	<u>2,032,633</u>
Excess (deficiency) of revenues over expenditures	<u>332,210</u>	<u>669,429</u>	<u>337,219</u>	<u>(17,195)</u>
Other Financing Sources (Uses)				
Transfers out	(332,210)	(332,210)	-	(301,235)
Total other financing sources (uses)	<u>(332,210)</u>	<u>(332,210)</u>	<u>-</u>	<u>(301,235)</u>
Net change in fund balance	-	337,219	337,219	(318,430)
Fund balance (deficit) at beginning of year	<u>(595,476)</u>	<u>(595,476)</u>	<u>-</u>	<u>(277,046)</u>
Fund balance (deficit) at end of year	<u>\$ (595,476)</u>	<u>\$ (258,257)</u>	<u>\$ 337,219</u>	<u>\$ (595,476)</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2019

(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 800	\$ 800
Pooled cash and investments	3,265,206	2,353,843
Receivables, net:		
Property taxes	144,398	119,086
Fees	4,119	4,086
Due from other governments	218,017	105,258
Prepaid items	4,948	4,712
Total assets	<u>\$ 3,637,488</u>	<u>\$ 2,587,785</u>
 Liabilities		
Accounts payable - trade	\$ 69,657	\$ 61,677
Accrued salaries and wages	56,250	56,608
Other liabilities	38,519	-
Total liabilities	<u>164,426</u>	<u>118,285</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	225,708	3,823
Unavailable revenue-property taxes	122,610	102,579
Total deferred inflows of resources	<u>348,318</u>	<u>106,402</u>
 Fund Balances		
Nonspendable	4,948	4,712
Restricted for culture, recreation and tourism	3,119,796	2,358,386
Total fund balances	<u>3,124,744</u>	<u>2,363,098</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,637,488</u>	<u>\$ 2,587,785</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,190,972	\$ 3,259,637	\$ 68,665	\$ 3,145,202
Personal property taxes	220,680	228,266	7,586	220,368
Vehicle taxes	343,959	335,836	(8,123)	331,897
Fee in lieu of tax	28,433	20,117	(8,316)	28,210
Intergovernmental	17,989	93,526	75,537	207,377
Interest	15,000	62,027	47,027	33,489
Other	927,493	1,041,490	113,997	966,330
Total revenues	4,744,526	5,040,899	296,373	4,932,873
Expenditures				
Current:				
Culture, recreation and tourism:				
Personnel costs	2,776,362	2,178,021	598,341	2,264,318
Contractual services	555,967	533,811	22,156	507,530
Supplies and materials	265,193	250,662	14,531	188,570
Business and transportation	137,607	135,348	2,259	127,485
Capital outlay	84,407	84,407	-	-
Indirect cost allocation	655,825	655,825	-	901,045
Contributions to municipalities	200,000	200,000	-	200,000
Contributions to agencies	46,000	43,000	3,000	-
Programs	244,414	216,429	27,985	251,153
Athletics	125,775	119,220	6,555	132,625
Other	136,993	104,850	32,143	160,842
Disaster	-	14,687	(14,687)	8,308
Total expenditures	5,228,543	4,536,260	692,283	4,741,876
Excess (deficiency) of revenues over expenditures	(484,017)	504,639	988,656	190,997
Other Financing Sources (Uses)				
Transfers in	290,500	290,500	-	88,737
Transfers out	(35,889)	(33,493)	2,396	(162,932)
Total other financing sources (uses)	254,611	257,007	2,396	(74,195)
Net change in fund balance	(229,406)	761,646	991,052	116,802
Fund balance at beginning of year	2,363,098	2,363,098	-	2,246,296
Fund balance at end of year	\$ 2,133,692	\$ 3,124,744	\$ 991,052	\$ 2,363,098

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for all financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds). The primary sources of money in this fund are the proceeds from general obligation bond issues, State and Local Option Sales Tax, Federal and State grants and interest earnings.

General Improvement – accounts for financial resources and contribution of major capital facilities and equipment of the County.

Capital Project Sales Tax (RIDE II) – accounts for the one cent sales tax increase that is to be used to upgrade specific roads over a seven year period beginning May 1, 2007.

Capital Project Sales Tax (RIDE III) – accounts for the one cent sales tax increase that is to be used to upgrade specific roads over a seven year period beginning May 1, 2017.

Fire Apparatus Replacement – accounts for property tax revenue collected from 1.7 mills levied only against areas of the County that are provided with fire protection in the unincorporated areas of the County. The purpose is for providing fire apparatus replacement (pumpers, air trucks, aerials, brush trucks, tankers and heavy rescue).

Voluntary Developer Contributions – accounts for the monies donated by the developers to help offset the impact to the community because of increased housing and development in certain areas of the County. These contributions have designated uses as stated in the agreements. These designated uses can range from park developments/improvements, road improvements or support for fire protection in the developed area.

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2019

	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	\$ 16,367,947	\$ 72,203,700	\$ 122,483,305	\$ 211,054,952
Due from other governments	356,800	105,650	36,132,833	36,595,283
Total assets	<u>\$ 16,724,747</u>	<u>\$ 72,309,350</u>	<u>\$ 158,616,138</u>	<u>\$ 247,650,235</u>
Liabilities				
Accounts payable - trade	\$ 873,071	\$ 1,889,577	\$ 2,535,326	\$ 5,297,974
Accrued salaries and wages	-	-	5,382	5,382
Total liabilities	<u>873,071</u>	<u>1,889,577</u>	<u>2,540,708</u>	<u>5,303,356</u>
Deferred Inflows of Resources				
Unavailable revenue-fees and other	-	105,650	16,789,639	16,895,289
Total deferred inflows of resources	<u>-</u>	<u>105,650</u>	<u>16,789,639</u>	<u>16,895,289</u>
Fund balance				
Restricted for capital projects	2,505,696	70,314,123	139,285,791	212,105,610
Committed to other capital projects	13,345,980	-	-	13,345,980
Total fund balance	<u>15,851,676</u>	<u>70,314,123</u>	<u>139,285,791</u>	<u>225,451,590</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 16,724,747</u>	<u>\$ 72,309,350</u>	<u>\$ 158,616,138</u>	<u>\$ 247,650,235</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, 2019

	Major Funds			
	General Improvement Capital Projects	Capital Projects Sales Tax -RIDE II	Capital Projects Sales Tax -RIDE III	Total Major Funds
Revenues				
Intergovernmental	\$ 1,073,217	\$ -	\$ -	\$ 1,073,217
Sales tax	-	-	79,838,737	79,838,737
Other	-	-	723,750	723,750
Interest	560,396	2,274,901	1,922,920	4,758,217
Total revenues	<u>1,633,613</u>	<u>2,274,901</u>	<u>82,485,407</u>	<u>86,393,921</u>
Expenditures				
General government	885,580	-	-	885,580
Public safety	92,840	-	-	92,840
Infrastructure and regulation	-	245,334	3,034,861	3,280,195
Improvements to state roadways	-	22,645,791	3,943,940	26,589,731
Culture, recreation and tourism	94,260	-	-	94,260
Capital lease payments	7,824,879	-	-	7,824,879
Capital outlay	9,345,953	3,578,516	8,746,873	21,671,342
Total expenditures	<u>18,243,512</u>	<u>26,469,641</u>	<u>15,725,674</u>	<u>60,438,827</u>
Excess (deficiency) of revenues over expenditures	<u>(16,609,899)</u>	<u>(24,194,740)</u>	<u>66,759,733</u>	<u>25,955,094</u>
Other Financing Sources (Uses)				
Transfers in	15,226,225	-	-	15,226,225
Transfers out	(2,956,567)	-	-	(2,956,567)
Total other financing sources (uses)	<u>12,269,658</u>	<u>-</u>	<u>-</u>	<u>12,269,658</u>
Net change in fund balance	<u>(4,340,241)</u>	<u>(24,194,740)</u>	<u>66,759,733</u>	<u>38,224,752</u>
Fund balance at beginning of year	<u>20,191,917</u>	<u>94,508,863</u>	<u>72,526,058</u>	<u>187,226,838</u>
Fund balance at end of year	<u>\$ 15,851,676</u>	<u>\$ 70,314,123</u>	<u>\$ 139,285,791</u>	<u>\$ 225,451,590</u>

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

June 30, 2019

	Non-Major Funds		
		Voluntary	
	Fire Apparatus Replacement	Developer Contributions	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 2,855,703	\$ 578,741	\$ 3,434,444
Receivables, net:			
Property taxes	121,488	-	121,488
Fees	25	-	25
Total assets	<u>\$ 2,977,216</u>	<u>\$ 578,741</u>	<u>\$ 3,555,957</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 111,423	\$ -	\$ 111,423
Total deferred inflows of resources	<u>111,423</u>	<u>-</u>	<u>111,423</u>
Fund balance			
Restricted for capital projects	2,865,793	-	2,865,793
Restricted for culture, recreation and tourism	-	4,290	4,290
Restricted for infrastructure and regulation	-	574,451	574,451
Total fund balance	<u>2,865,793</u>	<u>578,741</u>	<u>3,444,534</u>
Total deferred inflows of resources and fund balance	<u>\$ 2,977,216</u>	<u>\$ 578,741</u>	<u>\$ 3,555,957</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, 2019

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Revenues			
Real property taxes	\$ 1,587,876	\$ -	\$ 1,587,876
Personal property taxes	130,920	-	130,920
Vehicle taxes	222,901	-	222,901
Fee in lieu of tax	5,585	-	5,585
Interest	67,615	12,005	79,620
Other	-	56,000	56,000
Total revenues	<u>2,014,897</u>	<u>68,005</u>	<u>2,082,902</u>
Expenditures			
Public Safety	30,000	-	30,000
Culture, recreation and tourism	-	5,500	5,500
Capital lease payments	1,503,771	-	1,503,771
Capital outlay	621,315	-	621,315
Total expenditures	<u>2,155,086</u>	<u>5,500</u>	<u>2,160,586</u>
Excess (deficiency) of revenues over expenditures	<u>(140,189)</u>	<u>62,505</u>	<u>(77,684)</u>
Other Financing Sources (Uses)			
Sales of capital assets	11,759	-	11,759
Total other financing sources (uses)	<u>11,759</u>	<u>-</u>	<u>11,759</u>
Net change in fund balance	(128,430)	62,505	(65,925)
Fund balance at beginning of year	<u>2,994,223</u>	<u>516,236</u>	<u>3,510,459</u>
Fund balance at end of year	<u>\$ 2,865,793</u>	<u>\$ 578,741</u>	<u>\$ 3,444,534</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 16,367,947	\$ 20,245,458
Due from other governments	<u>356,800</u>	<u>385,750</u>
Total assets	<u>\$ 16,724,747</u>	<u>\$ 20,631,208</u>
Liabilities		
Accounts payable - trade	\$ 873,071	\$ 439,291
Total liabilities	<u>873,071</u>	<u>439,291</u>
Fund balance		
Restricted for capital projects	2,505,696	5,597,613
Committed to capital projects	<u>13,345,980</u>	<u>14,594,304</u>
Total fund balance	<u>15,851,676</u>	<u>20,191,917</u>
Total liabilities and fund balance	<u>\$ 16,724,747</u>	<u>\$ 20,631,208</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, 2019

(With comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
	<u>Actual</u>	<u>Actual</u>
Revenues		
Intergovernmental - state	\$ 673,217	\$ 617,686
Intergovernmental - other	400,000	400,000
Interest	560,396	339,205
Other	-	1,011,790
Total revenues	<u>1,633,613</u>	<u>2,368,681</u>
Expenditures		
General government:		
Supplies and materials	885,580	816,948
Capital outlay	3,950,548	2,304,555
Capital lease - principal	7,256,893	351,813
Capital lease - interest	567,986	227,181
Total general government	<u>12,661,007</u>	<u>3,700,497</u>
Public safety:		
Supplies and materials	8,593	31,525
Capital outlay	4,937,035	3,328,751
Other	84,247	-
Total public safety	<u>5,029,875</u>	<u>3,360,276</u>
Infrastructure and regulation:		
Supplies and materials	-	919
Capital outlay	-	56,476
Total infrastructure and regulation	<u>-</u>	<u>57,395</u>
Culture, recreation and tourism:		
Supplies and materials	94,260	19,371
Capital outlay	458,370	102,436
Total culture, recreation and tourism	<u>552,630</u>	<u>121,807</u>
Total expenditures	<u>18,243,512</u>	<u>7,239,975</u>
Excess (deficiency) of revenues over expenditures	<u>(16,609,899)</u>	<u>(4,871,294)</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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

CONTINUED

	<u>2019</u>	<u>2018</u>
	<u>Actual</u>	<u>Actual</u>
Other Financing Sources (Uses)		
Sale of Assets	-	349,570
Transfers in	15,226,225	8,082,153
Transfers out	(2,956,567)	(654,049)
Total other financing sources (uses)	<u>12,269,658</u>	<u>7,777,674</u>
Net change in fund balance	<u>(4,340,241)</u>	<u>2,906,380</u>
Fund balance at beginning of year	<u>20,191,917</u>	<u>17,285,537</u>
Fund balance at end of year	<u><u>\$ 15,851,676</u></u>	<u><u>\$ 20,191,917</u></u>

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 72,203,700	\$ 99,381,499
Receivables, net:		
Accounts and other	-	5,520
Due from other governments	<u>105,650</u>	<u>85,743</u>
Total assets	<u>\$ 72,309,350</u>	<u>\$ 99,472,762</u>
Liabilities		
Accounts payable - trade	\$ 1,889,577	\$ 4,877,038
Accrued salaries and wages	-	1,118
Total liabilities	<u>1,889,577</u>	<u>4,878,156</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>105,650</u>	<u>85,743</u>
Total deferred inflows of resources	<u>105,650</u>	<u>85,743</u>
Fund balance		
Restricted for capital projects	<u>70,314,123</u>	<u>94,508,863</u>
Total fund balance	<u>70,314,123</u>	<u>94,508,863</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 72,309,350</u>	<u>\$ 99,472,762</u>

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Revenues		
Investment earnings	\$ 2,274,901	\$ 1,363,496
Total revenues	<u>2,274,901</u>	<u>1,363,496</u>
Expenditures		
Infrastructure and regulation:		
Personnel costs	31,374	44,301
Contractual services	-	1,943,036
Construction contracts - State	22,645,791	26,971,683
Capital outlay	225,458	11,772,325
Capital outlay - infrastructure	3,353,058	23,246,942
Indirect cost allocation	213,960	204,555
Total expenditures	<u>26,469,641</u>	<u>64,182,842</u>
Excess (deficiency) of revenues over expenditures	<u>(24,194,740)</u>	<u>(62,819,346)</u>
Other Financing Sources (Uses)		
Transfers Out	-	(370,773)
Total other financing sources (uses)	<u>-</u>	<u>(370,773)</u>
Net change in fund balance	<u>(24,194,740)</u>	<u>(63,190,119)</u>
Fund balance at beginning of year	<u>94,508,863</u>	<u>157,698,982</u>
Fund balance at end of year	<u>\$ 70,314,123</u>	<u>\$ 94,508,863</u>

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

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 122,483,305	\$ 54,840,988
Due from other governments	36,132,833	33,648,081
Total assets	<u>\$ 158,616,138</u>	<u>\$ 88,489,069</u>
Liabilities		
Accounts payable - trade	\$ 2,535,326	\$ 268,679
Accrued salaries and wages	5,382	3,918
Total liabilities	<u>2,540,708</u>	<u>272,597</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	16,789,639	15,690,414
Total deferred inflows of resources	<u>16,789,639</u>	<u>15,690,414</u>
Fund balance		
Restricted for capital projects	139,285,791	72,526,058
Total fund balance	<u>139,285,791</u>	<u>72,526,058</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 158,616,138</u>	<u>\$ 88,489,069</u>

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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Revenues		
Sales tax	\$ 79,838,737	\$ 75,818,838
Other	723,750	-
Investment earnings	1,922,920	396,868
Total revenues	<u>82,485,407</u>	<u>76,215,706</u>
Expenditures		
Infrastructure and regulation:		
Personnel costs	256,400	213,914
Contractual services	2,726	1,090
Supplies and materials	1,809	486
Business & transportation	1,037	403
Construction contracts	3,943,940	236,281
Capital outlay-infrastructure	8,746,873	3,140,318
Indirect cost allocation	39,860	2,585
Contributions to agencies	2,733,029	94,571
Total expenditures	<u>15,725,674</u>	<u>3,689,648</u>
Excess (deficiency) of revenues over expenditures	<u>66,759,733</u>	<u>72,526,058</u>
Net change in fund balance	66,759,733	72,526,058
Fund balance at beginning of year	<u>72,526,058</u>	-
Fund balance at end of year	<u>\$ 139,285,791</u>	<u>\$ 72,526,058</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 2,855,703	\$ 2,986,858
Receivables, net:		
Property taxes	121,488	70,100
Fees	25	-
Total assets	<u>\$ 2,977,216</u>	<u>\$ 3,056,958</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 111,423	\$ 62,735
Total deferred inflows of resources	<u>111,423</u>	<u>62,735</u>
 Fund balance		
Restricted for capital projects	<u>2,865,793</u>	<u>2,994,223</u>
Total fund balance	<u>2,865,793</u>	<u>2,994,223</u>
Total deferred inflows of resources and fund balance	<u>\$ 2,977,216</u>	<u>\$ 3,056,958</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, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,538,578	\$ 1,587,876	\$ 49,298	\$ 1,514,176
Personal property taxes	127,937	130,920	2,983	128,251
Vehicle taxes	228,969	222,901	(6,068)	215,403
Fee in lieu of tax	10,200	5,585	(4,615)	9,124
Interest	15,000	67,615	52,615	39,874
Total revenues	1,920,684	2,014,897	94,213	1,906,828
Expenditures				
Current:				
Public Safety:				
Capital outlay	1,765,763	621,315	1,144,448	833,022
Indirect cost allocation	30,000	30,000	-	30,000
Capital lease - principal	1,325,000	1,325,000	-	1,325,000
Capital lease - interest	178,771	178,771	-	204,066
Total expenditures	3,299,534	2,155,086	1,144,448	2,392,088
Excess (deficiency) of revenues over expenditures	(1,378,850)	(140,189)	1,238,661	(485,260)
Other Financing Sources (Uses)				
Sales of capital assets	-	11,759	11,759	-
Total other financing sources (uses)	-	11,759	11,759	-
Net change in fund balance	(1,378,850)	(128,430)	1,250,420	(485,260)
Fund balance at beginning of year	2,994,223	2,994,223	-	3,479,483
Fund balance at end of year	\$ 1,615,373	\$ 2,865,793	\$ 1,250,420	\$ 2,994,223

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 578,741	\$ 516,236
Total assets	<u>\$ 578,741</u>	<u>\$ 516,236</u>
Fund balance		
Restricted for culture, recreation and tourism	\$ 4,290	\$ 9,567
Restricted for infrastructure and regulation	<u>574,451</u>	<u>506,669</u>
Total fund balance	<u>\$ 578,741</u>	<u>\$ 516,236</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Revenues		
Interest	\$ 12,005	\$ 6,073
Other	<u>56,000</u>	<u>82,500</u>
Total revenues	<u>68,005</u>	<u>88,573</u>
Expenditures		
Culture, recreation and tourism:		
Other	<u>5,500</u>	<u>24,301</u>
Total expenditures	<u>5,500</u>	<u>24,301</u>
Excess of revenues over expenditures	<u>62,505</u>	<u>64,272</u>
Net change in fund balance	62,505	64,272
Fund balance at beginning of year	<u>516,236</u>	<u>451,964</u>
Fund balance at end of year	<u>\$ 578,741</u>	<u>\$ 516,236</u>

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of funds for, and payment of, all general long-term debt principal, interest and fees, exclusive of those relating to the proprietary funds. The County currently has established the following debt service funds:

RIDE Program – accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects. Existing loan defeased on February 15, 2019. Subsequent revenues to fund I-73 project and public safety needs within municipalities and county.

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, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 22,481,558	\$ 5,786,272
Receivables (net):		
Fees	6,215,457	6,030,866
Funds held in trust (restricted):		
Loan reserve account	-	65,885,348
Total assets	<u>\$ 28,697,015</u>	<u>\$ 77,702,486</u>
 Liabilities		
Due to other governments	\$ 19,022,349	\$ -
Total liabilities	<u>19,022,349</u>	<u>-</u>
 Fund Balance		
Restricted for debt service	9,674,666	77,702,486
Total fund balance	<u>9,674,666</u>	<u>77,702,486</u>
Total liabilities and fund balance	<u>\$ 28,697,015</u>	<u>\$ 77,702,486</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Hospitality Fees	\$ 41,618,276	\$ 42,469,059	\$ 850,783	\$ 41,667,715
Interest	340,000	1,083,111	743,111	1,004,623
Total revenues	<u>41,958,276</u>	<u>43,552,170</u>	<u>1,593,894</u>	<u>42,672,338</u>
Expenditures				
Culture, Recreation & Tourism:				
Contributions to municipalities	-	19,022,348	(19,022,348)	-
Debt Service:				
Contractual Services	54,991	54,991	-	-
Principal	12,913,124	10,653,100	2,260,024	20,843,094
Interest	2,407,521	1,282,467	1,125,054	3,028,040
Total expenditures	<u>15,375,636</u>	<u>31,012,906</u>	<u>(15,637,270)</u>	<u>23,871,134</u>
Excess of revenue over expenditures	<u>26,582,640</u>	<u>12,539,264</u>	<u>(14,043,376)</u>	<u>18,801,204</u>
Other Financing Sources (Uses)				
Transfers out	(424,691)	(424,691)	-	(416,613)
Payment to defease IGA loan #2	<u>(80,142,393)</u>	<u>(80,142,393)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,567,084)</u>	<u>(80,567,084)</u>	<u>-</u>	<u>(416,613)</u>
Net change in fund balance	(53,984,444)	(68,027,820)	(14,043,376)	18,384,591
Fund balance, beginning of year	<u>77,702,486</u>	<u>77,702,486</u>	<u>-</u>	<u>59,317,895</u>
Fund balance, end of year	<u>\$ 23,718,042</u>	<u>\$ 9,674,666</u>	<u>\$ (14,043,376)</u>	<u>\$ 77,702,486</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2019

	Non-Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 7,746,210	\$ -	\$ 7,746,210
Receivables, net:			
Taxes	469,606	-	469,606
Fees	12,115	-	12,115
Due from other governments	8,333	-	8,333
Total assets	<u>\$ 8,236,264</u>	<u>\$ -</u>	<u>\$ 8,236,264</u>
Deferred Inflows of Resources			
Unavailable revenue-fees and other	\$ 8,333	-	8,333
Unavailable revenue-property taxes	405,884	\$ -	\$ 405,884
Total deferred inflows of resources	<u>414,217</u>	<u>-</u>	<u>414,217</u>
Fund Balance			
Restricted for debt service	7,822,047	-	7,822,047
Total fund balance	<u>7,822,047</u>	<u>-</u>	<u>7,822,047</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,236,264</u>	<u>\$ -</u>	<u>\$ 8,236,264</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, 2019

	Non- Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Revenues			
Real property taxes	\$ 9,586,694	\$ -	\$ 9,586,694
Personal property taxes	670,537	-	670,537
Vehicle taxes	991,333	-	991,333
Fee in lieu of tax	59,179	-	59,179
Intergovernmental	27,303	-	27,303
Interest	243,500	-	243,500
Total revenues	<u>11,578,546</u>	<u>-</u>	<u>11,578,546</u>
Expenditures			
Debt service:			
Principal	11,736,000	231,000	11,967,000
Interest	1,405,827	5,775	1,411,602
Agents fees	1,410	-	1,410
Total expenditures	<u>13,143,237</u>	<u>236,775</u>	<u>13,380,012</u>
Excess (deficiency) of revenues over expenditures	<u>(1,564,691)</u>	<u>(236,775)</u>	<u>(1,801,466)</u>
Other Financing Sources (Uses)			
Transfers in	1,652,894	-	1,652,894
Total other financing sources	<u>1,652,894</u>	<u>-</u>	<u>1,652,894</u>
Net change in fund balance	88,203	(236,775)	(148,572)
Fund balance at beginning of year	<u>7,733,844</u>	<u>236,775</u>	<u>7,970,619</u>
Fund balance at end of year	<u>\$ 7,822,047</u>	<u>\$ -</u>	<u>\$ 7,822,047</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Pooled cash and investments	\$ 7,746,210	\$ 7,663,344
Receivables, net:		
Property taxes	469,606	350,903
Fees	12,115	12,017
Due from other governments	8,333	10,126
Total assets	<u>\$ 8,236,264</u>	<u>\$ 8,036,390</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	\$ 8,333	\$ -
Unavailable revenue-property taxes	405,884	302,546
Total deferred inflows of resources	<u>414,217</u>	<u>302,546</u>
Fund Balance		
Restricted for debt service	7,822,047	7,733,844
Total fund balance	<u>7,822,047</u>	<u>7,733,844</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,236,264</u>	<u>\$ 8,036,390</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 9,389,856	\$ 9,586,694	\$ 196,838	\$ 9,249,506
Personal property taxes	651,408	670,537	19,129	647,769
Vehicle taxes	1,014,934	991,333	(23,601)	979,528
Fee in lieu of tax	84,000	59,179	(24,821)	82,994
Intergovernmental	35,499	27,303	(8,196)	38,013
Interest	60,000	243,500	183,500	124,591
Total revenues	<u>11,235,697</u>	<u>11,578,546</u>	<u>342,849</u>	<u>11,122,401</u>
Expenditures				
Debt Service:				
Principal	11,736,000	11,736,000	-	11,175,000
Interest	1,405,829	1,405,827	2	1,781,376
Agents fees	4,500	1,410	3,090	2,163
Total expenditures	<u>13,146,329</u>	<u>13,143,237</u>	<u>3,092</u>	<u>12,958,539</u>
Excess (deficiency) of revenues over expenditures	<u>(1,910,632)</u>	<u>(1,564,691)</u>	<u>345,941</u>	<u>(1,836,138)</u>
Other Financing Sources (Uses)				
Transfers in	1,652,894	1,652,894	-	1,791,982
Total other financing sources	<u>1,652,894</u>	<u>1,652,894</u>	<u>-</u>	<u>1,791,982</u>
Net change in fund balance	(257,738)	88,203	345,941	(44,156)
Fund balance at beginning of year	<u>7,733,844</u>	<u>7,733,844</u>	<u>-</u>	<u>7,778,000</u>
Fund balance at end of year	<u>\$ 7,476,106</u>	<u>\$ 7,822,047</u>	<u>\$ 345,941</u>	<u>\$ 7,733,844</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2019
(with comparative amounts for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Receivables, net:		
Fees	\$ -	\$ 10,009
Restricted assets	-	239,049
Total assets	<u>\$ -</u>	<u>\$ 249,058</u>
 Liabilities		
Liabilities:		
Due to other funds	\$ -	\$ 12,283
Total Liabilities	<u>-</u>	<u>12,283</u>
 Fund Balance		
Restricted for debt service	-	236,775
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 249,058</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ -	\$ -	\$ -	\$ 51,524
Interest	-	-	-	2,326
Total revenues	-	-	-	53,850
Expenditures				
Debt Service:				
Principal	231,000	231,000	-	220,500
Interest	11,550	5,775	5,775	17,062
Agents fees	750	-	750	-
Total expenditures	243,300	236,775	6,525	237,562
Net change in fund balance	(243,300)	(236,775)	6,525	(183,712)
Fund balance at beginning of year	236,775	236,775	-	420,487
Fund balance at end of year	\$ (6,525)	\$ -	\$ 6,525	\$ 236,775

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, 2019

(with comparative amounts for June 30, 2018)

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,437,808	\$ 19,129,460
Pooled cash and investments	24,824,379	4,169,288
Investments	-	10,064,256
Accounts receivable (net of allowance of \$177,186 in 2019 and \$176,546 in 2018)	2,582,218	2,487,167
Due from other governments	4,435,020	308,376
Inventories	1,266,385	1,204,254
Prepaid items	90,953	207,859
Total current assets	57,636,763	37,570,660
Restricted assets:		
Cash and cash equivalents	16,823,511	16,227,823
Pooled cash and investments	43,127,157	37,499,509
Receivables - PFC and CFC	1,403,189	1,418,159
Total restricted assets	61,353,857	55,145,491
Noncurrent assets		
Investments	10,003,880	22,147,445
Capital assets:		
Land, easements and infrastructure	32,103,263	32,455,493
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, and land improvements, net	208,580,273	205,328,249
Construction-in-progress	18,601,055	3,845,483
Total capital assets, net	259,284,591	241,629,225
Service concession arrangement (SCA)	4,258,637	6,159,404
Total assets	392,537,728	362,652,225
Deferred outflows of resources		
Deferred Outflows-pension	2,139,557	2,192,306
Deferred Outflows-OPEB	60,357	52,346
Total deferred outflows of resources	2,199,914	2,244,652
Total assets and deferred outflows of resources	\$ 394,737,642	\$ 364,896,877

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

- CONTINUED -

	2019	2018
Liabilities		
Current liabilities:		
Accounts payable	\$ 5,944,415	\$ 1,141,045
Construction accounts and retainage payable	1,485,990	-
Accrued salaries, wages and compensated absences	423,526	380,871
Other accrued liabilities	355,301	344,765
Due to other funds	891,934	933,604
Unearned revenue from operating agreements	712,356	429,229
Due to other governments	50,500	50,500
Capital lease payable - current portion	56,909	56,262
Amounts due to tenants, airlines and car rentals	1,052,447	648,372
Total current liabilities	10,973,378	3,984,648
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,480,000	1,415,000
Accrued interest payable	1,411,072	1,446,447
Total current liabilities payable from restricted assets	2,891,072	2,861,447
Noncurrent liabilities:		
Revenue bonds payable, net	52,368,157	53,841,255
Compensated absences - long term	743,356	886,857
Net other post-employment benefits obligations (NOO)	1,374,942	1,266,906
Net pension liability	13,923,096	13,423,046
Capital lease payable, net of current portion	164,821	221,730
Total non-current liabilities	68,574,372	69,639,794
Total liabilities	82,438,822	76,485,889
Deferred Inflows of Resources		
Deferred Inflows -present value of payments under service concession arrangement	4,258,637	6,159,404
Deferred Inflows - pension	66,226	(320,339)
Deferred Inflows - OPEB	101,419	95,330
Total deferred inflows of resources	4,426,282	5,934,395
Net position		
Net investment in capital assets	205,208,714	187,509,978
Restricted for:		
Debt service	31,238,112	27,798,732
Capital projects	27,200,434	24,477,597
Unrestricted	44,225,278	42,690,286
Total net position	307,872,538	282,476,593
Total liabilities, deferred inflows of resources and net position	\$ 394,737,642	\$ 364,896,877

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative amounts for the year ended June 30, 2018)

	2019	2018
Operating Revenues		
Landing fees	\$ 2,513,953	\$ 2,378,344
Airline terminal rents	7,679,557	6,754,306
Concessions and rentals	12,245,642	11,107,992
Baggage handling system	898,703	829,675
Security fees	352,469	270,682
Leases	966,481	902,131
Fuel sales - FBO	9,481,826	9,039,324
Other airline services	739,462	623,804
Federal revenue- TSA LEO reimbursement program	137,630	120,523
Other	824,477	839,729
Total operating revenues	35,840,200	32,866,510
Less, signatory airline rebate and incentive fee waivers	(1,312,435)	(984,707)
Net operating revenues	34,527,765	31,881,803
Operating Expenses		
Salaries and benefits	10,911,127	10,045,260
Utilities	1,822,171	1,800,941
Baggage handling system	898,703	829,675
Outside and professional services	1,493,214	1,403,200
Maintenance and supplies	2,045,647	1,889,717
Fuel cost of sales	6,388,104	5,904,129
Vehicle and equipment (non-capital) expense	552,404	501,285
Insurance	416,001	391,699
Memberships, travel, fuels and lubricants	482,471	277,311
Office supplies	31,627	39,879
Indirect cost allocation	400,000	125,000
Depreciation and amortization	12,322,351	12,007,277
Bad debt expense	-	28,447
Total operating expenses	37,763,820	35,243,820
Operating loss	(3,236,055)	(3,362,017)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2019	2018
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC)	5,502,345	5,428,485
Contract Facility Charges (CFC)	3,375,804	3,396,212
Intergovernmental revenues - City of Myrtle Beach	2,366,496	2,366,189
Gain on disposal/sale of assets	1,879,128	11,660
Redevelopment Authority grant revenue	50,000	-
Other	(279,405)	33,010
Other state grant revenue	63,275	-
Interest on investments	2,373,621	1,157,286
Interest expense	(2,831,878)	(2,903,268)
Interest Subsidy on recovery zone economic bonds	300,654	299,372
Net non-operating revenues (expenses)	12,800,040	9,788,946
Income before capital contributions	9,563,985	6,426,929
Capital Contributions		
Federal grant revenue - capital projects	15,437,191	3,500,915
State grant revenue - capital projects	394,769	226,738
Net capital contributions	15,831,960	3,727,653
Increase in net position	25,395,945	10,154,582
Net Position		
Beginning of year,	282,476,593	272,670,666
Effect of restatement for GASB 75 implementation	-	(348,655)
End of year, as restated	\$ 307,872,538	\$ 282,476,593

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows provided by (used for) operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 23,872,511	\$ 20,873,529
FBO fuel sales and airline services	10,287,793	9,350,187
Vending, FBO ramp fees, hanger fees and other	959,612	626,591
Cash paid for:		
Salaries and benefits	(9,966,495)	(9,332,629)
Maintenance, supplies, fuel, utilities and equipment	(9,703,331)	(13,823,417)
Net cash provided by operating activities	<u>15,450,090</u>	<u>7,694,261</u>
Cash flows from non-capital financing activities		
Settlement-insurance	17,884	99,317
Building demolition and tree removal	(297,289)	-
Other nonoperating income	-	24,837
Net cash provided by (used for) non-capital financing activities	<u>(279,405)</u>	<u>124,154</u>
Cash flows from capital and related financing activities		
Receipt of Passenger and Contract Facility Charges	8,893,119	8,377,041
Acquisition and construction of capital assets	(28,957,814)	(11,454,495)
Proceeds from sale of capital assets	2,345,215	11,660
Interest paid on bonds and notes	(2,860,351)	(2,916,917)
Principal payments on bonds and notes	(1,415,000)	(1,370,000)
Receipt of Federal Subsidy for "RZEDB" (Series 2010B)	300,654	299,372
Principal payments on capital lease obligation	(56,262)	(55,624)
Receipt of intergovernmental and private grants	2,479,771	2,366,189
Proceeds from Airport Improvement Program, TSA and State grants	11,705,316	4,019,234
Net cash used for capital and related financing activities	<u>(7,565,352)</u>	<u>(723,540)</u>
Cash flows from investing activities		
Investment purchases	-	(10,000,000)
Investment sales	22,425,000	-
Interest on investments	2,156,442	1,309,190
Net cash provided by (used for) investing activities	<u>24,581,442</u>	<u>(8,690,810)</u>
Net increase (decrease) in cash and cash equivalents	<u>32,186,775</u>	<u>(1,595,935)</u>
Cash and cash equivalents, beginning of year (2018 restated)		
Unrestricted	23,298,748	32,788,974
Restricted	53,727,332	45,833,041
	<u>77,026,080</u>	<u>78,622,015</u>
Cash and cash equivalents, end of year		
Unrestricted	49,262,187	23,298,748
Restricted	59,950,668	53,727,332
	<u>\$ 109,212,855</u>	<u>\$ 77,026,080</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (3,236,055)	\$ (3,362,017)
Adjustments to reconciliation of operating loss to net cash provided by operating activities:		
Depreciation and amortization	12,322,351	12,007,277
Bad debt expense	-	28,447
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(95,051)	(1,061,286)
Prepaid items	116,906	15,630
Inventories	(62,131)	(172,553)
(Decrease) increase in liabilities and deferred inflows of resources:		
Accounts payable	4,803,370	(301,800)
Accrued salaries, wages and compensated absences	(100,846)	(96,543)
Net other post-employment benefit obligation	106,114	129,833
Net pension liability	939,364	679,341
Other accrued liabilities	10,536	6,003
Due to Horry County - General Fund	(41,670)	(207,861)
Unearned revenue	283,127	(30,607)
Amounts due to tenants, airlines and car rentals	404,075	60,397
Net cash provided by operating activities	<u>\$ 15,450,090</u>	<u>\$ 7,694,261</u>
 Noncash Capital and financing activities		
Trade in value of capital asset	<u>\$ 106,251</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods and services provided by one department to other departments of the government and to other units, on a cost reimbursement basis.

Fleet Service – accounts for the maintenance and replacement of County vehicles including heavy and light equipment.

Communications – accounts for the maintenance and replacement of County communications equipment.

HORRY COUNTY, SOUTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

June 30, 2019

	Fleet Service	Communications	Total
Assets			
Current assets:			
Pooled cash and investments	\$ 29,231,383	\$ 1,751,194	\$ 30,982,577
Accounts receivable - trade	4,798	84,939	89,737
Accounts receivable - other	323	-	323
Prepaid	-	2,874,024	2,874,024
Inventory	187,856	-	187,856
Total current assets	<u>29,424,360</u>	<u>4,710,157</u>	<u>34,134,517</u>
Non-current assets:			
Capital assets:			
Land improvements	17,750	-	17,750
Buildings and improvements	362,735	-	362,735
Machinery and equipment	43,533,962	14,124,726	57,658,688
Less, accumulated depreciation	<u>(27,725,622)</u>	<u>(3,871,628)</u>	<u>(31,597,250)</u>
Net capital assets	<u>16,188,825</u>	<u>10,253,098</u>	<u>26,441,923</u>
Total assets	<u>45,613,185</u>	<u>14,963,255</u>	<u>60,576,440</u>
Deferred outflows of resources:			
Deferred outflows - pension	208,092	47,861	255,953
Deferred outflows - OPEB	<u>16,148</u>	<u>280</u>	<u>16,428</u>
Total deferred outflows of resources	<u>224,240</u>	<u>48,141</u>	<u>272,381</u>
Total assets and deferred outflows of resources	<u>\$ 45,837,425</u>	<u>\$ 15,011,396</u>	<u>\$ 60,848,821</u>
Liabilities			
Current liabilities:			
Accounts payable-trade	\$ 124,543	\$ 6,542	\$ 131,085
Accrued interest payable	-	19,833	19,833
Accrued salaries, wages and compensated absences	18,383	3,180	21,563
Capital lease payable - current portion	-	546,246	546,246
Total current liabilities	<u>142,926</u>	<u>575,801</u>	<u>718,727</u>
Non-current liabilities:			
Compensated absences - long term	108,328	27,708	136,036
Capital lease payable	-	1,140,158	1,140,158
Net OPEB liability	312,906	10,371	323,277
Net pension liability	<u>1,753,566</u>	<u>2,924</u>	<u>1,756,490</u>
Total non-current liabilities	<u>2,174,800</u>	<u>1,181,161</u>	<u>3,355,961</u>
Total Liabilities	<u>2,317,726</u>	<u>1,756,962</u>	<u>4,074,688</u>
Deferred inflows of resources			
Deferred inflows - pension	57,592	7,670	65,262
Deferred inflows - OPEB	<u>23,831</u>	<u>657</u>	<u>24,488</u>
Total deferred inflows of resources	<u>81,423</u>	<u>8,327</u>	<u>89,750</u>
Net position			
Net investment in capital assets	16,188,825	8,566,694	24,755,519
Restricted for capital	<u>27,249,451</u>	<u>4,679,413</u>	<u>31,928,864</u>
Total net position	<u>43,438,276</u>	<u>13,246,107</u>	<u>56,684,383</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 45,837,425</u>	<u>\$ 15,011,396</u>	<u>\$ 60,848,821</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Fleet Service</u>	<u>Communications</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 11,712,276	\$ 1,451,650	\$ 13,163,926
Fees	-	894,592	894,592
Intergovernmental	7,806	91,005	98,811
Total operating revenues	<u>11,720,082</u>	<u>2,437,247</u>	<u>14,157,329</u>
Operating Expenses			
Personnel costs	1,533,228	177,008	1,710,236
Contractual services	39,653	405,056	444,709
Supplies and materials	44,653	49,929	94,582
Business and transportation	2,672,209	16,480	2,688,689
Indirect cost allocation	20,487	26,208	46,695
Cost allocation	685,739	9,950	695,689
Depreciation	4,225,865	1,440,764	5,666,629
Other	16,870	8,900	25,770
Total operating expenses	<u>9,238,704</u>	<u>2,134,295</u>	<u>11,372,999</u>
Operating income	<u>2,481,378</u>	<u>302,952</u>	<u>2,784,330</u>
Non-operating revenues (expenses)			
Gain (loss) on disposal of assets	218,843	18,139	236,982
Other	90,328	11,604	101,932
Interest revenue	679,940	34,657	714,597
Interest expense	-	(57,638)	(57,638)
Net non-operating revenues	<u>989,111</u>	<u>6,762</u>	<u>995,873</u>
Income before capital contributions and transfers	<u>3,470,489</u>	<u>309,714</u>	<u>3,780,203</u>
Transfers in	1,729,891	2,856,567	4,586,458
Transfers out	<u>(4,316)</u>	<u>(306,000)</u>	<u>(310,316)</u>
Change in net position	5,196,064	2,860,281	8,056,345
Net position, beginning of year	38,242,212	10,385,826	48,628,038
Net position, end of year	<u>\$ 43,438,276</u>	<u>\$ 13,246,107</u>	<u>\$ 56,684,383</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Fleet Service	Communications	Total
Cash flows provided by (used for) operating activities			
Cash received from:			
Services	\$ 11,707,478	\$ 1,451,650	\$ 13,159,128
Fees and Other	-	890,105	890,105
Intergovernmental	7,806	91,005	98,811
Cash paid for:			
Personnel costs	(1,214,073)	(187,211)	(1,401,284)
Maintenance, supplies, fuel, utilities and equipment	(3,446,298)	(3,299,874)	(6,746,172)
Other supplies and miscellaneous costs	(16,870)	(8,900)	(25,770)
Net cash provided by (used for) operating activities	<u>7,038,043</u>	<u>(1,063,225)</u>	<u>5,974,818</u>
Cash flows from non-capital and related financing activities			
Transfers in	1,729,891	2,856,567	4,586,458
Transfers out	(4,316)	(306,000)	(310,316)
Other non-operating income	-	11,604	11,604
Net cash provided by non-capital and related financing activities	<u>1,725,575</u>	<u>2,562,171</u>	<u>4,287,746</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(7,630,539)	(329,862)	(7,960,401)
Proceeds from disposition of capital assets	264,013	18,139	282,152
Principal paid on capital debt	-	(530,949)	(530,949)
Interest paid on capital debt	-	(63,883)	(63,883)
Miscellaneous proceeds	101,792	-	101,792
Net cash used for capital and other related financing activities	<u>(7,264,734)</u>	<u>(906,555)</u>	<u>(8,171,289)</u>
Cash flows from investing activities			
Interest income	679,940	34,657	714,597
Net cash provided by investing activities	<u>679,940</u>	<u>34,657</u>	<u>714,597</u>
Net change in cash and cash equivalents	2,178,824	627,048	2,805,872
Cash and cash equivalents, beginning of year	27,052,555	1,124,146	28,176,701
Cash and cash equivalents, end of year	<u>\$ 29,231,379</u>	<u>\$ 1,751,194</u>	<u>\$ 30,982,573</u>
Reconciliation of operating income to net cash provided by (used for) operating activities			
Operating income	\$ 2,481,378	\$ 302,952	\$ 2,784,330
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	4,225,865	1,440,764	5,666,629
(Increase) decrease in assets and deferred outflows of resources:			
Accounts/fee receivable	(4,798)	(4,487)	(9,285)
Prepaid	-	(2,787,003)	(2,787,003)
Inventories	816	-	816
Deferred outflows of resources	310,475	18,332	328,807
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	15,627	(5,248)	10,379
Accrued salaries, benefits and compensated absences	8,438	3,209	11,647
Net OPEB liability	2,753	3,290	6,043
Net pension liability	(58,743)	(19,994)	(78,737)
Deferred inflows of resources	56,232	(15,040)	41,192
Net cash provided by (used for) operating activities	<u>\$ 7,038,043</u>	<u>\$ (1,063,225)</u>	<u>\$ 5,974,818</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2019
(with comparative amounts for June 30, 2018)

	2019	2018
Assets		
Current assets:		
Pooled cash and investments	\$ 29,231,383	\$ 27,052,555
Accounts receivable - trade	4,798	-
Accounts receivable - other	323	11,791
Inventory	187,856	188,672
Total current assets	29,424,360	27,253,018
Non-current assets:		
Capital assets:		
Land improvements	17,750	17,750
Buildings and improvements	362,735	362,735
Machinery and equipment	43,533,962	38,197,506
Less, accumulated depreciation	(27,725,622)	(25,748,670)
Net capital assets	16,188,825	12,829,321
Total assets	45,613,185	40,082,339
Deferred outflows of resources:		
Deferred outflows - pension	208,092	513,375
Deferred outflows - OPEB	16,148	21,340
Total deferred outflows of resources	224,240	534,715
Total assets and deferred outflows of resources	\$ 45,837,425	\$ 40,617,054
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 124,543	\$ 108,916
Accrued salaries, wages and compensated absences	18,383	20,174
Total current liabilities	142,926	129,090
Non-current liabilities:		
Compensated absences - long term	108,328	98,099
Net OPEB liability	312,906	310,153
Net pension liability	1,753,566	1,812,309
Total non-current liabilities	2,174,800	2,220,561
Total Liabilities	2,317,726	2,349,651
Deferred inflows of resources		
Deferred inflows - pension	57,592	1,005
Deferred inflows - OPEB	23,831	24,186
Total deferred inflows of resources	81,423	25,191
Net position		
Net investment in capital assets	16,188,825	12,829,321
Restricted for capital	27,249,451	25,412,891
Total net position	43,438,276	38,242,212
Total liabilities, deferred inflows of resources and net position	\$ 45,837,425	\$ 40,617,054

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019	2018
Operating Revenues		
Intergovernmental-state	\$ 7,806	\$ -
Charges for services	11,712,276	8,628,445
Total operating revenues	11,720,082	8,628,445
Operating Expenses		
Personnel costs	1,533,228	1,381,136
Contractual services	39,653	39,953
Supplies and materials	44,653	44,973
Business and transportation	2,672,209	1,596,014
Indirect cost allocation	20,487	16,207
Cost allocation	685,739	391,594
Depreciation	4,225,865	4,191,421
Other	16,870	11,073
Total operating expenses	9,238,704	7,672,371
Operating income	2,481,378	956,074
Nonoperating revenues		
Gain (loss) on disposal of assets	218,843	395,028
Other	90,328	381,150
Interest	679,940	316,061
Net non-operating revenues	989,111	1,092,239
Income before capital contributions and transfers	3,470,489	2,048,313
Capital contributions	-	362,735
Transfers in	1,729,891	842,709
Transfers out	(4,316)	(34,231)
Change in net position	5,196,064	3,219,526
Net position, beginning of year	38,242,212	35,123,922
Effect of restatement for GASB 75 implementation	-	(101,236)
Net position, end of year, as restated	\$ 43,438,276	\$ 38,242,212

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019	2018
Cash flows provided by (used for) operating activities		
Cash received from:		
Services	\$ 11,707,478	\$ 8,628,445
Intergovernmental	7,806	-
Cash paid for:		
Salaries and benefits	(1,214,073)	(1,220,241)
Maintenance, supplies, fuel, utilities and equipment	(3,446,298)	(2,179,166)
Other supplies and miscellaneous costs	(16,870)	(11,073)
Net cash provided by operating activities	<u>7,038,043</u>	<u>5,217,965</u>
Cash flows from non-capital and related financing activities		
Transfers in	1,729,891	842,709
Transfers out	(4,316)	(34,231)
Net cash provided by non-capital and related financing activities	<u>1,725,575</u>	<u>808,478</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(7,630,539)	(4,188,861)
Proceeds from disposition of capital assets	264,013	559,367
Miscellaneous proceeds	101,792	369,359
Net cash used for capital and other related financing activities	<u>(7,264,734)</u>	<u>(3,260,135)</u>
Cash flows from investing activities		
Interest income	679,940	316,061
Net cash provided by investing activities	<u>679,940</u>	<u>316,061</u>
Net change in cash and cash equivalents	2,178,824	3,082,369
Cash and cash equivalents, beginning of year	27,052,555	23,970,186
Cash and cash equivalents, end of year	<u>\$ 29,231,379</u>	<u>\$ 27,052,555</u>
Reconciliation of operating income to net cash provided by (used for) by operating activities		
Operating income	\$ 2,481,378	\$ 956,074
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,225,865	4,191,421
(Increase) decrease in assets and deferred outflow of resources		
Accounts receivable - trade	(4,798)	-
Inventories	816	51,817
Deferred outflows of resources	310,475	(275,283)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	15,627	(142,242)
Accrued salaries, benefits and compensated absences	8,438	2,263
Net other post-employment benefits obligation	2,753	(2,019)
Net pension liability	(58,743)	412,263
Deferred inflows of resources	56,232	23,671
Net cash provided by operating activities	<u>\$ 7,038,043</u>	<u>\$ 5,217,965</u>
Noncash capital and financing activities		
Capital contribution received	<u>\$ -</u>	<u>\$ 362,735</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2019
(with comparative amounts for June 30, 2018)

	2019	2018
Assets		
Current assets:		
Pooled cash and investments	\$ 1,751,194	\$ 1,124,146
Fee receivable	84,939	80,452
Prepaid	2,874,024	87,021
Total current assets	4,710,157	1,291,619
Non-current assets:		
Capital assets:		
Machinery and equipment	14,124,726	13,794,864
Less, accumulated depreciation	(3,871,628)	(2,430,864)
Net capital assets	10,253,098	11,364,000
Total assets	14,963,255	12,655,619
Deferred outflows of resources:		
Deferred outflows - pension	47,861	66,473
Deferred outflows - OPEB	280	-
Total deferred outflows of resources	48,141	66,473
Total assets and deferred outflows of resources	\$ 15,011,396	\$ 12,722,092
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 6,542	\$ 11,790
Accrued salaries, wages and compensated absences	3,180	2,692
Accrued interest payable	19,833	26,078
Capital lease payable	546,246	530,949
Total current liabilities	575,801	571,509
Non-current liabilities:		
Compensated absences - long term	27,708	24,987
Total OPEB liability	10,371	7,081
Net pension liability	2,924	22,918
Capital lease payable	1,140,158	1,686,404
Total non-current liabilities	1,181,161	1,741,390
Total Liabilities	1,756,962	2,312,899
Deferred inflows of resources		
Deferred inflows - pension	7,670	23,046
Deferred inflows - OPEB	657	321
Total deferred inflows of resources	8,327	23,367
Net position		
Net investment in capital assets	8,566,694	9,146,647
Restricted for capital	4,679,413	1,239,179
Total net position	13,246,107	10,385,826
Total liabilities, deferred inflows of resources and net position	\$ 15,011,396	\$ 12,722,092

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019	2018
Operating Revenues		
Charges for services	\$ 1,451,650	\$ 1,528,845
Fees	894,592	835,465
Intergovernmental-State	1,801	-
Intergovernmental-Other	89,204	115,269
Total operating revenues	<u>2,437,247</u>	<u>2,479,579</u>
Operating Expenses		
Personnel costs	177,008	281,527
Contractual services	405,056	336,185
Supplies and materials	49,929	51,560
Business and transportation	16,480	14,181
Indirect cost allocation	26,208	32,044
Cost Allocation	9,950	17,649
Depreciation	1,440,764	1,002,257
Other	8,900	5,200
Total operating expenses	<u>2,134,295</u>	<u>1,740,603</u>
Operating income	<u>302,952</u>	<u>738,976</u>
Nonoperating revenues (expenses)		
Gain (loss) on disposal of assets	18,139	28,049
Interest revenue	34,657	9,083
Other	11,604	10,869
Interest expense	(57,638)	(104,828)
Net non-operating revenues (expenses)	<u>6,762</u>	<u>(56,827)</u>
Income before capital contributions and transfers	<u>309,714</u>	<u>682,149</u>
Capital Contribution	-	9,213,544
Transfers in	2,856,567	-
Transfers out	<u>(306,000)</u>	<u>(245,000)</u>
Change in net position	<u>2,860,281</u>	<u>9,650,693</u>
Net position, beginning of year	10,385,826	736,478
Effect of restatement for GASB 75 implementation	-	(1,345)
Net position, end of year, as restated	<u>\$ 13,246,107</u>	<u>\$ 10,385,826</u>

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows provided by (used for) operating activities		
Cash received from:		
Services	\$ 1,451,650	\$ 1,528,845
Fees and Other	890,105	855,724
Intergovernmental	91,005	119,336
Cash paid for:		
Personnel costs	(187,211)	(252,749)
Maintenance, supplies, fuel, utilities and equipment	(3,299,874)	(408,505)
Other supplies and miscellaneous costs	(8,900)	(54,893)
Net cash provided by (used for) operating activities	<u>(1,063,225)</u>	<u>1,787,758</u>
Cash flows from non-capital and related financing activities		
Transfers in	2,856,567	-
Transfers out	(306,000)	(245,000)
Other non-operating income	11,604	10,869
Net cash provided by (used for) non-capital and related financing activities	<u>2,562,171</u>	<u>(234,131)</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(329,862)	(307,848)
Proceeds from disposition of capital assets	18,139	28,049
Principal paid on capital debt	(530,949)	(516,081)
Interest paid on capital debt	(63,883)	(78,750)
Net cash used for capital and other related financing activities	<u>(906,555)</u>	<u>(874,630)</u>
Cash flows from investing activities		
Interest income	34,657	9,083
Net cash provided by investing activities	<u>34,657</u>	<u>9,083</u>
Net change in cash and cash equivalents	627,048	688,080
Cash and cash equivalents, beginning of year	1,124,146	436,066
Cash and cash equivalents, end of year	<u>\$ 1,751,194</u>	<u>\$ 1,124,146</u>

Continued

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income to net cash provided by (used for) operating activities		
Operating income,	\$ 302,952	\$ 738,976
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,440,764	1,002,257
(Increase) decrease in assets and deferred outflow of resources		
Fees receivable	(4,487)	20,259
Due from other governments	-	4,067
Prepaid items	(2,787,003)	(7,221)
Deferred outflow of resources	18,332	(43,903)
Increase (decrease) in liabilities and deferred inflow of resources		
Accounts payable	(5,248)	642
Accrued salaries, wages and compensated absences	3,209	49,314
Net OPEB liability	3,290	-
Net pension liability	(19,994)	-
Deferred Inflow of resources	(15,040)	23,367
Net cash provided by (used for) operating activities	<u><u>\$ (1,063,225)</u></u>	<u><u>\$ 1,787,758</u></u>
Noncash capital and financing activities		
Capital contribution received	-	9,213,544
	<u><u>\$ -</u></u>	<u><u>\$ 9,213,544</u></u>

FIDUCIARY (AGENCY) FUNDS

Fiduciary (agency) funds account for assets held by the County as an agent for other taxing units or other entities. Agency funds are custodial in nature; assets equal liabilities, and do not measure the results of operations. Interest earned on agency fund investments is credited and received by the General Fund unless an agreement provides otherwise.

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Totals-Agency Funds				
Assets:				
Cash and investments	\$ 10,763,468	\$ 10,510,890	\$ 11,404,990	\$ 9,869,368
Pooled cash and investments	286,838,729	646,239,812	645,759,060	287,319,481
Taxes receivable	43,555,545	612,605,712	609,405,881	46,755,376
Fees receivable	766,745	13,450,368	13,110,242	1,106,871
Total assets	<u>\$ 341,924,487</u>	<u>\$ 1,282,806,782</u>	<u>\$ 1,279,680,173</u>	<u>\$ 345,051,096</u>
Liabilities:				
Due to others	\$ 341,924,487	\$ 1,282,806,782	\$ 1,279,680,173	\$ 345,051,096
Total liabilities	<u>\$ 341,924,487</u>	<u>\$ 1,282,806,782</u>	<u>\$ 1,279,680,173</u>	<u>\$ 345,051,096</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>City of Conway</u>				
Assets:				
Pooled cash and investments	\$ 42,713	\$ 6,408,999	\$ 6,365,417	\$ 86,295
Taxes receivable	1,001,075	6,767,206	6,408,999	1,359,282
Total	<u>\$ 1,043,788</u>	<u>\$ 13,176,205</u>	<u>\$ 12,774,416</u>	<u>\$ 1,445,577</u>
Liabilities:				
Due to others	<u>\$ 1,043,788</u>	<u>\$ 13,176,205</u>	<u>\$ 12,774,416</u>	<u>\$ 1,445,577</u>
<u>City of Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 181,641	\$ 36,480,306	\$ 35,974,640	\$ 687,307
Taxes receivable	4,272,303	36,504,283	35,557,475	5,219,111
Fees receivable	31,776	937,710	922,831	46,655
Total	<u>\$ 4,485,720</u>	<u>\$ 73,922,299</u>	<u>\$ 72,454,946</u>	<u>\$ 5,953,073</u>
Liabilities:				
Due to others	<u>\$ 4,485,720</u>	<u>\$ 73,922,299</u>	<u>\$ 72,454,946</u>	<u>\$ 5,953,073</u>
<u>Town of Loris</u>				
Assets:				
Pooled cash and investments	\$ 9,598	\$ 1,067,584	\$ 1,056,723	\$ 20,459
Taxes receivable	239,015	1,115,261	1,067,584	286,692
Fees receivable	-	151,580	17,199	134,381
Total	<u>\$ 248,613</u>	<u>\$ 2,334,425</u>	<u>\$ 2,141,506</u>	<u>\$ 441,532</u>
Liabilities:				
Due to others	<u>\$ 248,613</u>	<u>\$ 2,334,425</u>	<u>\$ 2,141,506</u>	<u>\$ 441,532</u>
<u>City of North Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 106,955	\$ 17,260,082	\$ 17,257,629	\$ 109,408
Taxes receivable	1,189,643	17,567,554	17,260,082	1,497,115
Fees receivable	7,200	1,419,578	1,414,058	12,720
Total	<u>\$ 1,303,798</u>	<u>\$ 36,247,214</u>	<u>\$ 35,931,769</u>	<u>\$ 1,619,243</u>
Liabilities:				
Due to others	<u>\$ 1,303,798</u>	<u>\$ 36,247,214</u>	<u>\$ 35,931,769</u>	<u>\$ 1,619,243</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Town of Surfside Beach</u>				
Assets:				
Pooled cash and investments	\$ 21,395	\$ 3,142,144	\$ 3,140,250	\$ 23,289
Taxes receivable	258,732	3,226,806	3,142,144	343,394
Total	<u>\$ 280,127</u>	<u>\$ 6,368,950</u>	<u>\$ 6,282,394</u>	<u>\$ 366,683</u>
Liabilities:				
Due to others	<u>\$ 280,127</u>	<u>\$ 6,368,950</u>	<u>\$ 6,282,394</u>	<u>\$ 366,683</u>
<u>Town of Atlantic Beach</u>				
Assets:				
Pooled cash and investments	\$ 5,178	\$ 232,295	\$ 235,080	\$ 2,393
Taxes receivable	46,488	228,391	232,295	42,584
Total	<u>\$ 51,666</u>	<u>\$ 460,686</u>	<u>\$ 467,375</u>	<u>\$ 44,977</u>
Liabilities:				
Due to others	<u>\$ 51,666</u>	<u>\$ 460,686</u>	<u>\$ 467,375</u>	<u>\$ 44,977</u>
<u>Town of Aynor</u>				
Assets:				
Pooled cash and investments	\$ 1,749	\$ 237,483	\$ 234,845	\$ 4,387
Taxes receivable	35,303	246,306	237,483	44,126
Total	<u>\$ 37,052</u>	<u>\$ 483,789</u>	<u>\$ 472,328</u>	<u>\$ 48,513</u>
Liabilities:				
Due to others	<u>\$ 37,052</u>	<u>\$ 483,789</u>	<u>\$ 472,328</u>	<u>\$ 48,513</u>
<u>Town of Briarcliff Acres</u>				
Assets:				
Pooled cash and investments	\$ 1,197	\$ 314,998	\$ 313,741	\$ 2,454
Taxes receivable	12,658	322,350	314,998	20,010
Total	<u>\$ 13,855</u>	<u>\$ 637,348</u>	<u>\$ 628,739</u>	<u>\$ 22,464</u>
Liabilities:				
Due to others	<u>\$ 13,855</u>	<u>\$ 637,348</u>	<u>\$ 628,739</u>	<u>\$ 22,464</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Horry County School District Operations/Debt</u>				
Assets:				
Pooled cash and investments	\$ 275,415,868	\$ 550,483,501	\$ 568,521,906	\$ 257,377,463
Taxes receivable	36,319,436	544,021,998	542,597,838	37,743,596
Fees receivable	592,186	8,010,486	7,885,663	717,009
Total	<u>\$ 312,327,490</u>	<u>\$ 1,102,515,985</u>	<u>\$ 1,119,005,407</u>	<u>\$ 295,838,068</u>
Liabilities:				
Due to others	<u>\$ 312,327,490</u>	<u>\$ 1,102,515,985</u>	<u>\$ 1,119,005,407</u>	<u>\$ 295,838,068</u>
<u>Murrells Inlet-Garden City Fire District</u>				
Assets:				
Pooled cash and investments	\$ 244,891	\$ 2,586,983	\$ 2,797,544	\$ 34,330
Taxes receivable	180,892	2,605,557	2,586,983	199,466
Total	<u>\$ 425,783</u>	<u>\$ 5,192,540</u>	<u>\$ 5,384,527</u>	<u>\$ 233,796</u>
Liabilities:				
Due to others	<u>\$ 425,783</u>	<u>\$ 5,192,540</u>	<u>\$ 5,384,527</u>	<u>\$ 233,796</u>
<u>Grand Strand Water and Sewer Authority</u>				
Assets:				
Front footage assessment	<u>\$ 7,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,470</u>
Liabilities:				
Due to others	<u>\$ 7,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,470</u>
<u>Fireman's Fund</u>				
Assets:				
Cash	<u>\$ 90,117</u>	<u>\$ 845,952</u>	<u>\$ 872,220</u>	<u>\$ 63,849</u>
Liabilities:				
Due to others	<u>\$ 90,117</u>	<u>\$ 845,952</u>	<u>\$ 872,220</u>	<u>\$ 63,849</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	<u>\$ 359,515</u>	<u>\$ 269,348</u>	<u>\$ 322,270</u>	<u>\$ 306,593</u>
Liabilities:				
Due to others	<u>\$ 359,515</u>	<u>\$ 269,348</u>	<u>\$ 322,270</u>	<u>\$ 306,593</u>
<u>Sheriff Seizure</u>				
Assets:				
Cash	<u>\$ 17,726</u>	<u>\$ 1,071</u>	<u>\$ 3,402</u>	<u>\$ 15,395</u>
Liabilities:				
Due to others	<u>\$ 17,726</u>	<u>\$ 1,071</u>	<u>\$ 3,402</u>	<u>\$ 15,395</u>
<u>Environmental Services</u>				
Assets:				
Cash	<u>\$ 46,484</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 46,572</u>
Liabilities:				
Due to others	<u>\$ 46,484</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 46,572</u>
<u>Library Endowment</u>				
Assets:				
Cash	<u>\$ 55,263</u>	<u>\$ 1,339</u>	<u>\$ -</u>	<u>\$ 56,602</u>
Liabilities:				
Due to others	<u>\$ 55,263</u>	<u>\$ 1,339</u>	<u>\$ -</u>	<u>\$ 56,602</u>
<u>Inmate Trust</u>				
Assets:				
Cash	<u>\$ 75,794</u>	<u>\$ 101,473</u>	<u>\$ 96,656</u>	<u>\$ 80,611</u>
Liabilities:				
Due to others	<u>\$ 75,794</u>	<u>\$ 101,473</u>	<u>\$ 96,656</u>	<u>\$ 80,611</u>
<u>Solicitor DEU</u>				
Assets:				
Cash	<u>\$ 76,505</u>	<u>\$ 318</u>	<u>\$ 17,705</u>	<u>\$ 59,118</u>
Liabilities:				
Due to others	<u>\$ 76,505</u>	<u>\$ 318</u>	<u>\$ 17,705</u>	<u>\$ 59,118</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Solicitor DEU Asset Forfeiture</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 47	\$ -	\$ 47
Cash	204,641	143,794	85,651	262,784
Total	<u>\$ 204,641</u>	<u>\$ 143,841</u>	<u>\$ 85,651</u>	<u>\$ 262,831</u>
Liabilities:				
Due to others	<u>\$ 204,641</u>	<u>\$ 143,841</u>	<u>\$ 85,651</u>	<u>\$ 262,831</u>
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Pooled cash and investments	\$ 124,471	\$ -	\$ 88,486	\$ 35,985
Cash	2,530,095	2,870,491	2,817,385	2,583,201
Fees receivable	128,113	2,931,014	2,870,491	188,636
Total	<u>\$ 2,782,679</u>	<u>\$ 5,801,505</u>	<u>\$ 5,776,362</u>	<u>\$ 2,807,822</u>
Liabilities:				
Due to others	<u>\$ 2,782,679</u>	<u>\$ 5,801,505</u>	<u>\$ 5,776,362</u>	<u>\$ 2,807,822</u>
<u>Developer LOC</u>				
Assets:				
Pooled cash and investments	<u>\$ 10,683,073</u>	<u>\$ 28,025,390</u>	<u>\$ 9,772,799</u>	<u>\$ 28,935,664</u>
Liabilities:				
Due to others	<u>\$ 10,683,073</u>	<u>\$ 28,025,390</u>	<u>\$ 9,772,799</u>	<u>\$ 28,935,664</u>
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash and investments	<u>\$ 7,307,328</u>	<u>\$ 6,277,016</u>	<u>\$ 7,189,701</u>	<u>\$ 6,394,643</u>
Liabilities:				
Due to others	<u>\$ 7,307,328</u>	<u>\$ 6,277,016</u>	<u>\$ 7,189,701</u>	<u>\$ 6,394,643</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, 2019

(With comparative amounts for June 30, 2018)

Governmental funds - capital assets	2019	2018
Land and easements	\$ 25,097,033	\$ 24,437,008
Land improvements	10,092,267	9,896,634
Buildings and improvements	240,140,682	239,760,341
Machinery, equipment and vehicles	106,275,107	99,712,732
Intangible Assets	552,070	552,070
Infrastructure	601,888,615	560,587,429
Construction-in-progress	39,025,460	47,598,142
	<hr/>	<hr/>
Total governmental funds capital assets	\$ 1,023,071,234	\$ 982,544,356
	<hr/>	<hr/>
Investment in governmental funds		
capital assets by source		
General Obligations Bonds	\$ 185,713,571	\$ 185,713,571
General Fund Revenue	187,037,053	138,947,550
Special Revenue Fund Revenue	56,210,824	55,200,767
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	584,059,483	592,632,165
	<hr/>	<hr/>
Total investment in governmental funds capital assets	\$ 1,023,071,234	\$ 982,544,356
	<hr/>	<hr/>

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2019

	Land	Land Improvements	Buildings and Improvements	Machinery Equipment & Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
Function and Activity:								
General government	\$ 13,984,853	\$ 1,926,619	\$ 79,727,909	\$ 31,956,881	\$ 552,070	\$ -	\$ -	\$ 128,148,332
Public safety	2,820,004	144,057	102,353,532	67,264,037	-	-	-	172,581,630
Infrastructure	1,055,331	1,474,314	3,628,448	2,991,131	-	601,888,615	-	611,037,839
Health and social services	90,000	-	8,516,304	20,910	-	-	-	8,627,214
Cultural and recreation	7,146,845	6,547,277	45,914,489	4,042,148	-	-	-	63,650,759
Construction-in-progress	-	-	-	-	-	-	39,025,460	39,025,460
Total governmental funds capital assets	<u>\$ 25,097,033</u>	<u>\$ 10,092,267</u>	<u>\$ 240,140,682</u>	<u>\$ 106,275,107</u>	<u>\$ 552,070</u>	<u>\$ 601,888,615</u>	<u>\$ 39,025,460</u>	<u>\$ 1,023,071,234</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, 2019

	Balances June 30, 2018	Additions	Deletions/ Transfers	Balances June 30, 2019
Functions and Activity:				
General government	\$ 125,068,984	\$ 291,369	\$ 2,787,979	\$ 128,148,332
Public Safety	168,745,409	1,624,443	2,211,778	172,581,630
Infrastructure & Regulation	569,690,134	9,905,619	31,442,086	611,037,839
Health and Social Services	8,627,214	-	-	8,627,214
Cultural and Recreation	62,814,473	425,960	410,326	63,650,759
Construction-in-progress	47,598,142	32,756,620	(41,329,302)	39,025,460
Total governmental funds capital assets	<u>\$ 982,544,356</u>	<u>\$ 45,004,011</u>	<u>\$ (4,477,133)</u>	<u>\$ 1,023,071,234</u>
Class:				
Land and easements	\$ 24,437,008	\$ 201,799	\$ 458,226	\$ 25,097,033
Land improvements	9,896,634	195,633	-	10,092,267
Buildings and improvements	239,760,341	110,855	269,486	240,140,682
Machinery, equipment and vehicles	99,712,732	1,663,364	4,899,011	106,275,107
Intangible Assets	552,070	-	-	552,070
Infrastructure	560,587,429	10,075,740	31,225,446	601,888,615
Construction-in-progress	47,598,142	32,756,620	(41,329,302)	39,025,460
Total governmental funds capital assets	<u>\$ 982,544,356</u>	<u>\$ 45,004,011</u>	<u>\$ (4,477,133)</u>	<u>\$ 1,023,071,234</u>

VICTIM'S RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2019
(with comparison for the year ended June 30, 2018)

<u>County Funds Collected</u>	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Probate</u>	<u>Total 2019</u>	<u>Total 2018</u>
Court Fines and Assessments:					
Fines collected	\$ 1,950,584	\$ 3,137,841	\$ 49,780	\$ 5,138,205	\$ 4,934,468
Assessments collected	80,218	579,342	-	659,560	661,354
Surcharges collected	115,233	681,980	-	797,213	747,915
Total collected	<u>2,146,035</u>	<u>4,399,163</u>	<u>49,780</u>	<u>6,594,978</u>	<u>6,343,737</u>
Fines remitted to State Treasurer	1,465,394	1,163,356	49,780	2,678,530	2,523,218
Assessments remitted to State Treasurer	51,859	417,113	-	468,972	480,672
Surcharges remitted to State Treasurer	24,762	635,483	-	660,245	614,847
Total remitted	<u>1,542,015</u>	<u>2,215,952</u>	<u>49,780</u>	<u>3,807,747</u>	<u>3,618,737</u>
Total Court Fines and Assessments Retained:	<u>\$ 604,020</u>	<u>\$ 2,183,211</u>	<u>\$ -</u>	<u>\$ 2,787,231</u>	<u>\$ 2,725,000</u>
Surcharges and Assessments retained for victim services					
Assessments retained	\$ 28,359	\$ 145,989	\$ -	\$ 174,348	\$ 162,837
Surcharges collected and retained	90,471	46,497	-	136,968	133,068
Total Surcharges and Assessments retained for victim services	<u>\$ 118,830</u>	<u>\$ 192,486</u>	<u>\$ -</u>	<u>\$ 311,316</u>	<u>\$ 295,905</u>
<u>Victim Witness Assistance Special Revenue Fund - Funds Collected</u>				<u>Total 2019</u>	<u>Total 2018</u>
Carryforward from Previous Year - Beginning Balance				\$ 91,682	\$ 62,371
<u>Victim Service Revenue</u>					
Victim Service Assessments Retained by County Treasurer				174,348	162,837
Victim Service Surcharges Retained by County Treasurer				136,968	133,068
Interest Earned				3,639	784
Intergovernmental - State				3,208	-
General Funds Transferred to Victim Service Fund				327,622	299,313
Contribution Received from Victim Service Contracts:					
(1) Town of Atlantic Beach				1,335	6,950
(2) Georgetown County				60,018	58,137
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)				<u>707,138</u>	<u>661,089</u>
<u>Expenditures for Victim Service Program:</u>					
Personnel Costs				615,758	584,314
Operating Expenditures				95,510	47,464
Total Expenditures from Victim Service Fund/Program (B)				<u>711,268</u>	<u>631,778</u>
Total Victim Service Funds Retained by County Treasurer (A-B)				<u>(4,130)</u>	<u>29,311</u>
Carryforward Funds - End of Year				<u>\$ 87,552</u>	<u>\$ 91,682</u>

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
CAPITAL PROJECTS SALES TAX - RIDE II
FOR THE YEAR ENDED JUNE 30, 2019

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Pave 20 miles - DR	\$ 19,600,000	\$ 11,365,330	\$ 11,365,330	\$ -
Project #2	Resurface 12 miles	945,000	839,422	839,422	-
Project #3	Backgate Interchange	49,500,000	123,370,000 ¹	106,693,706	16,676,294
Project #4	Widen 707	132,250,000	103,410,000	89,307,864	14,102,136
Project #5	Pave 25 miles - DR	25,750,000	22,750,988	10,536,367	12,214,621
Project #6	Resurface 12 miles	990,000	1,095,578	1,095,578	-
Project #7	Aynor Overpass	46,000,000	16,193,458	16,192,579	879
Project #8	Resurface 12 miles	1,035,000	1,500,300	1,473,826	26,474
Project #9	Widen Glenns Bay	76,000,000	76,034,044	70,106,130	5,927,914
Project #10	Resurface 12 miles	1,080,000	1,637,224	1,211,332	425,892
Project #11	Pave 25 miles - DR	27,750,000	27,503,530	14,186,615	13,316,915
Project #12	Resurface 12 miles	1,125,000	1,677,880	1,667,768	10,112
Project #13	International Dr	6,500,000	27,000,000	26,520,659	479,341
Project #14	Resurface 7 miles	682,500	1,022,120	1,022,120	-
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>31,409,433</u>	<u>21,248,368</u>	<u>10,161,065</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 446,809,307</u>	<u>\$ 373,467,664</u>	<u>\$ 73,341,643</u>

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

DR = Dirt Road

Note: From inception through June 30, 2019.

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
CAPITAL PROJECTS SALES TAX - RIDE III
FOR THE YEAR ENDED JUNE 30, 2019

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Hwy 501 & Hwy 31	\$ 50,000,000	\$ 50,000,000	\$ 1,089,174	\$ 48,910,826
Project #2	Pave 25 miles - DR	14,715,398	19,001,398	6,400,343	12,601,055
Project #3	Carolina Forest Boulevard Widening	54,700,000	55,423,750	3,399,153	52,024,597
Project #4	Palmetto Pointe Blvd. Ext to SC Hwy 544	7,500,000	7,500,000	1,222,663	6,277,337
Project #5	SC Hwy. 9 East Widening (Loris)	21,700,000	21,700,000	279,114	21,420,886
Project #6	Resurface 33.13 miles of City roads	5,000,000	5,000,000	2,827,600	2,172,400
Project #7	US Hwy. 701 N Widening (North Conway)	65,100,000	65,100,000	820,041	64,279,959
Project #8	Fred Nash Boulevard connection to Harrelson	19,300,000	19,300,000	334,545	18,965,455
Project #9	US Hwy. 17 Bus Intersection Imp - Garden City	19,800,000	19,800,000	381,178	19,418,822
Project #10	Forestbrook Road Widening	89,100,000	89,100,000	624,149	88,475,851
Project #11	Pave 25 miles - DR	14,793,289	14,793,289	-	14,793,289
Project #12	Resurface 33 miles of County roads	5,000,000	5,000,000	-	5,000,000
Project #13	Hwy 501 Realignment	13,900,000	13,900,000	156,672	13,743,328
Project #14	US Hwy. 701 Widening - North of Loris	7,500,000	7,500,000	440,401	7,059,599
Project #15	Conway Perimeter Road Phase II	18,400,000	18,400,000	667,929	17,732,071
Project #16	Pave 25 miles - DR	14,697,424	14,697,424	-	14,697,424
Project #17	Resurface 33.87 miles County roads	5,000,000	5,000,000	-	5,000,000
Project #18	Southern Evacuation Lifeline (SELL) -	25,000,000	25,000,000	1,312	24,998,688
Project #19	SC Hwy 31 (Carolina Bays Parkway) Ext	125,000,000	125,000,000	250,740	124,749,260
Project #20	Pave 25 miles - DR	<u>15,793,889</u>	<u>11,507,889</u>	<u>-</u>	<u>11,507,889</u>
Total		<u>\$ 592,000,000</u>	<u>\$ 592,723,750</u>	<u>\$ 18,895,014</u>	<u>\$ 573,828,736</u>

DR = Dirt Road

Note: From inception through June 30, 2019.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2019

(With comparative actual amounts for the year ended June 30, 2018)

	2019				2018
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Intergovernmental - federal	\$ 1,480,500	\$ 1,480,500	\$ -	\$ (1,480,500)	\$ -
Intergovernmental - state	685,000	923,217	673,217	(250,000)	617,686
Intergovernmental - other	-	400,000	400,000	-	400,000
Interest	-	-	560,396	560,396	339,205
Other-donations	506	-	-	-	1,011,790
Total revenues	<u>2,166,006</u>	<u>2,803,717</u>	<u>1,633,613</u>	<u>(1,170,104)</u>	<u>2,368,681</u>
Expenditures					
Capital outlay:					
Supplies and materials	-	1,038,433	988,433	50,000	868,763
Construction contracts	-	7,800	-	7,800	-
Infrastructure	-	140,308	-	140,308	-
Capital outlay	10,942,987	25,619,920	9,345,953	16,273,967	5,792,218
Programs	-	124,174	-	124,174	-
Capital lease principal	7,292,762	7,256,893	7,256,893	-	351,813
Capital lease interest	216,355	567,986	567,986	-	227,181
Other	175,312	315,883	84,247	231,636	-
Total expenditures	<u>18,627,416</u>	<u>35,071,397</u>	<u>18,243,512</u>	<u>16,827,885</u>	<u>7,239,975</u>
Excess (deficiency) of revenue over expenditures	<u>(16,461,410)</u>	<u>(32,267,680)</u>	<u>(16,609,899)</u>	<u>15,657,781</u>	<u>(4,871,294)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	349,570
Transfers in	15,151,431	15,276,350	15,226,225	(50,125)	8,082,153
Transfers out	-	(2,956,567)	(2,956,567)	-	(654,049)
Total other financing sources (uses)	<u>15,151,431</u>	<u>12,319,783</u>	<u>12,269,658</u>	<u>(50,125)</u>	<u>7,777,674</u>
Net change in fund balance	<u>(1,309,979)</u>	<u>(19,947,897)</u>	<u>(4,340,241)</u>	<u>15,607,656</u>	<u>2,906,380</u>
Fund balance at beginning of year	<u>20,191,917</u>	<u>20,191,917</u>	<u>20,191,917</u>	<u>-</u>	<u>17,285,537</u>
Fund balance at end of year	<u>\$ 18,881,938</u>	<u>\$ 244,020</u>	<u>\$15,851,676</u>	<u>\$ 15,607,656</u>	<u>\$ 20,191,917</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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
				as restated	as restated			as restated		
Governmental activities										
Net investment in capital assets										
Restricted	\$532,927	\$551,832	\$576,387	\$ 592,217	\$ 609,438	\$619,432	\$ 641,192	\$ 675,266	\$ 743,701	\$ 792,528
Unrestricted (deficit)	231,335	309,063	348,119	345,339	353,422	311,619	276,761	244,117	257,151	324,942
	(218,404)	(256,844)	(240,372)	(162,562)	(116,907)	(215,437)	(162,063)	(110,124)	(69,231)	(67,755)
Total governmental activities net position	<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>	<u>\$ 931,621</u>	<u>\$1,049,715</u>
Business-type activities										
Net investment in capital assets										
Restricted	\$104,452	\$116,287	\$138,123	\$ 168,610	\$ 171,153	\$193,870	\$ 188,866	\$ 186,599	\$ 187,510	\$ 205,209
Unrestricted	30,469	42,403	45,038	32,929	33,430	36,532	39,132	43,965	52,277	58,439
	41,989	43,140	42,948	43,095	47,059	33,043	37,298	42,107	42,690	44,225
Total business-type activities net position	<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>	<u>\$ 282,477</u>	<u>\$ 307,873</u>
Primary government										
Net investment in capital assets										
Restricted	\$637,379	\$668,119	\$714,510	\$ 760,827	\$ 780,591	\$813,302	\$ 830,058	\$ 861,865	\$ 931,211	\$ 997,737
Unrestricted (deficit)	261,804	351,466	393,157	378,268	386,852	348,151	315,893	288,082	309,428	383,381
	(176,415)	(213,704)	(197,424)	(119,467)	(69,848)	(182,394)	(124,765)	(68,017)	(26,541)	(23,530)
Total primary government net position	<u>\$722,768</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>	<u>\$1,214,098</u>	<u>\$1,357,588</u>

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
				as restated	as restated					
Net (Expense)/Revenues										
Governmental activities	(131,975)	(181,116)	(163,163)	(162,296)	(183,931)	(182,009)	(171,964)	(181,976)	(171,324)	(201,792)
Business-type activities	17,341	24,268	23,676	18,973	6,524	21,071	1,135	6,529	8,654	21,058
Total primary government program net expense	(114,634)	(156,848)	(139,487)	(143,323)	(177,407)	(160,938)	(170,829)	(175,447)	(162,670)	(180,734)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	115,546	114,900	113,397	116,930	124,897	122,607	140,530	145,777	148,293	157,762
Investment earnings	4,656	2,382	2,014	1,770	1,923	1,334	1,995	2,615	5,251	11,464
Other	118,287	120,907	127,835	134,075	128,070	66,352	69,715	86,953	152,418	150,660
Extraordinary item	-	1,120	-	-	-	-	-	-	-	-
Total governmental activities	238,489	239,309	243,246	252,775	254,890	190,293	212,240	235,345	305,962	319,886
Business-type activities:										
Other	(446)	453	282	198	177	66	324	181	344	1,964
Investment earnings	731	199	321	306	307	200	392	665	1,157	2,374
Total business-type activities	285	652	603	504	484	266	716	846	1,501	4,338
Total primary government	238,774	239,961	243,849	253,279	255,374	190,559	212,956	236,191	307,463	324,224
Change in Net Position										
Governmental activities:										
Business-type activities:										
Total primary government	\$124,140	\$ 83,113	\$104,362	\$109,956	\$ 77,967	\$ 29,621	\$ 42,127	\$ 60,744	\$144,793	\$143,490

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										
	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
				as restated						
General fund										
Reserved	\$ 3,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved/designated	8,375	-	-	-	-	-	-	-	-	-
Unreserved/undesignated	24,739	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,532	169	1,975	77	1,319	338	255	329	362
Restricted	-	-	-	1,000	117	-	-	-	-	-
Committed	-	25,392	29,082	28,282	31,775	27,273	46,565	53,858	66,003	66,930
Assigned	-	343	343	473	-	-	-	427	-	-
Unassigned	-	9,797	7,108	10,431	9,391	12,194	7,734	9,269	11,798	12,718
Total general fund	36,763	37,064	36,702	42,161	41,360	40,786	54,637	63,809	78,130	80,010
All other governmental funds										
Reserved	256,012	-	-	-	-	-	-	-	-	-
Unreserved for:										
Special revenue funds	38,972	-	-	-	-	-	-	-	-	-
Capital project funds (deficit)	2,016	-	-	-	-	-	-	-	-	-
Nonspendable	-	857	20	19	75	-	210	67	5	56
Restricted	-	291,148	321,734	353,322	398,696	360,259	331,527	277,979	312,468	281,521
Committed	-	16,719	13,420	24,270	26,581	29,857	33,702	37,063	39,114	(66,930)
Unassigned (deficit)	-	(1,199)	(1,134)	(3,292)	(107)	(469)	(314)	(298)	(596)	(258)
Total all other governmental funds	297,000	307,525	334,040	374,319	425,245	389,647	365,125	314,811	350,991	214,389
Total governmental fund balances	\$ 333,763	\$ 344,589	\$ 370,742	\$ 416,480	\$ 466,605	\$ 430,433	\$ 419,762	\$ 378,620	\$ 429,121	\$ 294,399

*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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
			as restated	as restated						
Revenues										
Property Taxes	\$118,249	\$115,241	\$ 114,481	\$ 117,238	\$124,996	\$123,181	\$139,589	\$144,912	\$149,853	\$155,394
Licenses and permits	6,572	6,272	6,537	7,344	7,797	8,805	10,217	11,106	11,694	11,882
Intergovernmental	24,025	19,701	34,545	22,391	25,030	22,216	22,572	28,265	28,149	37,736
Sales Tax Major Capital Projects	58,070	61,477	64,802	65,732	69,733	1,139	304	403	75,819	79,839
Fees and fines	66,446	34,081	33,301	36,178	33,491	35,992	44,562	45,354	45,553	48,442
Hospitality & Local Accommodations fees (3)	-	36,867	39,452	39,917	42,291	45,280	47,348	49,986	51,165	52,012
Documentary Stamps	2,469	2,305	2,340	2,764	3,200	3,823	4,135	4,523	4,974	5,338
Interest on investments	4,658	2,383	2,015	1,770	1,923	1,310	1,933	2,497	4,926	10,750
Accommodation tax (1)	845	3,835	3,677	4,082	4,135	3,890	4,026	4,119	4,252	4,416
Cost allocation	3,077	3,055	3,167	2,787	3,069	3,302	3,570	3,801	3,429	4,437
Other	4,018	3,864	4,448	4,900	4,614	4,529	6,207	6,989	7,269	13,486
Total revenues	<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>	<u>387,083</u>	<u>423,732</u>
Expenditures										
General government	28,070	28,687	28,210	29,673	30,150	28,222	30,807	32,796	33,353	36,435
Public safety	87,461	93,942	99,887	92,996	101,040	104,798	110,286	114,552	119,628	132,081
Infrastructure and regulation (2)	31,611	54,990	59,689	52,922	60,474	29,994	33,125	40,507	38,405	52,601
Economic development	2,019	1,423	1,800	1,753	2,737	3,502	2,339	3,934	4,199	4,168
Health and social services	2,232	2,382	2,436	2,532	2,624	2,510	2,296	2,332	2,371	2,478
Culture and recreation	9,807	8,863	9,786	10,577	10,833	11,748	12,698	18,155	12,925	21,444
Capital outlay	56,796	37,060	29,302	16,749	19,113	31,983	20,541	36,658	53,299	34,801
Horry-Georgetown Tech	3,973	3,415	3,347	3,485	3,500	3,423	3,200	3,400	4,059	3,700
Higher Education	1,140	1,325	1,200	1,150	1,236	1,204	1,249	1,133	1,447	1,431
Improvements to state roadways	-	-	-	-	-	33,078	32,980	36,039	27,208	45,612
Debt service:										
Principal	27,675	31,198	33,299	26,305	28,408	28,528	30,983	33,582	20,843	24,202
Interest and fees	17,359	14,605	13,687	21,509	20,890	23,180	21,058	22,182	18,332	10,497
Other charges	1,025	44	1,906	1,194	1,119	-	-	-	-	-
Total expenditures	<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>	<u>336,069</u>	<u>369,450</u>
Excess of revenues over (under) expenditures	<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>	<u>51,014</u>	<u>54,282</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
			as restated	as restated						
Transfers in	45,103	16,176	11,733	9,693	12,709	12,347	30,663	19,217	17,705	24,656
Transfers out	(45,103)	(19,967)	(12,759)	(10,981)	(13,166)	(12,445)	(30,920)	(20,149)	(18,923)	(28,933)
Issuance of bonded debt	26,040	-	8,740	-	252	29,500	20,910	3,000	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	6,985	-	-
Premium on bonds issued	1,151	-	285	-	-	-	-	-	-	-
Payment to defease Loan IGA #2	-	-	-	-	-	-	-	-	-	(80,142)
Payments to refunded bond escrow agent	(13,260)	-	(8,881)	-	-	(29,384)	(15,337)	-	-	-
Debt service - principal	-	-	-	-	-	-	-	(6,960)	-	-
Sale of assets	94	259	216	148	95	95	513	80	705	111
Other	580	2,091	2,603	460	12,082	12,312	600	-	-	-
Total other financing sources (uses)	14,605	(1,441)	1,937	(680)	11,972	12,425	6,429	2,173	(513)	(84,308)
Extraordinary item	-	1,120	-	-	-	-	-	-	-	-
Net change in fund balances	<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>	<u>\$ 50,501</u>	<u>\$ (30,026)</u>
Debt service as a percentage of noncapital expenditures	21.2%	16.9%	20.0%	19.9%	18.7%	19.1%	18.5%	18.1%	13.9%	10.4%

- (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) 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				
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%
2017	2018	587,152	1,262,197	5,490	195,966	180,288	2,231,093	52.4	40,835,795	5.46%
2018	2019	628,067	1,302,799	5,447	198,354	184,957	2,319,625	52.4	42,618,573	5.44%

Notes:

- (1) Property in the County is reassessed every five years. The County's last reappraisal date was December 31, 2018 for the Tax Year 2019.
- (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 assesses the majority of personal property at 6.0% or 10.5% of estimated taxable market value.
- (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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
County Direct Rates (2)											
General Fund	36.7	34.8	35.6	35.6	35.6	35.6	42.8	42.8	42.8	42.8	41.6
Debt Service	5.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.7
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	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7
Higher Education	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation	2.3	2.2	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Total Direct Rate	47.3	44.9	45.2	45.2	45.2	45.2	52.4	52.4	52.4	52.4	50.7
Unincorp. County Rates (2)											
Rural Fire	16.3	15.2	15.2	15.2	19.5	19.5	19.5	19.5	19.5	19.5	19.0
Rural Fire App. Repl. (Began 2013)					1.7	1.7	1.7	1.7	1.7	1.7	1.6
Waste Management	6.4	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.7
School District Rates (2)											
Operating	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1	123.1	123.1	118.1
Debt Service	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total School Rate	139.3	132.2	130.2	130.2	130.2	133.1	133.1	133.1	133.1	133.1	128.1
Other Fire Districts Rates (2)											
Aynor Fire Contract	16.3	15.2	15.2	15.2	21.2	21.2	21.2	21.2	21.2	21.2	20.6
Atlantic Beach Fire Contract	16.3	15.2	15.2	15.2	21.2	21.2	21.2	21.2	21.2	21.2	20.6
Murrells Inlet /Garden City Fire Contract	10.0	10.0	10.0	10.0	10.0	10.0	14.0	14.0	14.0	14.0	14.0
City Rates (2)											
Town of Atlantic Beach	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliff Acres	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	45.0
City of Conway	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4	82.4	82.4	76.0
City of Loris	105.0	103.7	103.7	111.7	111.7	111.7	115.0	115.0	118.5	118.5	118.5
City of Myrtle Beach	62.9	66.1	66.1	66.1	66.1	74.5	74.5	77.5	77.5	80.5	78.9
City of Myrtle Beach Tax Credit	1.5	58.5	58.5	58.5	58.5	61.5	61.2	64.0	63.5	64.3	63.0
City of N. Myrtle Beach	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3	41.3	43.3	37.1
City of Surfide Beach	44.0	40.0	40.0	40.0	40.0	46.2	46.2	46.2	46.2	46.2	43.0

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN AND CURRENT FISCAL YEARS**

	Tax Year (1)										
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Special District Rates (2)											
Crabtree	3.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	2.9
Todd Swamp	3.5	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.8
Buck Creek	3.8	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.0
Simpson Creek	3.4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.6
Mt Gilead	7.4	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	30.0	30.0
Socastee Rec	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	0.0	0.0	0.0
Cartwheel	3.9	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.0
Gapway	3.8	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.8
Arcadian Shores	35.0	32.3	32.3	32.3	32.3	35.0	35.0	35.0	35.0	35.0	30.9
Hidden Woods (Began in TY 2012)				84.6	84.6	84.6	0.0	0.0	0.0	0.0	0.0
River Grande (Began in TY 2012)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
 (2) Rates are per \$1,000 of assessed value.
 A property reappraisal was performed for the Tax Year 2010. This reappraisal was delayed by one (1) tax year.
 A property reappraisal was performed for the Tax Year 2014.
 A property reappraisal was performed for the Tax Year 2019.
 A reappraisal is scheduled to be performed every five years. The County's last reappraisal date was December 31, 2023 for the Tax Year 2024.

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 2019 (Tax Year 2018)			Fiscal Year 2010 (Tax Year 2009)		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)
Horry Electric Coop Inc	\$ 19,491,230	1	0.84%	\$ 17,917,290	2	0.89%
Burroughs & Chapin Company, Inc (2)(3)	16,363,620	2	0.71%	29,657,653	1	1.48%
Lawyers Title Insurance Corp	5,260,390	3	0.23%	3,765,756	8	0.19%
Bluegreen Vacations Unlimited Inc	5,208,820	4	0.22%	6,650,068	3	0.33%
South Carolina Electric & Gas	4,538,830	5	0.20%			
Marriott Ownership Resorts Inc	4,391,580	6	0.19%	3,853,080	7	0.19%
Time Warner Cable Southeast LI	4,121,163	7	0.18%			
AVX Corporation	4,077,130	8	0.18%	3,221,956	10	0.16%
Ocean Lakes Family Campground	3,587,260	9	0.15%			
Wal-Mart Real Estate Business Trust	3,444,290	10	0.15%			
Verizon South Inc				6,424,150	4	0.32%
HTC Communications				5,740,132	5	0.29%
HRP Myrtle Beach Operations				4,303,486	6	0.21%
LUK-MB1 LLC				3,227,358	9	0.16%
Totals	<u>\$ 70,484,313</u>		<u>3.05%</u>	<u>\$ 84,760,929</u>		<u>4.22%</u>

Notes:

(1) Property that is exempt from the County portion of taxes have been subtracted from Total Assessed Value.

(2) TY 2018 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

(3) TY 2008 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

Source: Horry County Treasurer

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

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2009	2010	\$ 117,841	\$ 110,020	93.36%	\$ 4,949	\$ 114,968	97.56%
2010	2011	114,534	108,254	94.52%	3,122	111,377	97.24%
2011	2012	115,734	108,294	93.57%	3,784	112,078	96.84%
2012	2013	116,221	109,743	94.43%	3,404	113,147	97.35%
2013	2014	123,735	117,524	94.98%	2,692	120,216	97.16%
2014	2015	123,477	117,081	94.82%	1,915	118,996	96.37%
2015	2016	141,353	134,090	94.86%	2,341	136,431	96.52%
2016	2017	146,307	139,192	95.14%	2,239	141,431	96.67%
2017	2018	149,757	143,104	95.56%	2,196	145,300	97.02%
2018	2019	155,156	148,606	95.78%			

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
2009	2010	16.3	\$ 978	\$ 15,942	\$ 14,886	93.37%	\$ 633	\$ 15,519	97.35%
2010	2011	15.2	1,007	15,313	14,446	94.34%	432	14,878	97.16%
2011	2012	15.2	1,013	15,394	14,373	93.37%	510	14,882	96.68%
2012	2013	15.2	1,023	15,547	14,617	94.02%	489	15,106	97.16%
2013	2014	19.5	1,030	20,076	18,977	94.53%	444	19,421	96.74%
2014	2015	19.5	1,041	20,298	19,172	94.45%	325	19,497	96.05%
2015	2016	19.5	1,078	21,016	19,824	94.33%	325	20,149	95.88%
2016	2017	19.5	1,093	21,312	20,171	94.65%	324	20,495	96.17%
2017	2018	19.5	1,120	21,841	20,846	95.44%	334	21,179	96.97%
2018	2019	19.5	1,166	22,729	21,729	95.60%			
2019	2020 (3)	19.0	not available						

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years
- (3) Current Year value and collection data are not available until completion of the fiscal year.

Sources:

Horry County property tax database

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES		PRIMARY GOVERNMENT		DEBT PER CAPITA (1) (2)			
	GENERAL		SPECIAL		RIDE		BASEBALL		TOTAL					
	OBLIGATION		ASSESSMENT		IGA		STADIUM		OUTSTANDING					
	BONDS	BONDS	BONDS	LOANS	LEASES	BONDS	BONDS	LEASES	BONDS	DEBT				
2010	\$	134,670	\$	7,105	\$	297,308	\$	6,726	\$	1,570	\$	457,720	\$	1,692
2011		125,967		5,410		276,765		4,908		1,405		475,269		1,726
2012		117,794		3,665		254,386		5,264		1,233		443,112		1,573
2013		110,788		1,860		230,067		3,869		1,233	(4)	409,092		1,415
2014		101,054		-		203,700		14,224		1,051		381,019		1,277
2015		93,099		-		175,172		24,134		861		352,946		1,141
2016		83,625		-		144,190		26,944		661		313,742		973
2017		76,518		-		110,608		21,104		451		265,634		797
2018		65,144		-		89,765		18,912		231		229,586		666
2019		53,209		-	(6)	-		9,799		-		117,078	not available	329 (5)

Notes:

- (1) See the schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Percentage of Personal Income and Per Capita data have been revised to incorporate updated information from the U.S. Census Bureau and the Bureau of Economic Analysis
- (3) Series 1997 and Series 2000 Bonds were fully redeemed in FY2011 and Series 2010 Bonds were issued.
- (4) Baseball Stadium COP bonds were restated to correct a prior period error.
- (5) Estimated 3.26% growth rate for 2019
- (6) Ride IGA Loan was defeased in FY2019

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)
2010	\$ 122,175	\$ 13,226	\$ 108,949	0.31%	\$ 410
2011	114,797	12,310	102,487	0.28%	379
2012	104,999	10,647	94,352	0.26%	343
2013	97,711	8,978	88,733	0.24%	315
2014	89,552	7,586	81,966	0.22%	284
2015	84,064	6,080	77,984	0.21%	261
2016	75,775	5,820	69,955	0.18%	226
2017	67,233	6,391	60,842	0.15%	189
2018	57,429	5,745	51,684	0.13%	155
2019	46,959	7,779	39,180	0.09%	114

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 \$4,685 as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
 - (b) Higher Education G.O. Bonds of \$1,565 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, 2019
(AMOUNTS EXPRESSED IN THOUSANDS)

ENTITY	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (1)	ESTIMATED SHARE OF OVERLAPPING DEBT (1)
School District	\$ 383,850	100.00%	\$ 383,850
City of Myrtle Beach	181,323	100.00%	181,323
City of Conway	3,197	100.00%	3,197
City of Loris	1,857	100.00%	1,857
Town of Surfside	152	100.00%	152
Subtotal, overlapping debt			570,379
Horry County direct debt (2)	63,008	100.00%	63,008
Total direct and overlapping debt		100.00%	\$ 633,387

Notes:

- (1) Overlapping Debt is computed by determining the percentage of property for each governing body that lies within Horry County, then multiplying that percentage to the total debt outstanding of each entity.
- (2) Horry County direct debt outstanding includes all general obligation long-term bonds as noted below:
- (a) Fire District G.O. Bonds have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection, added beginning in FY 2013)
 - (b) Special Purpose/Tax District G.O. Bonds have their own designated millage (Special Purpose Districts, added beginning in FY 2013)
 - (c) All general obligation long-term bonds (excluding items a and b above)
 - (d) Capitalized Leases (added beginning in FY 2012)
 - (e) Debt Outstanding includes the unamortized premiums (beginning in FY 2012)

Amounts
\$ 4,685
1,565
45,966
9,799
993
Total Horry County Direct Debt \$ 63,008

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 161,340	\$ 163,165	\$ 164,423	\$ 165,155	\$ 167,604	\$ 173,555	\$ 182,646	\$ 169,590	\$ 176,936	\$ 183,154
Total net debt applicable to limit	122,175	114,797	104,999	95,845	87,853	82,275	74,185	65,842	56,237	45,966
Legal debt margin	<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>	<u>\$ 120,699</u>	<u>\$ 137,188</u>
Total net debt applicable to the limit as a percentage of debt limit	75.73%	70.36%	63.86%	58.03%	52.42%	47.41%	40.62%	38.82%	31.78%	25.10%

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed value	\$ 2,278,847
Plus: Assessed value - Merchant's inventory	10,572
Total assessed value	<u>\$ 2,289,419</u>
Debt limit (8% of total assessed value)	183,154
Debt application to limit:	
General obligation bonds (1a) (1b)	45,966
Legal debt margin	<u>\$ 137,188</u>

Notes:

- (1) 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	AVAILABLE REVENUE	NET		ASSESSMENT			HOSPITALITY FEE 1%			
				DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	COLLECTIONS (1) (4)	PRINCIPAL	INTEREST	COVERAGE		
2010 (2)	\$ 16,678	\$ 9,316	\$ 7,362	\$ 575	\$ 551	\$	6.54	\$ 5,477	\$ 1,202	\$ 318	3.60	
2011 (2)	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	1,215	2,755		1.29	6,977	191	48	29.19	
2016	23,346	17,685	5,661	1,270	2,700		1.43	7,290	199	38	30.76	
2017	26,490	19,131	7,359	1,320	2,647		1.86	7,626	210	28	32.04	
2018	31,882	23,247	8,635	1,370	2,604		2.17	7,869	221	17	33.06	
2019	34,528	25,378	9,150	1,415	2,531		2.32	7,977	231	6	33.66	

Notes:

- (1) Does not include interest, fund balance usage or transfers in.
- (2) 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.
- (3) Hospitality Fee Special Obligations Refunding Bonds, Series 2009 were fully amortized in FY2014.
- (4) Supporting schedule is attached

Source: Horry County Department of Airports and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY FEES COLLECTED (PLEDGED REVENUE)
LAST TEN FISCAL YEARS**

AMOUNT COLLECTED (BY REVENUE TYPE AND YEAR)									
	FOOD AND BEVERAGE		ACCOMMO- DATIONS		ADMISSIONS		TOTAL		
YEAR	SALES		DATIONS		ADMISSIONS		TOTAL		
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	4,132,087		2,428,310		720,435		7,280,832		
2017	4,381,295		2,517,352		727,555		7,626,202		
2018	4,579,933		2,542,344		747,022		7,869,299		
2019	4,714,247		2,511,743		750,985		7,976,975		

AMOUNT COLLECTED (BY MONTH AND YEAR)									
MONTH	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
July	\$ 1,169,091	\$ 1,144,359	\$ 1,143,039	\$ 1,108,955	\$ 1,048,404	\$ 985,038	\$ 955,275	\$ 955,598	\$ 958,975
August	907,239	887,910	827,716	844,871	871,787	826,709	684,783	720,899	698,052
September	590,716	692,321	736,540	706,315	599,513	574,377	591,767	504,896	499,516
October	556,726	549,633	453,098	465,121	479,206	434,471	404,677	423,102	395,982
November	439,833	423,598	421,354	374,974	360,434	326,990	313,625	308,316	311,328
December	419,685	403,956	418,325	378,790	341,751	333,666	299,958	286,391	261,015
January	377,762	323,491	331,905	318,345	293,480	269,513	251,675	240,108	240,241
February	396,198	396,045	372,770	352,143	335,571	307,125	285,636	278,637	249,628
March	599,423	587,687	536,419	568,190	485,630	456,963	458,199	433,268	347,140
April	705,072	684,139	705,706	578,077	591,915	573,483	511,823	542,321	526,507
May	736,815	691,693	663,000	631,869	614,746	586,581	549,655	517,418	487,804
June	1,078,415	1,084,467	1,016,330	953,182	954,963	894,504	831,630	824,602	758,740
	<u>\$ 7,976,975</u>	<u>\$ 7,869,299</u>	<u>\$ 7,626,202</u>	<u>\$ 7,280,832</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>

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
STATE APPROPRIATIONS
SUBJECT TO WITHHOLDING UNDER ARTICLE X SECTION 14**

YEAR	AMOUNT RECEIVED
2010	\$ 9,298,966
2011	\$ 8,171,893
2012	\$ 8,719,185
2013	\$10,173,480
2014	\$10,173,470
2015	\$10,174,161
2016	\$10,174,161
2017	\$10,466,931
2018	\$10,688,118
2019	\$10,659,027
2020	\$11,198,241

Source: Horry County Finance Department

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

YEAR	COUNTY POPULATION (5B) (3A & B)	PERSONAL INCOME (AMOUNTS EXPRESSED IN THOUSANDS) (2A) (3 A & B)	PER CAPITA PERSONAL INCOME (3 A & B)	SCHOOL ENROLLMENT (1A) (4B) (7B)	LABOR FORCE (4A)(6B)	EMPLOYMENT (4A) (6B)	COUNTY % UNEMP. (4A)(6B)	STATE % UNEMP. (4A) (6B)
2010	270,438	\$ 7,860,979	\$ 29,068	37,421	137,908	122,691	11.0	11.2
2011	275,695	8,246,323	29,911	38,206	140,863	125,494	10.9	11.1
2012	281,567	8,605,885	30,564	38,665	140,676	127,054	9.7	9.8
2013	289,055	9,048,471	31,304	39,419	141,602	129,817	8.3	8.3
2014	297,963	9,751,748	32,728	40,341	142,110	132,726	6.6	6.6
2015	309,205	10,605,009	34,298	41,490	144,950	135,390	6.6	6.3
2016	321,440	11,185,785	34,799	42,465	147,734	139,586	5.5	5.4
2017	333,268	11,837,728	35,520	43,188	152,070	145,047	4.6	4.4
2018	344,147	12,716,232	36,950	44,060	154,325	148,170	4.0	3.7
2019	355,366 (5A)	not available	not available	44,184	160,182	154,041	3.8	3.6

Notes (A):

- (1) Enrollment is as of the 45th day of school in the fall of 2018.
- (2) Per Capita Personal Income = Personal Income / County Population.
- (3) County Population, Personal Income and Per Capita Personal Income have been revised to incorporate updated information. (revised)
- (4) Labor Force, Employment, and County Unemployment and State Unemployment Rates have been revised to incorporate updated information.
- (5) Estimated 3.26% growth rate for 2019

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)	2019 (1)			2010 (4)		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District (6)	5,899	1	3.68%	4,870	1	3.53%
Wal-Mart (6)	2,484	2	1.55%	2,061	2	1.49%
Horry County Government (5)	2,158	3	1.35%	1,913	3	1.39%
Coastal Carolina University (6)	1,481	4	0.92%	1,057	6	0.77%
Grand Strand Regional Medical Center (6)	1,246	5	0.78%	1,200	4	0.87%
Conway Medical Center (6)	1,170	6	0.73%	1,150	5	0.83%
City of Myrtle Beach (6)	1,051	7	0.66%	902	8	0.65%
McLeod Health (Loris & Seacoast) (6) (7)	974	8	0.61%	900	9	0.65%
Food Lion (6)	935	9	0.58%			
Kingston Resorts (6)	688	10	0.43%			
Myrtle Beach National				980	7	0.71%
Blue Cross Blue Shield				827	10	0.60%
Totals	18,086		11.29%	15,860		11.50%

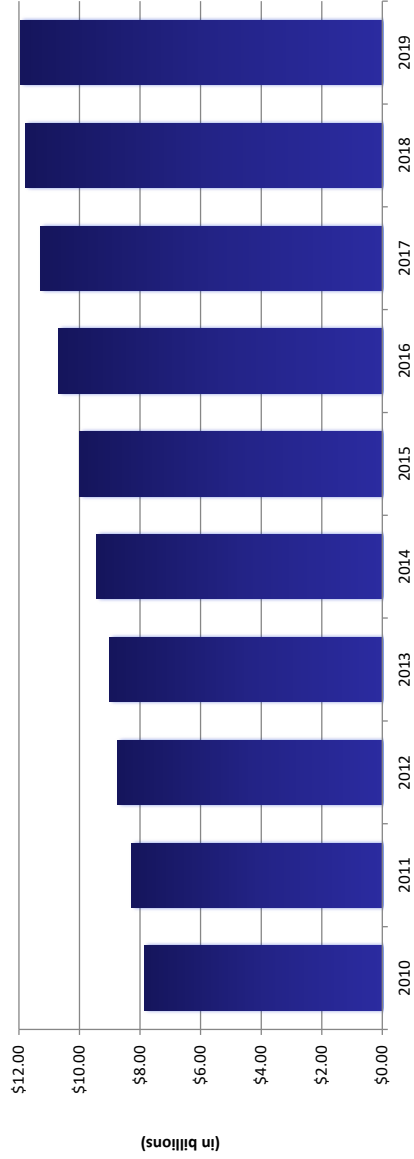
Notes (A):

- (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) 2010 Horry County Comprehensive Annual Financial Report
- (5) Horry County Finance Department
- (6) Employer Human Resources Department
- (7) Employer Website: In 2011, Loris Community Hospital entered into a partnership with McLeod Health.

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



YEAR	GROSS SALES	PERCENTAGE CHANGE
2010	\$ 7,858,031,821	(4.3)
2011	8,291,304,481	5.5
2012	8,751,960,729	5.6
2013	9,011,131,130	3.0
2014	9,430,513,440	4.7
2015	9,999,531,153	6.0
2016	10,685,625,039	6.9
2017	11,297,018,127	5.7
2018	11,794,717,963	4.4
2019	11,957,865,054	1.4

Sources:
S. C. Statistical Abstract
S. C. Department of Revenue

HORRY COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30, 2019

<u>Functions and Programs</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (2)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Governmental Activities:</u>										
<u>General government</u>										
<u>Public safety</u>										
Police	341	340	307	309	362	367	284	287	297	305
Fire	261	262	226	236	248	238	242	254	241	251
EMS	151	151	150	147	177	184	173	165	171	186
Sheriff & Detention Center	185	182	179	179	179	167	158	150	174	174
Courts	320	347	346	348	346	343	362	374	372	364
Other	203	201	205	211	215	211	211	231 (3)	232	231
<u>Health and social services</u>	100	110	143	155	113	113	109	113	108	113
<u>Infrastructure and regulation</u>	3	5	6	6	7	7	7	6	7	7
Public Works	79	81	79	84	83	85	83	84	66	76
Code Enforcement	44	42	41	39	39	38	43	43	44	48
Fleet	15	14	16	17	17	16	20	20	20	19
Other	68	62	61	59	64	67	148	150	153	152
<u>Culture, recreation and tourism</u>										
Libraries	62	60	65	79	69	67	59	58	60	60
Parks	55	57	62	62	68 (3)	67 (3)	60	63	65	57
Other	4	4	5	5	8	10	8	8	8	8
<u>Economic development</u>										
CDBG	3	3	3	3	3	3	3	3	5	6
Myrtle Beach Reg. Economic Dev. (4)	-	-	-	-	-	-	2	3	4	3
<u>Business-type Activities:</u>										
<u>Airports</u>	105	104	109	130	140	137	133	140	141	141
Total Primary Government	<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>2,152</u>	<u>2,168</u>	<u>2,201</u>

Source: Horry County Human Resources Department

- (1) Regular Part-time employees are defined as working 20 hours or less than 6 months and are calculated at 0.5 of Full-time employee.
(2) 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.
(3) An error in calculation method was discovered. This total has been restated to reflect this recalculation.
(4) Myrtle Beach Regional Economic Development was added in 2016.

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

For the Fiscal Year Ended June 30,										
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General government										
Information Technology/GIS:										
# of GIS Parcels Maintained	232,551	233,563	234,576	236,046	238,132	240,510	243,318	246,647	250,929	254,168
# of Servers Maintained (2) (4)	103	100	75	55	78	72	75	115	226	286
Register of Deeds:										
Total Documents Filed	130,657	128,533	142,085	153,410	153,019	163,657	158,370	153,432	151,273	143,239
Assessor:										
Assessments of Building Permits	10,228	9,835	8,506	7,269	4,997	4,073	6,034	7,573	8,592	10,136
Special Assessments	10,346	10,566	10,255	8,143	9,169	10,008	13,264	12,345	13,730	13,350
Real Property Parcels	241,974	244,624	248,050	246,240	246,960	247,948	250,597	253,315	262,740	266,715
Human Resources:										
# of Applications Taken	4,777	12,209	14,701	15,170	21,164	18,080	19,826	16,691	15,445	12,505
Public safety										
Police:										
# of Calls for Service	129,909	130,532	129,109	120,796	120,771	123,458	119,816	122,645	121,979	117,504
# of Index Crimes	10,045	9,539	9,174	9,559	9,086	9,207	9,431	8,855	7,454	10,311
Index Crime Clearance Rate	19.50%	19.75%	18.15%	23.98%	24.51%	17.81%	15.76%	22.92%	27.97%	17.58%
# of Call Responsive Officers Per Shift	20	16	18	23	25	21	25	25	25	21
Fire:										
# of Calls for Service	42,612	40,631	46,468	48,454	52,278	52,501	57,791	59,315	62,462	62,355
# of Structure Fires	651	581	586	436	540	287	542	508	577	563
# of Ambulance Transports	20,982	23,600	23,831	23,967	24,805	26,922	28,909	29,797	30,432	29,984
# of Career Fire Fighters Per Shift	97	93	93	96	107	107	107	107	107	106
Emergency 911:										
# of 911 Calls (3)	214,880	234,944	249,786	233,032	210,310	250,681	268,417	272,254	242,684	270,532
# of Radio Dispatches	187,323	189,471	224,520	223,386	223,241	234,841	235,399	235,087	238,803	243,140
# of Telecommunicators per shift	10	10	11	11	11	11	11	8	10	10
Sheriff's Office/Jail:										
# of Bookings	13,400	13,380	13,013	13,290	13,308	13,069	12,693	12,193	12,881	12,078
Average daily population	641	579	635	629	659	608	624	716	773	745
Infrastructure and regulation										
Code Enforcement:										
# Building Permits	7,397	7,258	7,250	8,082	8,997	10,217	11,149	11,935	12,493	12,988
Public Works:										
Miles of Dirt Road Scraped	748	701	682	667	647	639	617	600	578	551
Dirt Roads Paved	13.99	13.71	5.74	4.03	7.23	4.70	6.47	5.51	2.99	4.44
Signage Replaced/Installed	1,500	1,887	1,324	1,186	898	1,018	1,075	761	1,047	589
Miles of Ditches Cleaned	268	252	240	219	694	679	403	599	578	551

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

For the Fiscal Year Ended June 30,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Functions and Programs										
<u>Governmental Activities (Continued):</u>										
Engineering:										
Dirt Roads Paved	19,01	28,47	6,01	9,23	11,50	3,92	17,57	13,64	19,22	6,38
Fleet:										
# Vehicles Maintained	824	831	822	830	828	832	838	845	867	891
# Heavy Equipment Vehicles Maintained	229	266	272	310	311	320	325	330	334	343
# Vehicles Repaired or Work Orders	8,111	7,872	7,835	7,592	8,386	8,042	8,456	8,171	6,606	5,994
Culture, recreation and tourism										
Library:										
Circulation	1,095,571	1,182,823	939,393	973,605	1,013,753	1,040,622	1,045,682	980,413	1,028,881	1,071,981
Patron Traffic Count	749,652	716,092	656,379	785,768	733,530	726,015	702,067	596,470	625,657	592,912
New Patrons Registered	23,555	15,764	12,290	15,318	12,238	11,404	11,603	12,116	12,375	11,785
Parks & Recreation:										
# Programs	187	193	216	223	227	245	248	319	414	519
Baseball Stadium:										
Paid Tickets (1)	167,334	155,076	160,062	154,633	176,218	182,450	170,606	173,670	164,260	173,263
<u>Business-type Activities:</u>										
Airports										
Deplanements	772,733	901,080	818,477	777,998	863,393	886,345	942,948	1,029,014	1,207,696	1,283,736

Notes:

- (1) Fiscal Year is January through December. Revenue months are April through September.
- (2) The FY2012 reduction of the "# of Servers maintained" is a direct result of the use of virtual technology; which is the configuration of one physical server into multiple "virtual" servers. This reduction in the number of physical servers has resulted in improved efficiencies in heating and cooling, electricity, and a greater utilization of the actual physical servers themselves.
- (3) 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.
- (4) The FY2018 increase in the number of servers is due to the implementation of the new Disaster Recovery Center at ML Brown for redundancy should the Elm Street Data Center go down.

Source: Various County Departments

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

For the Fiscal Year Ended June 30,										
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General government										
Building Complexes (3)	4	4	4	4	4	4	4	4	5	5
Public safety										
Police(2):										
Patrol units	320	299	279	285	229	194	207	211	252	185
Sheriff/Detention Center(1):										
Transport Vehicles	-	102	97	106	107	110	111	116	126	135
Fire/Rescue:										
Stations	39	39	39	35	39	39	39	39	39	39
Trucks(Fire/Pumpers)	67	68	68	66	66	66	66	72	64	64
Ambulances	36	28	29	29	28	28	28	28	28	32
Health and social services										
Health Departments (bldg)	3	3	3	3	3	3	3	3	3	3
Social Services (bldg)	1	1	1	1	1	1	1	1	1	1
Infrastructure and regulation										
Highways and streets:										
Roads (miles)	1426	1431	1429	1436	1440	1442	1456	1462	1478	1479
Heavy equipment:										
Motorgraders	24	21	15	17	16	14	14	14	11	11
Dump trucks	17	26	23	19	20	20	20	23	23	23
Other	173	155	109	148	152	157	163	167	172	183
Culture, recreation and tourism										
Museums	2	2	2	2	2	2	2	2	2	2
Libraries	9	9	9	10	10	10	10	10	10	10
Bookmobile	1	1	1	1	1	1	1	1	1	1

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

For the Fiscal Year Ended June 30,

Functions and Programs	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Parks:										
Parks	35	35	35	35	35	35	35	34	34	34
Tennis Courts	7	13	13	13	13	13	17	14	14	14
Ball Fields	34	35	38	38	38	38	38	39	39	39
Soccer Fields	20	22	21	21	21	21	21	30	30	31
Recreation Centers/Headquarters	4	4	6	6	6	6	6	6	6	6
Conservation/Natural resources										
Off Site Facilities:										
Boat Landings	27	27	27	28	28	28	28	29	29	29
Watersheds	6	6	6	6	6	6	6	6	6	6
<u>Business-type Activities:</u>										
Airports										
Locations	4	4	4	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4	4	4	4
Industrial parks										
Locations	4	4	4	4	4	4	4	4	4	5
Baseball stadium										
Baseball field (30% ownership)	1	1	1	1	1	1	1	1	1	1

Notes:

- (1) Added the Sheriff department vehicle count starting in FY 2011.
- (2) As of FY 2014 count is police patrol units only.
- (3) Includes Horry County Wellness Center building purchase in July 2017.

Source: Horry County Finance Department

COMPLIANCE

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

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	3-45-0020-020-2017	20.106	\$ 989	-
Airport Improvement Program	3-45-0044-020-2015	20.106	52,822	-
Airport Improvement Program	3-45-0044-021-2017	20.106	12,489	-
Airport Improvement Program	3-45-0044-022-2018	20.106	6,471,426	-
Airport Improvement Program	3-45-0065-056-2017	20.106	437,644	-
Airport Improvement Program	3-45-0065-058-2018	20.106	380,780	-
Airport Improvement Program	3-45-0065-059-2018	20.106	8,081,041	-
			<u>15,437,191</u>	<u>\$ -</u>
Passed through the Federal Railroad Administration				
National Infrastructure Investments - FY 2016 TIGER	FB-TII-0042-17	20.933	<u>4,294,469</u>	<u>-</u>
Passed through the SC Department of Transportation				
Highway Planning and Construction	Not Available	20.205	<u>2,075</u>	<u>-</u>
Total U S Department of Transportation			<u>19,733,735</u>	<u>-</u>
U S DEPARTMENT OF AGRICULTURE				
Direct Assistance				
Rural Housing Preservation Grants	1H18949	10.433	<u>64,446</u>	<u>-</u>
Total U S Department of Agriculture			<u>64,446</u>	<u>-</u>
National Endowment for the Humanities				
Passed through the SC State Library				
Grants to States	IID-18-122	45.310	<u>1,000</u>	<u>-</u>
Total National Endowment for the Humanities			<u>1,000</u>	<u>-</u>
U S DEPARTMENT OF HOMELAND SECURITY				
Direct Assistance				
Transportation Security Administration (TSA)				
Law Enforcement Officer Reimbursement Agreement Program	HSTS02-16-H-5LR762	97.090	<u>137,630</u>	<u>-</u>
Passed through the SC Emergency Preparedness Division of the Office of the Adjutant General Civil				
Homeland Security Grant Program	17SHSP33	97.067	24,168	-
Homeland Security Grant Program	18SHSP12	97.067	39,717	-
Homeland Security Grant Program	17SHSP06	97.067	17,488	-
Homeland Security Grant Program	18SHSP06	97.067	40,743	-
Homeland Security Grant Program	18SHSP33	97.067	28,616	-
Homeland Security Grant Program	17SHSP33	97.067	54,978	-
			<u>205,710</u>	<u>-</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	EMW-2013-FF-00066	97.083	<u>351,473</u>	<u>-</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	PA-04-SC-4394	97.036	589,247	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	HM-4346-0030	97.036	533	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	PA-04-SC-4241	97.036	2,826	-
			<u>592,606</u>	<u>-</u>
Emergency Management Performance Grants	17EMPG01	97.042	25,723	-
Emergency Management Performance Grants	18EMPG01	97.042	76,844	-
			<u>102,567</u>	<u>-</u>
Total U S Department of Homeland Security			<u>1,389,986</u>	<u>-</u>

(Continued)

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

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 HEALTH AND HUMAN SERVICES				
Passed through the SC Department of Social Services				
Office of Child Support Enforcement:				
Child Support Enforcement	C15026C	93.563	27,654	-
Child Support Enforcement	C15026C	93.563	12,542	-
Child Support Enforcement	C15026C	93.563	26,840	-
Child Support Enforcement	C15026C	93.563	525,512	-
			<u>592,548</u>	<u>-</u>
Total U S Department of Health and Human Services			<u>592,548</u>	<u>-</u>
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Assistance				
Community Development Block Grants/Entitlement Grants	B13-UC-45-0006	14.218	41,000	41,000
Community Development Block Grants/Entitlement Grants	B14-UC-45-0006	14.218	185,679	41,145
Community Development Block Grants/Entitlement Grants	B15-UC-45-0006	14.218	317,720	284,436
Community Development Block Grants/Entitlement Grants	B16-UC-45-0006	14.218	420,955	419,730
Community Development Block Grants/Entitlement Grants	B17-UC-45-0006	14.218	945,641	737,186
Community Development Block Grants/Entitlement Grants	B18-UC-45-0006	14.218	909,033	-
			<u>2,820,028</u>	<u>1,523,497</u>
Emergency Solutions Grant Program	E17-UC-45-0006	14.231	11,825	11,030
Emergency Solutions Grant Program	E18-UC-45-0006	14.231	156,563	154,303
			<u>168,388</u>	<u>165,333</u>
HOME Investments Partnerships Program	M-16-DC-45-0214	14.239	13,528	-
HOME Investments Partnerships Program	M-18-DC-45-0214	14.239	82,142	17,478
			<u>95,670</u>	<u>17,478</u>
Total U S Department of Housing and Urban Development			<u>3,084,086</u>	<u>1,706,308</u>
U S DEPARTMENT OF JUSTICE				
Direct Assistance				
Equitable Sharing Program	Not Available	16.922	321,204	-
Passed through Office of the Governor/Division of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	1G17010	16.738	168,526	-
Edward Byrne Memorial Justice Assistance Grant Program	1G15042	16.738	38,621	-
Edward Byrne Memorial Justice Assistance Grant Program	2018-DJ-BX-0557	16.738	71,596	-
Edward Byrne Memorial Justice Assistance Grant Program	2017-DJ-BX-0540	16.738	30,040	-
Edward Byrne Memorial Justice Assistance Grant Program	2017-DJ-BX-0540	16.738	28,593	-
Edward Byrne Memorial Justice Assistance Grant Program	2016-DJ-BX-0657	16.738	226	-
Edward Byrne Memorial Justice Assistance Grant Program	2016-DJ-BX-0657	16.738	626	-
Edward Byrne Memorial Justice Assistance Grant Program	2015-DJ-BX-0453	16.738	5,508	-
Edward Byrne Memorial Justice Assistance Grant Program	2015-DJ-BX-0453	16.738	6,143	-
			<u>349,879</u>	<u>-</u>
State Criminal Alien Assistance Program	2016-AP-BX-0658	16.606	13,824	-
Crime Victim Assistance	1V18054	16.575	317,330	-
Crime Victim Assistance	1V17015	16.575	94,703	-
Crime Victim Assistance	1V18063	16.575	47,971	-
Crime Victim Assistance	1V18062	16.575	113,453	-
Crime Victim Assistance	1V18064	16.575	174,560	-
Crime Victim Assistance	1V17023	16.575	9,539	-
Crime Victim Assistance	1V17022	16.575	39,825	-
			<u>797,381</u>	<u>-</u>

(Continued)

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Federal Grantor/Pass through Grantor/Program Title	Pass-through Grantor's Award Number	CFDA Number	Expenditures	Federal Awards passed through to subrecipients
Passed through Office of the Governor				
Juvenile Justice and Delinquency Prevention	1J16003	16.540	7,798	-
Juvenile Justice and Delinquency Prevention	1J17002-1J15007	16.540	44,228	-
			52,026	-
Violence Against Women Formula Grants	1K18003	16.588	56,522	-
Violence Against Women Formula Grants	1K17003	16.588	19,730	-
			76,252	-
Total U S Department of Justice			1,610,566	-
Total Expenditures of Federal Awards			\$ 26,476,367	\$ 1,706,308

See notes to the Schedule of Expenditures of Federal Awards

Horry County, South Carolina

Notes to the Schedule of Expenditures of Federal Awards For the year ended June 30, 2019

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, 2019. 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, 2018 through June 30, 2019, 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, 2019, FEMA approved approximately \$592,000 of eligible expenditures some of which were incurred in a prior year and are included in the Schedule.



**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County (the "County") as of and for the year ended June 30, 2019, 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 3, 2019. Our report includes a reference to other auditors who audited the financial statements of the Solicitor's Intervention Programs (blended component unit), Shoreline Behavioral Health Services and the Horry County Solid Waste Authority (both discretely presented component units) as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*, accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Solicitor Intervention Program.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Charleston, South Carolina
December 3, 2019



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited Horry County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the accompanying Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, discretely presented component units which received \$2,591,177 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, 2019. Our audit, described below, did not include the operations of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority because the discretely presented component units engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the consideration of the other auditors of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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 3, 2019

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2019

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 ☒ no
- Significant deficiency identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ☐ yes ☒ no
- Significant deficiency identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
20.106	Airport Improvement Program
20.933	National Infrastructure Investments
16.575	Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B Programs \$794,291

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2019

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, 2019

None noted.