



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

HORRY COUNTY, SOUTH CAROLINA

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FINANCIAL REPORT**

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PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

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HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA



HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
DECEMBER 12, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Horry (the "County") for the fiscal year ended June 30, 2016. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

The County financial statements have been audited by Elliott Davis Decosimo, LLC. The independent auditors' report is presented as the first component of the Financial Section of the CAFR. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2016, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the Management's Discussion and Analysis and should be read in conjunction with it. The County's Management Discussion and Analysis can be found immediately following the report of the independent auditors.

Profile of the Government

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

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

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

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

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

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

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

Factors Affecting Financial Condition

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

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

Local Economy

Most of the County's sixty (60) miles of beaches stretching from Little River to Pawley's Island have been developed residentially or commercially while at least 32 percent of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand". The County leads the state's tourism

industry with 31.3 percent of the total domestic traveler spending. Forty percent of the state's second homes are also located within the County.

The Grand Strand is a major U.S. tourist center. According to an Economic Impact of Travel report produced by the U.S. Travel Association (2015), Horry County led all counties in South Carolina, in travel expenditures in 2015. Domestic travel expenditures in Horry County reached \$3.9 billion, accounting for 31.3 percent of the state total travel expenditures of \$12.5 billion; up 3.2 percent from 2014. These expenditures supported \$733.0 million in payroll income and 40,200 jobs. The County leads all counties, of the State, in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism.



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

The Grand Strand area continues to receive numerous accolades from regional and national media and publications. *Tipspoke.com*, A Google Consumer Survey, named Myrtle Beach the best beach in the U.S., thanks to its warm tropical climate, water and adventure sports, thrilling attractions, family fun, and affordable accommodations. By editorial decision, the Myrtle Beach area was named no. 2 on *Travel Channel's* annual ranking of the Best Beaches in America. The editors called the area the "East Coast's ultimate vacation hub" for its "silky white sand" beaches, amusement and water parks, live entertainment, restaurants, fishing, sailing, surfing and more. Myrtle Beach, South Carolina, was named favorite beach town in the U.S. by *Travel & Leisure* for its oceanfront Boardwalk & Promenade, incredible culinary scene and kid-friendly amusements. A ranking of the best family vacations in the U.S. by *U.S. News & World Report* listed Myrtle Beach, South Carolina, as no. 9 for its accessibility and affordability. Myrtle Beach was named the no. 2 best beach city in the U.S. for group trips by *Hotelpalanner.com*, due to the high volume of group travelers to the area annually. Myrtle Beach, South Carolina, was selected as a best beach on the East Coast of the United States by *USA Today*. *Family Vacation Critic* listed Myrtle Beach as one of its "10 Best Beaches for Families in 2014".

TripAdvisor.com, the world's largest travel site, released the results of its annual summer travel survey, which showed Myrtle Beach as the most popular travel destination of 2014 – the second year in a row for the destination. *Priceline.com* ranked Myrtle Beach as No. 3 in their "Top 10 Summer Beach Destinations" (2014). Chosen by millions of travelers, Myrtle Beach was again ranked one of the top 25 cities from the Travelers' Choice U.S. list, by *TripAdvisor.Com* (2014).

Stadium Journey Magazine ranked TicketReturn.com Field at Pelicans Ballpark 19th on its annual list of the 101 best stadium experiences in sports in 2013. The list ranked the Myrtle Beach Pelicans home ballpark among, and ahead of, some of the most famous venues in all of sports such as Wrigley Field and the Cowboys Stadium. The list also ranked the Pelicans as the third-best stadium experience in Minor League Baseball, and the best in the state of South Carolina.

An article in *USA Today* magazine (April 2014) named Myrtle Beach as #1 in their "10 Best Golf Destinations", as decided by their readers. A number of specific golf courses, hotels and attractions have been cited for superlative ratings by magazines and agencies including *Travel and Leisure* magazine, *Travelocity*, *Restaurant Business Magazine* and *EscapeHomes.com*. The area is home to 101 golf courses and more than 50 are rated 4 stars or better by *Golf Digest*. *Golf Digest* also named five Myrtle Beach area golf courses in their "Top 100 Greatest Public Courses" list.



The Myrtle Beach area contributes a large portion of the golf revenue within the state. While the quantity is certainly impressive, the quality is nothing short of awesome. Challenging layouts, stunning vistas and impeccably maintained fairways and greens are the hallmark of the courses that make up the world's most impressive collection of public courses. The Myrtle Beach golf community also hosts some of the game's most

popular amateur tournaments, including the Myrtle Beach World Amateur Handicap Championship, a 72-hole event that attracts between 3,000 to 5,000 players from across the globe, and the Palmetto High School Golf Championship, the nation's largest high school golf tournament. In addition, the area serves as the host of the Hootie & the Blowfish Monday After the Masters Celebrity Pro-Am, an event that has raised more than \$3 million for charity since coming to the Grand Strand. In 2013, approximately 3.2 million total rounds of golf were played across the Grand Strand (Rounds data reported via Grand Strand Tee Time Network on Myrtle Beach Golf Holiday member courses).

For its 50th Anniversary year (2004), *Sports Illustrated* decided to recognize cities across the nation for their contribution to sports. The evaluation and selection was performed by Sports Illustrated and the National Recreation and Park Association. Some of the selection criteria of the cities or towns vying for this honor included things such as the emphasis that is placed on tourism to the city's or town's most recent sports additions, the variety and quantity of sporting activities that are available, and the size of the staff to support the city's or town's programs and activities. The result of this was that Myrtle Beach was named a "Sportstown USA".

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

Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 17.9 million people visited the area in 2015. Based upon the Chamber's 2013 conversion study, 15 percent of the area's visitors came from North Carolina and 55 percent from New York, Pennsylvania, Ohio, Virginia and West Virginia. Georgia, Illinois, Tennessee, and Michigan round out the top ten states, outside of South Carolina, whose residents visit the area. In 2013, the Chamber received nearly 1,700 inquiries from foreign countries. About 97 percent of those came from Canada, with most of the remaining 3 percent coming from Germany, France and United Kingdom.

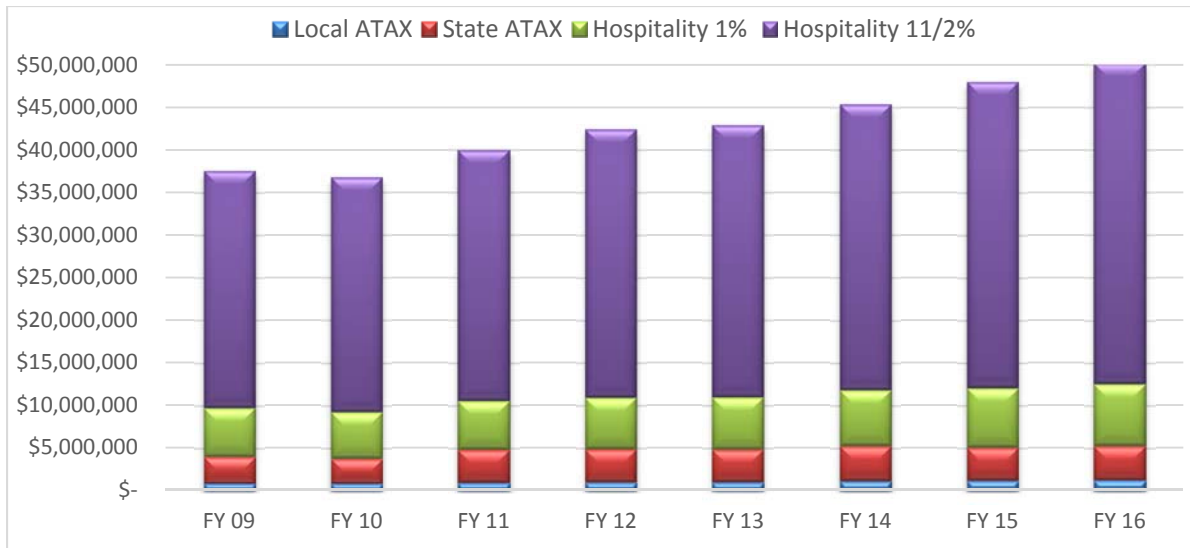
Traffic to the VisitMyrtleBeach.com website originated from all 50 states and 476 different countries. The top ten states for web traffic were: North Carolina, New York, South Carolina, Pennsylvania, Ohio, Georgia, Virginia, New Jersey, Florida, and Tennessee.

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

There are approximately 98,573 bedrooms available for rent along the Grand Strand including 58 percent in hotels/motels, 22 percent in vacation rentals, 11 percent in timeshares, and 9 percent campgrounds. Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the S.C. Department of Parks, Recreation, & Tourism was 52.0 percent in 2013 vs. 50.1 percent in 2012 and the annual average daily rate was \$100.05 in 2013 vs. \$93.89 in the prior year. Gross retail sales in the County were \$10.7 billion in 2016.

The following graph shows that the County's revenues which are heavily reliant upon the tourism industry have stabilized through these tough economic times and are returning to historic highs. The graph reports actual

revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for fiscal year 2009 – fiscal year 2016.



The following table shows the improving trends, since the economic slow-down in 2008, in retail sales for businesses located in the County for the years shown. 2016 represents yet another historical high for retail sales.

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

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

Sports Tourism

In the last several years, the Myrtle Beach area has seen a large increase in sports tourism. Many of the tournaments have been held outside the Myrtle Beach area due to a lack of adequate facilities. However, in an effort to meet the needs of this ever growing industry, a number of new facilities have been developed. FlipKey.com, a vacation rental marketplace with more than 240,000 rentals around the world, included the Myrtle Beach Mini Marathon on its list of Top Marathons & Races Worth Traveling For in 2014. The Grand Park Athletic Complex features seven large multipurpose fields and two youth fields. All have synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football. The complex also has a six-tunnel batting cage, plenty of free parking and three towers with restrooms and concessions. In 2013, the City of Myrtle Beach hosted 2,892 teams on its athletic fields. In all, those teams played 8,172 games during the calendar year.



The Myrtle Beach Sports Center is a 100,000 square-foot state-of-the-art indoor sports facility that just opened in March 2015. It is located in the heart of Myrtle Beach adjacent to the Myrtle Beach Convention Center. The facility includes eight high school basketball courts, four collegiate/NBA courts, 16 volleyball courts, a private mezzanine for elevated viewing, an indoor/outdoor cafe, retail area, an entertainment zone and a 1500-seat telescopic bleacher system.



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



Commercial and Residential Development

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

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

Adjacent to the 1.2 mile, \$6.5 million, Oceanfront Boardwalk opened in Myrtle Beach in 2010, developers have completed a 200-foot tall SkyWheel along with a Jimmy Buffet's LandShark Bar & Grill. These new attractions, opened in May 2011, are expected to reinvigorate the downtown Myrtle Beach area and create an additional 150 jobs.



WonderWorks, the upside-down science attraction, opened in April of 2011 at Broadway at the Beach. The attraction, one of only four in the country, has four floors of interactive exhibits as well as activities such as laser tag, indoor ropes course, and café and created more than 100 new jobs for the Grand Strand.

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

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

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

StarTech operates a new large call center in Carolina Forest. Additional restaurants and retail compliment the larger anchors of Tanger Factory Outlets, Gander Mountain, Kroger Shopping Center, and new Publix Grocery Store (under construction) within the Hwy 501 corridor within Carolina Forest.



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

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



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

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

Coastal Grand Mall on US 501 and US 17 Bypass opened in March 2004 and houses anchor stores such as Belk, Sears, Dillard's, JC Penney, Dick's Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 outparcels for free-standing businesses. Shopping opportunities continue to be bountiful by improvements to the Grand Strand – from the Tanger Outlet Stores on US 501 to the Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Myrtle Beach Mall (formerly known as Colonial Mall), Barefoot Landing and Broadway on the Beach continue to make enhancements to the shopping arena by adding specialty shops, the Pavilion Nostalgia Park, and increasing the number of new restaurants.

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

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

McLeod Health held a groundbreaking ceremony in Carolina Forest on Tuesday, an event that marks another expansion of the hospital system into Horry County. McLeod plans to construct a six-building medical

campus in the Carolina Forest Town Centre off International Drive near River Oaks Drive. The first two buildings are slated to be complete in about a year. The medical office complex will provide access to physicians and outpatient services. The first building will house a freestanding emergency center on the first floor and medical offices on the second floor. The second building will be home to physical therapy and rehabilitation services on the first floor and medical specialists on the second floor. The property includes 43 acres of land – an investment of \$4.78 million, according to McLeod. The first phase of the development is projected to be approximately \$20 million.

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

Property Assessed Value and Reassessment

General economic trends are improving and fiscal year 2016’s (tax year 2015) revenue for real property taxes increased due to a 7.2 mil increase in General Fund millage coupled with growth in assessed value. The reassessment process effective in fiscal year 2015 resulted in a total real property assessed value for the County that was slightly below the tax year 2013 assessed value. Because of previously untaxed values excluded in the reassessment formula, County Council elected to maintain existing millage rates in that year. Increases continue in revenue for Vehicles as population is increasing at a 3.5 percent annual rate and Fee in Lieu of Tax due to development within multi-county business park properties.

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

<u>Tax Year</u>	<u>Real</u>	<u>Personal</u>	<u>Total⁽¹⁾</u>
2007	\$1,466,803	\$302,173	\$1,768,976
2008	1,663,986	306,600	1,970,586
2009	1,703,167	303,012	2,006,179
2010	1,753,786	275,204	2,028,990
2011	1,766,946	277,772	2,044,718
2012	1,764,836	289,034	2,053,870
2013	1,780,231	304,251	2,084,482
2014	1,710,319	386,683	2,097,002
2015	1,746,474	357,046	2,103,520

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

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

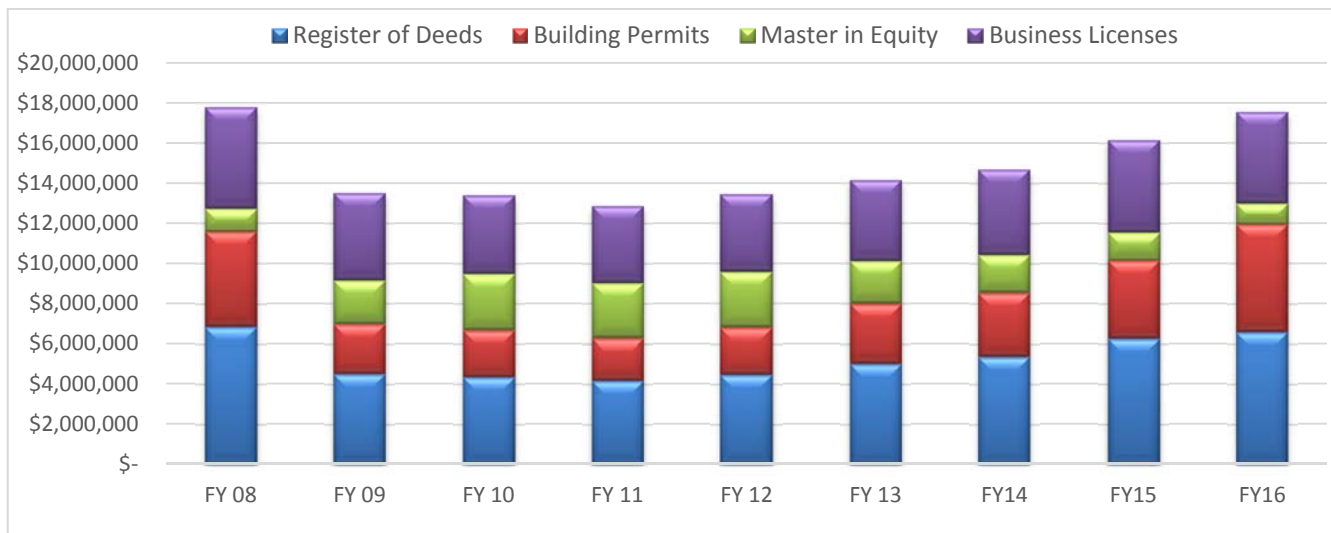
Building Permits Issued

Horry County experienced a decline in construction beginning in fiscal years 2006 and 2007. As the housing and construction markets continued to slow-down during fiscal year 2007, along with the impact of the challenges in the banking industry during fiscal year 2008, building permits issued dropped to a five year low of 6,679 in fiscal year 2009. The volume of permits and related revenue stabilized in fiscal years 2010, 2011, and 2012. The number of permits issued increased 9.1 percent for 2016 over 2015; in 2016 the values increased at a much greater pace than 2015 resulting in a 37.2 percent increase in revenues.

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Revenue</u>
2008	8,459	\$4,726,984
2009	6,679	2,460,389
2010	7,397	2,338,830
2011	7,258	2,106,250
2012	7,250	2,321,424
2013	8,082	3,046,517
2014	8,997	3,160,253
2015	10,217	3,895,283
2016	11,149	5,345,932

Economy Sensitive Revenues

Revenue sources that increased as the commercial and residential development flourished include business license fees, building permit fees, and ROD recording fees and documentary stamps. As the economy made a downward turn during fiscal year 2008, revenues from these sources began to decline, but revenues from the Master in Equity’s Office, who handles foreclosures, began to increase. Revenues from these economically sensitive areas appear to have stabilized and are now reflecting a moderate growth. Similar to fiscal year 2015 budget, the fiscal year 2016 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, 2016 of \$54.6 million (36.3 percent of the fiscal year 2017 General Fund expenditure budget) remains within the policy guidelines set by County Council for budgetary and planning purposes. County Council approved a plan during fiscal year 2016 to increase reserve requirements for its major operating governmental funds (General Fund, Fire Special Revenue Fund, Stormwater Special Revenue Fund, and Recreation Special Revenue Fund). This change to the fiscal policy increased and categorized the reserve from the prior stabilization reserve of 15 percent of the next year’s General Fund operating budget to a three (3) component reserve including eighteen (18) percent cash flow reserve, two (2) percent revenue stabilization, and five (5) percent disaster reserve for a total reserve goal of twenty-five (25) percent.

To address the ongoing capital needs for the growing county, County Council approved the development of a Capital Improvement Program Policy. This policy calls for the adoption of a formal five-year Capital Improvements Program to be updated annually. The policy calls for the County to budget as pay-as-you-go funding for capital improvements an amount equal to at least 3 percent of General Fund operating revenues.

Major Initiatives

Economic Development

Our strong commitment to building and diversifying our economy is evidenced by our support and funding of the Myrtle Beach Regional Economic Development Corporation. Similar to the past few years, there is continued expansions and job openings in 2016 resulting in a decline in the unemployment rate. According to the U. S. Bureau of Labor and Statistics, Horry County's unemployment rate was 5.6 percent at June 30, 2016 which is a decrease from June 2015 rate of 6.5 Horry County experienced employment growth of 4,015 jobs over the prior year, a 3.1 percent increase.

Wage growth in the Myrtle Beach MSA saw a 2.0 percent year-over-year increase which lagged slightly behind the national rate of 2.3 percent and the state which experienced a 2.6 percent wage increase.

According to the U.S. Census, the Myrtle Beach region is the nation's second fastest growing metropolitan statistical area (MSA) for the second year in a row. Myrtle Beach-Conway-North Myrtle Beach ranks in the Top 20 "Prime Workforce" Cities in 2016 by Area Development Magazine. Forbes ranked Myrtle Beach, S.C. #16 for The Best Places for Business And Careers in 2015.

Native Sons is one of the largest screen printing and embroidery companies on the east coast with local, regional and national clients including Abercrombie & Fitch. They are headquartered in Myrtle Beach and announced a 79 job expansion with a capital investment of \$2.6 million in 2012. The company currently operates out of a 56,000 square foot facility with approximately 150 employees, all Myrtle Beach locals.



BauschLinneman, a Surteco company, announced a corporate headquarters and manufacturing relocation into Horry County in 2012. They make laminated paper products and edge bandings with wood grain coatings for the furniture industry. The relocation resulted in 55 new jobs and a capital investment of almost \$8 million. This company projects \$31 million in annual economic impact for the Myrtle Beach area. In October 2013, the company held a grand opening for its new 75,000 square foot plant.



Frontier Communications announced a 90 job customer support center that included a \$1.5 million capital investment in 2012. Today, the company has 132 jobs filled.

Canfor Southern Pine, a forest products manufacturer headquartered in Horry County, announced a 56 job expansion with a \$4.0 million capital investment in 2012. Canfor Southern Pine was formerly known as New South until it was acquired by Canfor in 2006. Canfor installed a continuous kiln system to increase its lumber drying capacity at its Conway facility by 50 percent. The expansion was completed in July 2013.



On August 6, 2015 the Myrtle Beach Regional Economic Development Corporation, in partnership with the North Myrtle Beach Chamber of Commerce and the Little River Chamber of Commerce, celebrated a ribbon-cutting event for Laudisi Enterprises. In 2014, Laudisi Enterprises, a local manufacturer and distributor of specialty tobacco and pipes, announced plans to expand their company after operating in Horry County for over a decade. With the expansion to their new 30,000 square foot facility, the company created over 40 new jobs and invested \$255,000.



Accent Stainless Steel, a Canadian-based manufacturer of micro-brewing systems and other processing equipment, broke ground on their new 50,000 square foot facility located in the Loris Commerce Park in Horry County. This facility will be the first American headquarters for Accent Stainless Steel. The company's \$3.1 million investment will create 65 new, high-skilled



manufacturing jobs averaging \$22 per hour, which is approximately 65 percent higher than Horry County's current average wage.

B3C Fuel Solutions announced the expansion of its Conway based business. This expansion will create 36 jobs at the company's current facility and include a capital investment of \$305,000 over a three-year period.

Metglas, Inc. announced their second Conway facility expansion in five years. Metglas is one of the largest manufacturing companies in the area with more than 200 employees. They are one of the world's leading producers of Amorphous Metal Ribbon. The latest expansion of \$4 million includes insourcing a cutting operation for their raw materials process. The company also built a raw materials building to be able to handle and sort the materials in a faster more efficient manner.



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



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

Worksman Cycles, a New York-based manufacturer of bicycles and commercial industrial tricycles has announced their decision to expand their operations to Horry County. The \$2.5 million investment will create approximately 50 new jobs, paying an average of \$15 per hour.



The Myrtle Beach Regional Economic Development Corporation, in partnership with the North Myrtle Beach Chamber of Commerce, hosted a ribbon cutting ceremony for Little Spider Creations in 2015. The company held its official grand opening of their new 24,000 square foot facility in North Myrtle Beach.



Star Life Safety, a New York-based company specializing in the integration of all life safety systems across all vertical markets in hospitals and acute medical facilities, have announced their plans to open a new office in Myrtle Beach, South Carolina. Star Life Safety will hire 36 people for jobs ranging from engineers/low voltage technicians, office personnel, sales and installation support. These jobs will pay an average of \$20.00 per hour and offer employee health benefits.



Executive HeliJet, a local maintenance, repair and completion center for aircraft, today announced expansion plans in Horry County. The company will add 75 new, full-time jobs to their current operations, investing approximately \$1 million dollars in equipment and facility improvements over a five-year period. Executive HeliJet performs all aircraft maintenance and repair actions, including aircraft painting, interiors, avionics installations, engine and propeller overhaul services, phase and annual aircraft inspections, structural and sheet metal repair, as well as commercial airline maintenance and support. Additionally, the company operates a fleet of 25 aircraft, providing numerous flight services and pilot training.



Kingman Airline Services, an Arizona-based maintenance, repair and overhaul (MRO) company, today announced plans to establish operations in Horry County. The company will hire approximately 180 employees, and make a capital investment of \$2.5 million. Kingman Airline Services is a Federal Aviation Authority-approved Part 145 repair station, in addition to a large Aircraft storage and preservation facility, offering various levels of maintenance for Embraer, Bombardier CRJ, SAAB and Boeing Aircraft.



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



The County currently operates four (4) industrial parks (Atlantic Center, Cool Spring Business Park, Pineridge Business Center, and ITAP) and is in the planning stages for an additional park which are industry specific. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative’s contributions, through the Rural Development Act, to assist in the infrastructure development of two of these parks. Through these contributions, the County has funded the construction of a shell building within the County’s “Certified Park” known as Cool Spring Business Park. Another industrial park project being pursued in conjunction with Grand Strand Water and Sewer Authority is a Marine Park in Bucksport.

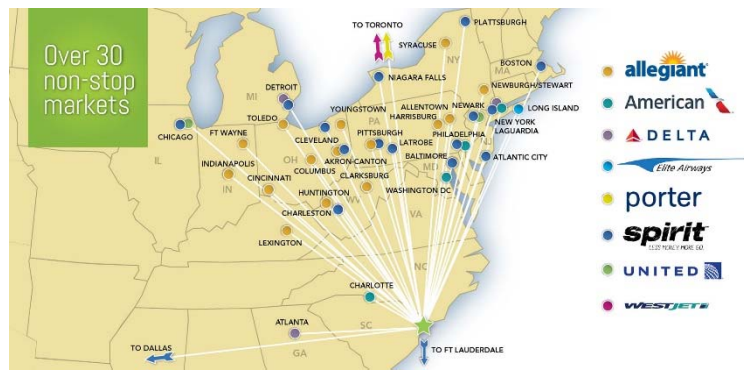
Airport

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

Enplanements, or the number of passengers boarding a plane, increased 5.8 percent in fiscal year 2016 when compared to fiscal year 2015, to 937,750 passengers. This increase of 51,405 passengers can be primarily attributable to both increased seat capacity to existing markets served as well as the introduction of new nonstop service to target markets on incumbent carriers. In fiscal year 2016, new nonstop service was added from Newburg-Stewart, NY (SWF), Toledo, OH (TOL), and Harrisburg, PA (MDT) to Myrtle Beach, SC (MYR). Elite Airways, a new airline for MYR, introduced service to Long Island, NY (ISP). In fiscal year 2016 Allegiant increased seat capacity 77 percent when compared to fiscal year 2015. Spirit Airlines continues to serve the largest number of passengers at MYR. In fiscal year 2016, the airline carried 53.0 percent of the Airport’s enplaned passengers. The average airline cost per enplaned passenger (CPE) at MYR was \$7.60 for the 2016 fiscal year compared to \$7.66 in fiscal year 2015. 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 \$9.02 and \$10.21, respectively. Rates and charges of Signatory airlines, which serve MYR, represented 30.3 percent in fiscal year 2016 and 28.7 percent in fiscal year 2015 of the total operating revenues for MYR. Of the Signatory airline carriers, Spirit Airlines represents 53.0 percent of airport traffic, American Airlines 18.7 percent, and Delta Air Lines 16.4 percent. Non-signatory airlines comprise 11.9 percent of MYR’s passenger traffic.



Air carrier customers at MYR include Signatory and Non-signatory air carriers. The County has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 3 passenger airlines. As of June 30, 2016, the Signatory airlines were: American Airlines, Spirit Airlines, and Delta Air Lines. The Non-signatory air carriers include Allegiant Air, Elite Airways, Porter Airlines, United Airlines and WestJet.



The Airport, under the Signatory Airline Agreement, established airlines rates and charges at MYR based on a compensatory rate making methodology. Amounts charged to the airlines for landing fees and terminal rents at MYR are based upon the amount necessary to cover operating and capital expenses allocable to the airfield and terminal building at MYR. The Signatory Airline Agreement requires the Airport to prepare a reconciliation to determine the actual airline rents and charges during the year.

In an effort to assist the airlines in expanding service at MYR and to further partner with the Grand Strand community's air service marketing efforts, Horry County Council authorized an enhanced airline incentive program for MYR starting in 2008, which has been revised from time to time, most recently in 2014.

The Airport and the local tourism community are aggressively working with the air carriers to bring additional service to the Grand Strand, as well as maintain current levels of service to our community. Each year, as part of the budget process, Horry County Council will review, and if necessary, will modify the program to provide maximum support of air service development as the budget will permit.

Non-air carrier customers and tenants include eleven car rental companies (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Sixt, Thrifty, and Fox), Republic Parking, MSE Branded Food Services, Airport Management Services, LLC (Hudson Group), Executive Helicopters, APA Leasing Inc., other concessionaires, and several federal government agencies including the Transportation Security Administration (TSA).

The County also owns and operates general aviation airports in North Myrtle Beach, Conway and Loris. Both the Grand Strand Airport located in North Myrtle Beach and the Conway-Horry County Airport located in Conway serve private and corporate aircraft with parking, refueling and maintenance. Currently, there are no services available on the Loris Airport. In February 2006, the South Carolina Department of Commerce, Division of Aeronautics released an economic impact study of the County's airports. That study estimates the direct and indirect economic impact of the four county airports is over \$776.3 million annually.

Road Improvement and Development Effort (RIDE)

The most aggressive road construction program in the history of the County, Road Improvement and Development Effort (RIDE), was approved by Governor Beasley in September 1996. The RIDE Project was the initiation of a comprehensive solution for transportation problems which pairs significant funding from the local level with funding provided by the State of South Carolina. The County enacted an ordinance in fall 1996 that implemented a 1.5 percent Hospitality Fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for the County to partner with the State of South Carolina to meet the infrastructure needs of the County.

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

detailed information about the technical aspects of the intergovernmental agreement is provided in Note 17 of the basic financial statements.

Pursuant to the Horry County Road Improvement and Development Effort Program (the “RIDE Program”), the County entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the “SIB”) to provide funding for various road construction projects in the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. The County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay loans #1 and #2. Loan #3 has been repaid from Admissions Tax revenue. The County is not obligated to make payments from any other source of funds and the County’s full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2016 is \$144.2 million. Future debt service payments for the RIDE project are expected to be \$157.1 million.

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

Road Projects (RIDE II)

On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law ended April 30, 2014. The County was slated to receive \$425.3 million over this seven-year period to fund the below listed projects. Actual collections exceeded anticipated amount by \$23.6 million.



Estimated Cost As presented in referendum	Prioritized Road Projects and status as of June 30, 2016
1. \$ 19,600,000	Pave 20 miles of County dirt roads – completed at a cost of approximately \$11.4 million.
2. \$ 945,000	Resurface 12 miles of County roads – completed at a cost of \$839,000.
3. \$ 49,500,000	Construct grade separated interchange at the intersection of U.S. Hwy 17 Bypass and SC Hwy. 707 at the back gate of the Myrtle Beach Air Base – 99 percent complete. Revised validated budget is \$123.4 million.
4. \$132,250,000	Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy 544 – Contract awarded to A.O. Hardee. The installation of the drainage system and borrow material continue throughout the project. Efforts are underway on the installation of the Mill Creek bridge foundations and the temporary bridge that will be used during traffic staging. Relocations of utilities are ongoing throughout the entire corridor. Revised validated budget is \$103.4 million.
5. \$ 25,750,000	Pave 25 miles of County dirt roads – completed at a cost of approximately \$10.5 million.
6. \$ 990,000	Resurface 12 miles of County roads – completed at a cost of approximately \$1.1 million.
7. \$ 46,000,000	Construct Aynor overpass – completed at a cost of approximately \$16.1 million.

8.	\$ 1,035,000	Resurface 12 miles of County roads – construction began in spring 2011 and is complete. Estimated total cost is approximately \$1.5 million.
9.	\$ 76,000,000	Widen Glenn's Bay Road to 3 lanes and construct a grade separated interchange at US Hwy. 17 Bypass –Contract awarded to Southern Asphalt. Installation of drainage structures is underway on US 17 Bypass and the Lakes access roads. The installation of earthquake drains continues for foundation of the interchange. Construction of the roadbeds for both the Lakes access roads are in progress. Utility relocations continue throughout the project corridor – revised validated budget is \$76.0 million.
10.	\$ 1,080,000	Resurface 12 miles of County roads – construction began in 2012 and is complete. Estimated total cost is \$1.4 million.
11.	\$27,750,000	Pave 25 miles of County dirt roads; construction began in 2012 and is currently 99 percent complete. Estimated total cost is \$22 million.
12.	\$ 1,125,000	Resurface 12 miles of County roads – 43 percent Complete. Estimated cost is \$1.8 million.
13.	\$ 6,500,000	Pave 2 lanes of International Drive from Carolina Forest to SC Hwy. 90 – design, permitting and right-of-way complete, construction underway. Estimated total cost is \$15.5 million.
14.	\$ 682,500	Resurface 7 miles of County roads – 18 percent complete. Estimated cost is \$1.0 million.
15.	\$36,100,000	Pave 30 miles of County dirt roads – under construction. Estimated cost is \$36.0 million.

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

As of June 30, 2016, the capital project sales tax fund had generated \$448.9 million in revenue. Spending totaled \$248.8 million through year end which results in \$200.1 million balance on hand at year end for use in construction on the above projects.

A recognized need for the County is direct Interstate Highway access. The National I-73 /I-74/I-75 Association is actively promoting the need of I-73 to enhance the economic success and quality of life to our region. Actual construction has begun on the initial phase of the connection of I-95 to our area. Environmental work is complete on both the northern and southern sections and the Federal Highway Administration has signed the Record of Decision for each. South Carolina Department of Transportation (the "SCDOT") has completed the right-of-way plans for the southern section, and right-of-ways acquisition is underway for the corridor from I-95 to US 501 (approximately 5 miles). TIGER (Transportation Investment Generating Economic Recovery) funds in the amount of \$10 million were received by SCDOT in February 2010 and these funds were used to let a project in August 2011 in Dillon County for a bridge replacement on Catfish Church Road (S-17-63) over I-95 and widening on US 501 and US 301 near Latta. SCDOT continues to coordinate with the US Army Corps of Engineers on permit review and approval of the entire I-73 corridor. There is currently no firm timetable for any additional work on the northern section. The total estimated cost of the entire segment in South Carolina is approximately \$2.4 billion.



Road Projects (RIDE III)

With both the success of the RIDE II program and the large continued infrastructure need, voters approved a ballot referendum for new one-cent Capital Projects Sales Tax in November 2016. The sales tax will go into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverage and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight

years or April 30, 2025. The eight year projection revenues from the 1% Sales Tax is \$592 million. The table below provides a list the referendum projects in priority order along with the estimated cost.

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

Capital Projects Completed and Projects under Construction

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

Additionally, the Fire/Rescue placed orders during fiscal year 2016 for the construction of eleven (11) replacement fire apparatus including eight (8) pumpers, one (1) heavy rescuer, one (1) ladder, and one (1) air truck at a cost of \$5.9 million. These will begin delivery in fiscal year 2017 and is the second phase of a program to rotate the County's Fire Apparatus fleet to maintain the standards set by the International Organization for Standards (ISO) that establishes and reviews the fire coverage ratings that have a direct and material impact on property insurance premiums. Coupled with the first phase in fiscal year 2016, apparatus replacements total 24 units. This equipment was primarily acquired through a lease purchase financing funded through a dedicated millage for the Special Fire District coverage areas.

Information Technology Projects

The County has completed the initial implementation of the Enterprise Resource Planning (ERP), Property Tax Billing, and Human Resources/Payroll systems. Expenditures in fiscal year 2016 were \$1.2 million. This implementation will span three (3) fiscal years and is current planned to complete by December 2017. Key milestones include core financials, time & attendance, and property tax billings in fiscal year 2015 with human resources and payroll in fiscal year 2016, and fleet management and business license/hospitality revenues in fiscal year 2017.

Funding

The County's Capital Improvement Plan focuses on on-going projects that are to be funded primarily with pay-as-you go funding, or grants. During 2016, the County completed lease purchase financing of \$5.5 million for the fire apparatus noted above. No additional General Obligation Bonds were issued with the exception of a current refinancing of General Obligation Bonds Series 2005A will save the County \$1.0 million in interest cost over the life the new bonds after funding the cost of issuance. The County approved two (2) additional debt issuances prior to this report date, a current refunding of the General Obligation Bonds Series 2009B (interest savings of \$1.4 million) and a Horry County Fire District General Obligation Bond for \$3.0 million for construction of the University and Aynor Fire Stations along with improvements at the Fire Training facility.

During fiscal year 2016, Council approved the transfer of \$16 million excess sales tax revenue from the capital projects sales tax program to fund the radio infrastructure implementation noted above. This allowed the County to avoid an equal amount of lease purchase financing debt.

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, 2015. This was the twenty-ninth (29) 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, 2015 for fiscal year ended June 30, 2016. This was the twenty-seventh (27) consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not be accomplished without the efficient and dedicated services of the staff of the entire Finance Department. A special acknowledgement goes to Ms. Pam Hill and Ms. Marla Bell, Financial Managers and Bruce Illsley, Financial Analyst along with Kevin Felt, Assistant Finance Director for their leadership in this effort. I appreciate the efforts of the staff of Elliott Davis Decosimo, LLC who provide technical guidance and assistance. I also express my gratitude to the many County employees from other departments who support the efforts of the Finance Department in the preparation of this report. Special appreciation goes to the Horry County Council; the County Administrator; the Assistant County Administrators, and the Budget Manager for their leadership and support in planning and conducting the financial operations of the County in a fiscally responsible and progressive manner.

Respectfully submitted,



Barry R. Spivey, CPA CGMA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Horry County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Horry County

County Council Districts



W. Paul Prince
District 9



Jody Prince
District 10



Mark Lazarus
Chairman



Al Allen
District 11



Harold Phillips
District 7



Johnny Vaught
District 8



Gary Loftus
District 4



Tyler Servant
District 5-Vice-Chair



Jimmy Washington
District 3



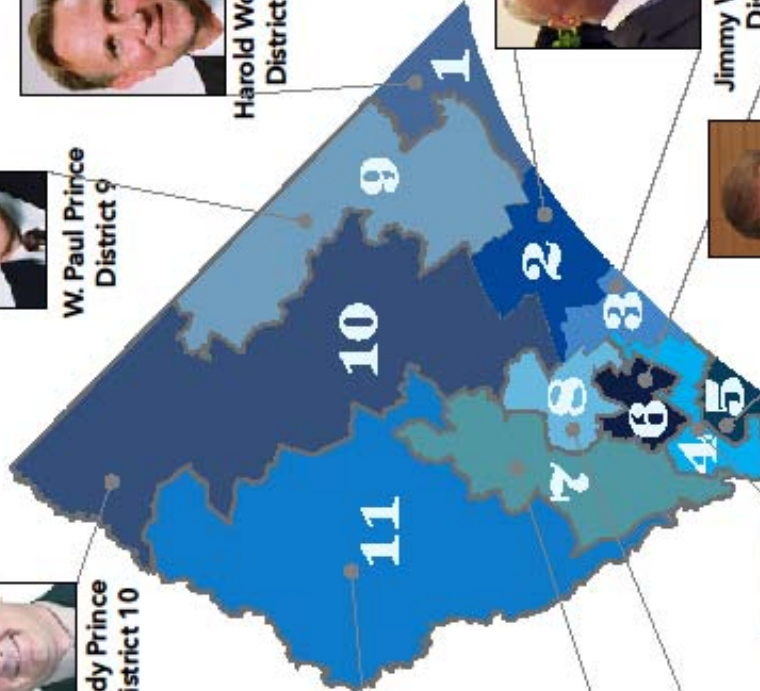
Bill Howard
District 2



Cam Crawford
District 6



Harold Worley
District 1



MEMBERS OF COUNTY COUNCIL

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

ELECTED OFFICIALS

M. Lois Eargle	Auditor
Melanie Huggins-Ward	Clerk of Court
Robert Edge, Jr.	Coroner
Kathy G. Ward	Judge of Probate
Phillip E. Thompson	Sheriff
Jimmy Richardson	Solicitor Fifteenth Circuit
Roddy Dickinson	Treasurer

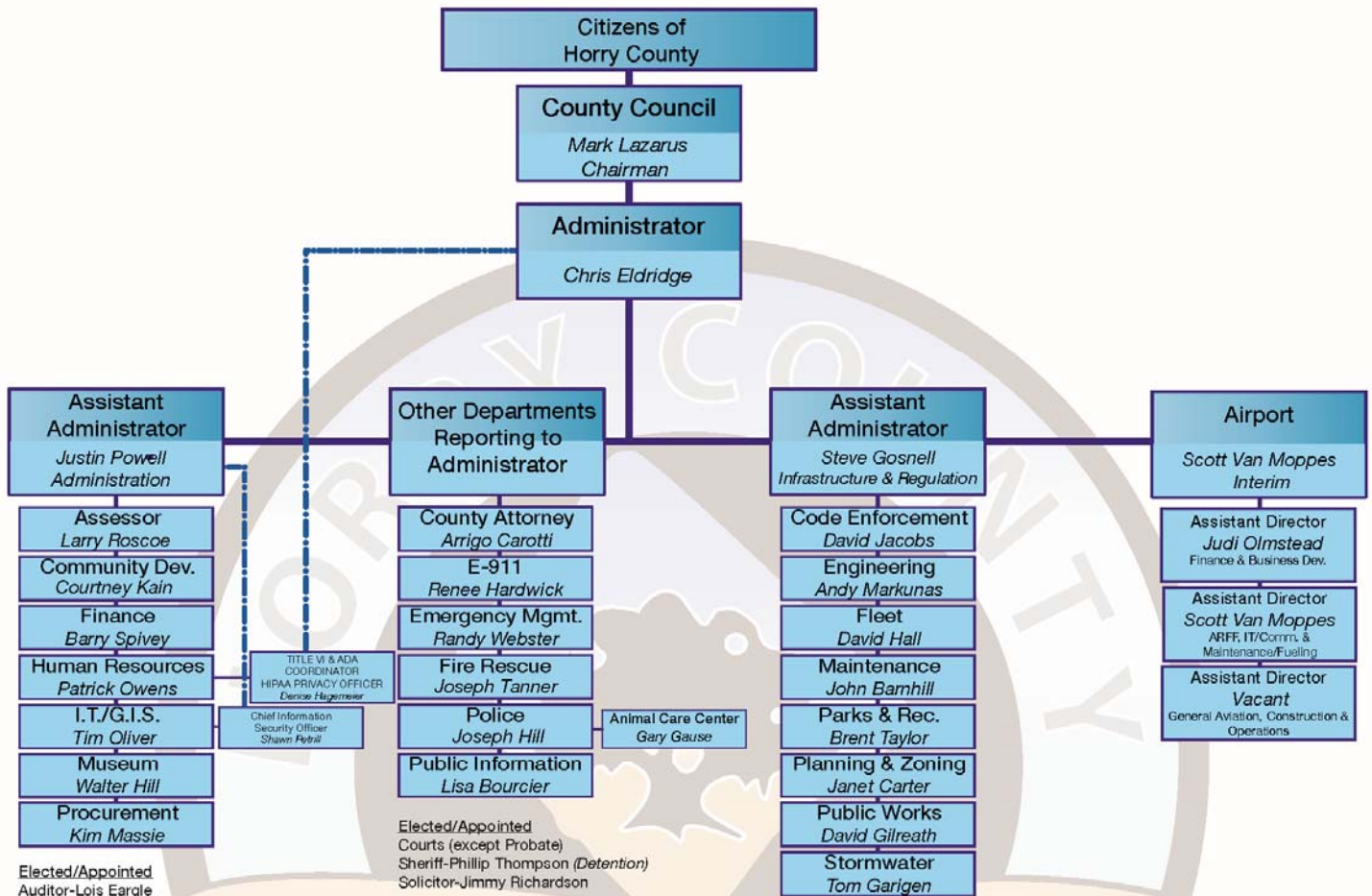
APPOINTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Chris Eldridge	County Administrator
Justin Powell	Assistant County Administrator - Administration
Steve Gosnell	Assistant County Administrator - Infrastructure and Regulation
Scott Van Moppes	Interim 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 11/21/2016



Elected/Appointed
 Auditor-Lois Eargle
 Clerk of Court-Melanie Huggins Ward
 Coroner-Robert Edge
 Delegation-Connie Turner
 Library-Clif Boyer
 Magistrates-Margie Livingston (Chief Mag.)
 Master-in-Equity-Cynthia Graham Howe
 Probate-Kathy Ward
 Public Defender-Orrie West
 Register of Deeds-Marion Foxworth
 Registration & Election-Sandy Martin
 Treasurer-Roddy Dickinson (Hosp. & Bus. Lic.)
 Veteran's Affairs-Ronald Elvis Jr.

Boards & Commissions
 Assessment Appeals
 Accommodations Tax Advisory
 Fee Appeals
 Memorial Library
 Museum
 Registration & Election

Supplemental Funded Agencies
 Council on Aging
 Higher Education
 Horry-Georgetown Technical College
 MB Reg. Economic Dev. Corp.
 SC Dept. of Health & Environmental Control
 SC Dept. of Social Services

Component Unit
 Shoreline Behavioral

Elected/Appointed
 Courts (except Probate)
 Sheriff-Phillip Thompson (Detention)
 Solicitor-Jimmy Richardson

Supplemental Funded Agencies
 SC Dept. of Probation & Parole

Boards & Commissions
 Arcadian Shores Special Tax
 Board of Architectural Review
 Board of Adj. & Zoning
 Appeals
 Construction Adj. Appeals
 Hidden Woods Special Tax
 Mt. Gilead Special Tax
 Open Space
 Planning Commission
 Socastee Recreation Dist.
 Stormwater Advisory
 Vereen Memorial Gardens

Supplemental Funded Agen.
 Clemson Extension
 Coast RTA
 Waccamaw Regional Planning

Component Unit
 Solid Waste Authority

HORRY COUNTY, SOUTH CAROLINA

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solicitor's Intervention Programs (blended component unit), Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Solicitor's Intervention Programs financial statements represent 0.2 percent, 0.8 percent, and 0.1 percent, respectively of the assets, net position, and revenues of the aggregate remaining fund information. The Horry County Department of Airports' financial statements represent 100 percent of the assets, net position, and revenues of the business-type activities. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the blended component unit, the enterprise fund and both discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2016, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016 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 Decosimo, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
December 12, 2016

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, 2016. 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 \$1.57 billion. This represents a \$4.4 million decrease from fiscal year 2015. Net capital assets increased \$5.5 million due primarily to spending for new construction including a \$17.0 million increase in construction in progress, \$8.4 million increase in road infrastructure, and \$4.4 million in light and heavy fleet equipment. These addition amounts are reduced by depreciation during the year of \$30.8 million and asset disposals of \$5.1 million.
- Total liabilities decreased \$25.3 million from fiscal year 2015. During fiscal year 2016, payments on existing County bond obligations totaled \$44.8 million including \$31.0 million for RIDE debt with the State Infrastructure Bank. A current refunding was completed during the year with new bonds refunding \$15.4 million. Additionally, a new lease purchase obligation was initiated in the amount of \$5.5 million for fire apparatus. Net pension obligation increased \$16.9 million correlated to the net decrease in deferred outflow and deferred inflows.
- Net position of the County totaled \$1.02 billion at June 30, 2016 an increase of \$42.1 million from fiscal year 2015. Net investment in capital assets increased \$16.8 million. Restricted net position decreased \$32.3 million. The County's capital project sales tax program excess of expenditures over revenue was \$54.9 million in fiscal year 2016 as construction progress accelerated on several major projects and revenues declined due to reaching the statutory time limitation for the sales tax collections in fiscal year 2014.
- At June 30, 2016, fund balance for the General Fund was \$54.6 million or 38.5 percent of total General Fund expenditures and transfers out, compared to \$40.8 million or 31.0 percent for the previous year. The fiscal year 2016 budget anticipated using \$3.8 million of fund balance. Actual results reflect a \$13.9 million increase in fund balance due primarily to an \$10.9 million expenditure savings and \$6.6 million favorable revenue variance.
- Property tax revenue for the General Fund for fiscal year 2016 was \$89.9 million compared to \$74.5 million for fiscal year 2015, an increase of \$15.4 million due to an increase of 7.2 mils effective this fiscal year.
- Tourism-related revenues, primarily used to fund infrastructure related debt service, reflected positive growth in fiscal year 2016 and Hospitality Fees increased 4.6 percent to \$46.1 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 24 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 four 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,

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 Services, which accounts for the maintenance and replacement of all county vehicles including heavy equipment and light equipment. 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 43 through 106 of this report.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition and position. In the case of the County, as reflected in the primary government funds, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$ 1.02 billion at the close of the fiscal year ended June 30, 2016. At the end of fiscal year 2016, the County reported the following Net Position:

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 489,196	\$ 502,493	\$ 95,939	\$ 92,490	\$ 585,135	\$ 594,983
Capital Assets, net	740,582	728,664	245,867	252,304	986,449	980,968
Total Assets	<u>1,229,778</u>	<u>1,231,157</u>	<u>341,806</u>	<u>344,794</u>	<u>1,571,584</u>	<u>1,575,951</u>
Deferred Outflows of Resources	29,441	17,594	1,911	927	31,352	18,521
Current Liabilities	94,027	91,877	7,702	9,733	101,729	101,610
Long-term Liabilities	397,542	421,309	70,019	71,661	467,561	492,970
Total Liabilities	<u>491,569</u>	<u>513,186</u>	<u>77,721</u>	<u>81,394</u>	<u>569,290</u>	<u>594,580</u>
Deferred Inflows of Resources:	<u>11,760</u>	<u>19,951</u>	<u>700</u>	<u>882</u>	<u>12,460</u>	<u>20,833</u>
Net Position:						
Net investment in capital assets	641,192	619,432	188,866	193,870	830,058	813,302
Restricted	276,761	311,619	39,132	36,532	315,893	348,151
Unrestricted (deficit)	<u>(162,063)</u>	<u>(215,437)</u>	<u>37,298</u>	<u>33,043</u>	<u>(124,765)</u>	<u>(182,394)</u>
Total Net Position	<u>\$ 755,890</u>	<u>\$ 715,614</u>	<u>\$ 265,296</u>	<u>\$ 263,445</u>	<u>\$ 1,021,186</u>	<u>\$ 979,059</u>

Net Position of the County's governmental activities increased 5.6 percent from \$715.6 million to \$755.9 million. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities decreased 1.4 percent to \$918.0 million at year end. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so forth). The County continues to invest in needed capital improvements and provides for a large portion of annual capital needs without the use of debt thereby increasing Net Position. Restricted Net Position includes the \$200.2 million excess Capital Project Sales Tax revenues over expenditures. These funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are completed, the expenditures will exceed revenue as in subsequent years and utilize this accumulated excess over the next several years.

Unrestricted Net Position for governmental activities reflected a \$162.1 million deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads and the net pension liability noted above. In 1996, the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within the County. The RIDE program debt is repaid from a 1.5% county-wide Hospitality Fee enacted locally in 1997. The decrease in the deficit in governmental activities Unrestricted Net Position from June 30, 2015 to June 30, 2016 of \$53.4 million is primarily attributed the reduction in the RIDE loans payable of \$31.0 million the and positive change in fund balance for the general fund noted above. Net position does not represent the County's position regarding spending, which is presented in the governmental fund statements.

The Net Position of our business-type activities increased .7 percent from \$263.4 million in 2015 to \$265.3 million in 2016. 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 \$419.8 million at the end of fiscal year 2016. 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, 2016 (excluding internal service funds), which are not included in this fund balance, totaled \$728.3 million. Long-term liabilities of \$436.5 million are not due and payable in the current period and therefore are also not reported in these funds. A majority of the long-term liabilities, \$144.2 million, is the amount due on the RIDE Intergovernmental Agreements. Under these agreements, the County

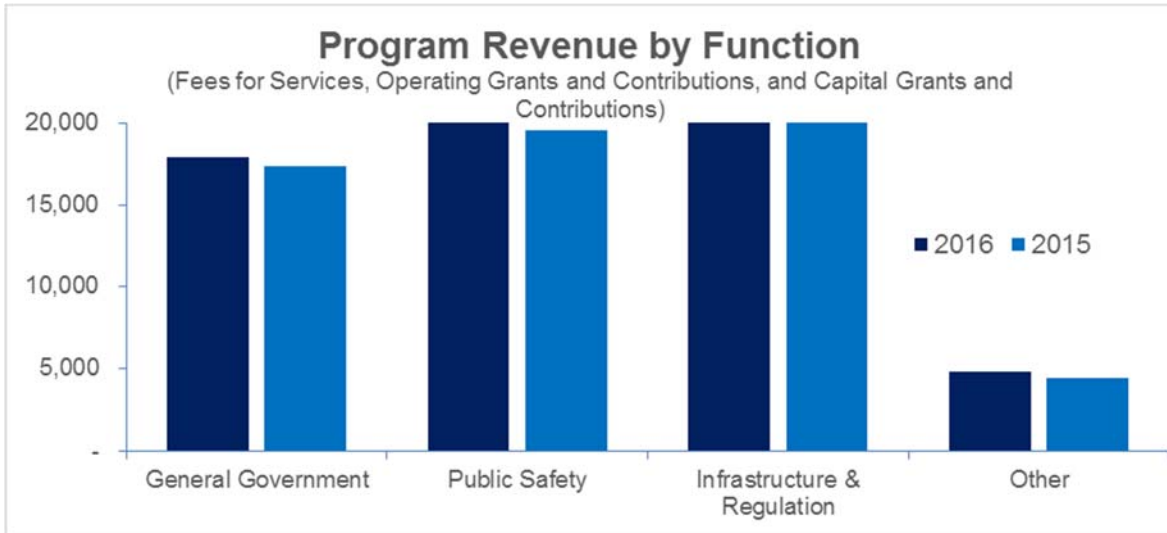
partnered with the State in receiving \$550 million in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the 1.5 percent portion of its county-wide Hospitality Fee into a Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank has provided the funding for various road construction projects in the County through these loans, which the County is repaying with the 1.5 percent Hospitality Fee. The constructed roads are State roads and are therefore not reflected in capital assets of the County. In accordance with the RIDE Intergovernmental Agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1.5 percent portion of the Hospitality Fee not meet the debt service requirements. The citizens of the County have benefited from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997. As of June 30, 2016, the County has remitted to the State Transportation Infrastructure Bank approximately \$55.5 million of 1.5 percent Hospitality Fees collected in excess of the amount required to meet the scheduled debt service payments. This amount is held in an interest-bearing reserve account by the State Transportation Infrastructure Bank and equates to over one year's debt service requirement.

Governmental activities

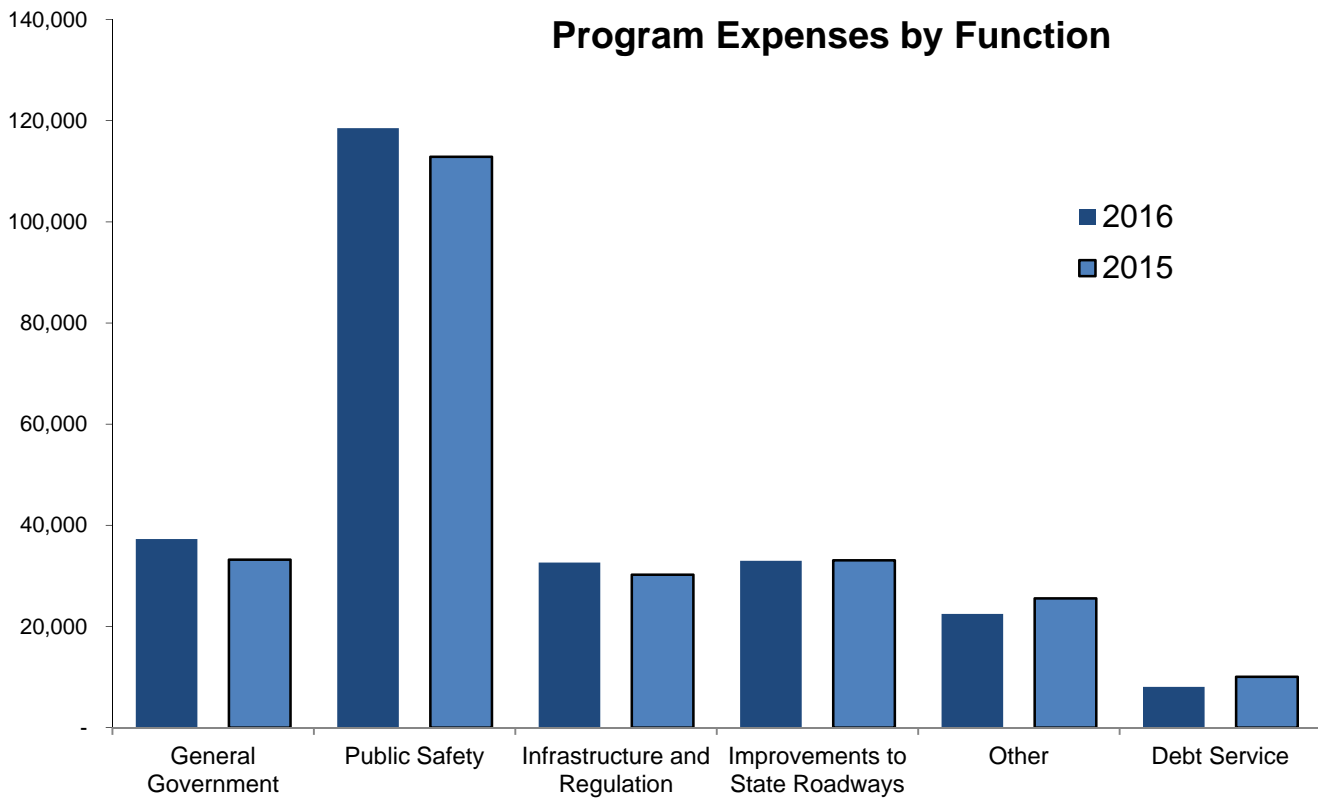
Governmental activities increased the County's Net Position during the year by \$40.3 million. Key elements of this increase are as shown below.

Horry County's Changes in Net Position <i>(amounts expressed in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Fees for services	\$ 60,238	\$ 49,327	\$ 30,337	\$ 30,215	\$ 90,575	\$ 79,542
Operating Grants and Contributions	11,445	10,450	2,169	2,163	13,614	12,613
Capital Grants and Contributions	7,709	3,231	694	20,655	8,403	23,886
General Revenues: Property taxes, Shared revenue and Unallocated intergovernmental	151,735	135,128	-	-	151,735	135,128
Other	60,505	55,165	716	266	61,221	55,431
Total Revenues	<u>291,632</u>	<u>253,301</u>	<u>33,916</u>	<u>53,299</u>	<u>325,548</u>	<u>306,600</u>
Expenses:						
General government	36,108	33,225	-	-	36,108	33,225
Public safety	117,869	112,846	-	-	117,869	112,846
Infrastructure and regulation	32,640	30,245	-	-	32,640	30,245
Improvements to state roadways	32,980	33,078	-	-	32,980	33,078
Health and social services	2,548	2,738	-	-	2,548	2,738
Culture, recreation and tourism	14,388	13,331	-	-	14,388	13,331
Economic development	2,307	3,465	-	-	2,307	3,465
HGTC and Higher Education Commission	4,449	6,029	-	-	4,449	6,029
Interest	8,067	10,060	-	-	8,067	10,060
Airports	-	-	32,065	31,962	32,065	31,962
Total Expenses	<u>251,356</u>	<u>245,017</u>	<u>32,065</u>	<u>31,962</u>	<u>283,421</u>	<u>276,979</u>
Increase in net position	40,276	8,284	1,851	21,337	42,127	29,621
Net Position – July 1	715,614	707,330	263,445	242,108	979,059	949,438
Net Position – June 30	<u>\$ 755,890</u>	<u>\$ 715,614</u>	<u>\$ 265,296</u>	<u>\$ 263,445</u>	<u>\$ 1,021,186</u>	<u>\$ 979,059</u>

Program Revenues and Expenses – Governmental Activities

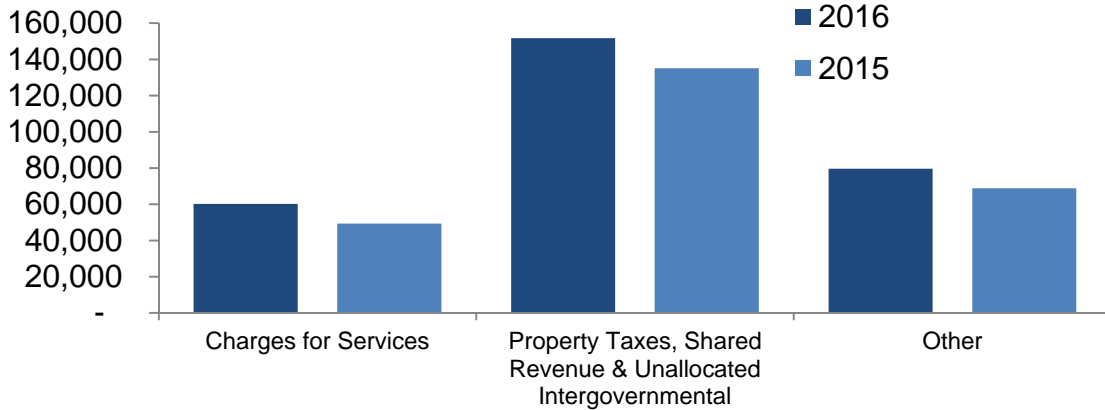


Program revenues in governmental activities increased \$16.4 million for fiscal year 2016. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In 2016, Fees for Services increased by \$10.9 million due primarily to increases in road fee of \$5.0 million (increase in per vehicle road fee rate from \$30 to \$50), EMS billing of \$2.6 million, building inspection fees of \$1.5 million, and documentary stamps of \$0.3 million. Grants and Contributions of \$19.2 million increased by \$5.5 million due primarily to road infrastructure contributed of \$7.0 million offset by lower Community Development Block Grants of \$1.5 million.



Program expenses in governmental activities increased \$6.3 million or 2.6 percent due primarily to an average 3 percent merit increase to employees and increases in health and retirement expenses. Current year spending increased \$1.12 million for increase distributions to municipalities from the road fee revenue increase noted above and \$1.4 million for additional Solicitor Intervention programs.

Revenues by Source - Governmental Activities

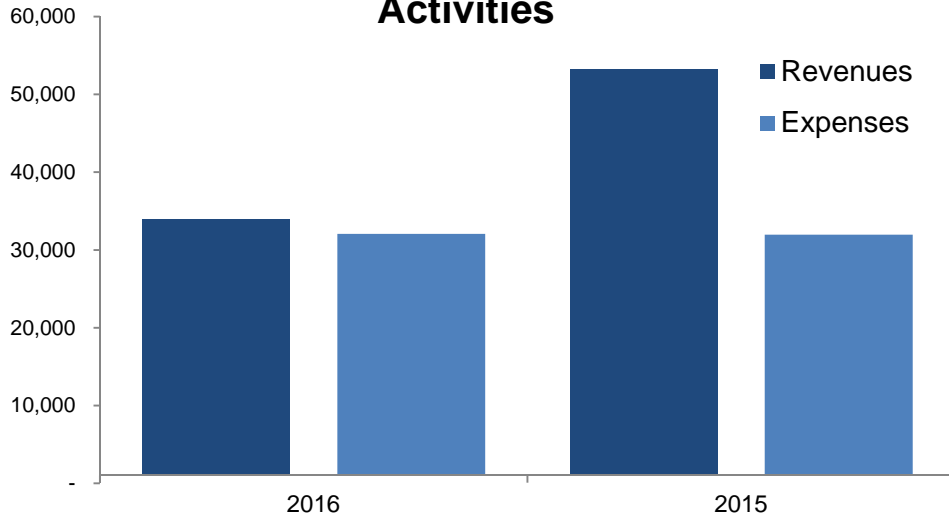


Revenues in the governmental activities increased \$39.3 million for fiscal year 2016 which include a Property Tax increase of \$17.9 million, \$7.0 million of contributed infrastructure, \$5.0 million increase in Road Fees, \$2.6 million increase in EMS Fees, and \$2.5 million increase in Hospitality/Accommodations Taxes.

Business-type activities

Business-type activities increased the County's net position by \$1.9 million, primarily the result of capital grant revenues and other non-operating revenues. Fees for services increased \$.1 million for terminal rents, concessions and rentals, and fuel sales due to a full year operation of the expanded terminal facility at the Myrtle Beach International Airport. Capital contributions for construction decreased \$19.9 million as the airport completed a runway and taxiway rehabilitation project during 2015. Program expenses increased \$.1 million.

Revenues and Expenses: Business-Type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, committed and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2016, the County's governmental funds reported combined ending fund balances of \$419.8 million, a decrease of \$10.7 million from the prior year. Capital Project Sales Tax spending in excess of revenues of \$54.9 million is offset by increases in the General Fund of \$13.9 million and \$13.5 million in the General Capital Projects Fund are the primary variances. Unassigned Fund Balance which is undesignated in the governmental funds of \$7.4 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 Improvements Capital Projects Fund, Capital Projects Sales Tax Fund, and the RIDE Program Debt Service Fund are reported as major funds.

Horry County's Governmental Funds Ending Fund Balance

(amounts expressed in thousands)

	2016	2015	Variance
Nonspendable			
Inventory and prepaid	\$ 548	\$ 1,319	\$ (771)
Restricted			
Debt service	63,312	60,720	2,592
Capital	228,657	262,915	(34,258)
Other	39,558	36,624	2,934
Committed			
Cash flow reserve	27,068	-	27,068
Disaster reserve	7,519	-	7,519
Revenue stabilization reserve	3,007	-	3,007
Stabilization		21,921	(21,921)
Other purposes	3,926	1,077	2,849
Infrastructure and regulation	21,497	20,933	564
Economic development	1,555	1,669	(114)
Capital	9,585	6,883	2,702
Public safety, culture, recreation and tourism	4,185	2,972	1,213
OPEB	1,925	1,675	250
Unassigned	7,420	11,725	(4,305)
Total	<u>\$ 419,762</u>	<u>\$ 430,433</u>	<u>\$ (10,671)</u>

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2016, Fund Balance totaled \$54.6 million. Council committed \$46.6 million of fund balance including a revenue reserve (\$27.1 million), a disaster reserve (\$7.5 million), a revenue reserve (\$3.0 million), use in the fiscal year 2017 budget (\$7.0 million) and for OPEB (\$1.9 million). Unassigned Fund Balance is \$7.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 5.4 percent of the total General Fund expenditures and transfers out. Total Fund Balance represents 38.5 percent of General Fund expenditures and transfers out.

The Fund Balance of the General Fund increased by \$13.9 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 \$10.9 million.

Net change in fund balance
(amounts expressed in thousands)

Planned use of fund balance	\$ (3,756)
Revenues over budget	6,648
Expenditures under budget	10,921
Other Financing Sources (Uses) under budget	38
Net budget savings from the General Fund	17,607
 Net change in Fund Balance from FY 2016	 \$ 13,851

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2016 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2015. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2016 generated a net decrease in Fund Balance of \$0.6 million in the General Fund.

Comparison of FY 2016 General Fund Results to FY 2015
(amounts expressed in thousands)

Increase in Property Taxes, primarily due to 7.2 millage increase	\$ 15,371
Increase in Intergovernmental Revenue, higher federal grants	252
Increase in Fees and Fines, primarily due EMS collections and Hospitality fees	5,948
Increase in Register of Deeds Documentary Stamps, due to increased instruments filed	312
Increase in Licenses and Permits, primarily due to increased residential building permits	1,412
Increase in Cost Allocations, increased central service allocations to other funds	268
Increase in Other Revenues, primarily from programs revenues	1,670
Decrease in net Other Financing Sources (Uses), primarily due to greater transfers out	(4,070)
Increase in Expenditures, primarily due to increases in personal services	(6,738)
Net decrease in General Fund results compared to FY 2015 results	14,425
Net decrease in fund balance from FY 2015 General Fund results	(574)
Net increase in the fund balance of the General Fund from FY 2015 results	\$ 13,851

RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed county-wide on accommodations, prepared foods, beverages and admissions. The proceeds of this fee, after payment of an administrative fee to the General Fund, are pledged to repay the RIDE debt owed to the State Infrastructure Bank. These fees are recorded as revenue in the RIDE Program Debt Service Fund and used to fund the debt service payments. Due to the growth in tourism in recent years, the Hospitality Fees have exceeded the required debt service and the County has remitted approximately \$47.0 million to the State Infrastructure Bank (SIB) above the amount required for the scheduled debt. That amount, plus the amount collected but not yet remitted at year end and Hospitality Fee collections in July 2015 on sales that occurred during the month of June, make up the fund balance in this fund. Hospitality Fees and investment earnings total \$39.3 million in 2016. This is a \$1.8 million increase over the prior fiscal year. Expenditures of \$35.9 million reflect the RIDE debt service for the year. Debt Service is programmed to increase in the next year and is projected to utilize a portion of the accumulated Fund Balance in fiscal year 2017 when the RIDE loan one (1) is fully amortized. Debt payments are scheduled to continue through fiscal year 2022 for the RIDE loan two (2).

Horry County's RIDE Program Debt Service Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2015	<u>\$ 52,532</u>
Revenues	39,321
Expenditures	(35,873)
Other Financing Sources (Uses)	<u>(436)</u>
Net change in Fund Balance	<u>3,012</u>
 Fund Balance, June 30, 2016	 <u>\$ 55,544</u>
Deposited with SIB, June 30, 2016	<u>\$ 46,995</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 2016, \$22.8 million in transferred in from other funds including \$16.0 million from the Capital Project Sales Tax Fund for the County's radio infrastructure P25 conversion. The fund balance of \$22.4 million at June 30, 2016 reflects the resources previously funded and available to complete the capital projects currently in process.

Horry County's General Improvement Capital Project Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2015	<u>\$ 8,918</u>
Revenues	1,738
Expenditures	(11,083)
Other Financing Sources (Uses)	<u>22,821</u>
Net change in Fund Balance	<u>13,476</u>
Fund Balance, June 30, 2016	<u>\$ 22,394</u>

The Capital Projects Sales Tax Fund reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. Sales tax and Interest revenue decreased to \$.9 million in fiscal year 2016 as the statutory collection period has now ended. Total receipts life to date of the program through June 30, 2016 are \$448.9 million. The program estimated total receipts and provided for notice to retail licensees within Horry County to suspend collection of the tax when total receipts reached \$425.3 million, which represented the estimated expense to fully fund the approved infrastructure, or the completion of the seven-year period allowed. Due to a delay in the remittance of receipts from the State, the seven-year approved period was reached prior to receipt of the \$425.3 million receipt cap. Additional receipts \$23.6 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 2016 total \$39.8 million and includes construction of \$33.0 million on State roadways and \$6.8 million on County roadways. The excess of expenditures over revenues of \$38.9 million along with the \$16.0 million transfer noted above in 2016 decreases the accumulated fund balance to \$200.1

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

(amounts expressed in thousands)

Fund Balance, July 1, 2015	\$255,013
Revenues	852
Expenditures	(39,754)
Other Financing Sources (Uses)	(16,000)
Net change in Fund Balance	(54,902)
Fund Balance, June 30, 2016	\$200,111

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 \$298.5 million. The Department of Airports reflects an \$1.8 million or 0.7 percent increase in 2016. This increase resulted from positive operating revenues from the new terminal including concessions, and airline terminal rents. The Internal Service Fund provides for the repair and replacement of the County's light and heavy equipment fleet with the exception of heavy fire apparatus. Net investment in capital assets includes the undepreciated cost of the covered fleet vehicles in service of \$12.2 million at June 30, 2016. This reflects a \$0.5 million increase during the year including \$4.4 million of assets purchased, less \$3.8 million for annual depreciation and asset disposals. The remaining Net Position of \$20.9 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 Fund		Total	
	2016	2015	2016	2015	2016	2015
Net investment in capital assets	\$ 188,866	\$193,870	\$ 12,237	\$11,779	\$ 201,103	\$205,649
Restricted for:						
Debt Service	21,249	20,376	-	-	21,249	20,376
Capital	17,883	16,156	20,919	20,020	38,802	36,176
Unrestricted	37,299	33,043	-	-	37,299	33,043
Total net position	\$ 265,297	\$263,445	\$ 33,156	\$31,799	\$ 298,453	\$295,244

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

General Fund Budgetary Highlights

The final budgeted revenues were adjusted for budgetary amendments that netted to an increase of \$2.9 million from the original budget. These increases were reflected in program revenues (\$1.9 million) primarily within public safety as well as FEMA grant reimbursements (\$.7 million) and added to the budget when received.

The final budgeted expenditures increased \$6.3 million and transfers out increased by \$0.4 million over the original budget. The primary reason for these expenditure budget adjustments was budgetary roll forward of unspent dedicated amounts from fiscal year 2015 of \$2.9 million and an equal increase of \$1.9 million and \$.7 million as reflected in revenues for program revenues and FEMA grant reimbursements received during the year.

Considering these budget amendments, General Fund revenues were more than the final budget by \$6.6 million and expenditures were less than the final budget by \$10.9 million.

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

- Property taxes were lower than budget by \$0.6 million. Decreases were experienced in real property of \$1.3 million and personal property of \$.4 million offset by increases in vehicle taxes of \$0.7 million, and fee in lieu of tax of \$0.4 million.
- Intergovernmental revenues were higher than the budget by \$0.4 million primarily due to higher federal and state grants.
- Fees and fines were over under by \$2.7 million, primarily due to higher EMS collections of \$2.3 million and Cable TV of \$0.2 million.
- RMC Documentary Stamps were over budget by \$0.2 million due to increased values of real estate transactions.
- Licenses and permits were over budget by \$2.1 million, due to higher building inspection permits of \$1.8 million and business licenses of \$0.3 million.
- Cost allocation was over budget by \$0.5 million due to induced central service costs and changes in basis allocations.
- Various departmental spending was reduced below budgeted amounts as a result of management controls on hiring and spending. The largest departmental savings are detailed in the table below:

Horry County's General Fund Budget to Actual
(amounts expressed in thousands)

	Final		(Favorable)
	Budget	Actual	Variance
Public Works	\$ 9,854	\$ 7,961	\$ (1,893)
County Engineer	1,497	1,156	(341)
Code Enforcement	2,926	2,686	(240)
Department Overhead	4,785	3,630	(1,155)
Detention Center	24,171	23,609	(562)
Clerk of Court	3,332	2,942	(390)
Public Safety Division	1,172	889	(283)
County Council	1,597	999	(598)
Police	21,721	20,564	(1,157)
County Engineer	1,497	1,156	(341)
Maintenance	4,661	4,523	(138)
Library	4,632	4,279	(353)
Legal	1,252	844	(408)
Assessor	3,726	3,444	(282)
Grants	595	360	(235)
EMS	15,635	14,649	(986)
Parking Program	296	57	(239)
Total of above			\$ (9,601)
Various other departments (under) budget			(1,320)
Total expenditures (under) budget			<u>\$ (10,921)</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, 2016 amounts to \$986.5 million (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 \$5.5 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a .6 percent change from the prior year (a 1.6 percent increase for governmental activities and a 2.6 percent decrease for business-type activities).

Some of the significant capital events that occurred during the current fiscal year which increased capital assets were spending for new construction including a \$17.0 million increase in construction in progress, \$8.4 million increase in road infrastructure, and \$4.4 million in light and heavy fleet equipment. These addition amounts are reduced by depreciation during the year of \$30.8 million and asset disposals of \$5.1 million.

Horry County's Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land, Easements, and Imp.	\$ 29,132	\$ 28,504	\$ 47,457	\$ 48,296	\$ 76,589	\$ 76,800
Intangible Assets	291	344			291	344
Infrastructure	482,986	473,894	9,182	9,182	492,168	483,076
Construction-in-Progress	42,528	38,568	696	474	43,224	39,042
Buildings and Improvements	151,464	159,271	125,883	128,086	277,347	287,357
Machinery and Equipment	34,181	28,083	7,026	7,124	41,207	35,207
Runways and Taxiways	-	-	55,623	59,142	55,623	59,142
Total	<u>\$ 740,582</u>	<u>\$ 728,664</u>	<u>\$245,867</u>	<u>\$ 252,304</u>	<u>\$ 986,449</u>	<u>\$ 980,968</u>

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

Modified Approach for Infrastructure

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

The County's road system consists of approximately 57 percent paved roads and 43 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a new pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads. The following assessment for fiscal year 2016 shows that the County is in compliance with the target condition levels that have been established. The prior year is presented to show the change in measurement through this new pavement management system.

Percentage of Miles in Fair or Better Condition

	<u>2016</u>	<u>2015</u>
Arterial	68.7%	77.9%
Collector	81.1%	85.9%
Access	<u>84.9%</u>	<u>87.0%</u>
Overall system	<u>84.2%</u>	<u>86.7%</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. 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 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 program are various projects to improve existing state roadways. The County is managing the construction and funding the expenditures through the collections of sales tax. The cost of these roadway improvements is included in the statement of activities when the expense is incurred. The table below reflects the cost incurred to date for these projects:

Horry County's Improvements to State Roadways

(amounts expressed in thousands)

	<u>Current</u>	<u>Project to</u>
	<u>Year</u>	<u>Date</u>
Backgate interchange	\$ 682	\$ 102,823
Widen 707	16,355	46,767
Widen Glens Bay	15,766	38,799
International	177	1,061
Total	<u>\$ 32,980</u>	<u>\$ 189,450</u>

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

Debt Administration

At June 30, 2016, the County had total bonded debt outstanding of \$141.7 million. This represents a decrease from the prior year of \$10.7 million which is the normal amortization of prior balances. Of the total bonded debt outstanding, \$75.8 million comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources, such as the 1% Hospitality Fee pledged to repay the Special Obligation Bonds, and the Airport revenues pledged to repay the Revenue Bonds. Under agreements with the City of Myrtle Beach, the County has also pledged a portion of the 1% Hospitality Fee to repay 30 percent of the Certificates of Participation issued by the City of Myrtle Beach for a baseball stadium. The RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank are being repaid by the county-wide 1.5% Hospitality Fee.

Special Obligation Bonds and Revenue Bonds are limited obligations of the County and do not constitute general obligations, or pledge of the faith, credit or taxing power of the County or any other political subdivision. The County's bonds with outstanding balances as of June 30, 2016 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	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 83,625	\$ 93,099	\$ -	\$ -	\$ 83,625	\$ 93,099
Revenue Bonds	-	-	58,105	59,375	58,105	59,375
Baseball Stadium COPS	661	861	-	-	661	861
RIDE IGA Loans	144,190	175,172	-	-	144,190	175,172
Total	\$228,476	\$269,132	\$ 58,105	\$ 59,375	\$286,581	\$328,507

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, 2016, amounts reserved for debt service totaled \$84.6 million. This represents an increase of \$3.5 million from the prior year. Favorable increases in the 1.5% Hospitality Fee revenue exceeded annual debt service and increased the accumulated excess dedicated to the repayment of the RIDE IGA loans by \$3.0 million. General debt reflected a \$0.4 million decrease and Revenue Bonds reflected a \$0.9 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	
	2016	2015	2016	2015	2016	2015
General Debt	\$ 7,354	\$ 7,780	\$ -	\$ -	\$ 7,354	\$ 7,780
Special Obligation	414	409	-	-	414	409
Revenue Bonds	-	-	21,249	20,376	21,249	20,376
RIDE IGA Loans	55,544	52,532	-	-	55,544	52,532
Total	\$ 63,312	\$ 60,720	\$ 21,249	\$ 20,376	\$ 84,561	\$ 81,097

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

Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors:

- As of June 2016, the unemployment rate for the County per the Bureau of Labor Statistics and Workforce (not seasonally adjusted) was 5.6 percent, down from 6.5 percent at June 2015. The unemployment rate for the state of South Carolina as of June 2016 was 5.6 percent, down from 6.3 percent at June 2015.
- The fiscal year 2016 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, 2016 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 2016 budget compared to fiscal year 2016 as follows:

- Increasing revenue – in economically sensitive areas for hospitality fees, building inspection permits, and ROD;
- Increasing revenue – EMS collections
- Increasing expenditures overall for a 3% merit increase for employees and higher cost for employee healthcare and retirement; and
- No prior year excess fund balance was appropriated in the fiscal year 2016 budget for recurring expenditures.

All of these factors were considered in preparing the County's budget for the 2017 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2016, unassigned fund balance in the General Fund decreased from \$12.2 million to \$7.7 million primarily due to the increased reserve goals previously noted and favorable revenue and expenditure results in fiscal year 2016 . Total fund balance in the General Fund increased from \$40.8 million to \$54.6 million. Projections at this time indicate that at the end of fiscal year 2017, the unreserved fund balance for the General Fund will remain above the 25 percent of total General Fund expenditures requirement set by the Financial Policy Ordinance.

Requests for Information

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

HORRY COUNTY, SOUTH CAROLINA

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2016
(amounts expressed in thousands)

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Authority
Assets				
Current assets:				
Cash and cash equivalents	\$ 4,052	\$ 49,250	\$ 53,302	\$ 17,974
Pooled Cash	50,224	-	50,224	-
Investments	355,943	-	355,943	12,311
Receivables, net:				
Property taxes	5,203	-	5,203	-
Accounts and other	4,230	2,359	6,589	1,858
Fees	8,962	-	8,962	-
Interest receivable	-	35	35	-
Due from other governments	6,656	1,234	7,890	334
Prepaid items	484	134	618	-
Inventories	500	982	1,482	14
Restricted funds held in trust	52,942	-	52,942	-
Total current assets	489,196	53,994	543,190	33,204
Non-current assets:				
Restricted assets:				
Cash and cash equivalents	-	27,985	27,985	-
Investments	-	12,930	12,930	-
Accounts and other receivables	-	-	-	-
Receivables - PFC and CFC	-	1,030	1,030	-
Total restricted assets	-	41,945	41,945	-
Capital assets:				
Land, easements, intangible assets and infrastructure	506,764	32,456	539,220	138
Depreciable capital assets, net	191,290	212,715	404,005	687
Construction-in-progress	42,528	696	43,224	-
Total capital assets, net	740,582	245,867	986,449	825
Total non-current assets	740,582	287,812	1,028,394	1,062
Total assets	1,229,778	341,806	1,571,584	4,038
Deferred Outflows of Resources				
Deferred charge on refunding	3,601	-	3,601	-
Contributions to retirement plan after measurement date	10,973	666	11,639	223
Difference between expected and actual retirement plan experience	2,927	205	3,132	64
Difference between projected and actual earning on pension plan investments	11,674	766	12,440	24
Change in allocated proportionate share of net pension liability	266	274	540	717
Total deferred outflows of resources	29,441	1,911	31,352	1,028

- CONTINUED -

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior	Solid Waste Authority
Liabilities					
Current liabilities payable from non-restricted assets:					
Accounts payable - trade	15,594	1,259	16,853	136	1,594
Accounts payable - other	176	-	176	-	-
Accrued salaries, related taxes and compensated absences	12,018	427	12,445	50	316
Accrued expenses	-	303	303	-	-
Unearned revenue from operating agreements	-	275	275	11	-
Internal balances	(1,061)	1,061	-	-	-
Due to component units	946	-	946	-	-
Due to other governments	1,511	-	1,511	-	-
Construction and retainage payable	-	619	619	-	671
Other liabilities	17,165	-	17,165	-	-
Accrued interest payable	1,000	-	1,000	-	-
General and special obligation bonds payable - current portion	9,798	-	9,798	-	-
RIDE IGA loans payable - current portion	33,582	-	33,582	-	-
Capital lease obligations - current portion	3,297	55	3,352	-	-
Amounts due to tenants	-	890	890	-	-
Total current liabilities payable from non-restricted assets	94,026	4,889	98,915	197	2,581
Current liabilities payable from restricted assets:					
Revenue bonds payable - current portion	-	1,320	1,320	-	-
Accrued interest payable	-	1,493	1,493	-	-
Total current liabilities payable from restricted assets	-	2,813	2,813	-	-
Total current liabilities	94,026	7,702	101,728	197	2,581
Non-current (long-term) liabilities:					
General and special obligation bonds payable	74,488	-	74,488	-	-
Revenue bonds payable	-	56,613	56,613	-	-
RIDE IGA loans payable	110,609	-	110,609	-	-
Compensation for future absences	5,060	954	6,014	42	65
Capital lease obligations	23,647	334	23,981	-	-
Net post employment benefit obligation	27,198	819	28,017	100	1,934
Net pension liability	156,541	11,299	167,840	3,599	7,693
Landfill closures costs	-	-	-	-	18,171
Landfill post closure care costs	-	-	-	-	5,950
Total long-term liabilities	397,543	70,019	467,562	3,741	33,813
Total liabilities	491,569	77,721	569,290	3,938	36,394
Deferred Inflows of Resources					
Unearned revenue-fees and other	1,145	-	1,145	-	-
Unearned revenue-property taxes	137	-	137	-	-
Difference between projected and actual investment earning - pensions	10,325	683	11,008	6	442
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	279
Difference between expected and actual retirement plan experience	153	17	170	-	14
Total deferred inflows of resources	11,760	700	12,460	6	735

- CONTINUED -

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior	Solid Waste Authority
Net Position					
Net investment in capital assets	641,192	188,866	830,058	825	43,248
Restricted for capital projects	244,909	17,883	262,792	-	-
Restricted for health and social services	-	-	-	297	-
Restricted for debt service	7,107	21,249	28,356	-	-
Restricted for other purposes	24,745	-	24,745	-	-
Unrestricted (deficit)	(162,063)	37,298	(124,765)	-	(2,847)
Total net position	\$ 755,890	\$ 265,296	\$ 1,021,186	\$ 1,122	\$ 40,401

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

Horry County, South Carolina
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2016
 (amounts expressed in thousands)

Functions and Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental		Shoreline Behavior	Solid Waste Authority
					Governmental Activities	Business-type Activities		
Primary government								
Governmental activities:								
General government	\$ 36,108	\$ 17,508	\$ 428	\$ -	\$ (18,172)	\$ (18,172)	\$ -	\$ -
Public safety	117,869	16,499	5,777	725	(94,868)	(94,868)	-	-
Health and social services	2,548	-	6	-	(2,542)	(2,542)	-	-
Infrastructure and regulation	32,640	25,784	915	6,984	1,043	1,043	-	-
Improvements to state roadways	32,980	-	-	-	(32,980)	(32,980)	-	-
Culture, recreation and tourism	14,388	115	1,309	-	(12,964)	(12,964)	-	-
Economic development	2,307	332	2,950	-	975	975	-	-
Interest	8,067	-	35	-	(8,032)	(8,032)	-	-
HGTC and Higher Education Commission	4,449	-	25	-	(4,424)	(4,424)	-	-
Total governmental activities	251,356	60,238	11,445	7,709	(171,964)	(171,964)	-	-
Business-type activities:								
Airports	32,065	30,337	2,169	694	-	-	1,135	-
Total primary government	\$ 283,421	\$ 90,575	\$ 13,614	\$ 8,403	(171,964)	(170,829)	-	-
Component units								
Health services	\$ 4,033	\$ 2,318	\$ 1,777	\$ -	-	-	62	-
Landfill	19,216	21,478	227	205	-	-	-	2,694
Total component units	\$ 23,249	\$ 23,796	\$ 2,004	\$ 205	-	-	62	2,694
General Revenue								
Property taxes					137,498	137,498	-	-
Capital Project Sales Tax					333	333	-	-
Fees-in-lieu of taxes					3,032	3,032	-	-
Intergovernmental - unrestricted					10,872	10,872	-	-
Accommodations tax					4,102	4,102	-	-
Local accommodations tax					1,219	1,219	-	-
Hospitality tax					46,129	46,129	-	-
Unrestricted investment earnings					1,995	1,995	2	157
Other					6,324	6,324	(5)	48
Gain/(loss) on disposal of asset					736	736	-	(17)
Total general revenue					212,240	212,956	(3)	188
Change in net position					40,276	1,851	59	2,882
Net position - beginning of year					715,614	263,445	1,063	37,519
Net position - end of year					\$ 755,890	\$ 1,021,186	\$ 1,122	\$ 40,401

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

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	General Improvement Capital				RIDE Program Debt Service	Other Non-Major	Total Governmental Funds
		Projects	Sales Tax	Capital Project	Debt Service			
Assets								
Cash and cash equivalents	\$ 2,813,772	\$ -	\$ -	\$ -	\$ -	\$ 1,238,385	\$ 4,052,157	
Pooled cash and investments	67,255,885	24,296,727	205,622,531	3,210,775	83,178,219	383,564,137		
Receivables, net:								
Property taxes	3,194,787	-	-	-	-	2,008,318	5,203,105	
Accounts and other	3,777,158	77,618	-	-	-	253,476	4,108,252	
Fees	1,479,424	-	-	5,337,544	-	1,463,115	8,280,083	
Due from other funds	2,340,060	-	-	-	-	-	2,340,060	
Due from other governments	3,441,003	336,780	59,495	-	-	2,818,908	6,656,186	
Inventories	64,410	-	-	-	-	-	64,410	
Prepaid items	273,813	39,165	-	-	-	171,036	484,014	
Restricted cash and investments	-	-	-	46,995,224	-	5,946,899	52,942,123	
Total Assets	\$ 84,640,312	\$ 24,750,290	\$ 205,682,026	\$ 55,543,543	\$ 97,078,356	\$ 467,694,527		
Liabilities								
Accounts payable - trade	\$ 3,600,753	\$ 2,356,495	\$ 5,571,422	\$ -	\$ 3,254,921	\$ 14,783,591		
Accounts payable - other	-	-	-	-	176,079	176,079		
Accrued salaries and wages	3,659,845	-	-	-	452,943	4,112,788		
Due to other funds	-	-	-	-	1,278,617	1,278,617		
Due to component units	183,531	-	-	-	761,648	945,179		

- CONTINUED -

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

	General							Total	
	General Fund	Improvement		Capital		RIDE			Governmental Funds
		Capital Projects	Project Sales Tax	Program Debt Service	Other Non-Major				
Liabilities (continued)									
Due to other governments	1,441,092	-	-	-	-	70,239	1,511,331		
Due to taxpayers for overpayment	462,878	-	-	-	-	-	462,878		
Funds held in trust-delinquent taxes	12,808,444	-	-	-	-	-	12,808,444		
Other liabilities	3,893,483	-	-	-	-	95	3,893,578		
Total liabilities	26,050,026	2,356,495	5,571,422	-	-	5,994,542	39,972,485		
Deferred Inflows of Resources									
Unavailable revenue-fees and other	1,001,962	-	-	-	-	1,997,404	2,999,366		
Unavailable revenue-property taxes	2,950,920	-	-	-	-	2,009,484	4,960,404		
Total deferred inflows of resources	3,952,882	-	-	-	-	4,006,888	7,959,770		
Fund Balances									
Nonspendable	338,223	39,165	-	-	-	171,036	548,424		
Restricted for capital projects	-	12,769,684	200,110,604	-	-	15,776,721	228,657,009		
Restricted for public safety	-	-	-	-	-	16,109,034	16,109,034		
Restricted for culture, recreation and tourism	-	-	-	-	-	7,542,327	7,542,327		
Restricted for infrastructure and regulation	-	-	-	-	-	14,689,908	14,689,908		
Restricted for economic development	-	-	-	-	-	1,172,178	1,172,178		
Restricted for health and social services	-	-	-	-	-	44,724	44,724		
Restricted for debt service	-	-	-	55,543,543	-	7,768,596	63,312,139		
Committed to public safety	1,421,280	-	-	-	-	-	1,421,280		
Committed to culture, recreation and tourism	80,339	-	-	-	-	2,683,409	2,763,748		
Committed to infrastructure and regulation	1,937,061	-	-	-	-	19,559,584	21,496,645		
Committed to other capital projects	-	9,584,946	-	-	-	-	9,584,946		
Committed to reserves/stabilization	37,593,902	-	-	-	-	-	37,593,902		
Committed to economic development	-	-	-	-	-	1,554,626	1,554,626		
Committed to other purposes	3,606,909	-	-	-	-	319,096	3,926,005		
Committed to OPEB	1,925,323	-	-	-	-	-	1,925,323		
Unassigned (deficit)	7,734,367	-	-	-	-	(314,313)	7,420,054		
Total fund balances	54,637,404	22,393,795	200,110,604	55,543,543	-	87,076,926	419,762,272		
Total liabilities, deferred inflows of resources, and fund balances	\$84,640,312	\$ 24,750,290	\$205,682,026	\$ 55,543,543	\$ 97,078,356	\$ 467,694,527			

- CONTINUED -

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

	<u>(amounts expressed in thousands)</u>
Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:	
Total fund balances - governmental funds	\$ 419,762
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.	728,344
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.	6,189
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.	1,294
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	3,601
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.	33,156
Net pension liability, other post employment benefit obligation costs, and compensated absences liability and related deferred inflows and outflows reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as a liability in the funds.	(180,033)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period and, therefore, are not reported in the funds.	(256,423)
Net position end of year - governmental activities	<u>\$ 755,890</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, 2016

	General						Total Governmental Funds
	General Fund	Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major		
Revenues							
Real property taxes	\$ 74,445,389	\$ -	\$ -	-	\$ 41,029,490	\$ 115,474,879	
Personal property taxes	5,501,311	-	-	-	3,179,042	8,680,353	
Vehicle taxes	7,184,688	-	-	-	5,217,167	12,401,855	
Fee in lieu of tax	2,771,369	-	-	-	260,895	3,032,264	
Intergovernmental	12,659,937	885,565	-	-	9,026,761	22,572,263	
Sales tax	-	-	303,832	-	-	303,832	
Accommodations tax	213,497	-	-	-	3,812,827	4,026,324	
Fees and fines	20,883,100	781,419	-	-	22,897,570	44,562,089	
Local Accommodations tax	977,260	-	-	-	241,269	1,218,529	
Hospitality fees	7,055,018	-	-	38,632,666	441,410	46,129,094	
Documentary stamps	4,135,020	-	-	-	-	4,135,020	
License and permits	10,216,531	-	-	-	-	10,216,531	
Interest on investments	253,176	71,274	548,224	688,692	371,664	1,933,030	
Cost allocation	3,569,666	-	-	-	-	3,569,666	
Other	5,117,865	-	-	-	1,089,424	6,207,289	
Total revenues	154,983,827	1,738,258	852,056	39,321,358	87,567,519	284,463,018	
Expenditures							
Current:							
General government	30,177,493	429,620	-	-	200,000	30,807,113	
Public safety	77,278,183	2,109,049	-	-	30,899,239	110,286,471	
Health and social services	1,438,937	-	-	-	857,286	2,296,223	
Infrastructure and regulation	14,096,844	163,193	190,977	-	18,673,497	33,124,511	
Improvements to state roadways	-	-	32,979,511	-	-	32,979,511	
Culture, recreation and tourism	5,024,076	77,622	-	-	7,595,850	12,697,548	
Economic development	1,194,308	-	-	-	1,144,504	2,338,812	
HGTC & Higher Education Commission	-	-	-	-	4,449,198	4,449,198	
Debt service	-	2,642,290	-	35,872,718	13,526,122	52,041,130	
Capital outlay	1,662,602	5,661,331	6,584,395	-	6,633,478	20,541,806	
Total expenditures	130,872,443	11,083,105	39,754,883	35,872,718	83,979,174	301,562,323	

- CONTINUED -

Horry County, South Carolina
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 - CONTINUED -

	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	24,111,384	(9,344,847)	(38,902,827)	3,448,640	3,588,345
Other Financing Sources (Uses)					
Issuance of bonded debt	-	-	-	15,410,000	15,410,000
Sales of assets	142,332	370,950	-	-	513,282
Issuance of lease financing	-	-	-	5,500,000	5,500,000
Payment to refunding bond escrow agent	-	-	-	(15,337,428)	(15,337,428)
Transfers in	711,288	22,724,168	-	7,227,999	30,663,455
Transfers out	(11,114,020)	(274,598)	(16,000,000)	(3,095,124)	(30,920,432)
Contributed capital	-	-	-	600,000	600,000
Total other financing sources (uses)	(10,260,400)	22,820,520	(16,000,000)	10,305,447	6,428,877
Net change in fund balance	13,850,984	13,475,673	(54,902,827)	3,011,950	13,893,792
Fund balances at beginning of year	40,786,420	8,918,122	255,013,431	52,531,593	430,432,700
Fund balances at end of year	\$ 54,637,404	\$ 22,393,795	\$ 200,110,604	\$ 55,543,543	\$ 419,762,272

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 - CONTINUED -

	(amounts expressed in thousands)
	\$ (10,670)
Reconciliation to amounts reported for Governmental Activities in the Statement of Activities:	
Net change in fund balances - total governmental funds	4,350
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.	2,412
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	(687)
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	7,109
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:	(2,006)
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.	38,412
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.	
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities.	1,356
Change in net position - Governmental Activities	\$ 40,276

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, 2016

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,250,297	\$ -
Pooled cash and investments	-	22,603,370
Accounts receivable, net	2,358,567	-
Interest receivable	35,231	-
Due from other governments	1,233,602	-
Prepaid items	134,580	-
Inventories	981,859	435,101
Total current assets	<u>53,994,136</u>	<u>23,038,471</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	27,984,713	-
Investments	12,930,216	-
Receivables - PFC and CFC	1,030,181	-
Total restricted assets	<u>41,945,110</u>	<u>-</u>
Capital assets, net:		
Land, easements and infrastructure	32,455,493	-
Depreciable capital assets, net	212,715,024	12,237,060
Construction-in-progress	696,550	-
Total capital assets, net	<u>245,867,067</u>	<u>12,237,060</u>
Total noncurrent assets	<u>287,812,177</u>	<u>12,237,060</u>
Total assets	<u>341,806,313</u>	<u>35,275,531</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	665,450	76,809
Difference between expected and actual retirement plan experience	204,503	20,491
Difference between projected and actual investment experience	766,228	9,450
Change in proportionate share of net pension liability	274,493	7,632
Total deferred outflows of resources	<u>1,910,674</u>	<u>114,382</u>
Total assets and deferred outflows of resources	<u>\$ 343,716,987</u>	<u>\$ 35,389,913</u>

- CONTINUED -

Horry County, South Carolina
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2016
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 1,256,715	\$ 811,395
Construction accounts and retainage payable	619,488	-
Accrued salaries, wages and compensated absences	427,338	16,196
Due to other funds	1,061,145	-
Other accrued expenses	302,958	-
Unearned revenue from operating agreements	275,138	-
Capital leases payable -current portion	54,990	-
Amounts due to tenants, airlines, car rentals	890,491	-
	<u>4,888,263</u>	<u>827,591</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,320,000	-
Accrued interest payable	1,493,397	-
Total current liabilities payable from restricted assets	<u>2,813,397</u>	<u>-</u>
Total current liabilities	<u>7,701,660</u>	<u>827,591</u>
Non-current liabilities:		
Compensated absences - long term	953,840	110,237
Revenue bonds payable	56,612,451	-
Net other post-employment benefits obligation	818,582	199,449
Net pension liability	11,300,441	1,095,790
Capital lease payable	333,615	-
Total non-current liabilities	<u>70,018,929</u>	<u>1,405,476</u>
Total liabilities	<u>77,720,589</u>	<u>2,233,067</u>
Deferred inflows of resources:		
Difference between projected and actual investment earnings - pension	16,958	-
Difference between expected and actual retirement plan experience	682,866	1,069
Total deferred inflows of resources	<u>699,824</u>	<u>1,069</u>
Net position		
Net investment in capital assets	188,866,010	12,237,060
Restricted for:		
Debt service	21,248,771	-
Capital	17,882,860	20,918,717
Unrestricted	37,298,933	-
Total net position	<u>265,296,574</u>	<u>33,155,777</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 343,716,987</u>	<u>\$ 35,389,913</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, 2016

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Operating Revenues		
Concessions and rentals	\$ 8,680,907	\$ -
Fuel sales - FBO	4,452,995	-
Airline terminal rents	6,296,539	-
Baggage handling system	904,012	-
Landing fees	1,383,031	-
Leases	832,026	-
Other airline services	504,729	-
Other	712,888	-
Federal revenue - TSA LEO reimbursement program	132,129	-
Charges for service	-	7,054,364
Security fees	202,399	-
Total operating revenues	24,101,655	7,054,364
Less, signatory airline rebate and incentive fee waivers	(755,696)	-
Net operating revenues	23,345,959	7,054,364
Operating Expenses		
Salaries and benefits	8,300,850	1,060,078
Depreciation and amortization	11,381,544	3,834,375
Baggage handling system	904,012	-
Fuel cost of sales	2,696,440	-
Outside and professional services	1,300,602	35,382
Utilities	1,574,291	-
Maintenance and supplies	1,398,001	1,468,591
Indirect cost allocation	296,945	6,736
Vehicle and equipment (non-capital) expense	448,912	-
Insurance	431,491	-
Dues, memberships and travel	224,314	-
Office supplies	43,547	35,345
Other	66,022	11,171
Total operating expenses	29,066,971	6,451,678
Operating loss	(5,721,012)	602,686

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
- CONTINUED -

	Business-Type Activities - Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flow From Investing Activities		
Investment purchases	(12,930,216)	-
Investment sales	16,584,952	-
Interest on investments	393,192	69,198
Net cash provided by investing activities	<u>4,047,928</u>	<u>69,198</u>
Net increase in cash and cash equivalents	9,062,169	1,596,498
Cash and cash equivalents at beginning of year (of which \$21,885,970 is restricted for Airports)	<u>68,172,841</u>	<u>21,006,872</u>
Cash and cash equivalents at end of year (of which \$27,984,713 is restricted for Airports)	<u><u>\$ 77,235,010</u></u>	<u><u>\$ 22,603,370</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (5,721,012)	\$ 602,686
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	11,381,544	3,834,375
Bad debt expense	66,022	-
(Increase) decrease in certain assets:		
Accounts receivable, net	(426,630)	-
Prepaid items	(34,947)	-
Inventories	(89,263)	(41,946)
(Decrease) increase in certain liabilities:		
Accounts payable	412,646	738,114
Accrued salaries, wages and compensated absences	(214,206)	(5,189)
Net other post-employment benefit obligation	5,009	-
Net pension liability	272,339	-
Other accrued expenses	(120,291)	-
Due to other funds	113,052	-
Unearned revenue	(29,678)	-
Amounts due to tenants, airlines, car rentals	(101,233)	-
Net cash provided by operating activities	<u><u>\$ 5,513,352</u></u>	<u><u>\$ 5,128,040</u></u>

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

Horry County, South Carolina
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	Agency Funds
Assets	
Cash and investments	\$ 15,270,723
Pooled cash and investments	372,093,730
Taxes receivable	170,447,495
Fees receivable	589,464
Total assets	\$ 558,401,412
 Liabilities	
Due to others	\$ 558,401,412
Total liabilities	\$ 558,401,412

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. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* for the current fiscal year ended June 30, 2015. The County reports its share of the State of South Carolina's net pension liability.

In February 2015, the GASB issued Statement No 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged

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

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

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

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

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

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, 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, and RIDE Program Debt Service Fund. The County reports the Department of Airports as a major proprietary fund.

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

A summary of fund financial statement types follows:

Governmental Fund Types

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

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, Baseball Stadium, Arcadian Shores, Economic Development, Stormwater Management, Hidden Woods, Solicitor, Public Defender, Fire Insurance, Multi-County Business Park Rollback, E-911, CDBG Grant Program, and Recreation.

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

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

Proprietary Fund Types

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

Internal Service Fund - Internal Service Funds account for operations that provide goods and services to other internal departments or agencies of the primary government, or to other governments, on a cost-reimbursement basis. The County's only internal service fund is Fleet Services. The Fleet Service Fund accounts for the maintenance and replacement of all County vehicles including heavy and light equipment.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

B. Basis of Presentation

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.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

C. Measurement Focus and Basis of Accounting

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.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

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

Investments, continued

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 discretely presented component unit, SBHS, and the average cost method for the discretely presented component unit, HCSWA.

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

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

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

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

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. 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.

Note 1. Summary of Significant Accounting Policies, continued

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

Capitalization of Interest

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. The County has six items which are classified as deferred outflows reported on the government-wide statement of net position. The six classifications are deferred charge on refunding, contributions to retirement plan after measurement date, difference between expected and actual retirement plan experience, difference between projected and actual earning on pension plan investments, difference between projected and actual investments experience and change in allocated proportionate share of net pension liability.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. Unearned Revenue is reported under the full accrual method on the government-wide statement of net position from six sources: fees and other, property taxes, difference between projected and actual pension liability experience, changes in proportion and differences between contributions and proportionate share of contributions, difference between expected and actual retirement plan experience and difference between projected and actual investment earnings-pension. Unavailable revenue is reported as deferred inflows under the modified accrual method on the governmental funds balance sheet from three revenue sources: property taxes, fees, and other.

Debt Premiums and Discounts

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

Service Concession Arrangement

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

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

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) program. This obligation represents borrowings by the County from the State of South Carolina for the purpose of constructing and improving state roads. Since these roads are property of the State and are capitalized in the State's basic financial statements, these RIDE obligations are recorded as infrastructure and regulation expenses as incurred. The County has determined that these roads are not assets of the County. These obligations are funded by a special 1.5% hospitality fee passed into law by the County to fund these improvements. See Notes 8 and 17 for further discussion.

Net Position & Fund Balance - Flow Assumptions & Policies

In the government-wide statement of net position and the proprietary fund type statement of net position, "net position" is comprised of the various net earnings from operations, non-operating revenues, expenses, and contributions of capital. Net position is classified into three components. The first component is net investment in capital assets, consisting of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments is excluded from the determinations. The second component is restricted net position, which consists of line items for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including the entity's self-imposed legal mandates. The final component is unrestricted net position, which consists of all other net assets not included in the above categories.

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

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

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

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

(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 County's stabilization policy is as follows: A fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Fund. The stabilization funds are 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 fiscal stabilization reserve to be classified as “committed” fund balance in the General Fund. The fiscal stabilization reserve can be spent under extreme exigent circumstances which exist only if revenue shortfalls cannot be met through reducing expenditures without impacting the health, safety and/or welfare of the County; or 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 fiscal stabilization reserve is most likely to occur in the event of a natural disaster or an unexpected significant reduction in revenue sources in excess of 5% of the approved budgeted revenue for that fund. Use of the fiscal stabilization reserve requires approval by Council Resolution.

In the event that the fiscal stabilization reserve is spent, the following must be followed to replenish the reserve balance:

1. Withdrawals up to 25% of the reserve shall be restored within five fiscal years;
2. Withdrawals of 25% of the reserve up to 50% of the reserve shall be restored within eight fiscal years;
3. Withdrawals of 50% of the reserve up to 75% of the reserve shall be restored within ten fiscal years;
4. Withdrawals of 75% of the reserve up to 100% of the reserve shall be restored within twelve fiscal years.

This fiscal stabilization reserve should be maintained at a level of at least 15% of the fund’s next year budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources.

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

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

Non-exchange Transactions, Contributed Capital and Transfers

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

Passenger Facility Charges

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

Contract Facility Charges

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

Lease Accounting

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

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

Leased Property Under Capital Lease

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies, continued

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

Property Taxes

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

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

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

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

Cost Allocation - Indirect

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

Future Landfill Closure and Postclosure Care Costs

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

Net Pension Liability

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

E. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 12, 2016, the date the financial statements were available to be issued.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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 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 and Fleet Services for fiscal year ended June 30, 2016, 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, 2016, 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 2017 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic rebudgeting shall not require a supplemental budget ordinance and shall be limited to the amount available above the required fund balance for the previous fiscal year: funds budgeted for: Capital Improvement Projects Road Maintenance local road improvements Capital Project Sales Tax projects; County Council expense accounts and recreation funds; Grants or donations; Stormwater capital projects, chemicals, and contract spraying; Maintenance Life Cycle Program; Recreation capital improvements and programs; capital items authorized by purchase order 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); offsite morgue; infrastructure improvements in admission tax districts spoil basin maintenance and legal traffic lights; Public Works asphalt supplies; infrastructure improvements in the Multi-County Business Park Rollback Fund; Solicitor and Public Defender Circuit Offices; Fire Apparatus Replacement; Prisoner Canteen proceeds; home detention; and Library park pass fees.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability, continued

B. Encumbrances

Under encumbrance accounting, outstanding purchase orders, contracts, and other commitments for unperformed contracts and goods and services are recorded in order to reserve that portion of the applicable appropriation in the governmental fund types. At year-end, encumbrances are carried forward and are reported within the category of restricted fund balance if the encumbrance will be relieved by grant funds or other external restricted funds or as committed fund balance. Resources to liquidate encumbrances are existing for all governmental funds with the exception of the Community Development Block Grant Program Special Revenue Fund (CDBG). Resources to liquidate encumbrances for CDBG are measurable but not available at June 30, 2016. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

Note 3. Deposits and Investments

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

A. Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2016, reported amount of the County's deposits was \$121.02 million and the bank balance was \$126.83 million. The \$126.83 million bank balance was covered by federal depository insurance or collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment Policy

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments

At June 30, 2016, 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	\$ 29,445	\$ 4,048	\$ 22,382	\$ 3,015
Money Market funds	68,253	68,253	-	-
U.S. Government Agencies Securities	446,090	157,234	101,844	187,012
State of S.C. Treasurer's Investment Pool	<u>275,852</u>	<u>275,852</u>	-	-
Total investments held in the County's name	<u>\$ 819,640</u>	<u>\$ 505,387</u>	<u>\$ 124,226</u>	<u>\$ 190,027</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.

	Fair Value Measurements Using			
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by Fair Value Level				
Certificates of Deposits	\$ 29,445	\$ 29,445	\$ -	\$ -
Money Market Funds	68,253	68,253	-	-
U.S. Government Agencies Securities	446,090	-	446,090	-
Total Investments by Fair Value Level	<u>543,788</u>	<u>97,698</u>	<u>446,090</u>	<u>-</u>

Investments Measured at the Net Asset Value (NAV)

State of S.C. Treasurer's Investment Pool	<u>275,852</u>
Total Investments at the NAV	<u>275,852</u>
Total Investments held in the County's name	<u>\$ 819,640</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

B. Investments

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

Custodial Credit Risk

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

Credit Risk

As of June 30, 2016, 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 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, 2016, the County had 45.02% of its investments invested with First Citizens, 33.42% with the State of S.C. Treasurer's investment pool and 17.89% with Wells Fargo Securities.

The County does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

Component Units

HCSWA:

A. Deposits

At June 30, 2016, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$8,957,250 with corresponding bank balances of \$9,092,052. Of that balance, \$750,000 was covered by federal depository insurance and \$8,342,052 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name. At year end, petty cash on hand totaled \$1,850.

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

Investments consisted of the following at June 30, 2016:

<u>Investment Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
US Treasury Notes	2.5	N/A	\$501,094	2.35
Federal Home Loan Mortgage Corp.	2.94	AA+	10,256,352	48.09
State of S.C. Treasurer's Investment Pool	N/A	Not Rated	<u>10,567,920</u>	<u>49.56</u>
			<u>\$21,325,366</u>	<u>100.00%</u>

At June 30, 2016, fair value measurements of the HCSWA 's investments are as follows:

	<u>Fair Value Measurements Using</u>		
	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Total</u>
US Treasury Notes	\$ 501,094	\$ -	\$ 501,094
Federal Home Loan Mortgage Corporation	10,256,352	-	10,256,352
SC Local Government Investment Pool	-	10,567,920	10,567,920
	<u>\$ 10,757,446</u>	<u>\$ 10,567,920</u>	<u>\$ 21,325,366</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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments, continued

Component Units, continued

HCSWA:

A. Deposits

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, 2016 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$	7,732,046
Landfill Postclosure Care Costs		8,539,291
Equipment Replacement		2,434,898
Construction		5,193,665
MRF Contingency		23,879
OPEB Obligation		1,825,074
Waste Diversion		712,202
	\$	<u>26,461,055</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, 2016 a total of \$1,280,191 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, 2016, SBHS had no investments.

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

	Primary Government	Fiduciary Fund		Discretely Presented Component Units	
		Agency	Total	SBHS	HCSWA
Cash on hand	\$ 28	\$ -	\$ 28	\$ -	\$ 2
Carrying amount of deposits	105,753	15,271	121,024	2,201	8,957
Carrying amount of investments	447,546	372,094	819,640	-	21,326
Totals	\$ 553,327	\$ 387,365	\$ 940,692	\$ 2,201	\$ 30,285
Cash and cash equivalents	\$ 53,302	\$ 15,271	\$ 68,573	\$ 2,201	\$ 17,974
Pooled cash and investments	50,224	372,094	422,318	-	-
Investments	355,944	-	355,944	-	12,311
Cash and cash equivalents - restricted	27,985	-	27,985	-	-
Investments - restricted	12,930	-	12,930	-	-
Restricted funds held in trust	52,942	-	52,942	-	-
Totals	\$ 553,327	\$ 387,365	\$ 940,692	\$ 2,201	\$ 30,285

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, 2016, are as follows:

	(amounts shown in thousands)		
	Government Activities	Business-type Activity	Totals
Property taxes	\$ 20,527	\$ -	\$ 20,527
Less, allowance for uncollectibles and amounts not available for current period	(15,324)	-	(15,324)
Net property taxes	5,203	-	5,203
Accounts and other			
Other	2,763	2,780	5,543
EMS billings	21,949	-	21,949
Less, allowance for uncollectibles	(20,482)	(421)	(20,903)
Net accounts and other	4,230	2,359	6,589
Fees			
Road fees	2,551	-	2,551
Hospitality fees	6,516	-	6,516
Stormwater Management fees	275	-	275
Fee in lieu of tax	-	-	-
Other fees	1,049	-	1,049
Less Allowance for uncollectibles	(1,429)	-	(1,429)
Net fees	8,962	-	8,962
Total receivables, net	<u>\$ 18,395</u>	<u>\$ 2,359</u>	<u>\$ 20,754</u>

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

Government Activities accounts receivable include amounts owed to the County as a result of magistrates court, clerk of court fines and assessments, and billings relating to emergency medical transportation. Fees receivable include Accommodations tax, Hospitality fees, Road Maintenance, Stormwater Management and E911 fees.

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

Receivables at June 30, 2016 for the discretely presented component unit HCSWA totaled \$1,857,555 and included amounts from trade accounts receivable net of \$15,000 in allowance for doubtful accounts.

Receivables (current and non-current) at June 30, 2016 for the discretely presented component unit SBHS totaled \$678,574 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$3,845,000 allowance for uncollectible accounts.

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

1) Debt Setoff - Debt Setoff is a program whereby individual income tax refunds are intercepted and sent to creditors. The SCDOR charges an administrative fee to the debtor of \$25. For fiscal year ended June 30, 2016, SBHS's revenue for Debt Setoff was \$93,497.

2) GEAR - Gear is a program whereby the SCDOR impounds a portion of individuals recurring wages. Amounts impounded are remitted monthly to Shoreline less an administrative fee of 28.5%. For the fiscal year ended June 30, 2016, SBHS's revenue for and GEAR was \$46,885.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

In the government-wide statement of net position, interfund receivables and payables (internal balances) between governmental activities and Business-type activities have been eliminated. In the governmental and proprietary funds financial statements, short-term interfund receivables and payables at June 30, 2016 were as follows:

	Due From							Total
	<u>General Fund</u>	<u>Arcadian Shores</u>	<u>RIDE Debt Service</u>	<u>CDBG</u>	<u>Tourism & Promotion</u>	<u>Victim Witness</u>	<u>Airport</u>	
Due To								
General Fund	\$ -	\$ 133	\$ -	\$ 289	\$ 848	\$ 9	\$ 1,061	\$ 2,340
Total	\$ -	\$ 133	\$ -	\$ 289	\$ 848	\$ 9	\$ 1,061	\$ 2,340

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government:		
General Fund	\$ -	\$ 184
Waste Management Recycling Fund	-	762
Component units:		
SHBS	184	-
HCSWA	762	-
	<u>\$ 946</u>	<u>\$ 946</u>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

The following table summarizes interfund transfers during the year ended June 30, 2016:

	Transfers from						Total
	General Fund	Capital General Improvement Projects Fund	Capital Project Sales Tax	RIDE Program Debt Service	Non-major Governmental Funds	Fleet Internal Service Fund	
Transfers to							
General Fund	\$ -	\$ 275	\$ -	\$ 437	\$ -	\$ -	\$ 712
Road Maintenance	-	-	-	-	250	-	250
Beach Renourishment	259	-	-	-	-	-	259
Grants	-	-	-	-	118	-	118
Victim Witness	190	-	-	-	-	-	190
Solicitor	3,875	-	-	-	-	-	3,875
Public Defender	1,051	-	-	-	-	-	1,051
Recreation	38	-	-	-	21	-	59
Capital Projects	5,448	-	16,000	-	1,084	193	22,725
General Debt Service	-	-	-	-	1,425	-	1,425
Fleet Internal Service	253	-	-	-	197	-	450
Total	\$ 11,114	\$ 275	\$ 16,000	\$ 437	\$ 3,095	\$ 193	\$ 31,114

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: General capital asset transferred to Internal Service Fund in the amount of \$63 is not included in the above table.

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

Amounts due from other governments for the primary governments and component units on the Statement of Net Position at June 30, 2016 are as follows:

	Governmental Activities			Business-type Activities	Discretely Presented Component Units	
	General	Special Revenue	Capital Projects	Department of Airports	SBHS	SWA
State	\$ 2,860	\$ 2,192	\$ 396	\$ -	\$ 121	\$ 171
Federal	252	591	-	1,234	213	-
Other	329	36	-	-	-	762
Total	\$ 3,441	\$ 2,819	\$ 396	\$ 1,234	\$ 334	\$ 933

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, 2016 are as follows:

	<i>(amounts shown in thousands)</i>				
Governmental Activities	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 23,051	\$ 100	\$ -	\$ 607	\$ 23,758
Intangible Assets	20	-	-	-	20
Infrastructure	473,894	8,388	(361)	1,065	482,986
	<u>496,965</u>	<u>8,488</u>	<u>(361)</u>	<u>1,672</u>	<u>506,764</u>
Construction-in-progress	38,568	17,030	(76)	(12,994)	42,528
Total capital assets not depreciated	<u>535,533</u>	<u>25,518</u>	<u>(437)</u>	<u>(11,322)</u>	<u>549,292</u>
Subject to depreciation/amortization:					
Land improvements	8,531	262	-	139	8,932
Buildings and improvements	236,930	-	-	370	237,300
Machinery, equipment and vehicles	93,558	1,871	(1,091)	10,813	105,151
Intangible Assets	532	-	-	-	532
Totals	<u>339,551</u>	<u>2,133</u>	<u>(1,091)</u>	<u>11,322</u>	<u>351,915</u>
Total General Capital Assets	<u>875,084</u>	<u>27,651</u>	<u>(1,528)</u>	<u>-</u>	<u>901,207</u>
Less, accumulated depreciation:					
Land improvements	(3,078)	(498)	-	-	(3,576)
Buildings and improvements	(77,659)	(8,177)	-	-	(85,836)
Machinery, equipment and vehicles	(77,254)	(6,930)	995	-	(83,189)
Intangible assets	(208)	(53)	-	-	(261)
Totals	<u>(158,199)</u>	<u>(15,658)</u>	<u>995</u>	<u>-</u>	<u>(172,862)</u>
Net general capital assets	<u>716,885</u>	<u>11,993</u>	<u>(533)</u>	<u>-</u>	<u>728,345</u>
<u>Internal Service Fund Capital Assets</u>					
Subject to depreciation:					
Land improvements	-	18	-	-	18
Machinery, equipment and vehicles	17,459	2,730	(1,318)	-	18,871
Heavy equipment	13,306	1,668	-	-	14,974
Totals	<u>30,765</u>	<u>4,416</u>	<u>(1,318)</u>	<u>-</u>	<u>33,863</u>
Less, accumulated depreciation					
Land improvements	-	-	-	-	-
Machinery, equipment and vehicles	(11,158)	(2,189)	1,194	-	(12,153)
Heavy Equipment	(7,828)	(1,645)	-	-	(9,473)
Totals	<u>(18,986)</u>	<u>(3,834)</u>	<u>1,194</u>	<u>-</u>	<u>(21,626)</u>
Net internal service fund capital assets	<u>11,779</u>	<u>582</u>	<u>(124)</u>	<u>-</u>	<u>12,237</u>
Net capital assets - Governmental Activities	<u>\$ 728,664</u>	<u>\$ 12,575</u>	<u>\$ (657)</u>	<u>\$ -</u>	<u>\$ 740,582</u>

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, 2016 was \$33,090.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets

(amounts shown in thousands)

Business-type Activities	Balance			Balance
	June 30, 2015	Additions	Deductions	June 30, 2016
Not subject to depreciation:				
Land and easements	\$ 23,274	\$ -	\$ -	\$ 23,274
Infrastructure	9,182	-	-	9,182
	<u>32,456</u>	<u>-</u>	<u>-</u>	<u>32,456</u>
Construction in progress	474	4,624	(4,402)	696
Total capital assets not depreciated	<u>32,930</u>	<u>4,624</u>	<u>(4,402)</u>	<u>33,152</u>
Subject to depreciation:				
Buildings and improvements	168,646	2,959	-	171,605
Runways and taxiways	94,506	-	-	94,506
Machinery and equipment	20,685	405	-	21,090
Land improvements	34,450	1,358	-	35,808
Totals	<u>318,287</u>	<u>4,722</u>	<u>-</u>	<u>323,009</u>
Total Business-Type Assets	<u>351,217</u>	<u>9,346</u>	<u>(4,402)</u>	<u>356,161</u>
Less accumulated depreciation:				
Buildings and improvements	(40,560)	(5,162)	-	(45,722)
Runways and taxiways	(35,364)	(3,519)	-	(38,883)
Machinery and equipment	(13,561)	(503)	-	(14,064)
Land improvements	(9,428)	(2,197)	-	(11,625)
Totals	<u>(98,913)</u>	<u>(11,381)</u>	<u>-</u>	<u>(110,294)</u>
Net capital assets -				
Business-type Activities	<u>\$ 252,304</u>	<u>\$ (2,035)</u>	<u>\$ (4,402)</u>	<u>\$ 245,867</u>

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2016, are as follows:

(amounts shown in thousands)

Component Units	SBHS	HCSWA
Land	\$ 138	\$ 7,918
Subtitle D (Class 3) landfill	-	26,462
Buildings	1,454	12,082
Vehicles, machinery and equipment	194	20,109
Other improvements	-	8,730
Construction-in-progress	-	7,905
Totals	<u>1,786</u>	<u>83,206</u>
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(22,801)
Buildings	(811)	(3,776)
Vehicles, machinery and equipment	(150)	(10,722)
Other improvements	-	(2,659)
Totals	<u>(961)</u>	<u>(39,958)</u>
Net capital assets - Component Units	<u>\$ 825</u>	<u>\$ 43,248</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

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

Governmental Activities	(amounts shown in thousands)
Road Improvements	\$ 39,847
P25 infrastructure	1,130
Financial System	531
Fiber Installation	385
IT Projects	357
Building Projects	221
Recreation	57
Total	\$ 42,528

Estimated remaining costs to complete these County projects approximates \$119.1 million.

Business-type Activities: (Department of Airports)	(amounts shown in thousands)
East Side Commerce Park	\$ 50
MYR RAC Service Center Improvement	99
MYR AWOS Relocation	100
MYR GA Ramp Rehabilitation-Phase 1	159
MYR Concrete Replacement Fuel Farm	64
MYR Façade/Interior Improvements	40
HYW Airfield Light Replacement & Windssock Relocation	79
5J9 Perimeter Fencing & Guidance Signs	49
MYR SP Feasibility Study	24
MYR Airfield Office (Bldg 360) Renovations	17
MYR Apron Catch Basin Improvements	2
MYR Hangar 358 Improvements	4
CRE-FBO Renovations	9
Total	\$ 696

Estimated remaining costs to complete these Airport projects approximates \$10.6 million.

The Department of Airports has begun a General Aviation System Plan in Fiscal year 2016. This is an FAA funded study that will identify facility needs and establish development priorities for the three general aviation airports. The CRE Facility Improvements will be based on the findings of this study.

At June 30, 2016, the Airport had outstanding purchase orders relating to the projects above in the amount of \$7.3 million.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Department of Airport Facilities

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

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

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

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2016 is as follows: general government (\$5,141,107); public safety (\$7,385,595); Infrastructure and regulation (\$386,689); culture and recreation (\$2,481,978) and health and social services (\$246,692). Capital assets held by the Internal Service Fund (\$3,807,526).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2016, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, other post-employment benefits, and long-term capital leases.

General Obligation (G.O.) bonds are issued to provide funds for the acquisition and construction of major capital facilities and equipment. G.O. bonds are direct obligations that pledge the full faith, credit and taxing power of the County. The South Carolina Constitution limits local government units borrowing power to eight percent of its assessed property values. The limitation excludes bonded indebtedness existing prior to December 1, 1997 (date of the Constitutional Amendment), certain special levies assessed on properties located in specific areas receiving special benefits, and other prescribed indebtedness approved by the voters.

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

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

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

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

On December 3, 2015, the County issued \$15,410,000 of General Obligation Refunding Bonds, Series 2015A (the "2015A Bonds") with an interest rate of 1.92%. The net proceeds of the 2015A Bonds were placed in an irrevocable trust account and were issued to partially defease the 2005 General Obligation Bonds-Judicial Center Refunding. The 2015A Bonds are payable through March 2022, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$964,561 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$952,945. The outstanding principal balance of the 2015A Bonds at June 30, 2016 was \$15,410,000.

Advance Refundings

The balance of outstanding advanced refunding at June 30, 2016 is \$26,830,000.

On April 30, 2015, the County issued \$4,774,000 of General Obligation Refunding Bonds, Series 2015B (the "2015B Bonds") with an interest rate of 1.56% and \$24,726,000 of General Obligation Refunding Bonds, Series 2016C (the "2015C Bonds") with an interest rate of 1.77%. These bonds were issued to advance refund \$4,440,000 of outstanding 2007 GO Bonds with a coupon rate of 4.0% and \$22,390,000 of outstanding 2008 GO Bonds with a coupon rate ranging from 4.0% to 4.5%. The net proceeds of \$29,382,877 (after payment of \$115,000 in underwriting discount and issuance costs) were used to purchase US Government securities. Those securities were deposited in an irrevocable trust with Regions Bank to provide for future debt service payment on the 2007 and 2008 GO Bonds. As a result the 2007 and 2008 GO Bonds are considered to be defeased for payments due after March 2017 and the liability for these bonds has been removed from the governmental activities column of the statement of net position.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

A. Governmental Activities Debt

On December 30, 2009, the County issued \$6,960,000 of General Obligation Bonds, Series 2009B under the guidelines provided in the American Recovery and Reinvestment Act (“ARRA”) as Build America Bonds. The Series 2009B Bonds were issued with taxable interest rates that range from 2% to 3%, and under the guidelines set forth in the ARRA are eligible to apply for an interest subsidy payment from the United States Treasury of 35% of the interest payable on the bonds. The subsidy payments have not been pledged to the payment of any Bonds and would be part of the County’s general revenues. The County received an interest subsidy of \$119,997 for the year ended June 30, 2016.

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

Bonded Debt:	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Current Portion
General Obligation Bonds					
G.O Bonds of 2005 (Series B) dated September 1 for \$30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	\$ 17,190	\$ -	\$ (17,190)	\$ -	\$ -
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% - Health Department/Museum	1,525	-	(745)	780	780
G.O. Bonds of 2008 dated May 20 for \$62 million with interest at 4% to 5% - \$50 M Detention Center / \$12 M Libraries	15,850	-	(3,755)	12,095	3,885
G.O. Bonds of 2009 (Series A) dated December 30 for \$5.04 million with interest at 2% to 3% - Recreation and Library	2,680	-	(505)	2,175	520
G.O. Bonds of 2009 (Series B), Build America Bonds, dated December 30 for \$6.96 million with interest at 2% to 3% - Recreation and Library	6,960	-	-	6,960	-
G.O. Bonds of 2010 (Series B) dated June 3 for \$12.2 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding - S.S. Complex, Libraries & Court House	8,570	-	(1,305)	7,265	1,345

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

A. Governmental Activities Debt

Bonded Debt:	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Current Portion
General Obligation Bonds					
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	1,180	-	(180)	1,000	190
G.O. Bonds of 2011 (Series A) dated December 6 for \$6.64M with interest at 2% to 4% - Series 2004A Refunding - Fire Protection District	5,920	-	(815)	5,105	835
G.O. Bonds of 2011 (Series B) dated December 6 for \$2.1M with interest at 2% to 3% - Series 2004B Refunding - HGTC	1,935	-	(190)	1,745	195
G.O. Bonds of 2015 (Series B) dated April 30 for \$4.774 M with interest at 1.56% - Series 2007 Refunding	4,774	-	-	4,774	13
G.O. Bonds of 2015 (Series C) dated April 30 for \$24.7 M with interest at 1.77% - Series 2008 Refunding	24,726	-	-	24,726	-
G.O. Bonds of 2015 (Series A) dated December 3 for \$15.41 M with interest of 1.92% - Series 2005 Refunding	-	15,410	-	15,410	1,825
Certificates of Participation					
Dated September 1, 1998 for \$3.088M with interest at 3% to 5% - Baseball Stadium	861	-	(200)	661	210
Total governmental bonded debt	92,171	15,410	(24,885)	82,696	9,798
Unamortized premiums	1,789	-	(199)	1,590	-
Net governmental bonded debt	\$ 93,960	\$ 15,410	\$ (25,084)	\$ 84,286	\$ 9,798

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

A. Governmental Activities Debt

Other general long-term obligations of the County's governmental activities at June 30, 2016 are as follows:

	<i>(amounts shown in thousands)</i>				
	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Current Portion</u>
Other general long-term obligations:					
RIDE - IGA Loan #1	\$ 30,000	\$ -	\$ (15,000)	\$ 15,000	\$ 15,000
Less, amounts imputed for interest	(1,068)	-	768	(300)	(300)
Net RIDE - IGA Loan #1	<u>28,932</u>	<u>-</u>	<u>(14,232)</u>	<u>14,700</u>	<u>14,700</u>
RIDE - IGA Loan #2	<u>146,240</u>	<u>-</u>	<u>(16,750)</u>	<u>129,490</u>	<u>18,882</u>
Net RIDE - IGA Loans payable	<u>175,172</u>	<u>-</u>	<u>(30,982)</u>	<u>144,190</u>	<u>33,582</u>
Capital Lease Obligations					
Public safety CAD software	936	-	(462)	474	474
Public safety Panasonic laptops	91	-	(91)	-	-
Public safety Panasonic laptops	188	-	(93)	95	95
Beach cleanup tractors	44	-	(22)	22	22
Financial system software	3,280	-	(439)	2,841	449
Energy performance contract	8,160	-	(221)	7,939	330
Fire apparatus	7,362	-	(775)	6,587	775
Fire apparatus	-	5,500	-	5,500	550
Public safety Panasonic laptops	351	-	(99)	252	100
Public safety Motorola radios	3,722	-	(488)	3,234	502
Total capital leases	<u>24,134</u>	<u>5,500</u>	<u>(2,690)</u>	<u>26,944</u>	<u>3,297</u>
Post employment benefit obligation, net	<u>25,792</u>	<u>1,406</u>	<u>-</u>	<u>27,198</u>	<u>-</u>
Accumulated compensation absences, net	<u>13,978</u>	<u>6,442</u>	<u>(7,471)</u>	<u>12,949</u>	<u>7,471</u>
Net Pension Obligation	<u>139,685</u>	<u>16,856</u>	<u>-</u>	<u>156,541</u>	<u>-</u>
Total other general long-term obligations	<u>378,761</u>	<u>30,204</u>	<u>(41,143)</u>	<u>367,822</u>	<u>44,350</u>
Total Net Governmental Activities Debt	<u>\$ 472,721</u>	<u>\$ 45,614</u>	<u>\$ (66,227)</u>	<u>\$ 452,108</u>	<u>\$ 54,148</u>

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

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

RIDE Intergovernmental Agreements

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

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

The Series 2010A Bonds were issued to pay a portion of the cost of construction of the TCEP at the Myrtle Beach International Airport and to fund the capitalized interest on the Series 2010A Bonds through December 1, 2011, fund the debt service and pay the costs of issuance of the Series 2010A Bonds. The remaining unamortized original issue discount for the 2010A Bond was \$172,549 at June 30, 2016.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard Improvements, fund the capitalized interest on the Series 2010B Bonds through December 1, 2011, fund the debt service reserve requirements and pay cost of issuance of the Series 2010B Bonds. The County has elected to treat the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" for the purposes of the Internal Revenue Code of 1986. Subject to the County's compliance with certain requirements of the Code, the County expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Series 2010B Bonds. Due to the federal government's sequestration measures, this amount was reduced by 6.8% in fiscal year 2016 and 7.3% in fiscal year 2015. Series 2010B Bond currently has interest only payments and the first principal payment will occur on July 1, 2030.

The Department of Airports received total interest subsidies of \$298,731 and \$297,128 for fiscal years 2016 and 2015, respectively.

The revenue bonds are secured by pledge of the revenues derived from the operation of the Airport. The Airport received net revenues in the amount of \$13,034,663 while net debt service was \$4,008,063. 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 the use of Airport 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 the Airport. 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 2016 satisfied the Series 2010 revenue bond covenant.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2016, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Revenue Bonds:				
Revenue bond, 2010A Series dated November 17, with interest at 4.375% to 5% due 2011-2040	\$ 49,655	\$ -	\$ (1,270)	\$ 48,385
Revenue bond, 2010B Series dated November 17, with interest at 7.328% due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	59,375	-	(1,270)	58,105
Less, original issue discount	(179)	7	-	(172)
Less, current maturities	(1,270)	(1,320)	1,270	(1,320)
Net Revenue Bonds	\$ 57,926	\$ (1,313)	\$ -	\$ 56,613

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

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

Annual principal requirements to amortize general and special obligation bonds, revenue bonds, certificates of participation (COPS), and RIDE Intergovernmental Agreements (IGA) loans #1 and #2 at their respective present values at June 30, 2016 for the County, are summarized as follows:

(amounts shown in thousands)

Years Ending June 30,	G.O. Bonds		Baseball Stadium COPS		Airport Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2017	\$ 9,588	\$ 2,296	\$ 210	\$ 33	\$ 1,320
2018	10,865	1,971	220	23	1,370	2,934
2019	11,576	1,602	231	11	1,415	2,893
2020	11,495	1,251	-	-	1,480	2,822
2021	11,737	993	-	-	1,540	2,763
2022-2026	21,963	2,167	-	-	8,790	12,734
2027-2031	4,811	489	-	-	10,960	10,562
2032-2036	-	-	-	-	13,815	7,419
2037-2041	-	-	-	-	17,415	3,073
2042-2046	-	-	-	-	-	-
Total	\$ 82,035	\$ 10,769	\$ 661	\$ 67	\$ 58,105	\$ 48,187

Years Ending June 30,	RIDE IGA Loan #1		RIDE IGA Loan #2		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
	2017	\$ 14,700	\$ 300	\$ 18,881	\$ 3,905	\$ 44,699
2018	-	-	20,843	3,028	33,298	7,956
2019	-	-	21,464	2,408	34,686	6,914
2020	-	-	22,103	1,768	35,078	5,841
2021	-	-	22,761	1,111	36,038	4,867
2022-2026	-	-	23,438	433	54,191	15,334
2027-2031	-	-	-	-	15,771	11,051
2032-2036	-	-	-	-	13,815	7,419
2037-2041	-	-	-	-	17,415	3,073
2042-2046	-	-	-	-	-	-
Total	\$ 14,700	\$ 300	\$ 129,490	\$ 12,653	\$ 284,991	\$ 71,976

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

Years Ending June 30,	Principal	Interest	Federal Subsidy *	Debt Service Requirements
2017	\$ 1,320	\$ 2,987	\$ (299)	\$ 4,008
2018	1,370	2,934	(299)	4,005
2019	1,415	2,893	(299)	4,009
2020	1,480	2,822	(298)	4,004
2021	1,540	2,763	(298)	4,005
2022-2026	8,790	12,735	(1,492)	20,033
2027-2031	10,960	10,562	(1,492)	20,030
2032-2036	13,815	7,419	(1,226)	20,008
2037-2041	17,415	3,073	(502)	19,986
Total	\$ 58,105	\$ 48,188	\$ (6,205)	\$ 100,088

*assumes a 6.8% and 6.9% reduction on the 45% subsidy based upon federal guidance for subsidy payments made in federal fiscal years 2016 and 2017 respectively.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

A. Capital Lease Obligations

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

Governmental Activities:

The County's capital leases have been recorded at the present value of the future minimum lease payments as follows:

<u>Year Ended June 30,</u>	(amounts shown in thousands)				
	<u>Fire Apparatus</u>	<u>Motorola Radios</u>	<u>Panasonic Laptops</u>	<u>Financial System</u>	<u>Fire Apparatus</u>
2017	\$ 909	\$ 595	\$ 103	\$ 507	\$ 642
2018	893	595	103	506	636
2019	877	595	51	506	627
2020	861	595	-	507	617
2021	846	595	-	506	607
Thereafter	2,834	595	-	507	2,894
Total lease payments	7,220	3,570	257	3,039	6,023
Less, interest	(633)	(336)	(5)	(198)	(523)
Present value of future minimum lease payments	6,587	3,234	252	2,841	5,500
Less, current portion	(775)	(502)	(100)	(449)	(550)
Total non-current portion	<u>\$ 5,812</u>	<u>\$ 2,732</u>	<u>\$ 152</u>	<u>\$ 2,392</u>	<u>\$ 4,950</u>

<u>Year Ended June 30,</u>	<u>Panasonic Laptops</u>	<u>CAD</u>	<u>Tractors</u>	<u>Energy Performance</u>	<u>Total</u>
2017	\$ 96	\$ 487	\$ 22	\$ 568	\$ 3,929
2018	-	-	-	579	3,312
2019	-	-	-	591	3,247
2020	-	-	-	602	3,182
2021	-	-	-	673	3,227
Thereafter	-	-	-	6,964	13,794
Total lease payments	96	487	22	9,977	30,691
Less, interest	(1)	(13)	-	(2,038)	(3,747)
Present value of future minimum lease payments	95	474	22	7,939	26,944
Less, current portion	(95)	(474)	(22)	(330)	(3,297)
Total non-current portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,609</u>	<u>\$ 23,647</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

A. Capital Lease Obligations

Business-type Activities (Enterprise Funds):

During the year ended June 30, 2006, the Airport entered into a ten year non-cancelable lease for a generator for the Airport. The annual interest rate on the lease is 2.87% per annum. The value of the generator at acquisition was \$425,000. The lease was paid in full during fiscal year 2016

During the year ended June 30, 2013, the Airport entered into a ten year non-cancelable lease for an additional generator for the Airport's new terminal building. This additional lease was effective April 1, 2013. The annual interest rate on the lease is 1.15% per annum. The fair market value of the generator at acquisition was \$558,650, and the net book value of the generator as of June 30, 2016 and June 30, 2015 was \$384,047 and \$432,954, respectively.

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

<u>Year Ended June 30,</u>	<u>Total</u>
2017	\$ 59,148
2018	59,148
2019	59,148
2020	59,148
2021	59,148
2022-2023	108,438
Total payments	404,178
Less, amount representing interest	(15,573)
Present value of future minimum lease payments	388,605
Less, current portion	(54,990)
Total non-current portion	<u>\$ 333,615</u>

The changes in the County's capital leases and other long-term obligations for its business-type activities for the June 30, 2016 are as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
Capital leases	\$ 484,244	\$ -	\$ (95,639)	\$ 388,605	\$ 54,990
Compensated absences	1,285,479	486,072	(499,764)	1,271,787	317,947
Net OPEB obligation	813,573	5,009	-	818,582	-
Net Pension Liability	9,861,602	1,438,839	-	11,300,441	-
Total Long Term Liability	<u>\$ 12,444,898</u>	<u>\$ 1,929,920</u>	<u>\$ (595,403)</u>	<u>\$ 13,779,415</u>	<u>\$ 372,937</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

B. Operating Lease Agreements

Lessor (Department of Airports)

The Airport derives a substantial portion of its revenues from charges to air carriers, aeronautical businesses and schools, and concessionaires. Substantially all of the assets classified as fixed assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, and concessionaires on a fixed fee as well as a contingent fee basis. All leases of the Airport are treated as operating leases for accounting purposes. Most of the leases provide for an annual review and redetermination of the rental amounts. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2016:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2017	\$ 7,378
2018	3,627
2019	3,555
2020	3,468
2021	3,228
2022-2026	2,525
Total	<u>\$ 23,781</u>

At June 30, 2016, the total historical cost and net book value of certain property leased to parties external to the County reporting entity is \$94,933,844 and \$72,667,074, respectively.

Lessor (SBHS)

At June 30, 2016 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2017	\$ 9,957
2018	9,652
2019	3,241
2020	92
Total	<u>\$ 22,942</u>

Total lease expense for the fiscal year ended June 30, 2016 was approximately \$11,483.

C. Other Long-Term Liabilities

SBHS at June 30, 2016

The changes in the SBHS's other long-term obligations for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated absences	\$ 74,294	\$ 78,054	\$ (59,690)	\$ 92,658	\$ 50,035
Net OPEB obligation	89,834	21,414	(11,207)	100,041	-
Net Pension Liability	2,372,976	1,417,005	(191,281)	3,598,700	-
Total Long-term liabilities	<u>\$ 2,537,104</u>	<u>\$ 1,516,473</u>	<u>\$ (262,178)</u>	<u>\$ 3,791,399</u>	<u>\$ 50,035</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

C. Other Long-Term Liabilities

HCSWA at June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated absences	\$ 319,676	\$ 253,953	\$ (253,609)	\$ 320,020	\$ 255,000
Net OPEB obligation	1,770,674	191,593	(28,693)	1,933,574	-
Net pension liabilities	7,331,725	776,404	(414,592)	7,693,537	-
Landfill closure costs	18,669,797	-	(499,035)	18,170,762	-
Landfill postclosure care costs	6,113,804	-	(163,419)	5,950,385	-
Total Long-term liabilities	<u>\$ 34,205,676</u>	<u>\$ 1,221,950</u>	<u>\$ (1,359,348)</u>	<u>\$ 34,068,278</u>	<u>\$ 255,000</u>

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 3 passenger airlines. The Signatory Airline Agreements were signed as of July 1, 2014, with Spirit Airlines, American Airlines, and Delta Air Lines. 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, 2016, Horry County estimates the Settlement due to the Signatory Airlines is \$467,672. This amount is included in amounts due to tenants on the accompanying Statements of Net Position.

Horry County has also entered into agreements with airlines that serve the Airport and are not parties to Signatory Airline Agreements (the Non-signatory Airlines). The County assesses fees, rentals, and charges to the Non-Signatory Airlines at 125% of the fees, rentals, and charges charged to the Signatory Airlines. The Non-Signatory Airlines do not participate in the year-end reconciliation. As of June 30, 2016, the Non-Signatory Airlines operating at the Airport were Allegiant Air, Porter Airlines, Elite Airways, United Airlines, and WestJet.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these closure and postclosure care costs as operating expenses in each period based on landfill capacity used as of each balance sheet date. For purposes of closure and postclosure care, the Class 2 and Class 3 landfills are considered a single site. At June 30, 2016, the percentage utilization of the estimated total capacity of the landfills was 61.9%.

The closure and postclosure care liabilities at June 30, 2016 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites and totaled \$18,170,762 and \$5,950,385, respectively. The HCSWA will recognize the remaining estimated closure and postclosure care costs totaling \$11,184,265 and \$3,662,515, 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, 2039. 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, 2016, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$7,732,046 and \$8,539,291 of cash, cash equivalents and investments at June 30, 2016 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, 2016:

	<i>(amounts shown in thousands)</i>			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>	
			<u>SHBS</u>	<u>HCSWA</u>
<u>Net investment in Capital Assets:</u>				
Primary Government	\$ 740,582	\$ 245,867	\$ -	\$ -
Component units	-	-	825	43,248
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	(99,390)	(56,612)	-	-
Less, construction and retainage payable for capital items	-	(389)	-	-
Total net investment in capital assets	<u>\$ 641,192</u>	<u>\$ 188,866</u>	<u>\$ 825</u>	<u>\$ 43,248</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances

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 Ordance 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 2017 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 2017 Operating budget	18% cash management reserve at June 30, 2016	5% disaster reserve at June 30, 2016	2% revenue stabilization reserve at June 30, 2016
General Fund	\$ 150,375,609	\$ 27,067,610	\$ 7,518,780	\$ 3,007,512
Fire Fund	19,171,718	3,450,909	958,586	383,434
Stormwater Management Fund	5,002,101	900,378	250,105	100,042
Recreation Fund	4,297,002	773,460	214,850	85,940
General Debt Service Fund	n/a	n/a	n/a	n/a

	FY 2017 Debt Service	Related restricted fund balance at June 30, 2016	Total Reserves at June 30, 2016
General Fund	n/a	n/a	\$ 37,593,902
Fire Fund	\$ 1,324,298	\$ 662,149	5,455,078
Stormwater Management Fund	n/a	n/a	1,250,525
Recreation Fund	n/a	n/a	1,074,250
General Debt Service Fund	10,457,649	5,228,825	5,228,825

At June 30, 2016 the Arcadian Shores and Community Development Block Grant Funds had a deficit fund balance of \$54,696 and \$281,513, respectively. This deficit fund balance will be repaid from future revenues and fee increases.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances

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, 2016 is as follows:

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Restricted or Committed for Capital			
RIDE Road Infrastructure	\$ 200,232,821	\$200,110,604	\$ -
Vehicle Fleet Replacement	20,918,717	-	-
County Road Paving Plan	7,513,574	6,873,244	-
Fire Apparatus	3,474,208	8,903,477	-
General Capital Projects	12,769,684	12,769,684	9,584,946
Total Restricted or Committed for Capital	244,909,004	228,657,009	9,584,946
Restricted or Committed for Bond Debt Service			
RIDE Debt Service	-	55,543,543	-
General Obligation	6,693,210	7,354,651	-
Special Obligation	413,945	413,945	-
Total Restricted or Committed for Debt Service	7,107,155	63,312,139	-
Restricted for Other Purposes			
Special Tax Districts			
County Road Paving Plan	-	-	19,559,584
Fire District	-	7,571,562	-
Waste Management Collection System	9,256,311	8,970,331	-
E911 Emergency Telephone System	5,234,288	5,385,318	-
Stormwater System Maintenance	1,051,406	3,377,052	-
Recreation Programs	-	2,159,947	-
Watersheds Maintenance	1,113,870	1,109,606	-
Mt Gilead Road Maintenance	374,324	373,781	-
Socastee Recreation Maintenance	513,235	507,821	-
Fantasy Harbor Admissions	380,797	380,797	-
Senior Citizens Programs	71,739	44,724	-
Fire Insurance 1% Funding	109,854	109,854	-
Special Purpose Districts			
Higher Education Commission	165,474	118,200	-
Horry Georgetown Technical College	499,555	377,630	-
Funding for Non-capital Infrastructure Improvements			
Beach Renourishment	4,176,259	4,176,260	2,683,409

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
Intergovernmental Funding			
Tourism & Promotion	-	55,220	-
Solicitor	-	2,512,207	-
Public Defender	-	530,093	-
Grants	-	-	319,096
Contractual Restrictions			
B&C MCBP	531,097	531,097	-
Voluntary Developer Contributions	360,909	360,909	-
Baseball Stadium Maintenance	114,381	114,381	-
Myrtle Beach Area Regional Economic Development Corporation Closing Fund	791,381	791,381	1,554,626
Fiscal Reserves	-	-	37,593,902
Other Post Employment Benefits	-	-	1,925,323
Fiscal Year 2017 Expenditure Budget Carryforwards	-	-	7,045,589
Total Restricted or Committed for Other Purposes	24,744,880	39,558,171	70,681,529
Totals	\$ 276,761,039	\$331,527,319	\$ 80,266,475

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, 2016, are as follows:

	Governmental Activities
Donated capital assets	\$ 7,109
Total	\$ 7,109

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2016, are as follows:

	Business -Type Activities
Grants and other cash contributions	\$ 694
Total	\$ 694

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2016, are as follows:

	HCSWA
Grants and other cash contributions	\$ 205
Totals	\$ 205

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

The South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (restructured into the Department of Administration on July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee of the Systems in conducting that review.

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, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

- The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.
- The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

Benefits

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

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

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

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

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

Contributions

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

Contributions

Required <u>employee</u> contribution rates for fiscal year 2015-2016 are as follows:		
SCRS		
Employee Class Two		8.16% of earnable compensation
Employee Class Three		8.16% of earnable compensation
PORS		
Employee Class Two		8.74% of earnable compensation
Employee Class Three		8.74% of earnable compensation
Required <u>employer</u> contribution rates for fiscal year 2015-2016 are as follows:		
SCRS		
Employer Class Two		10.91% of earnable compensation
Employer Class Three		10.91% of earnable compensation
Employer Incidental Death Benefit		0.15% of earnable compensation
PORS		
Employer Class Two		13.34% of earnable compensation
Employer Class Three		13.34% of earnable compensation
Employer Incidental Death Benefit		0.20% of earnable compensation
Employer Accidental Death Program		0.20% of earnable compensation

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process 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. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015 is currently underway.

The most recent annual actuarial valuation reports adopted by the PEBA Board are as of July 1, 2014. The net pension liability of each defined benefit pension plan was therefore determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), based on the July 1, 2014 actuarial valuations, using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuation for SCRS and PORS are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2015, the County's proportional share of the NPL amounts for SCRS and PORS are presented below:

System	Proportional Share of Net Pension Liability
SCRS	\$ 94,898,911
PORS	\$ 72,942,905

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The County's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the year ending June 30, 2015, the County's percentage of the SCRS and PORS net pension liability were 0.500377% and 3.34678%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2013, as developed by the Retirement System Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.0%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems

Sensitivity Analysis

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

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$119,645,908	\$94,898,911	\$74,165,798
PORS	99,365,916	72,942,905	49,323,069

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2016, the County recognized pension expense of \$13,551,541. At June 30, 2016, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$11,638,492	
Differences in actual and expected retirement plan experience	3,131,767	
Net difference between projected and actual investment earnings	12,440,696	
Change in proportionate share of net pension liability	539,855	
Difference between expected and actual retirement plan experience		\$11,007,371
Difference between expected and actual investment earnings - pensions		169,710

The County reported \$11,638,492 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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, 2016. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2016 was 4.164 years for SCRS and 4.796 years for PORS and at June 30, 2015 was 4.233 years for SCRS and 4.856 years for PORS.

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
2016	2017	\$(535,430)	\$(261,420)
2017	2018	(535,430)	(261,420)
2018	2019	43,694	(197,569)
2019	2020	(1,532,955)	(1,654,707)
Net Balance of Deferred Outflows / (Inflows) of Resources		\$(2,560,121)	\$(2,375,116)

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

Plan Description

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

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

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

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

Non-Grandfathered retirees are defined as those with a hire date prior to July 1, 2011 who did not meet the qualifications to be included in the “Grandfathered” group. These retirees will receive County subsidy of health insurance only from the ages of 62 – 65. Employees can still retire before that age if they are eligible, but the County will not pay the health insurance premiums until age 62. The retiree can stay on the County plan and pay the total premiums personally, or opt-out of the plan and obtain coverage elsewhere, then opt-back in to the plan at age 62 to receive the County funded benefit. The 75% tier is eliminated. Employees are eligible for the County payment of 50% of the premiums, at 15 years of County service, and 100% coverage at 28 years (SCRS) or 25 years (SCPORS) of service. The amount of the County subsidy will not increase by more than 3% over the amount paid by the County in the prior calendar year. Any increase in cost above 3% will be absorbed by the retiree. Those employees who separate from County employment for any reason other than retirement and are then rehired after June 30, 2011 will be eligible to participate in the retiree health insurance plan upon their retirement; however, the County will not pay any portion of their retiree health insurance premiums and they will not be eligible to receive any County subsidy for the purposes of retiree health insurance.

Medicare – Eligible Provisions apply effective January 1, 2013:

County paid health insurance coverage ceases when the retiree becomes Medicare eligible. This change becomes effective December 31, 2012 at which time the County will begin to contribute \$150 per retiree on the first banking day of each month in to a Health Reimbursement Arrangement account for the retiree to purchase a Medicare supplemental insurance plan or to use for payment of out-of-pocket qualifying medical expenses. This monthly contribution is pro-rated according to the retiree's years of service with the County (50%, 75% if grandfathered, or 100%) and will increase annually by the lower of CPI-U (the Consumer Price Index All Urban Consumers on a September over September basis) or 3% per year. This is the only change that impacts current retirees and current retiree eligible employees or past employees with a hire date prior to July 1, 2011.

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

Plan Description

Retiree Opt-Out

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

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

Deferred Retirement Benefits

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

Duty and Non-Duty Death in Service and Disability Retirement Benefits

Survivors of employees who die while actively employed are not eligible for retiree health benefits. However, they are eligible for survivor insurance for one year at no cost to the surviving spouse, after that, qualifying survivor has the option of selecting other insurance or continuing coverage at surviving spouse's expense. Employees who retire under a disability retirement are eligible for retiree health care benefits based on years of service.

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. The cost of these benefits is recognized as an expenditure of the general fund as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2016, the County contributed \$1,405,717, for existing retirees, net of the implicit rate subsidy. As of year-end, there were 279 retirees that were receiving benefits. These financial statements assume that a pay-as-you-go funding policy will continue.

The Airport currently has 130 active employees and 16 retired members are eligible for OPEB as of June 30, 2016. Only one of the retired employees has opted for OPEB from the Airport, and that employee worked for both the Airport and Horry County. The Airport reimburses Horry County for its share of the OPEB expense.

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

HCSWA:

Plan Description

The HCSWA retiree health care plan is a single-employer defined benefit health care plan administered by the HCSWA. The plan provides medical and dental insurance benefits to eligible retirees. Benefit provisions and contribution requirements of plan members and HCSWA are established and may be amended by the HCSWA's Board of Directors.

Funding Policy

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

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 amount charged by EIP for Employer Non-Funded Benefits. When the retiree becomes Medicare eligible, the HCSWA will begin to contribute a maximum of \$150 each month into a retiree health reimbursement account.

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

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

During the year ended June 30, 2016, plan members receiving benefits contributed \$33,110 (approximately 54% of total premiums) for the cost of retiree health insurance coverage.

HCSWA pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2016, the HCSWA contributed \$28,693 (approximately 46% of total premiums) for the cost of retiree health insurance coverage.

SBHS:

Plan Description

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

- The agency will pay 100% of the total premium for single employee/retiree coverage (health/dental). Additional dependent coverage is available but will be paid for by the retiree.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

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

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

SBHS:

Funding Policy

SBHS pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2016, SBHS contributed approximately \$11,207 towards the cost of retiree health insurance coverage. SBHS has recorded a post-employment benefit obligation in the amount of \$100,041 at June 30, 2016 because SBHS did not meet its actuarially required contributions for this and prior fiscal years.

Annual OPEB costs and Net OPEB Obligation

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

	Governmental		Business -type	Total	Component Units	
	General	Police	Airport		HCSWA	SBHS
Employer Normal Costs	\$ 581,855	\$ 687,658	\$ 42,864	\$ 1,312,377	\$ -	\$ -
Amortization of UAL*	681,854	565,771	56,415	1,304,040	119,937	22,649
Annual Required Contribution (ARC)	1,263,709	1,253,429	99,279	2,616,417	119,937	22,649
Interest on Net OPEB Obligation	527,596	568,549	34,577	1,130,722	75,254	4,043
Adjustment to ARC	(500,492)	(539,340)	(46,461)	(1,086,293)	(3,598)	(5,278)
Annual OPEB Costs	1,290,813	1,282,638	87,395	2,660,846	191,593	21,414
Contributions Made	807,584	360,151	82,386	1,250,121	28,693	11,207
Increase in net OPEB Obligation	483,229	922,487	5,009	1,410,725	162,900	10,207
Net OPEB Obligation - beginning of year	12,414,039	13,377,618	813,573	26,605,230	1,770,674	89,834
Net OPEB Obligation - end of year	\$12,897,268	\$14,300,105	\$ 818,582	\$28,015,955	\$1,933,574	\$100,041

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$2,695,684	30.85%	\$24,820,172
2015	\$2,779,923	35.79%	\$26,605,230
2016	\$2,660,846	53.02%	\$28,015,956

HCSWA and SBHS's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$301,105	11.60%	\$1,584,996
2015	\$313,082	12.00%	\$1,860,508
2016	\$213,007	18.73%	\$2,033,615

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2016, was as follows:

	Governmental		Business-type	Component Units	
	General	Police	Airport	HCSWA	SBHS
Actuarial accrued liability	\$16,912,505	\$14,033,228	\$ 987,871	\$1,244,147	\$368,931
Actuarial value of plan assets	-	-	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$16,912,505	\$14,033,228	\$ 987,871	\$1,244,147	\$368,931
Funded Ratio	-	-	-	-	-
Covered payroll	\$41,546,005	35,390,097	\$ 5,470,857	\$3,050,329	-
Unfunded actuarial accrued liability as a % of covered payroll	33.76%	31.56%	18.06%	40.79%	-

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

B. Post-Employment Healthcare Benefits

Actuarial Methods and Assumptions

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

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

Year	Health Care Trend Inflation Rates	
	Medical	Drug
2016	3.41	3.41
2017	6.00	6.00
2018	6.00	6.00
2019	5.75	6.00
2020	5.50	5.75
2021	5.25	5.50
2022	5.00	5.25
2023	4.75	5.00
2024	4.75	4.75
2025	4.50	4.50
2026	4.30	4.30
2027 and later	4.30	4.30

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

SBHS:

In the July 1, 2013, actuarial valuation, a discount rate of 4.5% was used for the estimated long-term investment yield on the investments, and turnover rates are in accordance with the Alternative Measurement Method. The per capita claims cost and insurance trend inflation assumptions were obtained from the June 30, 2008 Actuarial GASB 45 Valuation Report for the State of South Carolina Retiree Health Care Plan and adjusted to 2010.

HCSWA:

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.25% rate of investment return and an annual health care cost trend rate of 6.0% initially, reduced to an ultimate rate of 4.3% after nine years. Both rates included a 2.5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value over a five-year period. The UAAL is being amortized as a level percent of active payroll over an open period of thirty years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 15. Segment Information

The County has elected to present disaggregated information regarding all enterprise funds in the proprietary fund, statement of net position, statement of revenue, expenses and changes in net position, and statement of cash flows.

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

Major Customers and Economic Condition - Department of Airports

Airline revenues, leases, concessions, and rental car activities, generate approximately 78% of the Airport's revenues or just over \$18.8 million of the \$24.1 million net operating revenue. Signatory Airlines generate \$7.3 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serves MYR, represented 30.3% in fiscal year 2016 and 28.7% in 2015, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 53% of the airline traffic, American Airlines 18.7% and Delta Air Lines 16.4%.

For the year ended June 30, 2016 there are two customers whose balance represent approximately 59% of the accounts receivable balance. For the year ended June 30, 2015, three customers made up approximately 50% of the accounts receivable balance.

Note 16. Joint Enterprise - Baseball Stadium

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 16. Joint Enterprise - Baseball Stadium

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

While the stadium is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2016. Accordingly, the County has reported activities in the baseball stadium as a special revenue fund. Separate financial statements of the baseball stadium are presently not available.

Note 17. Intergovernmental Agreements - RIDE Projects

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements

Term of Agreement and Contribution by Horry

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

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

Amendments to Previous Agreements

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

Additionally, Exhibit B calls for the state treasurer to withhold funds allotted or appropriated by the State to Horry County and apply those funds to make or complete required debt service payments should Horry County fail to make any payment as required under the RIDE agreements.

On December 18, 2003, the Commission of the South Carolina Department of Transportation (SCDOT), agreed to replace the County's \$10 million reserve requirement with an SCDOT guarantee of an equal amount upon the following changes to the loan agreement: Horry County extends its Hospitality Fee Ordinance for a period not to exceed five (5) years; and the County agrees to restructure its annual loan payments based upon new financial projections. If Horry County utilizes the \$10 million reserve; it will be repaid to SCDOT at some future time when the County's funds are sufficient to make the necessary repayments.

This agreement was paid in full on May 29, 2009.

In June of 2007, the County entered into an intergovernmental agreement with the State Infrastructure Bank in which the County received a funding commitment for the Widening of 707 of \$150 million from the State Infrastructure Bank. In November of 2007, the County entered into an additional intergovernmental agreement with the State Infrastructure Bank in which the County received additional funding in the amount of \$85 million for the Widening of 707. \$235 million was made available for immediate distribution by the State Infrastructure Bank. A portion of the local sales tax (\$93.6 million) serves as the local match for the funds contributed by the County for the Widening of 707.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies

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

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

Federal and State Assisted Programs

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

Commitments

The County has undertaken significant road construction projects to address transportation needs within the County. The construction program known as Road Improvement and Development Effort (RIDE) 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.

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

Major projects in RIDE 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.

The County had a total of \$124.2 million in encumbrances at June 30, 2016. Encumbrances for the major funds are as follows: \$577,059 is encumbered in the General Fund primarily related to public works maintenance and countywide annual service contracts; \$14.3 million is encumbered in the General Capital Improvements Project Fund primarily related to various capital projects; \$95.4 million is encumbered in the Capital Project Sales Tax Fund primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax; \$5.9 million is encumbered in the Fire Apparatus Capital Fund primarily related to the Fire Department's transportation equipment. Other significant encumbrances from non-major funds at June 30, 2016 are: the Road Maintenance & CTC Fund had \$3.5 million in encumbrances primarily related to multiple road paving projects; the Economic Development Fund had \$1.1 million in encumbrances primarily for economic development agreements; and the CDBG Grant Program Special Revenue Fund had \$1.5 million of encumbrances.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies

On November 15, 2016, the County closed a current refunding of general obligation bonds in the amount of \$7.10 million (series 2016B) at a fixed interest rate of 1.68% to refund \$6.90 million of outstanding general obligation bonds (series 2009B). The Refunded Bonds were originally issued to provide funds for constructing and equipping library and recreation facilities.

On November 15, 2016, the County closed a new general obligation fire bond in the amount of \$3.0 million (series 2016A) at a fixed interest rate of 2.19%. The proceeds of the Fire Bond will be used to (i) fund capital improvements within the Horry County Fire Protection District including but not limited to constructing and equipping two fire stations and acquiring additional equipment, (ii) paying costs of issuance and (iii) such other lawful purposes as the County shall determine.

HCSWA

Prior to June 30, 2016, the HCSWA entered into a contract for the landfill piggyback construction project. The cost of the contract totals \$9,367,571, of which \$6,709,295 had been incurred as of year-end.

Note 19. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and natural disasters for which commercial insurance is carried. The County and its component units carry commercial insurance to cover all losses, excluding vehicle comprehensive and collision coverage and including workers' compensation. During the year ended June 30, 2016, there were no significant reductions in insurance coverage from the prior year. Insured claims have not exceeded the County's coverage in any of the past five (5) years.

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

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, 2016 were \$4,698,063. In addition, the County made capital contributions to the HCSWA in the amount of \$204,891 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 \$781,419 for the year ended June 30, 2016.

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	\$ 419,762,272
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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	901,207,912
Less, accumulated depreciation	<u>(172,863,790)</u>

Net amount reported	<u>728,344,122</u>
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Some of the property taxes and other fees will be collected after year end, but are not available soon enough to pay for current period expenditures and are, therefore, reported as unavailable revenue in the fund financial statements:

Property taxes, net of allowance for uncollectible	4,823,390
Grant reimbursements	489,215
Accommodations tax	682,213
Fees and fines	1,365,325
Capital project sales tax	<u>122,217</u>

Net amount reported	<u>7,482,360</u>
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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.

<u>33,155,777</u>

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

General & special obligation bonds	(82,696,500)
Capital leases payable	(26,945,554)
Deferred charges on refunding	3,600,858
Bond premium	(1,590,079)
SC Transportation Infrastructure Bank Loan (SIB)	(144,189,827)
Compensated absences	(12,839,105)
Net post employment benefit obligation	(26,997,924)
Net pension obligation	(140,195,988)
Accrued interest	<u>(1,000,218)</u>

Net amount reported	<u>(432,854,337)</u>
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Total net position, end of year - governmental activities	<u><u>\$ 755,890,194</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 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	\$ (10,670,428)
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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	20,541,806
Assets disposals	(533,656)
Depreciation expense	(15,658,011)

Net amount reported	<u>4,350,139</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.

Property taxes, grants reimbursements, & accommodations tax	761,758
Fees and fines	933,638
Capital project sales tax	29,560

Net amount reported	<u>1,724,956</u>
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Contributed property is not reported as revenue in governmental funds. However, in the Statement of Activities, the cost of property contributed is reported in the current period. In the current period, these amounts are:

Donation of capital assets	<u>7,109,259</u>
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Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net post employment benefit obligation	(1,395,935)
Accrued compensated absences	1,020,687
Net Pension Obligation	(1,630,306)

Net amount reported	<u>(2,005,554)</u>
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayments of G.O., S.O. bond & Certificates of Participation principal	24,884,500
Repayments of SC Transportation Infrastructure Bank Loan (SIB) principal	30,982,594
Proceeds from bonds	(15,410,000)
Proceeds from capital leases	(5,500,000)
Repayments of capital leases	2,689,871
Change in accrued interest expense & amortization of bond premiums	765,096

Net amount reported	<u>38,412,061</u>
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The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities. (Expenses for pension liability, other post employment benefit obligation costs, and compensated absences for the internal service funds are reported above)

	<u>1,356,434</u>
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Change in net position-governmental activities	<u>\$ 40,276,867</u>
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HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. Service Concession Arrangement

In August 2011, 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 59 months. Per agreement, Republic Parking System, Inc. is to provide parking services to airport customers, using airport-owned parking lots and airport-owned parking revenue-management equipment.

Due to the nature of this agreement, whereas Republic Parking System, Inc. is the operator and Horry County Department of Airports is the transferor, it has been classified as a Service Concession Arrangement defined in GASB Statement Number 60. The parking lots and the parking revenue-management equipment have been classified as a capital asset of the Horry County Department of Airports. The present value of the guaranteed minimum lease payments for the term of the agreement are classified as an asset of the Horry County Department of Airports, with an offsetting deferred inflow, which will be systematically amortized each year as the minimum annual guaranteed revenue and any auxiliary commissions revenue are recorded.

During fiscal year 2016 parking concessions revenues recorded were \$3,051,599. Revenue of \$1,706,192 recognized in fiscal year 2016 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$1,301,599 for fiscal year 2016. During fiscal year 2015 parking concessions revenues recorded were \$2,643,561. Revenue of \$1,579,153 recognized in fiscal year 2015 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$1,064,407 for fiscal year 2015. Agreement terms do not specify guarantees or commitments required of Horry County Department of Airports. Accordingly, no liabilities have been recorded in conjunction with this contractual arrangement for either year presented. For each year presented in this report, the Statement of Net Position reflects the net present value of the service concession arrangement below assets and also as a deferred inflow of resources.

	<u>2016</u>	<u>2015</u>
Opening Service Concession Arrangement and Deferred inflow of resources	\$ 1,706,192	\$ 3,285,345
Amortization of discounted minimum annual payments	<u>(1,706,192)</u>	<u>(1,579,153)</u>
Service Concession Arrangement and Deferred inflow of resources at June 30,	<u>\$ -</u>	<u>\$ 1,706,192</u>

Note 23. New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 23. New Accounting Pronouncements, continued

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

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

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 23. New Accounting Pronouncements, continued

In December 2015, GASB issued Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

In January, 2016, GASB issued Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. **Effective Date:** The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

In March, 2016, GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. **Effective Date:** The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged.

In March, 2016, GASB issued Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. **Effective Date:** The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

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 be GAAP basis.

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2016

(with comparative actual amounts for for the year ended June 30, 2015)

	2016				2015
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Real property taxes	\$ 75,779,197	\$ 75,779,197	\$ 74,445,389	\$ (1,333,808)	\$ 61,481,257
Personal property taxes	5,900,351	5,900,351	5,501,311	(399,040)	4,495,808
Vehicle taxes	6,491,850	6,491,850	7,184,688	692,838	6,136,874
Fee in lieu of taxes	2,371,616	2,371,616	2,771,369	399,753	2,418,492
Intergovernmental	11,733,716	12,441,585	12,873,434	431,849	12,621,296
Fees and fines	25,931,508	26,215,244	28,915,378	2,700,134	22,966,862
Documentary stamps	3,918,420	3,918,420	4,135,020	216,600	3,822,777
License and permits	8,076,655	8,076,655	10,216,531	2,139,876	8,805,121
Interest on investments	57,683	57,683	253,176	195,493	197,719
Cost allocation	3,094,745	3,094,745	3,569,666	474,921	3,301,796
Other	2,124,952	3,988,090	5,117,865	1,129,775	3,502,372
Total revenues	145,480,693	148,335,436	154,983,827	6,648,391	129,750,374
Expenditures					
General Government:					
County Council	1,154,667	1,597,178	998,836	598,342	964,275
County Administrator	992,735	1,084,267	912,981	171,286	837,813
Finance	1,686,529	1,728,764	1,688,358	40,406	1,650,767
Department Overhead	8,175,904	4,784,510	3,629,800	1,154,710	3,222,184
Human Resources	1,425,608	1,472,686	1,309,249	163,437	1,210,391
Procurement	491,157	502,104	500,447	1,657	444,498
IT/GIS	5,076,256	5,071,953	5,011,011	60,942	4,093,309
Assessor	3,640,072	3,717,988	3,440,428	277,560	3,452,554
Assessor Appeals Board	8,112	8,141	4,244	3,897	2,505
Registrar of Deeds	1,189,048	1,213,413	1,067,078	146,335	1,090,593
Maintenance	4,570,132	4,661,199	4,523,137	138,062	4,276,908
Registration and Election	576,940	715,130	713,537	1,593	579,434
Public Information	293,568	305,201	197,410	107,791	269,417
Treasurer	1,964,369	2,002,926	1,965,163	37,763	1,934,833
Auditor	1,530,350	1,572,384	1,567,342	5,042	1,531,111
Probate Judge	1,033,359	1,058,461	1,021,743	36,718	895,546
Master in Equity	461,255	472,024	391,502	80,522	378,850
Legal	1,039,811	1,252,002	844,006	407,996	691,608
Grant Administration	162,214	595,040	360,442	234,598	98,977
Delegation	107,506	110,950	110,919	31	106,760
Hospitality	345,144	343,855	342,171	1,684	332,272
Business License	235,609	255,022	248,910	6,112	227,569
Total	36,160,345	34,525,198	30,848,714	3,676,484	28,292,174
Less, capital outlay	(697,163)	(696,317)	(671,221)	(25,096)	(226,701)
Net general government	35,463,182	33,828,881	30,177,493	3,651,388	28,065,473

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
- CONTINUED -

	2016				2015
	Budget		Actual	Variance	Actual
	Original	Final			
Public Safety:					
Public Safety Division	1,127,450	1,172,054	889,502	282,552	1,142,555
Clerk of Court	1,849,830	1,884,879	1,815,999	68,880	1,847,416
Clerk of Court - DSS	646,244	661,337	641,150	20,187	630,984
Clerk of Court - Family Court:	322,080	786,525	485,153	301,372	328,410
Magistrates	2,867,548	2,967,578	2,916,004	51,574	2,768,720
Communications	1,116,547	1,321,467	1,271,033	50,434	1,257,585
Sheriff	5,520,241	6,018,428	5,834,992	183,436	5,366,736
Police	20,610,926	21,720,561	20,564,407	1,156,154	19,473,525
Central Processing	68,979	72,364	72,169	195	67,749
Emergency Management	523,596	537,082	478,835	58,247	482,591
Emergency 911	3,018,237	3,095,429	3,035,011	60,418	2,982,545
Coroner	902,134	943,642	856,516	87,126	832,035
Detention Center	22,406,884	24,170,753	23,608,635	562,118	22,334,964
Emergency Medical Services	15,143,493	15,634,859	14,649,462	985,397	14,151,801
Animal Care Center	941,870	1,107,528	1,047,397	60,131	1,042,120
Parking Program	86,000	295,548	56,717	238,831	54,192
Total	77,152,059	82,390,034	78,222,982	4,167,052	74,763,928
Less, capital outlay	(839,046)	(1,082,810)	(944,799)	(138,011)	(549,732)
Net public safety	76,313,013	81,307,224	77,278,183	4,029,041	74,214,196
Infrastructure and Regulation:					
Assistant County Administrator	427,066	434,223	414,832	19,391	414,675
County Engineer	1,290,949	1,496,923	1,155,506	341,417	1,113,856
Public Works	7,915,787	9,853,895	7,960,573	1,893,322	7,562,884
Code Enforcement	2,857,434	2,926,181	2,686,137	240,044	2,561,380
Planning	1,775,748	1,820,448	1,754,098	66,350	1,723,635
Environmental Services	140,187	142,927	137,562	5,365	139,849
Railroad	55,000	55,000	26,343	28,657	27,213
Total	14,462,171	16,729,597	14,135,051	2,594,546	13,543,492
Less, capital outlay	(5,000)	(65,000)	(38,207)	(26,793)	(20,684)
Net infrastructure and regulation	14,457,171	16,664,597	14,096,844	2,567,753	13,522,808

- CONTINUED -

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

	2016				2015
	Budget		Actual	Variance	Actual
	Original	Final			
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance Program	926,270	927,926	917,756	10,170	1,180,314
Health Department	135,568	135,568	102,545	33,023	110,154
Department of Social Services	73,900	78,816	73,530	5,286	88,270
Veteran Affairs	361,148	370,149	345,106	25,043	344,397
Total	<u>1,496,886</u>	<u>1,512,459</u>	<u>1,438,937</u>	<u>73,522</u>	<u>1,723,135</u>
Net health and social services	<u>1,496,886</u>	<u>1,512,459</u>	<u>1,438,937</u>	<u>73,522</u>	<u>1,723,135</u>
Culture, Recreation, and Tourism:					
Library	4,364,358	4,632,125	4,279,496	352,629	4,030,398
Museum	723,239	810,200	752,955	57,245	661,340
Total	<u>5,087,597</u>	<u>5,442,325</u>	<u>5,032,451</u>	<u>409,874</u>	<u>4,691,738</u>
Less, capital outlay	<u>(8,757)</u>	<u>(9,376)</u>	<u>(8,375)</u>	<u>(1,001)</u>	<u>(7,383)</u>
Net culture, recreation and tourism	<u>5,078,840</u>	<u>5,432,949</u>	<u>5,024,076</u>	<u>408,873</u>	<u>4,684,355</u>
Economic development					
Other Agencies:	<u>1,154,308</u>	<u>1,194,308</u>	<u>1,194,308</u>	<u>-</u>	<u>1,119,308</u>
Capital outlay	<u>1,549,966</u>	<u>1,853,503</u>	<u>1,662,602</u>	<u>190,901</u>	<u>804,500</u>
Total expenditures	<u>135,513,366</u>	<u>141,793,921</u>	<u>130,872,443</u>	<u>10,921,478</u>	<u>124,133,775</u>
Excess of revenues over expenditures	<u>9,967,327</u>	<u>6,541,515</u>	<u>24,111,384</u>	<u>17,569,869</u>	<u>5,616,599</u>
Other Financial Sources (Uses)					
Sale of assets	100,000	126,000	142,332	16,332	95,498
Transfers in	580,382	626,466	711,288	84,822	1,334,702
Transfers out	<u>(10,625,609)</u>	<u>(11,050,218)</u>	<u>(11,114,020)</u>	<u>(63,802)</u>	<u>(7,620,653)</u>
Total other financing sources (uses)	<u>(9,945,227)</u>	<u>(10,297,752)</u>	<u>(10,260,400)</u>	<u>37,352</u>	<u>(6,190,453)</u>
Net change in fund balance	22,100	(3,756,237)	13,850,984	17,607,221	(573,854)
Fund balance at beginning of year	40,786,420	40,786,420	40,786,420	-	41,360,274
Fund balance at end of year	<u>\$ 40,808,520</u>	<u>\$ 37,030,183</u>	<u>\$ 54,637,404</u>	<u>\$ 17,607,221</u>	<u>\$ 40,786,420</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2016

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

Horry County's road system consists of approximately 57% paved roads and 43% 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 at least 16 miles of dirt roads per year from FY04 through FY08. In FY09, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in FY10 it was further reduced to 9.7 miles per year. Due to continued revenue shortfalls, it was further reduced to 8.9 miles in FY 11 and 9 miles in FY 12 (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). 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

- 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 834 paved miles at the end of FY 2016.
- 2) The current economic conditions, as well as County Council's shifting \$1,750,000 in revenue out of Road Fund (34) has resulted in a reduction in the Road Improvement Fund. This loss of revenue has reduced the paving and resurfacing programs.
- 3) In May 2007, a one-cent sales tax was passed and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 67 miles of County maintained roads over a 7 year period.
- 4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited annually and rated. Since the new Pavement Management Program utilizes a PCI the figures & condition ratings for FY 11 do not correlate to previous numbers. Maintenance costs needed at June 30, 2016 to improve all roads with a rating of 1 or 2 to a rating of 3 or better are \$17,502,748
- 5) In FY16 County Council increased the road maintenance fee by \$20.00 and dedicated it to the resurfacing program.

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

Percentage of Miles in Fair or Better Condition

	Condition		
	2016	2015	2014
Arterial	68.7%	77.9%	70.9%
Collector	81.1%	85.9%	86.5%
Access	84.9%	87.0%	85.7%
Overall system	84.2%	86.7%	85.0%

Percentage of Miles in Substandard Condition

	Condition		
	2016	2015	2014
Arterial	31.3%	22.1%	29.1%
Collector	18.9%	14.1%	13.5%
Access	15.1%	13.0%	14.3%
Overall System	15.8%	13.3%	15.00%

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2016

- CONTINUED -

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

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

* See Note 4 on previous page.

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

Infrastructure Assets

Certain elements of the Myrtle Beach International Airport's runway, aprons, taxiways, drainage systems, etc. which comprise the "Infrastructure Assets" were obtained in conjunction with the USAF property conveyance described in detail in Note. 1 Summary of Significant Accounting Policies of the Department of Airport Fiscal Year 2016 CAFR.

Condition Rating and Actual Maintenance/Preservation of Airport Infrastructures

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2016

- CONTINUED -

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

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

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

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

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

The following table represents the estimated and actual maintenance costs of the MYR pavement infrastructure. In fiscal year 2015, the runway at MYR and approximately 1,700 linear feet of Taxiway "A" was replaced. The runway and the new section of Taxiway "A" have a PCI of 100. Included in the runway project is a maintenance pain for the new pavement infrastructure. HCDA procured a comprehensive Pavement & Management study for all HCDA operated airports, including MYR, CRE, HYW and 5J9. The study is forcasted to be completed in fiscal year 2017 with a single FAA grant.

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

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2016

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

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

Funded status and Funding Progress

The funded status of the plan as of June 30, 2016 was as follows:

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2016

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

Schedule of Employer Contributions

- CONTINUED -

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

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

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
SOUTH CAROLINA RETIREMENT SYSTEM

For fiscal year ended June 30

(amounts expressed in thousands)

	2015		2014		2013	
	SCRS	PORS	SCRS	PORS	SCRS	PORS
Primary Government						
County's proportion of the net pension liability	0.5004%	3.3468%	0.4974%	3.3383%	0.4974%	3.3383%
County's proportionate share of the net pension liability	94,899	72,943	85,636	63,910	89,217	69,202
County's covered-employee payroll	46,896	41,487	46,170	40,290	43,201	36,939
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	202.36%	175.82%	185.48%	158.62%	206.52%	187.34%
Plan fiduciary net position as a percentage of the total pension liability	57.00%	64.60%	59.90%	67.50%	NA	NA
Component Units						
Horry County Solid Waste Authority						
HCSWA's proportion of the net pension liability	0.0406%		0.0426%		0.0426%	
HCSWA's proportionate share of the net pension liability	7,693		7,332		7,638	
HCSWA's covered-employee payroll	3,804		3,866		3,854	
HCSWA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	202.27%		189.65%		198.18%	
Plan fiduciary net position as a percentage of the total pension liability	57.00%		59.90%		NA	NA
Shoreline Behavioral Health Services						
SBHS's proportion of the net pension liability	0.0189%		0.1378%		NA	
SBHS's proportionate share of the net pension liability	3,599		2,373		NA	
SBHS's covered-employee payroll	1,779		1,251		NA	
SBHS's proportionate share of the net pension liability as a percentage of its covered-employee payroll	200.06%		189.69%		NA	
Plan fiduciary net position as a percentage of the total pension liability	57.00%		59.90%		NA	

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.

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
For fiscal year ended June 30
(amounts expressed in thousands)

	2016		2015		2014		2013		2012		2011	
	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS	SCRS	PORS
Primary Government												
Contractually required contribution	\$ 5,540	\$ 6,110	\$ 5,112	\$ 5,563	\$ 4,819	\$ 5,019	\$ 4,527	\$ 4,418	\$ 3,977	\$ 4,210	\$ 3,982	\$ 4,154
Contributions in relation to the contractually required contribution	5,540	6,110	5,112	5,563	4,819	5,019	4,527	4,418	3,977	4,210	3,982	4,154
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-	-	-
County's covered-employee payroll	50,092	44,470	46,896	41,487	46,170	40,290	43,201	36,939	39,929	35,440	40,830	36,153
Contributions as a percentage of covered-employee payroll	11.06%	13.74%	10.90%	13.41%	10.45%	12.44%	10.45%	11.90%	9.97%	11.86%	9.76%	11.47%
Component Units												
Horry County Solid Waste Authority												
Contractually required contribution	448		415		410		409		363		360	
Contributions in relation to the contractually required contribution	<u>448</u>		<u>415</u>		<u>410</u>		<u>409</u>		<u>363</u>		<u>360</u>	
Contribution deficiency (excess)	-		-		-		-		-		-	
Solid Waste Authority's covered-employee payroll	4,052		3,804		3,866		3,858		3,807		3,807	
Contributions as a percentage of covered-employee payroll	11.06%		10.90%		10.60%		10.60%		9.54%		9.45%	
Shoreline Behavior Services												
Contractually required contribution	223		191		131		117		124		122	
Contributions in relation to the contractually required contribution	<u>223</u>		<u>191</u>		<u>131</u>		<u>117</u>		<u>124</u>		<u>122</u>	
Contribution deficiency (excess)	-		-		-		-		-		-	
Shoreline's covered-employee payroll	2,041		1,779		1,251		1,120		1,321		1,299	
Contributions as a percentage of covered-employee payroll	10.91%		10.75%		10.45%		10.45%		9.385%		9.39%	

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.

COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2016

	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	\$ 1,238,385	\$ -	\$ -	\$ 1,238,385
Pooled cash and investments	71,922,885	3,765,726	7,489,608	83,178,219
Receivables, net:				
Property taxes	1,546,883	69,391	392,044	2,008,318
Accounts and other	253,476	-	-	253,476
Fees	1,463,115	-	-	1,463,115
Due from other governments	2,818,908	-	-	2,818,908
Prepaid items	171,036	-	-	171,036
Restricted assets	223,373	5,496,988	226,538	5,946,899
Total Assets	\$ 79,638,061	\$ 9,332,105	\$ 8,108,190	\$ 97,078,356
Liabilities				
Accounts payable - trade	\$ 3,254,103	\$ -	\$ 818	\$ 3,254,921
Accounts payable - other	176,079	-	-	176,079
Accrued salaries and wages	452,943	-	-	452,943
Due to other funds	1,278,617	-	-	1,278,617
Due to other governments	70,239	-	-	70,239
Due to component units	761,648	-	-	761,648
Other liabilities	95	-	-	95
Total liabilities	5,993,724	-	818	5,994,542
Deferred Inflows of Resources				
Unavailable revenue-fees and other	1,997,404	-	-	1,997,404
Unavailable revenue-property taxes	1,602,989	67,719	338,776	2,009,484
Total deferred inflows of resources	3,600,393	67,719	338,776	4,006,888
Fund Balances				
Nonspendable	171,036	-	-	171,036
Restricted for capital projects	6,873,244	8,903,477	-	15,776,721
Restricted for public safety	16,109,034	-	-	16,109,034
Restricted for culture, recreation and tourism	7,509,459	32,868	-	7,542,327
Restricted for infrastructure and regulation	14,361,867	328,041	-	14,689,908
Restricted for economic development	1,172,178	-	-	1,172,178
Restricted for health and social services	44,724	-	-	44,724
Restricted for debt service	-	-	7,768,596	7,768,596
Committed to culture, recreation and tourism	2,683,409	-	-	2,683,409
Committed to infrastructure and regulation	19,559,584	-	-	19,559,584
Committed to economic development	1,554,626	-	-	1,554,626
Committed to other purposes	319,096	-	-	319,096
Unassigned (deficit)	(314,313)	-	-	(314,313)
Total fund balances	70,043,944	9,264,386	7,768,596	87,076,926
Total liabilities, deferred inflows of resources and fund balances	\$ 79,638,061	\$ 9,332,105	\$ 8,108,190	\$ 97,078,356

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Revenues				
Real property taxes	\$ 30,977,606	\$ 1,426,107	\$ 8,625,777	\$ 41,029,490
Personal property taxes	2,428,192	119,856	630,994	3,179,042
Vehicle taxes	4,081,070	211,080	925,017	5,217,167
Fees in lieu of tax	177,324	8,667	74,904	260,895
Intergovernmental	8,991,735	-	35,026	9,026,761
Accomodations tax	3,812,827	-	-	3,812,827
Fees and fines	22,897,570	-	-	22,897,570
Hospitality fees	198,860	-	242,550	441,410
Local accommodations tax	241,269	-	-	241,269
Interest on investments	214,363	10,632	146,669	371,664
Other	1,001,424	88,000	-	1,089,424
Total revenues	<u>75,022,240</u>	<u>1,864,342</u>	<u>10,680,937</u>	<u>87,567,519</u>
Expenditures				
Current:				
General government	200,000	-	-	200,000
Public safety	30,869,239	30,000	-	30,899,239
Infrastructure and regulation	18,673,497	-	-	18,673,497
Health and social services	857,286	-	-	857,286
Culture, recreation and tourism	7,594,850	1,000	-	7,595,850
HGTC and Higher Education Commission	4,449,198	-	-	4,449,198
Economic development	1,144,504	-	-	1,144,504
Debt service	-	927,492	12,598,630	13,526,122
Capital outlay	6,606,115	27,363	-	6,633,478
Total expenditures	<u>70,394,689</u>	<u>985,855</u>	<u>12,598,630</u>	<u>83,979,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,627,551</u>	<u>878,487</u>	<u>(1,917,693)</u>	<u>3,588,345</u>
Other Financing Sources (Uses)				
Transfers in	5,802,661	-	1,425,338	7,227,999
Issuance of refunding bonds	-	-	15,410,000	15,410,000
Capital lease proceeds	-	5,500,000	-	5,500,000
Payment to refunded bond escrow agent	-	-	(15,337,428)	(15,337,428)
Transfers out	(3,095,124)	-	-	(3,095,124)
Contributed capital	600,000	-	-	600,000
Total other financing sources (uses)	<u>3,307,537</u>	<u>5,500,000</u>	<u>1,497,910</u>	<u>10,305,447</u>
Net change in fund balance	7,935,088	6,378,487	(419,783)	13,893,792
Fund balances at beginning of year	62,108,856	2,885,899	8,188,379	73,183,134
Fund balances at end of year	<u>\$ 70,043,944</u>	<u>\$ 9,264,386</u>	<u>\$ 7,768,596</u>	<u>\$ 87,076,926</u>

INDIVIDUAL FUND FINANCIAL STATEMENTS

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.

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEETS

As of June 30, 2016

(with comparative amounts as of June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 2,813,772	\$ 2,595,053
Pooled cash and investments	67,255,885	61,221,184
Receivables, net:		
Property taxes and other taxes	3,194,787	2,170,131
Accounts and other	3,777,158	7,865,051
Fees	1,479,424	1,545,879
Interest receivable	-	19,614
Due from other funds	2,340,060	1,787,101
Due from other governments	3,441,003	3,107,290
Inventories	64,410	49,997
Prepaid items	273,813	1,269,012
Total Assets	<u>\$ 84,640,312</u>	<u>\$ 81,630,312</u>
Liabilities		
Accounts payable	3,600,753	6,811,049
Due to other governments	1,441,092	506
Accrued salaries and wages	3,659,845	3,656,049
Due to component unit	183,531	147,916
Due to other funds	-	57,685
Due to taxpayers for overpayment	462,878	462,878
Funds held in trust - proceeds from sale of properties due to delinquent taxes	12,808,444	17,465,629
Other accrued liabilities	3,893,483	4,864,299
Total Liabilities	<u>26,050,026</u>	<u>33,466,011</u>
Deferred inflows of resources		
Unavailable revenues - fees and other	1,001,962	4,906,027
Unavailable revenues - property taxes	2,950,920	2,471,854
Total deferred inflows of resources	<u>3,952,882</u>	<u>7,377,881</u>
Fund balances		
Nonspendable	338,223	1,319,009
Committed to public safety	1,421,280	936,225
Committed to culture, recreation & tourism	80,339	34,338
Committed to infrastructure & regulation	1,937,061	2,125,125
Committed to reserves/stabilization	37,593,902	21,920,846
Committed to other purposes	3,606,909	581,608
Committed to OPEB	1,925,323	1,675,323
Unassigned	7,734,367	12,193,946
Total fund balances	<u>54,637,404</u>	<u>40,786,420</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 84,640,312</u>	<u>\$ 81,630,312</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD ENDED JUNE 30, 2016
(with comparative actual amounts for the period ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 75,779,197	\$ 74,445,389	\$ (1,333,808)	\$ 61,481,257
Personal property taxes	5,900,351	5,501,311	(399,040)	4,495,808
Vehicle taxes	6,491,850	7,184,688	692,838	6,136,874
Fee in lieu of tax	2,371,616	2,771,369	399,753	2,418,492
Total property taxes	<u>90,543,014</u>	<u>89,902,757</u>	<u>(640,257)</u>	74,532,431
<u>Intergovernmental:</u>				
Federal grants	999,325	1,306,077	306,752	1,135,450
Prisoner Housing	210,000	272,283	62,283	274,089
Inventory tax	306,286	306,286	-	382,857
State salary supplements	7,875	7,875	-	7,875
Board of registration	12,500	10,000	(2,500)	10,625
Veteran affairs	6,370	6,497	127	6,497
State shared	9,900,000	9,985,145	85,145	10,009,878
State - Library	336,576	336,614	38	336,614
Accommodations tax	220,109	213,497	(6,612)	218,227
Other - state	442,544	429,160	(13,384)	239,184
Total intergovernmental	<u>12,441,585</u>	<u>12,873,434</u>	<u>431,849</u>	12,621,296
<u>Fees and Fines:</u>				
Planning fees	124,281	175,053	50,772	122,368
EMS	6,951,512	9,300,928	2,349,416	6,732,293
RMC fees	2,346,400	2,456,372	109,972	2,440,328
Clerk of Court fees and fines	558,125	612,068	53,943	544,660
Library	112,720	114,844	2,124	117,043
Sheriff fines	42,650	55,652	13,002	89,513
Family court fees	435,200	453,447	18,247	438,409
Probate court fees	581,900	483,730	(98,170)	559,514
Magistrates' fees and fines	2,091,000	1,899,460	(191,540)	1,996,315
Master in Equity fees	1,107,000	1,035,224	(71,776)	1,387,924
CATV fees	3,798,000	3,978,467	180,467	3,759,698
Beach franchise fees	52,000	46,667	(5,333)	52,000
Hospitality Fees	6,845,517	7,055,018	209,501	3,484,891
Local Accommodations Tax	926,266	977,260	50,994	944,204
Other	242,673	271,188	28,515	297,702
Total fees and fines	<u>26,215,244</u>	<u>28,915,378</u>	<u>2,700,134</u>	22,966,862

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	3,918,420	4,135,020	216,600	3,822,777
<u>Licenses and Permits:</u>				
Business licenses	4,222,755	4,559,605	336,850	4,603,616
Building inspection permits	3,638,100	5,482,342	1,844,242	4,020,628
Other permits	15,000	22,850	7,850	20,100
Marriage licenses	200,800	151,734	(49,066)	160,777
Total licenses and permits	8,076,655	10,216,531	2,139,876	8,805,121
<u>Interest on investments:</u>	57,683	253,176	195,493	197,719
<u>Cost allocation:</u>	3,094,745	3,569,666	474,921	3,301,796
<u>Other:</u>				
Casino Boat	750,000	825,034	75,034	852,801
Rent	254,232	148,699	(105,533)	300,674
Other	2,983,858	4,144,132	1,160,274	2,348,897
Total other	3,988,090	5,117,865	1,129,775	3,502,372
Total revenue	148,335,436	154,983,827	6,648,391	129,750,374
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	537,567	509,336	28,231	520,032
Contractual services	259,100	208,131	50,969	180,343
Supplies and material	616,109	210,689	405,420	174,504
Business and transportation	184,402	70,680	113,722	89,396
Total	1,597,178	998,836	598,342	964,275
County Administrator:				
Personal services	568,751	565,601	3,150	452,120
Contractual services	428,085	324,677	103,408	370,798
Supplies and material	4,550	4,294	256	1,872
Business and transportation	16,745	18,409	(1,664)	13,023
Contingency	66,136	-	66,136	-
Total	1,084,267	912,981	171,286	837,813

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Finance:				
Personal services	1,649,222	1,622,012	27,210	1,589,022
Contractual services	33,576	26,827	6,749	31,762
Supplies and material	32,440	27,658	4,782	28,096
Business and transportation	13,526	11,861	1,665	1,887
Total	<u>1,728,764</u>	<u>1,688,358</u>	<u>40,406</u>	1,650,767
Department Overhead:				
County Council:				
Personal services	1,378,730	948,607	430,123	809,446
Contractual services	1,899,057	1,674,673	224,384	1,496,623
Supplies and material	806,623	806,599	24	872,098
Business and transportation	100	(80)	180	15
Other	200,000	200,000	-	44,002
Contingency	500,000	-	500,000	-
Total	<u>4,784,510</u>	<u>3,629,799</u>	<u>1,154,711</u>	3,222,184
Human Resources/Risk Management:				
Personal services	1,220,877	1,200,617	20,260	1,119,703
Contractual services	107,637	28,310	79,327	32,318
Supplies and material	38,455	36,760	1,695	26,511
Business and transportation	68,900	25,603	43,297	11,613
Employee programs	16,004	12,815	3,189	14,138
Other	5,144	5,144	-	5,301
Programs	15,669	-	15,669	807
Total	<u>1,472,686</u>	<u>1,309,249</u>	<u>163,437</u>	1,210,391
Procurement:				
Personal services	443,144	411,234	31,910	425,850
Contractual services	2,525	2,237	288	2,487
Supplies and material	43,144	42,746	398	12,740
Business and transportation	9,491	9,147	344	742
Other	3,800	3,800	-	2,679
Disaster	-	31,283	(31,283)	-
Total	<u>502,104</u>	<u>500,447</u>	<u>1,657</u>	444,498

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
IT/GIS:				
Personal services	2,664,166	2,644,066	20,100	2,516,125
Contractual services	1,277,448	1,254,106	23,342	1,185,134
Supplies and material	402,396	402,265	131	267,736
Business and transportation	72,400	71,920	480	33,100
Capital outlay	645,943	622,113	23,830	81,614
Other	9,600	9,600	-	9,600
Disaster	-	6,941	(6,941)	-
Total	5,071,953	5,011,011	60,942	4,093,309
Assessor:				
Personal services	3,365,853	3,152,976	212,877	3,149,145
Contractual services	243,022	202,280	40,742	215,200
Supplies and material	35,550	28,998	6,552	24,142
Business and transportation	39,416	22,067	17,349	17,766
Other	34,147	34,107	40	46,301
Total	3,717,988	3,440,428	277,560	3,452,554
Assessor Appeals Board:				
Personal services	7,141	3,588	3,553	2,474
Supplies and material	1,000	656	344	31
Total	8,141	4,244	3,897	2,505
Registrar of Deeds:				
Personal services	985,034	877,493	107,541	874,734
Contractual services	139,332	127,657	11,675	156,691
Supplies and material	74,736	49,879	24,857	31,603
Business and transportation	14,311	12,049	2,262	5,407
Capital outlay	-	-	-	22,158
Total	1,213,413	1,067,078	146,335	1,090,593
Maintenance:				
Personal services	3,331,365	3,102,162	229,203	2,968,286
Contractual services	589,538	577,659	11,879	434,836
Supplies and material	570,154	557,654	12,500	606,036
Business and transportation	88,597	87,282	1,315	98,383
Capital outlay	35,174	33,919	1,255	122,929
Disaster	-	118,092	(118,092)	-
Other	46,371	46,370	1	46,438
Total	4,661,199	4,523,138	138,061	4,276,908

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Registration and Election:				
Personal services	555,834	555,490	344	375,028
Contractual services	86,742	86,004	738	87,941
Supplies and material	57,348	57,348	-	111,528
Business and transportation	15,206	14,695	511	4,937
Total	<u>715,130</u>	<u>713,537</u>	<u>1,593</u>	579,434
Public Information:				
Personal services	168,961	168,311	650	249,265
Contractual services	68,626	24,345	44,281	14,434
Supplies and material	66,314	4,315	61,999	4,833
Business and transportation	1,300	439	861	885
Total	<u>305,201</u>	<u>197,410</u>	<u>107,791</u>	269,417
Treasurer:				
Personal services	1,720,219	1,718,507	1,712	1,673,024
Contractual services	61,440	51,415	10,025	59,168
Supplies and material	201,152	181,272	19,880	182,418
Business and transportation	15,315	9,331	5,984	8,365
Other	4,800	4,638	162	11,858
Total	<u>2,002,926</u>	<u>1,965,163</u>	<u>37,763</u>	1,934,833
Auditor:				
Personal services	1,438,118	1,435,985	2,133	1,395,217
Contractual services	40,217	40,217	-	47,891
Supplies and material	73,150	73,150	-	64,156
Business and transportation	13,041	10,132	2,909	13,759
Other	7,858	7,858	-	10,088
Total	<u>1,572,384</u>	<u>1,567,342</u>	<u>5,042</u>	1,531,111
Probate Judge:				
Personal services	999,657	974,397	25,260	857,157
Contractual services	10,945	6,808	4,137	8,039
Supplies and material	40,104	35,262	4,842	27,057
Business and transportation	7,755	5,255	2,500	3,238
Other	-	21	(21)	55
Total	<u>1,058,461</u>	<u>1,021,743</u>	<u>36,718</u>	895,546

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Master -in-Equity:				
Personal services	419,624	342,027	77,597	330,557
Contractual services	45,828	44,293	1,535	42,770
Supplies and material	4,772	3,554	1,218	3,589
Business and transportation	1,800	1,628	172	1,934
Total	<u>472,024</u>	<u>391,502</u>	<u>80,522</u>	378,850
Legal:				
Personal services	441,382	393,973	47,409	398,773
Contractual services	795,370	442,526	352,844	285,467
Supplies and material	5,601	3,078	2,523	2,702
Business and transportation	9,649	4,429	5,220	4,666
Total	<u>1,252,002</u>	<u>844,006</u>	<u>407,996</u>	691,608
Grants Administration:				
Personal services	342,095	342,095	-	92,591
Contractual services	1,199	1,199	-	2,004
Supplies and material	1,132	1,132	-	4,182
Business and transportation	614	614	-	200
Other	250,000	-	250,000	-
Disaster	-	15,402	(15,402)	-
Total	<u>595,040</u>	<u>360,442</u>	<u>234,598</u>	<u>98,977</u>
Delegation:				
Personal services	110,157	110,126	31	105,857
Contractual services	463	463	-	570
Supplies and material	330	330	-	333
Total	<u>110,950</u>	<u>110,919</u>	<u>31</u>	106,760
Hospitality:				
Personal services	321,119	319,840	1,279	307,617
Contractual services	5,545	5,256	289	7,272
Supplies and material	6,250	6,190	60	6,529
Business and transportation	3,541	3,485	56	3,454
Other	7,400	7,400	-	7,400
Total	<u>343,855</u>	<u>342,171</u>	<u>1,684</u>	332,272

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - General Government (continued)				
Business License:				
Personal services	220,211	217,416	2,795	213,419
Contractual services	3,625	2,049	1,576	4,185
Supplies and material	12,423	11,909	514	7,798
Business and transportation	3,563	2,347	1,216	1,732
Capital outlay	15,200	15,189	11	-
Other	-	-	-	435
Total	<u>255,022</u>	<u>248,910</u>	<u>6,112</u>	<u>227,569</u>
Total general government	<u>34,525,198</u>	<u>30,848,714</u>	<u>3,676,484</u>	<u>28,292,174</u>
Expenditures				
<u>Public Safety:</u>				
Clerk of Court:				
Personal services	1,564,324	1,561,273	3,051	1,534,675
Contractual services	209,960	170,316	39,644	242,453
Supplies and material	109,715	83,690	26,025	68,903
Business and transportation	880	720	160	1,385
Total	<u>1,884,879</u>	<u>1,815,999</u>	<u>68,880</u>	<u>1,847,416</u>
Clerk of Court - DSS Family Court:				
Personal services	630,514	625,951	4,563	613,436
Contractual services	11,922	7,535	4,387	10,719
Supplies and material	18,623	7,664	10,959	6,829
Business and transportation	278	-	278	-
Total	<u>661,337</u>	<u>641,150</u>	<u>20,187</u>	<u>630,984</u>
Clerk of Court - Family Court:				
Personal services	328,698	326,887	1,811	317,939
Contractual services	1,845	1,272	573	646
Supplies and material	2,401	2,363	38	-
Other	453,581	154,631	298,950	9,825
Total	<u>786,525</u>	<u>485,153</u>	<u>301,372</u>	<u>328,410</u>
Magistrates				
Personal services	2,657,876	2,651,446	6,430	2,501,599
Contractual services	187,734	166,294	21,440	172,911
Supplies and material	80,322	62,414	17,908	62,926
Business and transportation	41,646	35,850	5,796	31,284
Total	<u>2,967,578</u>	<u>2,916,004</u>	<u>51,574</u>	<u>2,768,720</u>

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Communications:				
Personal services	182,017	181,289	728	223,599
Contractual services	1,038,857	991,494	47,363	989,222
Supplies and material	30,916	29,030	1,886	38,008
Business and transportation	10,477	10,194	283	2,756
Capital outlay	50,000	49,826	174	-
Other	9,200	9,200	-	4,000
Total	1,321,467	1,271,033	50,434	1,257,585
Public Safety Division:				
Personal services	187,170	-	187,170	175,222
Contractual services	984,884	889,502	95,382	928,574
Supplies and material	-	-	-	23,215
Business and transportation	-	-	-	7,961
Other	-	-	-	7,583
Total	1,172,054	889,502	282,552	1,142,555
Sheriff:				
Personal services	5,032,927	4,986,412	46,515	4,626,066
Contractual services	83,110	70,325	12,785	73,047
Supplies and material	166,745	160,098	6,647	107,321
Business and transportation	282,795	245,913	36,882	275,305
Capital outlay	81,615	81,615	-	36,719
Other	273,304	266,704	6,600	228,308
Programs	97,932	23,925	74,007	19,970
Total	6,018,428	5,834,992	183,436	5,366,736
Police:				
Personal services	16,942,575	16,113,087	829,488	15,770,021
Contractual services	1,050,616	959,147	91,469	674,737
Supplies and material	652,898	604,950	47,948	442,477
Business and transportation	1,333,848	1,265,718	68,130	1,365,775
Capital outlay	329,168	281,313	47,855	163,225
Other	1,026,818	982,332	44,486	956,727
Programs	384,638	71,535	313,103	100,563
Disaster	-	286,325	(286,325)	-
Total	21,720,561	20,564,407	1,156,154	19,473,525

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Central Processing:				
Personal services	72,364	72,169	195	67,139
Supplies and material	-	-	-	648
Business and transportation	-	-	-	(38)
Total	<u>72,364</u>	<u>72,169</u>	<u>195</u>	<u>67,749</u>
Emergency Management:				
Personal services	423,179	367,409	55,770	376,049
Contractual services	45,866	41,000	4,866	44,800
Supplies and material	30,248	29,334	914	28,358
Business and transportation	14,989	14,705	284	16,384
Other	22,800	22,800	-	17,000
Disaster	-	3,587	(3,587)	-
Total	<u>537,082</u>	<u>478,835</u>	<u>58,247</u>	<u>482,591</u>
Emergency 911 Communications:				
Personal services	3,031,910	2,991,778	40,132	2,946,247
Contractual services	23,250	21,508	1,742	27,184
Supplies and material	29,050	13,200	15,850	6,977
Business and transportation	11,219	8,525	2,694	2,137
Total	<u>3,095,429</u>	<u>3,035,011</u>	<u>60,418</u>	<u>2,982,545</u>
Coroner:				
Personal services	455,122	452,654	2,468	420,068
Contractual services	412,292	364,367	47,925	373,027
Supplies and material	11,600	9,582	2,018	12,575
Business and transportation	29,828	25,113	4,715	16,965
Capital outlay	30,000	-	30,000	-
Other	4,800	4,800	-	9,400
Total	<u>943,642</u>	<u>856,516</u>	<u>87,126</u>	<u>832,035</u>
Detention Center:				
Personal services	17,035,460	17,035,342	118	16,286,434
Contractual services	3,250,775	3,250,482	293	3,028,023
Supplies and material	1,992,094	1,991,076	1,018	1,704,904
Business and transportation	286,057	285,496	561	246,274
Capital outlay	404,578	404,578	-	226,516
Other	133,695	133,338	357	174,383
Programs	1,068,094	508,323	559,771	668,430
Total	<u>24,170,753</u>	<u>23,608,635</u>	<u>562,118</u>	<u>22,334,964</u>

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - Public Safety (continued)				
Emergency Medical Services:				
Personal services	12,506,050	11,904,473	601,577	11,689,133
Contractual services	749,006	715,390	33,616	503,285
Supplies and material	811,649	721,012	90,637	685,097
Business and transportation	729,444	548,999	180,445	565,229
Capital outlay	183,750	127,467	56,283	123,271
Other	586,891	583,854	3,037	523,029
Contingency	68,069	48,267	19,802	62,757
Total	15,634,859	14,649,462	985,397	14,151,801
Animal Care Center				
Personal services	875,959	864,579	11,380	833,444
Contractual services	51,266	47,547	3,719	52,345
Supplies and material	115,417	113,154	2,263	119,167
Business and transportation	16,149	9,800	6,349	25,408
Disaster	-	22	(22)	-
Other	48,737	12,295	36,442	11,756
Total	1,107,528	1,047,397	60,131	1,042,120
Parking Program				
Contractual services	62,285	23,105	39,180	27,707
Supplies and material	39,211	33,612	5,599	26,485
Capital outlay	3,700	-	3,700	-
Contingency	190,352	-	190,352	-
Total	295,548	56,717	238,831	54,192
Total public safety	82,390,034	78,222,982	4,167,052	74,763,928

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures				
<u>Infrastructure & Regulation</u>				
Assistant County Administrator - Infrastructure & Regulation:				
Personal services	254,454	243,500	10,954	230,322
Contractual services	174,115	167,787	6,328	179,982
Supplies and material	2,490	2,442	48	1,883
Business and transportation	3,164	1,103	2,061	2,488
Total	<u>434,223</u>	<u>414,832</u>	<u>19,391</u>	414,675
County Engineer:				
Personal services	1,048,971	868,184	180,787	787,878
Contractual services	322,637	189,261	133,376	261,404
Supplies and material	12,810	12,136	674	17,048
Business and transportation	38,105	33,318	4,787	33,126
Capital outlay	60,000	38,207	21,793	-
Other	14,400	14,400	-	14,400
Total	<u>1,496,923</u>	<u>1,155,506</u>	<u>341,417</u>	1,113,856
Public Works:				
Personal services	4,208,816	3,907,297	301,519	3,757,857
Contractual services	1,319,132	460,324	858,808	412,782
Supplies and material	1,802,571	1,119,429	683,142	1,311,850
Business and transportation	1,263,194	1,124,918	138,276	1,187,658
Disaster	66,667	155,090	(88,423)	-
Other	1,193,515	1,193,515	-	892,737
Total	<u>9,853,895</u>	<u>7,960,573</u>	<u>1,893,322</u>	7,562,884
Code Enforcement:				
Personal services	2,646,293	2,437,509	208,784	2,330,952
Contractual services	55,050	50,787	4,263	46,468
Supplies and material	44,357	42,011	2,346	29,928
Business and transportation	114,628	89,977	24,651	98,909
Other	65,853	65,853	-	55,123
Total	<u>2,926,181</u>	<u>2,686,137</u>	<u>240,044</u>	2,561,380

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - Infrastructure & Regulation (continued)				
Planning:				
Personal services	1,733,221	1,669,937	63,284	1,636,886
Contractual services	44,662	41,746	2,916	36,279
Supplies and material	22,554	22,403	151	8,540
Business and transportation	15,611	15,611	-	21,246
Capital outlay	-	-	-	20,684
Other	4,400	4,400	-	-
Total	1,820,448	1,754,097	66,351	1,723,635
Environmental Services:				
Personal services	117,914	117,201	713	116,807
Contractual services	10,013	5,382	4,631	604
Supplies and material	15,000	14,979	21	22,438
Total	142,927	137,562	5,365	139,849
Railroad:				
Contractual services	300	57	243	26,573
Supplies and material	49,700	26,287	23,413	640
Capital outlay	5,000	-	5,000	-
Total	55,000	26,344	28,656	27,213
Total infrastructure & regulation	16,729,597	14,135,051	2,594,546	13,543,492
Expenditures				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	334,233	314,328	19,905	326,256
Contractual services	2,765	1,654	1,111	3,957
Supplies and material	25,082	24,567	515	4,822
Business and transportation	8,069	4,557	3,512	9,362
Total	370,149	345,106	25,043	344,397
Medically Indigent Assistance Program				
Personal services	66,478	57,803	8,675	58,976
Contractual services	1,325	468	857	684
Supplies and material	700	62	638	362
Other	859,423	859,423	-	1,120,292
Total	927,926	917,756	10,170	1,180,314

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Expenditures - Health and Social Services (continued)				
Health Department				
Contractual services	134,068	101,160	32,908	110,154
Supplies and material	1,500	1,385	115	-
Total	135,568	102,545	33,023	110,154
Department of Social Services				
Contractual services	64,206	60,330	3,876	67,632
Supplies and material	6,326	4,916	1,410	12,354
Other	8,284	8,284	-	8,284
Total	78,816	73,530	5,286	88,270
Total health and social services	1,512,459	1,438,937	73,522	1,723,135
Expenditures				
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	2,952,983	2,838,308	114,675	2,788,300
Contractual services	601,042	469,377	131,665	493,484
Supplies and material	977,813	904,096	73,717	680,839
Business and transportation	30,900	20,171	10,729	21,475
Capital outlay	9,376	8,375	1,001	7,383
Other	37,897	37,897	-	37,897
Programs	22,114	1,272	20,842	1,020
Total	4,632,125	4,279,496	352,629	4,030,398
Museum:				
Personal services	442,429	441,510	919	416,504
Contractual services	229,740	229,616	124	193,782
Supplies and material	36,950	36,512	438	22,758
Business and transportation	12,383	11,520	863	11,287
Other	88,698	33,797	54,901	17,009
Total	810,200	752,955	57,245	661,340
Total culture, recreation and tourism	5,442,325	5,032,451	409,874	4,691,738
Other agencies	1,194,308	1,194,308	-	1,119,308
Total other agencies	1,194,308	1,194,308	-	1,119,308
Total expenditures	141,793,921	130,872,443	10,921,478	124,133,775
Excess of revenue over expenditures	6,541,515	24,111,384	17,569,869	5,616,599

HORRY COUNTY, SOUTH CAROLINA

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

UNAUDITED

	2016			2015
	Final Budget	Actual	Variance	Actual
Other Financing Sources (Uses)				
Sale of assets	126,000	142,332	16,332	95,498
Transfers in	626,466	711,288	84,822	1,334,702
Transfer out	(11,050,218)	(11,114,020)	(63,802)	(7,620,653)
Total other financing sources (uses)	<u>(10,297,752)</u>	<u>(10,260,400)</u>	<u>37,352</u>	(6,190,453)
Net change in fund balance	(3,756,237)	13,850,984	17,607,221	(573,854)
Fund balance at beginning of year	<u>40,786,420</u>	<u>40,786,420</u>	-	41,360,274
Fund balance at end of year	<u>\$ 37,030,183</u>	<u>\$ 54,637,404</u>	<u>\$ 17,607,221</u>	\$ 40,786,420

HORRY COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

Mt. Gilead – accounts for revenue collected from 7.0 mills levied on property taxes for road improvements in the Mt. Gilead Community.

Socastee Recreation – accounts for revenue collected from 1.8 mills levied on property taxes earmarked for recreation facilities in the Socastee Community.

Road Maintenance & CTC – accounts for revenue derived from a \$50 fee on registered vehicles, intergovernmental revenue, and operating transfers-in earmarked for the maintenance and/or improvements of the County's road system and public works operation.

Beach Renourishment – accounts for beach nourishment and re-nourishment projects on the unincorporated beaches of the County and is funded from Accommodations Tax and the General Fund.

Grants – accounts for revenue earmarked for all grants.

Admissions Tax – accounts for revenue derived from Admissions Tax District established in the Waccamaw Pottery area. These funds are earmarked by state law for infrastructure improvements.

Victim Witness Assistance – accounts for collection of assessments and surcharges imposed by the courts. These funds are earmarked by State law for the provision of victim services.

SPECIAL REVENUE FUNDS

- CONTINUED -

Senior Citizen – accounts for revenue collected from 0.4 mills levied on property taxes earmarked for senior citizen programs.

Arcadian Shores – accounts for revenue collected from 35.0 mills levied on property taxes associated with the Arcadian Shores Special Tax District. These funds are designated for infrastructure improvements.

Baseball Stadium – accounts for revenue and expenditures associated with the County's undivided 30% ownership in the baseball stadium project.

Economic Development – accounts for revenue and expenditures for the operation, economic development and property management of the Atlantic Center, Hwy. 701 (Pineridge Business Center) and the Hwy. 319 (Cool Spring) industrial parks.

Stormwater Management – accounts for revenue derived from a utility fee paid on the unincorporated areas of the County and expenditures associated with the County's stormwater management and mosquito control programs.

Hidden Woods - accounts for revenue collected from 84.6 mills levied on property taxes for road improvements in the Hidden Woods Community. Terminated by Council on June 7, 2016.

Solicitor – accounts for revenue derived from the State, Horry County, Georgetown County, client fines and fees from intervention programs and seized monies from the Drug Enforcement Unit.

Public Defender – accounts for revenue derived from the State, Horry County, and Georgetown County.

Fire Insurance – accounts for intergovernmental revenue and expenditures associated with 1% fire insurance revenue share from state dedicated to Fire operations.

Multi-County Business Park Rollback – accounts for revenue and expenditures associated with the Multi-County Business Park rollback for infrastructure.

E-911 – accounts for revenue and expenditures of funds for wireless and wireless telephones. These funds are totally restricted for use in the 911 system.

CDBG Grant Program – accounts for revenue and expenditures of Housing Urban Development entitlement program. These funds are totally restricted for use only on HUD approved programs.

Recreation – accounts for revenue collected from 1.7 mills levied on property taxes and expenditures associated with the County's recreation programs.

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

June 30, 2016

	Non-Major Funds									
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Georgetown Tech	Watershed	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment
Assets										
Cash and cash equivalents	\$ 8,003,982	-	\$ 9,791,166	\$ 110,744	\$ 358,454	\$ 1,109,809	\$ 384,485	\$ 509,855	\$ 27,756,344	\$ 6,934,823
Pooled cash and investments	-	-	-	-	-	-	-	-	-	-
Receivables, net:										
Property taxes	876,059	-	295,338	54,729	141,101	4,062	529	6,593	-	-
Accounts and other	-	-	-	-	-	-	-	-	-	48,885
Fees	-	-	-	-	-	-	-	-	1,332,910	41,857
Due from other governments	6,649	1,443,616	-	-	-	-	-	-	264,025	-
Prepaid items	9,375	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 8,896,065	\$ 1,443,616	\$ 10,086,504	\$ 165,473	\$ 499,555	\$ 1,113,871	\$ 385,014	\$ 516,448	\$ 29,353,379	\$ 7,025,565
Liabilities										
Liabilities										
Accounts payable-trade	\$ 243,448	\$ 513,742	\$ 68,544	\$ -	\$ -	\$ -	\$ 10,690	\$ 3,213	\$ 1,370,804	\$ 117,011
Accounts payable-other	-	-	-	-	-	-	-	-	-	-
Accrued salaries and wages	217,136	27,048	-	-	-	-	-	-	13,112	-
Due to other funds	-	847,606	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Due to component units	-	-	761,648	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	460,584	1,388,396	830,192	118,200	377,630	1,109,606	10,690	3,213	1,383,916	117,011
Deferred Inflows of Resources										
Unavailable revenue-fees and other	-	-	-	-	-	-	-	-	1,536,635	-
Unavailable revenue-property taxes	854,544	-	285,981	47,273	121,925	4,265	543	5,414	-	48,885
Total deferred inflows of resources	854,544	-	285,981	47,273	121,925	4,265	543	5,414	1,536,635	48,885
Fund Balances										
Nonspendable	9,375	-	-	-	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-	-	-	6,873,244	-
Restricted for public safety	7,571,562	-	-	-	-	-	-	-	-	-
Restricted for culture, recreation and tourism	-	55,220	-	118,200	377,630	1,109,606	373,781	507,821	-	4,176,260
Restricted for infrastructure and regulation	-	-	8,970,331	-	-	-	-	-	-	-
Restricted for economic development	-	-	-	-	-	-	-	-	-	-
Restricted for health and social services	-	-	-	-	-	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-	-	-	-	19,559,584	2,683,409
Committed to economic development	-	-	-	-	-	-	-	-	-	-
Committed to other purposes	-	-	-	-	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	-
Total fund balances / (deficits)	7,580,937	55,220	8,970,331	118,200	377,630	1,109,606	373,781	507,821	26,432,828	6,859,669
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 8,896,065	\$ 1,443,616	\$ 10,086,504	\$ 165,473	\$ 499,555	\$ 1,113,871	\$ 385,014	\$ 516,448	\$ 29,353,379	\$ 7,025,565

Horry County, South Carolina
 Combining Balance Sheet
 Non-Major Special Revenue Funds

June 30, 2016

	Non-Major Funds									
	Grants	Admissions Tax	Victim Witness Assistance	Senior Citizen	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Solicitor	
Assets										
Cash and cash equivalents	\$ 203,246	\$ 380,797	-	\$ 56,877	\$ 86,277	203,021	\$ -	\$ -	\$ 1,238,185	
Pooled cash and investments	-	-	-	-	-	-	-	3,411,859	1,592,230	
Receivables, net:										
Property taxes	-	-	-	31,274	1,993	-	-	-	-	-
Accounts and other	-	-	-	-	-	-	-	8,928	164,224	-
Fees	-	-	23,762	-	-	-	-	64,586	-	-
Due from other governments	186,263	-	14,349	-	-	-	-	-	107,722	-
Prepaid items	-	-	-	-	-	-	-	-	2,052	-
Restricted assets	-	-	-	-	-	101,977	-	-	121,396	-
Total assets	<u>\$ 389,509</u>	<u>\$ 380,797</u>	<u>\$ 38,111</u>	<u>\$ 88,151</u>	<u>\$ 88,270</u>	<u>\$ 304,998</u>	<u>\$ 2,356,686</u>	<u>\$ 3,485,373</u>	<u>\$ 3,225,809</u>	
Liabilities										
Liabilities										
Accounts payable-trade	\$ 13,193	\$ -	\$ 242	16,412	\$ 7,907	\$ 120,378	\$ 3,152	\$ 52,746	\$ 452,097	
Accounts payable-other	-	-	-	-	-	-	-	-	176,079	
Accrued salaries and wages	7,344	-	7,245	-	-	-	7,527	23,065	83,074	
Due to other funds	-	-	8,728	-	133,066	-	-	-	-	
Due to other governments	-	-	-	-	-	70,239	-	-	-	
Due to component units	-	-	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	-	-	95	-	
Total liabilities	<u>20,537</u>	<u>-</u>	<u>16,215</u>	<u>16,412</u>	<u>140,973</u>	<u>190,617</u>	<u>10,679</u>	<u>75,906</u>	<u>711,250</u>	
Deferred Inflows of Resources										
Unavailable revenue-fees and other	49,876	-	-	-	-	-	-	32,415	300	
Unavailable revenue-property taxes	-	-	-	27,015	1,993	-	-	-	-	
Total deferred inflows of resources	<u>49,876</u>	<u>-</u>	<u>-</u>	<u>27,015</u>	<u>1,993</u>	<u>-</u>	<u>-</u>	<u>32,415</u>	<u>300</u>	
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	2,052	
Restricted for capital projects	-	-	-	-	-	-	-	-	-	
Restricted for public safety	-	-	-	-	-	-	-	-	2,512,207	
Restricted for culture, recreation and tourism	-	-	-	-	-	114,381	-	-	-	
Restricted for infrastructure and regulation	-	-	-	-	-	-	-	3,377,052	-	
Restricted for economic development	-	380,797	-	-	-	-	791,381	-	-	
Restricted for health and social services	-	-	-	44,724	-	-	-	-	-	
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	-	-	
Committed to infrastructure and regulation	-	-	-	-	-	-	-	-	-	
Committed to economic development	-	-	-	-	-	-	1,554,626	-	-	
Committed to other purposes	319,096	-	-	-	-	-	-	-	-	
Unassigned (deficits)	-	-	21,896	-	(54,696)	-	-	-	-	
Total fund balances / (deficits)	<u>319,096</u>	<u>380,797</u>	<u>21,896</u>	<u>44,724</u>	<u>(54,696)</u>	<u>114,381</u>	<u>2,346,007</u>	<u>3,377,052</u>	<u>2,514,259</u>	
Total liabilities, deferred inflows of resources and fund balances / (deficits)	<u>\$ 389,509</u>	<u>\$ 380,797</u>	<u>\$ 38,111</u>	<u>\$ 88,151</u>	<u>\$ 88,270</u>	<u>\$ 304,998</u>	<u>\$ 2,356,686</u>	<u>\$ 3,485,373</u>	<u>\$ 3,225,809</u>	

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

June 30, 2016

	Non-Major Funds						Total Non-Major Funds
	Public Defender	Fire Insurance	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	
Assets							
Cash and cash equivalents						\$	\$
Pooled cash and investments	560,529	109,854	531,097	5,177,731	-	100	1,238,385
Receivables, net:						2,293,019	7,192,285
Property taxes							
Accounts and other				31,439		135,205	1,546,883
Fees							253,476
Due from other governments	92,687			268,696	434,901		1,463,115
Prepaid items				159,609			2,818,908
Restricted assets							171,036
Total assets	<u>\$ 653,216</u>	<u>\$ 109,854</u>	<u>\$ 531,097</u>	<u>\$ 5,637,475</u>	<u>\$ 434,901</u>	<u>\$ 2,428,324</u>	<u>\$ 79,638,061</u>
Liabilities							
Liabilities							
Accounts payable-trade	5,490			631	139,336	115,067	3,254,103
Accounts payable-other							176,079
Accrued salaries and wages	24,946			3,787	2,370	36,289	452,943
Due to other funds					289,217		1,278,617
Due to other governments							70,239
Due to component units							761,648
Other liabilities							95
Total liabilities	<u>\$ 30,436</u>			<u>\$ 4,418</u>	<u>\$ 430,923</u>	<u>\$ 151,356</u>	<u>\$ 5,993,724</u>
Deferred Inflows of Resources							
Unavailable revenue-fees and other	92,687				285,491		1,997,404
Unavailable revenue-property taxes				88,130		117,021	1,602,989
Total deferred inflows of resources	<u>\$ 92,687</u>			<u>\$ 88,130</u>	<u>\$ 285,491</u>	<u>\$ 117,021</u>	<u>\$ 3,600,393</u>
Fund Balances							
Nonspendable				159,609			171,036
Restricted for capital projects							6,873,244
Restricted for public safety	530,093	109,854		5,385,318			16,109,034
Restricted for culture, recreation and tourism						2,159,947	7,509,459
Restricted for infrastructure and regulation			531,097				14,361,867
Restricted for economic development							1,172,178
Restricted for health and social services							44,724
Committed to culture, recreation and tourism							2,683,409
Committed to infrastructure and regulation							19,559,584
Committed to economic development							1,554,626
Committed to other purposes							319,096
Unassigned (deficits)					(281,513)		(314,313)
Total fund balances / (deficits)	<u>\$ 530,093</u>	<u>\$ 109,854</u>	<u>\$ 531,097</u>	<u>\$ 5,544,927</u>	<u>\$ (281,513)</u>	<u>\$ 2,159,947</u>	<u>\$ 70,043,944</u>
Total liabilities, deferred inflows of resources and fund balances / (deficits)	<u>\$ 653,216</u>	<u>\$ 109,854</u>	<u>\$ 531,097</u>	<u>\$ 5,637,475</u>	<u>\$ 434,901</u>	<u>\$ 2,428,324</u>	<u>\$ 79,638,061</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, 2016

Non-Major Funds

	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment
Revenues										
Real property taxes	\$ 16,373,123	\$ -	\$ 5,689,549	\$ 1,207,660	\$ 3,105,254	\$ 95,911	\$ 27,875	\$ 194,994	\$ -	\$ -
Personal property taxes	1,387,738	-	459,216	88,342	227,175	118	161	35	-	-
Vehicle taxes	2,420,275	-	810,467	129,927	332,994	-	-	-	-	-
Fee in lieu of tax	75,398	-	32,927	10,523	26,967	-	-	-	-	-
Intergovernmental	26,993	-	-	10,638	13,881	-	-	-	694,692	-
Accommodations tax	-	3,402,827	-	-	-	-	-	-	-	410,000
Fees and fines	-	-	-	-	-	-	-	-	13,914,178	-
Hospitality fees	-	-	-	-	-	-	-	-	-	100,000
Local accommodations tax	-	-	-	-	-	-	-	-	-	241,269
Interest	23,738	272	28,244	1,484	4,107	3,067	1,107	1,615	72,741	18,255
Other	19,950	603	-	-	-	-	-	1,141	-	63,962
Total revenues	20,327,215	3,403,702	7,020,403	1,448,574	3,710,378	99,096	29,143	197,785	14,681,611	833,486
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	17,206,584	1,275,700	-	-	-	-	-	-	-	-
Infrastructure and regulation	-	-	6,977,172	-	-	11,824	61,403	-	4,333,271	-
Health and social services	-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism	-	2,263,347	-	-	-	-	-	114,748	-	-
HGTC and Higher Education Commission	-	-	-	1,249,198	3,200,000	-	-	-	-	408,343
Economic development	-	-	-	-	-	-	-	-	-	-
Capital outlay	24,102	26,439	-	-	-	-	-	18,180	6,226,850	-
Total expenditures	17,230,686	3,565,486	6,977,172	1,249,198	3,200,000	11,824	61,403	132,928	10,560,121	408,343
Excess (deficiency) of revenues over (under) expenditures	3,096,529	(161,784)	43,231	199,376	510,378	87,272	(32,260)	64,857	4,121,490	425,143
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	250,000	258,911
Transfers out	(1,411,591)	(118,332)	(241,107)	(223,500)	(238,050)	-	-	(20,960)	-	-
Contributed capital	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,411,591)	(118,332)	(241,107)	(223,500)	(238,050)	-	-	(20,960)	250,000	258,911
Net change in fund balance	1,684,938	(280,116)	(197,876)	(24,124)	272,328	87,272	(32,260)	43,897	4,371,490	684,054
Fund balances (deficits), at beginning of year	5,895,999	335,336	9,168,207	142,324	105,302	1,022,334	406,041	463,924	22,061,338	6,175,615
Fund balances (deficits), at end of year	\$ 7,580,937	\$ 55,220	\$ 8,970,331	\$ 118,200	\$ 377,630	\$ 1,109,606	\$ 373,781	\$ 507,821	\$ 26,432,828	\$ 6,859,669

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, 2016

Non-Major Funds

	Grants	Admissions Tax	Victim Assistance	Senior Citizen	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods	Solicitor
Revenues										
Real property taxes	\$ -	\$ -	\$ 690,042	\$ 63,233	\$ -	\$ -	\$ 596,009	\$ -	\$ 1,126	\$ -
Personal property taxes	-	-	50,440	18	-	-	-	-	-	-
Vehicle taxes	-	-	73,991	-	-	-	-	-	-	-
Fee in lieu of tax	-	-	6,029	-	-	-	-	-	-	-
Intergovernmental	833,765	-	-	-	-	-	1,300,000	16,935	-	1,808,196
Accommodations tax	-	-	-	-	-	-	-	-	-	-
Fees and fines	-	-	395,212	-	-	98,860	331,693	4,847,165	-	2,592,573
Hospitality fees	-	-	-	-	-	-	-	-	-	-
Local accommodations tax	-	-	-	-	-	-	-	-	-	-
Interest	907	986	-	314	309	1,123	5,525	10,130	-	16,731
Other	91,164	-	-	-	-	24,156	-	2,069	-	-
Total revenues	925,836	986	395,212	820,816	63,560	124,139	2,233,227	4,876,299	1,126	4,417,500
Expenditures										
Current:										
General government	200,000	-	-	-	-	-	-	-	-	-
Public safety	605,502	-	553,215	-	-	-	-	-	-	7,841,307
Infrastructure and regulation	158,202	-	-	-	40,192	-	2,645,854	4,427,756	17,823	-
Health and social services	-	-	-	857,286	-	-	-	-	-	-
Culture, recreation and tourism	134,540	-	-	-	-	54,248	-	-	-	-
HGTC and Higher Education Commission	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Capital outlay	122,035	-	-	-	-	120,378	-	-	-	19,630
Total expenditures	1,220,279	-	553,215	857,286	40,192	174,626	2,645,854	4,427,756	17,823	7,860,937
Excess (deficiency) of revenues over (under) expenditures	(294,443)	986	(158,003)	(36,470)	23,368	(50,487)	(412,627)	448,543	(16,697)	(3,443,437)
Other Financing Sources (Uses)										
Transfers in	118,332	-	190,094	-	-	-	-	-	-	3,874,909
Transfers out	-	-	-	-	-	-	-	(277,621)	-	-
Contributed capital	-	-	-	-	-	-	-	-	-	600,000
Total other financing sources (uses)	118,332	-	190,094	-	-	-	-	(277,621)	-	4,474,909
Net change in fund balance	(176,111)	986	32,091	(36,470)	23,368	(50,487)	(412,627)	170,922	(16,697)	1,031,472
Fund balances (deficits), at beginning of year	495,207	379,811	(10,195)	81,194	(78,064)	164,868	2,758,634	3,206,130	16,697	1,482,787
Fund balances (deficits), at end of year	\$ 319,096	\$ 380,797	\$ 21,896	\$ 44,724	\$ (54,696)	\$ 114,381	\$ 2,346,007	\$ 3,377,052	\$ -	\$ 2,514,259

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, 2016

	Non-Major Funds							Total Non-Major Funds
	Public Defender	Fire Insurance	Multi-County Business Park Rollback	E-911	Grant Program	Recreation		
Revenues								
Real property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,932,830	\$ 30,977,606	
Personal property taxes	-	-	-	-	-	214,949	2,428,192	
Vehicle taxes	-	-	-	-	-	313,416	4,081,070	
Fee in lieu of tax	-	-	-	-	-	25,480	177,324	
Intergovernmental	773,431	826,181	-	1,235,680	1,364,662	86,681	8,991,735	
Accommodations tax	-	-	-	-	-	-	3,812,827	
Fees and fines	96,100	-	-	720,649	-	-	22,897,570	
Hospitality fees	-	-	-	-	-	-	198,860	
Local accommodations tax	-	-	-	-	-	-	241,269	
Interest	978	-	1,534	13,765	-	7,431	214,363	
Other	-	-	-	-	-	798,379	1,001,424	
Total revenues	870,509	826,181	1,534	1,970,094	1,364,662	4,379,166	75,022,240	
Expenditures								
Current:								
General government	-	-	-	-	-	-	200,000	
Public safety	1,900,705	787,431	-	698,795	-	-	30,869,239	
Infrastructure and regulation	-	-	-	-	-	-	18,673,497	
Health and social services	-	-	-	-	-	-	857,286	
Culture, recreation and tourism	-	-	-	-	-	4,619,624	7,594,850	
HGTC and Higher Education Commission	-	-	-	-	-	-	4,449,198	
Economic development	-	-	-	-	1,144,504	-	1,144,504	
Capital outlay	-	-	-	-	20,260	28,241	6,606,115	
Total expenditures	1,900,705	787,431	-	698,795	1,164,764	4,647,865	70,394,689	
Excess (deficiency) of revenues over (under) expenditures	(1,030,196)	38,750	1,534	1,271,299	199,898	(268,699)	4,627,551	
Other Financing Sources (Uses)								
Transfers in	1,051,437	-	-	-	-	58,978	5,802,661	
Transfers out	-	-	-	(310,000)	(100,476)	(153,487)	(3,095,124)	
Contributed capital	-	-	-	-	-	-	600,000	
Total other financing sources (uses)	1,051,437	-	-	(310,000)	(100,476)	(94,509)	3,307,537	
Net change in fund balance	21,241	38,750	1,534	961,299	99,422	(363,208)	7,935,088	
Fund balances (deficits), at beginning of year	508,852	71,104	529,563	4,583,628	(380,935)	2,523,155	62,108,856	
Fund balances (deficits), at end of year	\$ 530,093	\$ 109,854	\$ 531,097	\$ 5,544,927	\$ (281,513)	\$ 2,159,947	\$ 70,043,944	

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 8,003,982	\$ 6,434,232
Receivables, net:		
Property taxes	876,059	716,023
Interest receivable	-	1,312
Due from other governments	6,649	-
Prepaid items	9,375	-
Total assets	<u>\$ 8,896,065</u>	<u>\$ 7,151,567</u>
 Liabilities		
Accounts payable - trade	\$ 243,448	\$ 105,649
Accrued salaries and wages	217,136	542,429
Total liabilities	<u>460,584</u>	<u>648,078</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	399
Unavailable revenue-property taxes	854,544	607,091
Total deferred inflows of resources	<u>854,544</u>	<u>607,490</u>
 Fund Balances		
Nonspendable	9,375	-
Restricted for public safety	7,571,562	5,895,999
Total fund balances	<u>7,580,937</u>	<u>5,895,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,896,065</u>	<u>\$ 7,151,567</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 16,474,546	\$ 16,373,123	\$ (101,423)	\$ 16,106,095
Personal property taxes	1,416,300	1,387,738	(28,562)	1,354,566
Vehicle taxes	2,169,180	2,420,275	251,095	2,259,233
Fee in lieu of tax	54,000	75,398	21,398	53,089
Intergovernmental - federal	-	399	399	2,940
Intergovernmental - state	26,594	26,594	-	33,243
Interest	7,000	23,738	16,738	6,188
Other	3,203	19,950	16,747	618
Total revenues	<u>20,150,823</u>	<u>20,327,215</u>	<u>176,392</u>	<u>19,815,972</u>
Expenditures				
Current:				
Public safety:				
Personal services	13,428,849	13,052,236	376,613	12,725,442
Contractual services	1,249,005	1,084,952	164,053	1,322,726
Supplies and materials	1,168,007	1,043,543	124,464	778,214
Business and transportation	856,461	729,909	126,552	934,432
Capital outlay	60,317	24,102	36,215	51,519
Contingency	483,352	-	483,352	-
Disaster	-	20,819	(20,819)	-
Indirect cost allocation	1,275,125	1,275,125	-	1,228,799
Total expenditures	<u>18,521,116</u>	<u>17,230,686</u>	<u>1,290,430</u>	<u>17,041,132</u>
Excess of revenues over expenditures	<u>1,629,707</u>	<u>3,096,529</u>	<u>1,466,822</u>	<u>2,774,840</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,629,707)</u>	<u>(1,411,591)</u>	<u>218,116</u>	<u>(2,012,540)</u>
Total other financing sources (uses)	<u>(1,629,707)</u>	<u>(1,411,591)</u>	<u>218,116</u>	<u>(2,012,540)</u>
Net change in fund balance	-	1,684,938	1,684,938	762,300
Fund balance at beginning of year	5,895,999	5,895,999	-	5,133,699
Fund balance at end of year	<u>\$ 5,895,999</u>	<u>\$ 7,580,937</u>	<u>\$ 1,684,938</u>	<u>\$ 5,895,999</u>

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

June 30, 2016
 (with comparative amounts for June 30, 2015)

	2016	2015
Assets		
Interest receivable	\$ -	\$ 15
Due from other governments	1,443,616	1,096,025
Total assets	\$ 1,443,616	\$ 1,096,040
 Liabilities		
Accounts payable - trade	\$ 513,742	\$ 507,843
Accrued salaries and wages	27,048	51,303
Due to other funds	847,606	201,558
Total liabilities	1,388,396	760,704
 Fund Balance		
Restricted for culture, recreation and tourism	55,220	335,336
Total fund balance	55,220	335,336
Total liabilities and fund balance	\$ 1,443,616	\$ 1,096,040

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Accommodations tax	\$ 3,528,425	\$ 3,402,827	\$ (125,598)	\$ 3,161,318
Interest	-	272	272	514
Other	-	603	603	599
Total revenues	3,528,425	3,403,702	(124,723)	3,162,431
Expenditures				
Current:				
Public safety				
Personal services	1,084,012	1,036,052	47,960	779,675
Contractual services	24,716	17,525	7,191	17,288
Supplies and materials	16,010	11,088	4,922	10,211
Business and transportation	90,738	68,868	21,870	64,312
Capital outlay	23,640	23,640	-	99,582
Other	142,242	142,167	75	67,000
Total beach patrol	1,381,358	1,299,340	82,018	1,038,068
Culture, recreation and tourism:				
Personal services	612,221	609,034	3,187	474,087
Contractual services	90,450	89,392	1,058	95,104
Supplies and materials	23,506	23,463	43	44,880
Business and transportation	124,115	124,114	1	116,529
Capital outlay	2,799	2,799	-	43,581
Capital lease principal	-	-	-	21,789
Capital lease interest	-	-	-	840
Other	87,510	87,510	-	-
Contributions to other agencies	1,380,933	1,329,834	51,099	1,401,972
Total culture, recreation and tourism	2,321,534	2,266,146	55,388	2,198,782
Total expenditures	3,702,892	3,565,486	137,406	3,236,850
Excess of revenues over expenditures	(174,467)	(161,784)	12,683	(74,419)
Other Financing Sources (Uses)				
Transfers out	(118,332)	(118,332)	-	(75,918)
Total other financing sources (uses)	(118,332)	(118,332)	-	(75,918)
Net change in fund balance	(292,799)	(280,116)	12,683	(150,337)
Fund balance at beginning of year	335,336	335,336	-	485,673
Fund balance at end of year	\$ 42,537	\$ 55,220	\$ 12,683	\$ 335,336

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 9,791,166	\$ 10,333,143
Receivables, net:		
Property taxes	295,338	246,618
Interest receivable	-	2,411
Total assets	<u>\$ 10,086,504</u>	<u>\$ 10,582,172</u>
Liabilities		
Accounts payable - trade	\$ 68,544	\$ 56,140
Due to component unit	761,648	1,149,000
Total liabilities	<u>830,192</u>	<u>1,205,140</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	285,981	208,825
Total deferred inflows of resources	<u>285,981</u>	<u>208,825</u>
Fund Balance		
Restricted for infrastructure and regulation	8,970,331	9,168,207
Total fund balance	<u>8,970,331</u>	<u>9,168,207</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 10,086,504</u>	<u>\$ 10,582,172</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, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 5,717,063	\$ 5,689,549	\$ (27,514)	\$ 5,598,942
Personal property taxes	465,500	459,216	(6,284)	446,320
Vehicle taxes	728,519	810,467	81,948	757,900
Fee in lieu of tax	19,000	32,927	13,927	16,592
Intergovernmental	-	-	-	226,630
Interest	12,300	28,244	15,944	10,770
Total revenues	<u>6,942,382</u>	<u>7,020,403</u>	<u>78,021</u>	<u>7,057,154</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	7,131,692	6,973,939	157,753	6,388,065
Capital outlay	483,096	-	483,096	-
Indirect cost allocation	3,900	3,233	667	4,069
Total expenditures	<u>7,618,688</u>	<u>6,977,172</u>	<u>641,516</u>	<u>6,392,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(676,306)</u>	<u>43,231</u>	<u>719,537</u>	<u>665,020</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,195,000)</u>	<u>(241,107)</u>	<u>953,893</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,195,000)</u>	<u>(241,107)</u>	<u>953,893</u>	<u>-</u>
Net change in fund balance	<u>(1,871,306)</u>	<u>(197,876)</u>	<u>1,673,430</u>	<u>665,020</u>
Fund balance at beginning of year	<u>9,168,207</u>	<u>9,168,207</u>	<u>-</u>	<u>8,503,187</u>
Fund balance at end of year	<u>\$ 7,296,901</u>	<u>\$ 8,970,331</u>	<u>\$ 1,673,430</u>	<u>\$ 9,168,207</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 110,744	\$ 116,081
Receivables, net:		
Property taxes	54,729	47,021
Accounts and other	-	18,164
Interest receivable	-	65
Total assets	<u>\$ 165,473</u>	<u>\$ 181,331</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 47,273	\$ 39,007
Total deferred inflows of resources	<u>47,273</u>	<u>39,007</u>
Fund Balance		
Restricted for culture, recreation and tourism	118,200	142,324
Total fund balance	<u>118,200</u>	<u>142,324</u>
Total deferred inflows of resources and fund balance	<u>\$ 165,473</u>	<u>\$ 181,331</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,209,955	\$ 1,207,660	\$ (2,295)	\$ 1,193,267
Personal property taxes	89,030	88,342	(688)	85,330
Vehicle taxes	117,729	129,927	12,198	121,065
Fee in lieu of tax	7,000	10,523	3,523	6,974
Intergovernmental	10,638	10,638	-	13,297
Interest	400	1,484	1,084	437
Total revenues	<u>1,434,752</u>	<u>1,448,574</u>	<u>13,822</u>	<u>1,420,370</u>
Expenditures				
Current:				
Higher Education Commission	1,211,252	1,249,198	(37,946)	1,204,443
Total expenditures	<u>1,211,252</u>	<u>1,249,198</u>	<u>(37,946)</u>	<u>1,204,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>223,500</u>	<u>199,376</u>	<u>(24,124)</u>	<u>215,927</u>
Other Financing Sources (Uses)				
Transfers out	(223,500)	(223,500)	-	(223,750)
Total other financing sources	<u>(223,500)</u>	<u>(223,500)</u>	<u>-</u>	<u>(223,750)</u>
Net change in fund balance	-	(24,124)	(24,124)	(7,823)
Fund balance at beginning of year	<u>142,324</u>	<u>142,324</u>	-	<u>150,147</u>
Fund balance at end of year	<u>\$ 142,324</u>	<u>\$ 118,200</u>	<u>\$ (24,124)</u>	<u>\$ 142,324</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 358,454	\$ 84,413
Receivables, net:		
Property taxes	141,101	121,407
Interest receivable	-	241
Total assets	<u>\$ 499,555</u>	<u>\$ 206,061</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>\$ 121,925</u>	<u>\$ 100,759</u>
Total deferred inflows of resources	<u>121,925</u>	<u>100,759</u>
Fund Balance		
Restricted for culture, recreation and tourism	<u>377,630</u>	<u>105,302</u>
Total fund balance	<u>377,630</u>	<u>105,302</u>
Total deferred inflows of resources and fund balance	<u>\$ 499,555</u>	<u>\$ 206,061</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,111,290	\$ 3,105,254	\$ (6,036)	\$ 3,068,331
Personal property taxes	230,500	227,175	(3,325)	219,589
Vehicle taxes	301,790	332,994	31,204	310,310
Fee in lieu of tax	18,000	26,967	8,967	17,938
Intergovernmental	13,880	13,881	1	17,351
Interest	1,000	4,107	3,107	1,168
Total revenues	<u>3,676,460</u>	<u>3,710,378</u>	<u>33,918</u>	<u>3,634,687</u>
Expenditures				
Current:				
Horry-Georgetown Tech	3,438,410	3,200,000	238,410	3,423,000
Total expenditures	<u>3,438,410</u>	<u>3,200,000</u>	<u>238,410</u>	<u>3,423,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>238,050</u>	<u>510,378</u>	<u>272,328</u>	<u>211,687</u>
Other Financing Sources (Uses)				
Transfers out	(238,050)	(238,050)	-	(216,350)
Total other financing sources (uses)	<u>(238,050)</u>	<u>(238,050)</u>	<u>-</u>	<u>(216,350)</u>
Net change in fund balance	-	272,328	272,328	(4,663)
Fund balance at beginning of year	<u>105,302</u>	<u>105,302</u>	-	<u>109,965</u>
Fund balance at end of year	<u>\$ 105,302</u>	<u>\$ 377,630</u>	<u>\$ 272,328</u>	<u>\$ 105,302</u>

HORRY COUNTY, SOUTH CAROLINA
WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 1,109,809	\$ 1,021,434
Receivables, net:		
Property taxes	4,062	3,888
Interest receivable	-	327
Total assets	\$ 1,113,871	\$ 1,025,649
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 4,265	\$ 3,315
Total deferred inflows of resources	4,265	3,315
 Fund Balance		
Restricted for infrastructure and regulation	1,109,606	1,022,334
Total fund balance	1,109,606	1,022,334
Total deferred inflows of resources and fund balance	\$ 1,113,871	\$ 1,025,649

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 94,407	\$ 95,911	\$ 1,504	\$ 93,398
Personal property taxes	-	118	118	3,471
Interest	1,060	3,067	2,007	1,142
Total revenues	<u>95,467</u>	<u>99,096</u>	<u>3,629</u>	<u>98,011</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	88,869	5,224	83,645	5,223
Indirect cost allocation	6,598	6,600	(2)	7,120
Total expenditures	<u>95,467</u>	<u>11,824</u>	<u>83,643</u>	<u>12,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>87,272</u>	<u>87,272</u>	<u>85,668</u>
Net change in fund balance	-	87,272	87,272	85,668
Fund balance at beginning of year	<u>1,022,334</u>	<u>1,022,334</u>	-	<u>936,666</u>
Fund balance at end of year	<u>\$ 1,022,334</u>	<u>\$ 1,109,606</u>	<u>\$ 87,272</u>	<u>\$ 1,022,334</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 384,485	\$ 407,029
Receivables, net:		
Property taxes	529	628
Interest receivable	-	139
Total assets	<u>\$ 385,014</u>	<u>\$ 407,796</u>
Liabilities		
Accounts payable - trade	\$ 10,690	\$ 1,186
Total liabilities	<u>10,690</u>	<u>1,186</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	543	569
Total deferred inflows of resources	<u>543</u>	<u>569</u>
Fund Balance		
Restricted for infrastructure and regulation	373,781	406,041
Total fund balance	<u>373,781</u>	<u>406,041</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 385,014</u>	<u>\$ 407,796</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 28,578	\$ 27,875	\$ (703)	\$ 28,261
Personal property taxes	-	161	161	64
Interest	500	1,107	607	474
Total revenues	<u>29,078</u>	<u>29,143</u>	<u>65</u>	<u>28,799</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	602	602	-	602
Contractual services	16,350	14,642	1,708	13,020
Supplies and materials	45,500	43,542	1,958	3,265
Indirect cost allocation	2,750	2,617	133	3,207
Total expenditures	<u>65,202</u>	<u>61,403</u>	<u>3,799</u>	<u>20,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,124)</u>	<u>(32,260)</u>	<u>3,864</u>	<u>8,705</u>
Net change in fund balance	(36,124)	(32,260)	3,864	8,705
Fund balance at beginning of year	406,041	406,041	-	397,336
Fund balance at end of year	<u>\$ 369,917</u>	<u>\$ 373,781</u>	<u>\$ 3,864</u>	<u>\$ 406,041</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 509,855	\$ 470,962
Receivables, net:		
Property taxes	6,593	4,535
Total assets	<u>\$ 516,448</u>	<u>\$ 475,497</u>
Liabilities		
Accounts payable - trade	\$ 3,213	\$ 8,215
Total liabilities	<u>3,213</u>	<u>8,215</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	5,414	3,358
Total deferred inflows of resources	<u>5,414</u>	<u>3,358</u>
Fund Balance		
Restricted for culture, recreation and tourism	507,821	463,924
Total fund balance	<u>507,821</u>	<u>463,924</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 516,448</u>	<u>\$ 475,497</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 194,217	\$ 194,994	\$ 777	\$ 190,661
Personal property taxes	-	35	35	3,867
Interest	500	1,615	1,115	604
Other	-	1,141	1,141	-
Total revenues	<u>194,717</u>	<u>197,785</u>	<u>3,068</u>	<u>195,132</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	1,932	1,932	-	1,931
Contractual services	43,574	26,507	17,067	23,025
Supplies and materials	10,000	3,552	6,448	34,816
Capital outlay	37,082	18,180	18,902	-
Other	69,125	69,509	(384)	66,194
Indirect cost allocation	13,248	13,248	-	9,333
Total expenditures	<u>174,961</u>	<u>132,928</u>	<u>42,033</u>	<u>135,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,756</u>	<u>64,857</u>	<u>45,101</u>	<u>59,833</u>
Other Financing Sources (Uses)				
Transfers out	(20,960)	(20,960)	-	(20,717)
Total other financing sources (uses)	<u>(20,960)</u>	<u>(20,960)</u>	<u>-</u>	<u>(20,717)</u>
Net change in fund balance	(1,204)	43,897	45,101	39,116
Fund balance at beginning of year	463,924	463,924	-	424,808
Fund balance at end of year	<u>\$ 462,720</u>	<u>\$ 507,821</u>	<u>\$ 45,101</u>	<u>\$ 463,924</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	27,756,344	22,619,223
Receivables, net:		
Fees	1,332,910	1,859,072
Interest receivable	-	7,231
Due from other governments	264,025	333,001
Total assets	<u>\$ 29,353,379</u>	<u>\$ 24,818,627</u>
Liabilities		
Accounts payable - trade	\$ 1,370,804	\$ 975,960
Accrued salaries and wages	13,112	24,250
Total liabilities	<u>1,383,916</u>	<u>1,000,210</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	1,536,635	1,757,079
Total deferred inflows of resources	<u>1,536,635</u>	<u>1,757,079</u>
Fund Balances		
Restricted for capital projects	6,873,244	3,253,329
Committed for infrastructure and regulation	19,559,584	18,808,009
Total fund balances	<u>26,432,828</u>	<u>22,061,338</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,353,379</u>	<u>\$ 24,818,627</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, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 4,088,662	\$ 694,692	\$ (3,393,970)	\$ 330,909
Fees	13,503,897	13,914,178	410,281	8,858,715
Hospitality fees	-	-	-	3,197,975
Interest	24,000	72,741	48,741	24,250
Total revenues	<u>17,616,559</u>	<u>14,681,611</u>	<u>(2,934,948)</u>	<u>12,411,849</u>
Expenditures				
Current:				
Engineer:				
Contractual services	-	-	-	50,000
Construction contracts	4,088,662	568,952	3,519,710	106,234
Capital outlay-infrastructure	20,273,661	3,544,431	16,729,230	3,435,201
Indirect cost allocation	373,728	373,728	-	345,353
Total engineer	<u>24,736,051</u>	<u>4,487,111</u>	<u>20,248,940</u>	<u>3,936,788</u>
Operations:				
Personal services	625,771	625,770	1	590,824
Contractual services	27,008	27,008	-	31,586
Supplies and materials	9,294	9,294	-	11,325
Business and transportation	161,702	117,111	44,591	71,952
Capital outlay-infrastructure	8,661,851	2,113,467	6,548,384	1,731,528
Distributions to municipalities	2,686,100	2,803,103	(117,003)	1,680,800
Other	240,327	240,327	-	286,371
Indirect cost allocation	136,930	136,930	-	114,574
Total operations	<u>12,548,983</u>	<u>6,073,010</u>	<u>6,475,973</u>	<u>4,518,960</u>
Total expenditures	<u>37,285,034</u>	<u>10,560,121</u>	<u>26,724,913</u>	<u>8,455,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,668,475)</u>	<u>4,121,490</u>	<u>23,789,965</u>	<u>3,956,101</u>
Other Financing Sources (Uses)				
Transfers in	250,000	250,000	-	296,817
Transfers out	-	-	-	(750,000)
Total other financing sources (uses)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(453,183)</u>
Net change in fund balance	<u>(19,418,475)</u>	<u>4,371,490</u>	<u>23,789,965</u>	<u>3,502,918</u>
Fund balance at beginning of year	<u>22,061,338</u>	<u>22,061,338</u>	<u>-</u>	<u>18,558,420</u>
Fund balance at end of year	<u>\$ 2,642,863</u>	<u>\$ 26,432,828</u>	<u>\$ 23,789,965</u>	<u>\$ 22,061,338</u>

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 6,934,823	\$ 6,089,891
Receivables, net:		
Fees	41,857	43,071
Accounts and other	48,885	-
Interest receivable	-	1,990
Due from other funds	-	57,686
Total assets	<u>\$ 7,025,565</u>	<u>\$ 6,192,638</u>
Liabilities		
Accounts payable-trade	\$ 117,011	\$ 17,023
Total liabilities	<u>117,011</u>	<u>17,023</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	48,885	-
Total deferred inflows of resources	<u>48,885</u>	<u>-</u>
Fund Balances		
Restricted for culture, recreation and tourism	4,176,260	4,174,013
Committed to culture, recreation and tourism	2,683,409	2,001,602
Total fund balances	<u>6,859,669</u>	<u>6,175,615</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,025,565</u>	<u>\$ 6,192,638</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
State accommodations tax	\$ 410,000	\$ 410,000	\$ -	\$ 510,000
Local accommodations tax	231,566	241,269	9,703	233,108
Hospitality	100,000	100,000	-	-
Interest	-	18,255	18,255	6,604
Other	-	63,962	63,962	-
Total revenues	<u>741,566</u>	<u>833,486</u>	<u>91,920</u>	<u>749,712</u>
Current:				
Culture, recreation and tourism:				
Contractual services	1,266,827	407,753	859,074	83,663
Business & transportation	590	590	-	-
Capital Outlay	2,927,468	-	2,927,468	-
Total expenditures	<u>4,194,885</u>	<u>408,343</u>	<u>3,786,542</u>	<u>83,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,453,319)</u>	<u>425,143</u>	<u>3,878,462</u>	<u>666,049</u>
Other Financing Sources (Uses)				
Transfers in	195,109	258,911	63,802	193,227
Total other financing sources (uses)	<u>195,109</u>	<u>258,911</u>	<u>63,802</u>	<u>193,227</u>
Net change in fund balance	<u>(3,258,210)</u>	<u>684,054</u>	<u>3,942,264</u>	<u>859,276</u>
Fund balance at beginning of year	<u>6,175,615</u>	<u>6,175,615</u>	<u>-</u>	<u>5,316,339</u>
Fund balance at end of year	<u>\$ 2,917,405</u>	<u>\$ 6,859,669</u>	<u>\$ 3,942,264</u>	<u>\$ 6,175,615</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 203,246	\$ 188,745
Interest receivable	-	54
Due from other governments	<u>186,263</u>	<u>330,824</u>
Total assets	<u>\$ 389,509</u>	<u>\$ 519,623</u>
Liabilities		
Accounts payable - trade	\$ 13,193	\$ 16,526
Accrued salaries and wages	<u>7,344</u>	<u>7,890</u>
Total liabilities	<u>20,537</u>	<u>24,416</u>
Deferred Inflows of Resources		
Unavailable revenue-grants	<u>49,876</u>	-
Total deferred inflows of resources	<u>49,876</u>	-
Fund Balance		
Committed to other purposes	<u>319,096</u>	<u>495,207</u>
Total fund balance	<u>319,096</u>	<u>495,207</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 389,509</u>	<u>\$ 519,623</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, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental - federal	\$ 2,300,211	\$ 549,019	\$ (1,751,192)	\$ 703,060
Intergovernmental - state	671,163	284,746	(386,417)	34,894
Interest	-	907	907	303
Other	37,856	91,164	53,308	40,714
Total revenues	<u>3,009,230</u>	<u>925,836</u>	<u>(2,083,394)</u>	<u>778,971</u>
Expenditures				
Current:				
General government:				
Other	550,000	200,000	350,000	-
Total general government	<u>550,000</u>	<u>200,000</u>	<u>350,000</u>	<u>-</u>
Public safety:				
Personal services	450,003	311,095	138,908	206,142
Contractual services	102,679	33,752	68,927	90,769
Supplies and materials	507,505	121,919	385,586	354,743
Business and transportation	27,297	11,020	16,277	11,454
Capital outlay	395,600	102,503	293,097	202,119
Other	345,290	127,716	217,574	64,211
Total public safety	<u>1,828,374</u>	<u>708,005</u>	<u>1,120,369</u>	<u>929,438</u>
Infrastructure and regulation:				
Capital outlay	526,083	19,532	506,551	54,257
Construction contracts	235,000	-	235,000	-
Other	291,869	158,202	133,667	133,201
Total infrastructure and regulation	<u>1,052,952</u>	<u>177,734</u>	<u>875,218</u>	<u>187,458</u>
Culture, recreation and tourism				
Capital outlay	370	-	370	-
Other	170,906	134,540	36,366	58,264
Total culture, recreation and tourism	<u>171,276</u>	<u>134,540</u>	<u>36,736</u>	<u>58,264</u>
Total expenditures	<u>3,602,602</u>	<u>1,220,279</u>	<u>2,382,323</u>	<u>1,175,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(593,372)</u>	<u>(294,443)</u>	<u>298,929</u>	<u>(396,189)</u>
Other Financing Sources (Uses)				
Transfers in	118,332	118,332	-	62,755
Total other financing sources (uses)	<u>118,332</u>	<u>118,332</u>	<u>-</u>	<u>62,755</u>
Net change in fund balance	<u>(475,040)</u>	<u>(176,111)</u>	<u>298,929</u>	<u>(333,434)</u>
Fund balance at beginning of year	495,207	495,207	-	828,641
Fund balance at end of year	<u>\$ 20,167</u>	<u>\$ 319,096</u>	<u>\$ 298,929</u>	<u>\$ 495,207</u>

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

June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 380,797	\$ 642,129
Interest receivable	-	213
Total assets	\$ 380,797	\$ 642,342
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ -	\$ 262,531
Total liabilities	-	262,531
 Fund Balance		
Restricted for economic development	380,797	379,811
Total liabilities and fund balance	\$ 380,797	\$ 642,342

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Interest	\$ -	\$ 986	\$ 986	\$ 760
Total revenues	-	986	986	760
Expenditures				
Current:				
Culture, recreation and tourism				
Supplies and materials	-	-	-	262,531
Contingency	379,524	-	379,524	-
Total expenditures	379,524	-	379,524	262,531
Excess (deficiency) of revenues over (under) expenditures	(379,524)	986	380,510	(261,771)
Net change in fund balance	(379,524)	986	380,510	(261,771)
Fund balance at beginning of year	379,811	379,811	-	641,582
Fund balance at end of year	\$ 287	\$ 380,797	\$ 380,510	\$ 379,811

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Receivables, net:		
Fees	\$ 23,762	\$ 28,595
Due from other governments	14,349	-
Interest receivable	-	26
Total assets	<u>\$ 38,111</u>	<u>\$ 28,621</u>
Liabilities		
Accounts payable	\$ 242	\$ 370
Accrued salaries and wages	7,245	23,165
Due to other funds	8,728	15,281
Total liabilities	<u>16,215</u>	<u>38,816</u>
Fund Balance (Deficit)		
Restricted for Public safety	<u>21,896</u>	<u>(10,195)</u>
Total fund balance (deficit)	<u>21,896</u>	<u>(10,195)</u>
Total liabilities and fund balance	<u>\$ 38,111</u>	<u>\$ 28,621</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, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 162,510	\$ 196,648	\$ 34,138	\$ 161,638
Fines	204,000	198,564	(5,436)	211,776
Interest	-	-	-	69
Total revenues	<u>366,510</u>	<u>395,212</u>	<u>28,702</u>	<u>373,483</u>
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	226,890	213,697	13,193	223,908
Contractual services	5,723	2,372	3,351	2,822
Supplies and materials	6,450	5,535	915	3,441
Business and transportation	4,800	990	3,810	-
Total detention	<u>243,863</u>	<u>222,594</u>	<u>21,269</u>	<u>230,171</u>
Solicitor - Georgetown:				
Personal services	49,222	44,228	4,994	48,488
Contractual services	788	585	203	585
Supplies and materials	1,000	-	1,000	956
Business and transportation	3,500	186	3,314	488
Total victim witness	<u>54,510</u>	<u>44,999</u>	<u>9,511</u>	<u>50,517</u>
Solicitor:				
Personal services	282,184	281,192	992	326,716
Contractual services	2,282	855	1,427	1,611
Business and transportation	3,940	3,575	365	1,069
Total solicitor	<u>288,406</u>	<u>285,622</u>	<u>2,784</u>	<u>329,396</u>
Total expenditures	<u>586,779</u>	<u>553,215</u>	<u>33,564</u>	<u>610,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(220,269)</u>	<u>(158,003)</u>	<u>62,266</u>	<u>(236,601)</u>
Other Financing Sources (Uses)				
Transfers in	190,094	190,094	-	102,102
Total other financing sources (uses)	<u>190,094</u>	<u>190,094</u>	<u>-</u>	<u>102,102</u>
Net change in fund balance	<u>(30,175)</u>	<u>32,091</u>	<u>62,266</u>	<u>(134,499)</u>
Fund balance (deficit) at beginning of year	<u>(10,195)</u>	<u>(10,195)</u>	<u>-</u>	<u>124,304</u>
Fund balance (deficit) at end of year	<u>\$ (40,370)</u>	<u>\$ 21,896</u>	<u>\$ 62,266</u>	<u>\$ (10,195)</u>

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

June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 56,877	\$ 76,595
Receivables, net:		
Property taxes	31,274	26,868
Interest receivable	-	21
Total assets	\$ 88,151	\$ 103,484
 Liabilities		
Accounts payable	\$ 16,412	\$ -
Total liabilities	16,412	-
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	27,015	22,290
Total deferred inflows of resources	27,015	22,290
 Fund balance		
Restricted for health and social services	44,724	81,194
Total fund balance	44,724	81,194
Total liabilities, deferred inflows of resources and fund balance	\$ 88,151	\$ 103,484

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 691,360	\$ 690,042	\$ (1,318)	\$ 681,824
Personal property taxes	51,100	50,440	(660)	48,717
Vehicle taxes	67,053	73,991	6,938	68,948
Fee in lieu of tax	4,000	6,029	2,029	4,008
Interest	140	314	174	122
Total revenues	<u>813,653</u>	<u>820,816</u>	<u>7,163</u>	<u>803,619</u>
Expenditures				
Current:				
Health and social services:				
Contributions to agencies	810,403	855,361	(44,958)	784,436
Indirect cost allocation	3,250	1,925	1,325	2,442
Total expenditures	<u>813,653</u>	<u>857,286</u>	<u>(43,633)</u>	<u>786,878</u>
Excess of revenues over expenditures	-	(36,470)	(36,470)	16,741
Net change in fund balance	-	(36,470)	(36,470)	16,741
Fund balance at beginning of year	81,194	81,194	-	64,453
Fund balance at end of year	<u>\$ 81,194</u>	<u>\$ 44,724</u>	<u>\$ (36,470)</u>	<u>\$ 81,194</u>

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 86,277	\$ 85,518
Receivables, net:		
Property taxes	1,993	1,839
Total assets	<u>\$ 88,270</u>	<u>\$ 87,357</u>
Liabilities		
Accounts payable - trade	\$ 7,907	\$ 1,100
Due to other funds	133,066	162,460
Total liabilities	<u>140,973</u>	<u>163,560</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	1,993	1,861
Total deferred inflows of resources	<u>1,993</u>	<u>1,861</u>
Fund Balance (deficit)		
Unassigned	<u>(54,696)</u>	<u>(78,064)</u>
Total fund balance (deficit)	<u>(54,696)</u>	<u>(78,064)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 88,270</u>	<u>\$ 87,357</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 62,725	\$ 63,233	\$ 508	\$ 61,177
Personal property taxes	-	18	18	26
Interest	90	309	219	87
Total revenues	<u>62,815</u>	<u>63,560</u>	<u>745</u>	<u>61,290</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal Services	602	602	-	602
Contractual services	13,840	12,542	1,298	12,345
Supplies and materials	28,156	16,952	11,204	7,250
Indirect cost allocation	2,715	2,413	302	3,453
Other	17,502	7,683	9,819	9,086
Total expenditures	<u>62,815</u>	<u>40,192</u>	<u>22,623</u>	<u>32,736</u>
Excess of revenues over expenditures	-	<u>23,368</u>	<u>23,368</u>	<u>28,554</u>
Net change in fund balance	-	<u>23,368</u>	<u>23,368</u>	<u>28,554</u>
Fund balance (deficit) at beginning of year	<u>(78,064)</u>	<u>(78,064)</u>	-	<u>(106,618)</u>
Fund balance (deficit) at end of year	<u>\$ (78,064)</u>	<u>\$ (54,696)</u>	<u>\$ 23,368</u>	<u>\$ (78,064)</u>

HORRY COUNTY, SOUTH CAROLINA
 BASEBALL STADIUM SPECIAL REVENUE FUND
 BALANCE SHEETS

June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 203,021	\$ 331,521
Restricted assets	101,977	101,977
Total assets	\$ 304,998	\$ 433,498
 Liabilities		
Accounts payable - trade	\$ 120,378	\$ 227,913
Due to other governments	70,239	40,717
Total liabilities	190,617	268,630
 Fund Balance		
Restricted for culture, recreation and tourism	114,381	164,868
Total fund balance	114,381	164,868
Total liabilities and fund balance	\$ 304,998	\$ 433,498

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 98,860	\$ 98,860	\$ -	\$ 259,333
Interest	-	1,123	1,123	237
Other	11,140	24,156	13,016	26,942
Total revenues	<u>110,000</u>	<u>124,139</u>	<u>14,139</u>	<u>286,512</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	-	5,218	(5,218)	-
Contractual services	-	15,527	(15,527)	25,383
Supplies and materials	-	30,600	(30,600)	35,251
Capital Outlay	123,000	120,378	2,622	227,912
Contingency	50,000	-	50,000	-
Other	-	2,903	(2,903)	1,693
Total expenditures	<u>173,000</u>	<u>174,626</u>	<u>(1,626)</u>	<u>290,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(63,000)</u>	<u>(50,487)</u>	<u>12,513</u>	<u>(3,727)</u>
Net change in fund balance	<u>(63,000)</u>	<u>(50,487)</u>	<u>12,513</u>	<u>(3,727)</u>
Fund balance at beginning of year	164,868	164,868	-	168,595
Fund balance at end of year	<u>\$ 101,868</u>	<u>\$ 114,381</u>	<u>\$ 12,513</u>	<u>\$ 164,868</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 2,356,686	\$ 2,724,006
Receivables, net:		
Other	-	67,658
Interest receivable	-	739
Total assets	<u>\$ 2,356,686</u>	<u>\$ 2,792,403</u>
Liabilities		
Accounts payable - trade	\$ 3,152	\$ 194
Accrued salaries and wages	7,527	-
Total liabilities	<u>10,679</u>	<u>194</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	-	33,575
Total deferred inflows of resources	<u>-</u>	<u>33,575</u>
Fund Balances		
Restricted for economic development	791,381	1,089,881
Committed to economic development	1,554,626	1,668,753
Total fund balances	<u>2,346,007</u>	<u>2,758,634</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,356,686</u>	<u>\$ 2,792,403</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Fee in lieu of tax	\$ 588,200	\$ 596,009	\$ 7,809	\$ 587,570
Intergovernmental	1,300,000	1,300,000	-	400,000
Fees - Rents	276,682	331,693	55,011	141,057
Interest	2,500	5,525	3,025	2,517
Total revenues	<u>2,167,382</u>	<u>2,233,227</u>	<u>65,845</u>	1,131,144
Expenditures				
Current:				
Economic development:				
Personal Services	161,543	159,906	1,637	-
Contractual services	4,545,967	2,430,948	2,115,019	710,073
Supplies and materials	3,000	-	3,000	25,734
Indirect cost allocation	55,000	55,000	-	63,340
Total expenditures	<u>4,765,510</u>	<u>2,645,854</u>	<u>2,119,656</u>	799,147
Excess (deficiency) of revenues over (under) expenditures	<u>(2,598,128)</u>	<u>(412,627)</u>	<u>2,185,501</u>	331,997
Net change in fund balance	(2,598,128)	(412,627)	2,185,501	331,997
Fund balance at beginning of year	2,758,634	2,758,634	-	2,426,637
Fund balance at end of year	<u>\$ 160,506</u>	<u>\$ 2,346,007</u>	<u>\$ 2,185,501</u>	<u>\$ 2,758,634</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 3,411,859	\$ 3,300,603
Receivables, net:		
Fees	64,586	291,407
Accounts receivable	8,928	-
Interest receivable	-	795
Due from other governments	-	27,579
Total assets	<u>\$ 3,485,373</u>	<u>\$ 3,620,384</u>
Liabilities		
Accounts payable - trade	\$ 52,746	\$ 65,516
Accrued salaries and wages	23,065	63,204
Other liabilities	95	95
Total liabilities	<u>75,906</u>	<u>128,815</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>32,415</u>	285,439
Total deferred inflows of resources	<u>32,415</u>	<u>285,439</u>
Fund Balance		
Restricted for infrastructure and regulation	<u>3,377,052</u>	3,206,130
Total fund balance	<u>3,377,052</u>	<u>3,206,130</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,485,373</u>	<u>\$ 3,620,384</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 4,735,798	\$ 4,847,165	\$ 111,367	\$ 4,858,763
Intergovernmental	-	16,935	16,935	82,285
Interest	3,091	10,130	7,039	3,186
Other	-	2,069	2,069	607
Total revenues	<u>4,738,889</u>	<u>4,876,299</u>	<u>137,410</u>	<u>4,944,841</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	1,864,154	1,828,706	35,448	1,695,040
Contractual services	1,324,478	1,106,129	218,349	1,211,396
Supplies and materials	473,346	406,948	66,398	569,623
Business and transportation	224,110	220,224	3,886	267,853
Capital outlay	25,000	-	25,000	-
Capital outlay - infrastructure	604,768	251,215	353,553	-
Indirect cost allocation	327,570	291,426	36,144	278,092
Other	323,600	323,108	492	227,129
Total expenditures	<u>5,167,026</u>	<u>4,427,756</u>	<u>739,270</u>	<u>4,249,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(428,137)</u>	<u>448,543</u>	<u>876,680</u>	<u>695,708</u>
Other Financing Sources (Uses)				
Transfers out	(277,621)	(277,621)	-	(342,539)
Total other financing sources (uses)	<u>(277,621)</u>	<u>(277,621)</u>	<u>-</u>	<u>(342,539)</u>
Net change in fund balance	<u>(705,758)</u>	<u>170,922</u>	<u>876,680</u>	<u>353,169</u>
Fund balance at beginning of year	<u>3,206,130</u>	<u>3,206,130</u>	<u>-</u>	<u>2,852,961</u>
Fund balance at end of year	<u>\$ 2,500,372</u>	<u>\$ 3,377,052</u>	<u>\$ 876,680</u>	<u>\$ 3,206,130</u>

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

June 30, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ -	\$ 19,898
Receivables, net:		
Property taxes	-	1,442
Interest receivable	-	59
Total assets	\$ -	\$ 21,399
 Liabilities		
Accounts payable - trade	\$ -	\$ 3,001
Total liabilities	-	3,001
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	-	1,701
Total deferred inflows of resources	-	1,701
 Fund Balance		
Restricted for infrastructure and regulation	-	16,697
Total fund balance	-	16,697
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 21,399

**Special Tax District terminated By Council on June 7, 2016.*

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 2,940	\$ 1,126	\$ (1,814)	\$ 86,159
Interest	-	-	-	192
Total revenues	<u>2,940</u>	<u>1,126</u>	<u>(1,814)</u>	<u>86,351</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	602	650	(48)	602
Contractual services	17,026	17,026	-	10,435
Contingency	1,862	-	1,862	-
Indirect cost allocation	147	147	-	4,308
Total expenditures	<u>19,637</u>	<u>17,823</u>	<u>1,814</u>	<u>15,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,697)</u>	<u>(16,697)</u>	<u>-</u>	<u>71,006</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	(219,566)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(219,566)</u>
Net change in fund balance	<u>(16,697)</u>	<u>(16,697)</u>	<u>-</u>	<u>(148,560)</u>
Fund balance at beginning of year	<u>16,697</u>	<u>16,697</u>	<u>-</u>	<u>165,257</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,697</u>

*Special Tax District terminated By Council on June 7, 2016.

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 1,238,185	\$ 14,438
Pooled cash and investments	1,592,230	1,505,765
Receivables, net:		
Accounts and other	164,224	197,447
Interest receivable	-	257
Due from other governments	107,722	108,783
Prepaid items	2,052	-
Restricted cash	121,396	-
Total assets	<u>\$ 3,225,809</u>	<u>\$ 1,826,690</u>
 Liabilities		
Accounts payable - trade	\$ 452,097	\$ 92,573
Accounts payable - other	176,079	14,198
Accrued salaries and wages	83,074	237,132
Total liabilities	<u>711,250</u>	<u>343,903</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>300</u>	-
Total deferred inflows of resources	<u>300</u>	-
 Fund Balance		
Nonspendable	2,052	-
Restricted for public safety	<u>2,512,207</u>	<u>1,482,787</u>
Total fund balance	<u>2,514,259</u>	<u>1,482,787</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,225,809</u>	<u>\$ 1,826,690</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
Revenues				
Intergovernmental - federal	\$ -	\$ 149,202	\$ 149,202	\$ 32,652
Intgovernmental - state	1,446,755	1,658,994	212,239	1,654,056
Interest	-	16,731	16,731	924
Fees and fines	2,216,809	2,592,573	375,764	1,736,767
Total revenues	3,663,564	4,417,500	753,936	3,424,399
Expenditures				
Current:				
Public Safety:				
Victim Witness:				
Personal services	187,587	94,251	93,336	164,147
Contractual services	116	-	116	104
Supplies & Materials	2,064	2,064	-	648
Business & Transportation	500	329	171	368
Total Victim Witness	190,267	96,644	93,623	165,267
State Appropriation:				
Personal services	842,016	749,652	92,364	689,628
Contractual services	22,399	117	22,282	842
Supplies and materials	40,000	4,173	35,827	2,988
Business and transportation	11,278	-	11,278	-
Other	1,056,160	573,613	482,547	429,211
Total State Appropriation	1,971,853	1,327,555	644,298	1,122,669
Solicitor Georgetown:				
Personal services	958,877	910,638	48,239	829,067
Contractual services	48,490	38,455	10,035	22,941
Supplies and materials	26,574	26,387	187	30,171
Business and transportation	13,678	12,383	1,295	15,925
Other	52,272	8,800	43,472	3,800
Total Solicitor Georgetown	1,099,891	996,663	103,228	901,904
Solicitor Horry County:				
Personal services	3,087,923	3,004,475	83,448	2,862,929
Contractual services	199,012	196,484	2,528	219,222
Supplies and materials	73,345	73,091	254	54,464
Business and transportation	42,736	42,723	13	61,105
Other	18,700	18,700	-	15,900
Total Solicitor Horry County	3,421,716	3,335,473	86,243	3,213,620
Pre-Trial Intervention:				
Personal services	832,667	697,039	135,628	697,922
Contractual services	4,137	234,479	(230,342)	3,557
Supplies and materials	-	33,458	(33,458)	-
Business and transportation	1,165	13,453	(12,288)	67
Capital outlay	-	19,630	(19,630)	-
Other	5,670	39,607	(33,937)	5,670
Total Pre-Trial Intervention	843,639	1,037,666	(194,027)	707,216

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)
 - CONTINUED -

	2016			2015
	Budget	Actual	Variance	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Drug Enforcement Unit:				
Personal services	229,170	228,602	568	221,295
Contractual services	51,767	51,653	114	55,521
Supplies and materials	50,348	50,348	-	50,775
Business and transportation	10,708	10,708	-	7,329
Other	31,200	31,200	-	20,774
Total Drug Enforcement Unit	<u>373,193</u>	<u>372,511</u>	<u>682</u>	<u>355,694</u>
Drug Court:				
Personal services	293,951	271,872	22,079	261,959
Contractual services	98,676	69,369	29,307	66,447
Supplies and materials	40,305	37,637	2,668	52,770
Business and transportation	18,340	17,290	1,050	6,583
Other	213,121	9,200	203,921	5,000
Total Drug Court	<u>664,393</u>	<u>405,368</u>	<u>259,025</u>	<u>392,759</u>
Worthless Check:				
Personal services	196,458	196,448	10	177,174
Contractual services	3,695	3,580	115	6,787
Supplies and materials	3,781	2,928	853	3,170
Business and transportation	500	-	500	1,321
Other	132,679	-	132,679	-
Total Worthless Check	<u>337,113</u>	<u>202,956</u>	<u>134,157</u>	<u>188,452</u>
Georgetown Drug Enforcement Units:				
Personal services	78,305	68,505	9,800	-
Contractual services	21,249	12,385	8,864	-
Supplies and materials	9,798	2,550	7,248	-
Business and transportation	9,000	2,661	6,339	-
Total GT DEU	<u>118,352</u>	<u>86,101</u>	<u>32,251</u>	<u>-</u>
Total expenditures	<u>9,020,417</u>	<u>7,860,937</u>	<u>1,159,480</u>	<u>7,047,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,356,853)</u>	<u>(3,443,437)</u>	<u>1,913,416</u>	<u>(3,623,182)</u>
Other Financing Sources (Uses)				
Transfers in	3,874,909	3,874,909	-	3,585,713
Contributed Capital	-	600,000	600,000	-
Total other financing sources (uses)	<u>3,874,909</u>	<u>4,474,909</u>	<u>600,000</u>	<u>3,585,713</u>
Net change in fund balance	<u>(1,481,944)</u>	<u>1,031,472</u>	<u>2,513,416</u>	<u>(37,469)</u>
Fund balance at beginning of year	<u>1,482,787</u>	<u>1,482,787</u>	<u>-</u>	<u>1,520,256</u>
Fund balance at end of year	<u>\$ 843</u>	<u>\$ 2,514,259</u>	<u>\$ 2,513,416</u>	<u>\$ 1,482,787</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 560,529	\$ 450,523
Interest Recievable	-	76
Due from other governments	<u>92,687</u>	<u>134,072</u>
Total assets	<u>\$ 653,216</u>	<u>\$ 584,671</u>
Liabilities		
Accounts payable - trade	\$ 5,490	\$ 7,873
Accrued salaries and wages	<u>24,946</u>	<u>67,946</u>
Total liabilities	<u>30,436</u>	<u>75,819</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>92,687</u>	-
Total deferred inflows of resources	<u>92,687</u>	-
Fund Balance		
Restricted for public safety	<u>530,093</u>	<u>508,852</u>
Total fund balance	<u>530,093</u>	<u>508,852</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 653,216</u>	<u>\$ 584,671</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, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 723,136	\$ 773,431	50,295	\$ 877,123
Interest	-	978	978	277
Fees and fines	96,100	96,100	-	96,100
Total revenues	819,236	870,509	51,273	973,500
Expenditures				
Current:				
Public Safety:				
Horry County:				
Personal services	1,514,646	1,490,336	24,310	1,407,500
Contractual services	82,493	68,475	14,018	85,255
Supplies & Materials	44,407	42,379	2,028	34,168
Business & Transportation	37,673	27,668	10,005	33,990
Other	377,961	27,357	350,604	22,582
Total Horry County operations	2,057,180	1,656,215	400,965	1,583,495
Georgetown:				
Personal services	210,365	209,458	907	201,755
Contractual services	29,527	26,978	2,549	2,148
Supplies and materials	6,301	4,389	1,912	5,982
Business and transportation	3,349	3,327	22	3,189
Contingency	506	-	506	2,000
Other	72,296	338	71,958	9,637
Total Georgetown County operations	322,344	244,490	77,854	224,711
Total expenditures	2,379,524	1,900,705	478,819	1,808,206
Excess (deficiency) of revenues over (under) expenditures	(1,560,288)	(1,030,196)	530,092	(834,706)
Other Financing Sources (Uses)				
Transfers in	1,051,437	1,051,437	-	1,002,483
Total other financing sources (uses)	1,051,437	1,051,437	-	1,002,483
Net change in fund balance	(508,851)	21,241	530,092	167,777
Fund balance at beginning of year	508,852	508,852	-	341,075
Fund balance at end of year	\$ 1	\$ 530,093	\$ 530,092	\$ 508,852

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

June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 109,854	\$ 71,104
Total assets	\$ 109,854	\$ 71,104
 Fund Balance		
Restricted for public safety	109,854	71,104
Total fund balance	\$ 109,854	\$ 71,104

HORRY COUNTY, SOUTH CAROLINA

FIREMAN'S INSURANCE SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$ -	\$ 826,181	\$ 826,181	\$ 898,379
Interest	-	-	-	16
Total revenues	<u>-</u>	<u>826,181</u>	<u>826,181</u>	<u>898,395</u>
Expenditures				
Current:				
Public safety:				
Other	-	787,431	(787,431)	932,288
Total expenditures	<u>-</u>	<u>787,431</u>	<u>(787,431)</u>	<u>932,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>38,750</u>	<u>38,750</u>	<u>(33,893)</u>
Net change in fund balance	-	38,750	38,750	(33,893)
Fund balance at beginning of year	71,104	71,104	-	104,997
Fund balance at end of year	<u>\$ 71,104</u>	<u>\$ 109,854</u>	<u>\$ 38,750</u>	<u>\$ 71,104</u>

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 531,097	\$ 529,426
Interest receivable	-	137
Total assets	<u>\$ 531,097</u>	<u>\$ 529,563</u>
Fund Balance		
Restricted for infrastructure and regulation	531,097	529,563
Total fund balance	<u>\$ 531,097</u>	<u>\$ 529,563</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Fee in lieu of tax	\$ -	\$ -	\$ -	\$ 348
Interest	-	1,534	1,534	626
Total revenues	-	1,534	1,534	974
Expenditures				
Current:				
Infrastructure and regulation:				
Construction contracts	250,000	-	250,000	-
Total expenditures	250,000	-	250,000	-
Excess (deficiency) of revenues over (under) expenditures	(250,000)	1,534	251,534	974
Net change in fund balance	(250,000)	1,534	251,534	974
Fund balance at beginning of year	529,563	529,563	-	528,589
Fund balance at end of year	<u>\$ 279,563</u>	<u>\$ 531,097</u>	<u>\$ 251,534</u>	<u>\$ 529,563</u>

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016

(with comparative actual amounts For the Year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 5,177,731	\$ 4,626,171
Receivables, net:		
Accounts and other	31,439	32,216
Interest Receivable	-	1,400
Due from other governments	268,696	-
Prepaid items	159,609	-
Total assets	<u>\$ 5,637,475</u>	<u>\$ 4,659,787</u>
Liabilities		
Accounts payable - trade	\$ 631	\$ 68,612
Accrued salaries and wages	3,787	7,547
Total liabilities	<u>4,418</u>	<u>76,159</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>88,130</u>	-
Total deferred inflows of resources	<u>88,130</u>	-
Fund Balance		
Nonspendable	159,609	-
Restricted for public safety	<u>5,385,318</u>	<u>4,583,628</u>
Total fund balance	<u>5,544,927</u>	<u>4,583,628</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,637,475</u>	<u>\$ 4,659,787</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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 1,150,000	\$ 1,235,680	\$ 85,680	\$ 1,160,417
Fees and fines	650,000	720,649	70,649	679,551
Interest	6,000	13,765	7,765	4,658
Total revenues	<u>1,806,000</u>	<u>1,970,094</u>	<u>164,094</u>	<u>1,844,626</u>
Expenditures				
Current:				
Public safety:				
Personal services	235,409	191,425	43,984	186,568
Contractual services	948,690	461,834	486,856	837,432
Supplies and materials	10,560	7,390	3,170	2,222
Business and transportation	39,900	38,146	1,754	10,306
Contingency	261,441	-	261,441	-
Total expenditures	<u>1,496,000</u>	<u>698,795</u>	<u>797,205</u>	<u>1,036,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>310,000</u>	<u>1,271,299</u>	<u>961,299</u>	<u>808,098</u>
Other Financing Sources (Uses)				
Transfers out	<u>(310,000)</u>	<u>(310,000)</u>	<u>-</u>	<u>(110,000)</u>
Net change in fund balance	-	961,299	961,299	698,098
Fund balance at beginning of year	4,583,628	4,583,628	-	3,885,530
Fund balance at end of year	<u>\$ 4,583,628</u>	<u>\$ 5,544,927</u>	<u>\$ 961,299</u>	<u>\$ 4,583,628</u>

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

June 30, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Due from other governments	\$ 434,901	\$ 566,797
Total assets	\$ 434,901	\$ 566,797
 Liabilities		
Accounts payable - trade	\$ 139,336	\$ 126,450
Due to other funds	289,217	401,999
Accrued salaries and wages	2,370	8,023
Total liabilities	430,923	536,472
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	285,491	411,260
Total deferred inflows of resources	285,491	411,260
 Fund Balance (Deficit)		
Unassigned	(281,513)	(380,935)
Total fund balance (deficit)	(281,513)	(380,935)
Total liabilities, deferred inflows of resources and fund balance	\$ 434,901	\$ 566,797

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 3,829,939	\$ 1,364,662	\$ (2,465,277)	\$ 2,149,579
Interest	-	-	-	3
Total revenues	<u>3,829,939</u>	<u>1,364,662</u>	<u>(2,465,277)</u>	<u>2,149,582</u>
Expenditures				
Current:				
Economic development:				
Personal services	252,566	13,841	238,725	206,693
Contractual services	51,889	37,552	14,337	37,149
Supplies and materials	36,360	15,630	20,730	21,653
Business and transportation	22,000	10,967	11,033	9,456
Indirect cost allocation	50,000	48,272	1,728	45,506
Capital outlay	30,000	20,260	9,740	-
Contingency	395,111	-	395,111	-
Contributions to agencies	2,891,537	1,018,242	1,873,295	2,062,559
Total expenditures	<u>3,729,463</u>	<u>1,164,764</u>	<u>2,564,699</u>	<u>2,383,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,476</u>	<u>199,898</u>	<u>99,422</u>	<u>(233,434)</u>
Other Financing Sources (Uses)				
Transfers out	(100,476)	(100,476)	-	(147,501)
Total other financing sources (uses)	<u>(100,476)</u>	<u>(100,476)</u>	<u>-</u>	<u>(147,501)</u>
Net change in fund balance	-	99,422	99,422	(380,935)
Fund balance (deficit) at beginning of year	<u>(380,935)</u>	<u>(380,935)</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (380,935)</u>	<u>\$ (281,513)</u>	<u>\$ 99,422</u>	<u>\$ (380,935)</u>

HORRY COUNTY, SOUTH CAROLINA
RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2016
(with comparative actual amounts For the Year ended June 30, 2015)

	2016	2015
Assets		
Cash and cash equivalents	\$ 100	\$ 100
Pooled cash and investments	2,293,019	2,758,114
Receivables, net:		
Property taxes	135,205	116,899
Interest receivable	-	872
Total assets	\$ 2,428,324	\$ 2,875,985
 Liabilities		
Accounts payable - trade	\$ 115,067	\$ 147,570
Accrued salaries and wages	36,289	104,360
Other liabilities	-	3,843
Total liabilities	151,356	255,773
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	117,021	97,057
Total deferred inflows of resources	117,021	97,057
 Fund Balance		
Restricted for culture, recreation and tourism	2,159,947	2,523,155
Total fund balance	2,159,947	2,523,155
Total liabilities, deferred inflows of resources and fund balance	\$ 2,428,324	\$ 2,875,985

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, 2016
 (with comparative actual amounts For the Year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 2,939,408	\$ 2,932,830	\$ (6,578)	\$ 2,896,153
Personal property taxes	218,800	214,949	(3,851)	208,776
Vehicle taxes	284,280	313,416	29,136	292,515
Fee in lieu of tax	17,000	25,480	8,480	16,971
Intergovernmental - federal	12,264	86,681	74,417	4,573
Interest	4,000	7,431	3,431	3,523
Other	850,000	798,379	(51,621)	768,011
Total revenues	<u>4,325,752</u>	<u>4,379,166</u>	<u>53,414</u>	<u>4,190,522</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	2,224,283	2,073,504	150,779	2,076,347
Contractual services	459,090	442,030	17,060	411,443
Supplies and materials	185,974	157,835	28,139	162,932
Business and transportation	139,010	111,671	27,339	119,348
Capital outlay	35,000	28,241	6,759	23,545
Contingency	34,787	-	34,787	-
Indirect cost allocation	815,351	815,351	-	791,966
Distributions to municipalities	117,285	117,285	-	200,000
Distributions to agencies	9,000	876	8,124	-
Programs	740,122	416,879	323,243	597,836
Athletics	325,500	188,293	137,207	90
Other	394,023	283,410	110,613	139,293
Disaster	12,490	12,490	-	-
Total expenditures	<u>5,491,915</u>	<u>4,647,865</u>	<u>844,050</u>	<u>4,522,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,166,163)</u>	<u>(268,699)</u>	<u>897,464</u>	<u>(332,278)</u>
Other Financing Sources (Uses)				
Transfers in	58,978	58,978	-	47,717
Transfers out	(153,487)	(153,487)	-	(84,704)
Total other financing sources (uses)	<u>(94,509)</u>	<u>(94,509)</u>	<u>-</u>	<u>(36,987)</u>
Net change in fund balance	<u>(1,260,672)</u>	<u>(363,208)</u>	<u>897,464</u>	<u>(369,265)</u>
Fund balance at beginning of year	<u>2,523,155</u>	<u>2,523,155</u>	<u>-</u>	<u>2,892,420</u>
Fund balance at end of year	<u>\$ 1,262,483</u>	<u>\$ 2,159,947</u>	<u>\$ 897,464</u>	<u>\$ 2,523,155</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUNDS

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

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

Capital Project Sales Tax – 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.

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, 2016

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Assets			
Pooled cash and investments	\$ 24,296,727	\$ 205,622,531	\$ 229,919,258
Receivables, net:			
Accounts and other	77,618	-	77,618
Due from other governments	336,780	59,495	396,275
Prepaid contracts	39,165	-	39,165
Total assets	<u>\$ 24,750,290</u>	<u>\$ 205,682,026</u>	<u>\$ 230,432,316</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable - trade	<u>\$ 2,356,495</u>	<u>\$ 5,571,422</u>	<u>\$ 7,927,917</u>
Total liabilities	<u>2,356,495</u>	<u>5,571,422</u>	<u>7,927,917</u>
Fund balances:			
Nonspendable	39,165	-	39,165
Restricted for capital projects	12,769,684	200,110,604	212,880,288
Committed to other capital projects	9,584,946	-	9,584,946
Total fund balances	<u>22,393,795</u>	<u>200,110,604</u>	<u>222,504,399</u>
Total liabilities and fund balances	<u>\$ 24,750,290</u>	<u>\$ 205,682,026</u>	<u>\$ 230,432,316</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, 2016

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Revenues			
Intergovernmental	\$ 885,565	\$ -	\$ 885,565
Sales tax	-	303,832	303,832
Fees and fines	781,419	-	781,419
Interest	71,274	548,224	619,498
Total revenues	<u>1,738,258</u>	<u>852,056</u>	<u>2,590,314</u>
Expenditures			
General government	429,620	-	429,620
Public safety	2,109,049	-	2,109,049
Infrastructure and regulation	163,193	190,977	354,170
Improvements to state roadways	-	32,979,511	32,979,511
Culture, recreation and tourism	77,622	-	77,622
Capital lease payments	2,642,290	-	2,642,290
Capital outlay	5,661,331	6,584,395	12,245,726
Total expenditures	<u>11,083,105</u>	<u>39,754,883</u>	<u>50,837,988</u>
Excess (deficiency) of revenue over expenditures	<u>(9,344,847)</u>	<u>(38,902,827)</u>	<u>(48,247,674)</u>
Other Financing Sources (Uses)			
Sale of assets	370,950	-	370,950
Transfers in	22,724,168	-	22,724,168
Transfers out	(274,598)	(16,000,000)	(16,274,598)
Total other financing sources (uses)	<u>22,820,520</u>	<u>(16,000,000)</u>	<u>6,820,520</u>
Net change in fund balance	<u>13,475,673</u>	<u>(54,902,827)</u>	<u>(41,427,154)</u>
Fund balance at beginning of year	<u>8,918,122</u>	<u>255,013,431</u>	<u>263,931,553</u>
Fund balance at end of year	<u>\$ 22,393,795</u>	<u>\$ 200,110,604</u>	<u>\$ 222,504,399</u>

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

June 30, 2016

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 3,404,817	\$ 360,909	\$ 3,765,726
Receivables, net:			
Property taxes	69,391	-	69,391
Restricted assets	5,496,988	-	5,496,988
Total assets	<u>\$ 8,971,196</u>	<u>\$ 360,909</u>	<u>\$ 9,332,105</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 67,719	-	\$ 67,719
Total deferred inflows of resources	<u>67,719</u>	<u>-</u>	<u>67,719</u>
Fund balances:			
Restricted for capital projects	8,903,477	-	8,903,477
Restricted for culture, recreation and tourism	-	32,868	32,868
Restricted for infrastructure and regulation	-	328,041	328,041
Total fund balances	<u>8,903,477</u>	<u>360,909</u>	<u>9,264,386</u>
Total deferred inflows of resources and fund balances	<u>\$ 8,971,196</u>	<u>\$ 360,909</u>	<u>\$ 9,332,105</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, 2016

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Revenues			
Real property taxes	\$ 1,426,107	\$ -	\$ 1,426,107
Personal property taxes	119,856	-	119,856
Vehicle taxes	211,080	-	211,080
Fee in lieu of tax	8,667	-	8,667
Interest	9,743	889	10,632
Other	-	88,000	88,000
Total revenues	<u>1,775,453</u>	<u>88,889</u>	<u>1,864,342</u>
Expenditures			
Public Safety	30,000	-	30,000
Culture, recreation and tourism	-	1,000	1,000
Capital lease payments	927,492	-	927,492
Capital outlay	27,363	-	27,363
Total expenditures	<u>984,855</u>	<u>1,000</u>	<u>985,855</u>
Excess (deficiency) of revenue over expenditures	<u>790,598</u>	<u>87,889</u>	<u>878,487</u>
Other Financing Sources (Uses)			
Issuance of lease financing	<u>5,500,000</u>	-	<u>5,500,000</u>
Total other financing sources (uses)	<u>5,500,000</u>	-	<u>5,500,000</u>
Net change in fund balance	<u>6,290,598</u>	<u>87,889</u>	<u>6,378,487</u>
Fund balance at beginning of year	<u>2,612,879</u>	<u>273,020</u>	<u>2,885,899</u>
Fund balance at end of year	<u>\$ 8,903,477</u>	<u>\$ 360,909</u>	<u>\$ 9,264,386</u>

HORRY COUNTY, SOUTH CAROLINA
GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	2016	2015
Assets		
Pooled cash and investments	\$ 24,296,727	\$ 7,640,203
Receivables, net:		
Accounts and other	77,618	-
Interest receivable	-	14,691
Due from other governments	336,780	-
Prepaid contracts	39,165	-
Restricted assets	-	2,034,898
Total assets	\$ 24,750,290	\$ 9,689,792
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,356,495	\$ 734,560
Retainage payable	-	37,110
Total liabilities	2,356,495	771,670
Fund balances:		
Nonspendable	39,165	-
Restricted for capital projects	12,769,684	2,034,898
Committed to capital projects	9,584,946	6,883,224
Total fund balances	22,393,795	8,918,122
Total liabilities and fund balances	\$ 24,750,290	\$ 9,689,792

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2016
(With comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
	<u>Actual</u>	<u>Actual</u>
Revenues		
Disposal fee	\$ 781,419	\$ 709,972
Intergovernmental - state	455,250	920,590
Intergovernmental - other	430,315	227,138
Interest	71,274	45,274
Other	-	159,120
Total revenues	<u>1,738,258</u>	<u>2,062,094</u>
Expenditures		
General government:		
Supplies and materials	429,620	187,127
Capital outlay	2,048,498	8,422,487
Capital lease - principal	660,522	430,323
Capital lease - interest	608,898	76,202
Contingency	-	(30,530)
Total general government	<u>3,747,538</u>	<u>9,085,609</u>
Public safety:		
Supplies and materials	9,049	480,051
Capital outlay	2,848,719	4,793,042
Construction contracts	2,100,000	-
Capital lease - principal	1,232,318	1,674,948
Capital lease - interest	140,552	110,403
Other	-	13,316
Total public safety	<u>6,330,638</u>	<u>7,071,760</u>
Infrastructure and regulation:		
Supplies and materials	163,193	1,026,599
Capital outlay	525,486	204,423
Total infrastructure and regulation	<u>688,679</u>	<u>1,231,022</u>
Culture, recreation and tourism:		
Supplies and materials	77,622	64,228
Capital outlay	238,628	355,327
Contingency	-	4,487
Total culture, recreation and tourism	<u>316,250</u>	<u>424,042</u>
Total expenditures	<u>11,083,105</u>	<u>17,812,433</u>
Excess (deficiency) of revenue over expenditures	<u>(9,344,847)</u>	<u>(15,750,339)</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, 2016
 (With comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Other Financing Sources (Uses)		
Sale of assets	370,950	4,675,962
Transfers in	22,724,168	3,234,636
Transfers out	(274,598)	(260,083)
Total other financing sources (uses)	<u>22,820,520</u>	<u>7,650,515</u>
Net change in fund balance	<u>13,475,673</u>	<u>(8,099,824)</u>
Fund balance at beginning of year	<u>8,918,122</u>	<u>17,017,946</u>
Fund balance at end of year	<u>\$ 22,393,795</u>	<u>\$ 8,918,122</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 205,622,531	\$ 255,223,846
Interest receivable	-	4,645
Due from other governments	<u>59,495</u>	<u>195,867</u>
Total assets	<u>\$ 205,682,026</u>	<u>\$ 255,424,358</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 5,571,422	\$ 410,927
Total liabilities	<u>5,571,422</u>	<u>410,927</u>
Fund balance :		
Restricted for capital projects	200,110,604	255,013,431
Total fund balance	<u>200,110,604</u>	<u>255,013,431</u>
Total liabilities and fund balance	<u>\$ 205,682,026</u>	<u>\$ 255,424,358</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2016
 (With comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Revenues		
Sales tax	\$ 303,832	\$ 1,138,788
Investment earnings	548,224	291,602
Total revenues	<u>852,056</u>	<u>1,430,390</u>
Expenditures		
Infrastructure and regulation:		
Personal services	67,395	60,898
Construction contracts - State	32,979,511	33,078,120
Capital outlay - infrastructure	6,584,395	3,592,588
Indirect cost allocation	123,582	123,778
Total expenditures	<u>39,754,883</u>	<u>36,855,384</u>
Excess (deficiency) of revenue over expenditures	<u>(38,902,827)</u>	<u>(35,424,994)</u>
Other Financing Sources (Uses)		
Transfers Out	<u>(16,000,000)</u>	-
Total other financing sources (uses)	<u>(16,000,000)</u>	-
Net change in fund balance	(54,902,827)	(35,424,994)
Fund balance at beginning of year	<u>255,013,431</u>	<u>290,438,425</u>
Fund balance at end of year	<u>\$ 200,110,604</u>	<u>\$ 255,013,431</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2016

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 3,404,817	\$ 2,604,018
Receivables, net:		
Property taxes	69,391	53,117
Interest receivable	-	636
Restricted assets	5,496,988	-
Total assets	<u>\$ 8,971,196</u>	<u>\$ 2,657,771</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 67,719	\$ 44,892
Total deferred inflows of resources	<u>67,719</u>	<u>44,892</u>
 Fund balance:		
Restricted for capital projects	<u>8,903,477</u>	2,612,879
Total fund balance	<u>8,903,477</u>	<u>2,612,879</u>
Total deferred inflows of resources and fund balance	<u>\$ 8,971,196</u>	<u>\$ 2,657,771</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, 2016
 (With comparative actual amounts for the year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,432,679	\$ 1,426,107	\$ (6,572)	\$ 1,401,250
Personal property taxes	120,970	119,856	(1,114)	114,165
Vehicle taxes	189,314	211,080	21,766	196,477
Fee in lieu of tax	3,000	8,667	5,667	4,215
Interest	-	9,743	9,743	2,419
Total revenues	<u>1,745,963</u>	<u>1,775,453</u>	<u>29,490</u>	<u>1,718,526</u>
Expenditures				
Current:				
Public Safety:				
Capital outlay	6,740,533	27,363	6,713,170	7,996,084
Indirect cost allocation	30,000	30,000	-	-
Capital lease - principal	778,107	778,107	-	387,500
Capital lease - interest	149,385	149,385	-	73,239
Other	332,508	-	332,508	-
Total expenditures	<u>8,030,533</u>	<u>984,855</u>	<u>7,045,678</u>	<u>8,456,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,284,570)</u>	<u>790,598</u>	<u>7,075,168</u>	<u>(6,738,297)</u>
Other Financing Sources (Uses)				
Capital lease proceeds	5,621,033	5,500,000	(121,033)	7,750,000
Total other financing sources (uses)	<u>5,621,033</u>	<u>5,500,000</u>	<u>(121,033)</u>	<u>7,750,000</u>
Net change in fund balance	(663,537)	6,290,598	6,954,135	1,011,703
Fund balance at beginning of year	2,612,879	2,612,879	-	1,601,176
Fund balance at end of year	<u>\$ 1,949,342</u>	<u>\$ 8,903,477</u>	<u>\$ 6,954,135</u>	<u>\$ 2,612,879</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 360,909	\$ 272,931
Interest receivable	-	89
Total assets	<u>\$ 360,909</u>	<u>\$ 273,020</u>
Fund balance :		
Restricted for culture, recreation and tourism	\$ 32,868	\$ 33,868
Restricted for infrastructure and regulation	<u>328,041</u>	<u>239,152</u>
Total fund balance	<u>\$ 360,909</u>	<u>\$ 273,020</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2016
(With comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Revenues		
Interest	\$ 889	\$ 297
Other	88,000	30,500
Total revenues	<u>88,889</u>	<u>30,797</u>
Expenditures		
Culture, recreation and tourism:		
Other	1,000	1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>
Excess of revenue over expenditures	<u>87,889</u>	<u>29,797</u>
Net change in fund balance	87,889	29,797
Fund balance at beginning of year	<u>273,020</u>	<u>243,223</u>
Fund balance at end of year	<u>\$ 360,909</u>	<u>\$ 273,020</u>

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

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

RIDE Program – accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects.

General Debt – accounts for revenue collected from 5.0 mills levied on real and personal property and the funds accumulated for, and payment of, all general obligation long-term debt principal, interest and fees other than those accounted for in other funds.

Special Obligation Debt – accounts for the funds accumulated for, and payment of, all special obligation debt principal, interest and fees other than those accounted for in other funds.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 3,210,775	\$ 3,293,789
Receivables (net):		
Fees receivable	5,337,544	5,343,186
Interest receivable	-	1,509
Funds held in trust (restricted):		
Loan reserve account	46,995,224	43,945,564
Total assets	<u>\$ 55,543,543</u>	<u>\$ 52,584,048</u>
Liabilities		
Due to other funds	\$ -	\$ 52,455
Total liabilities	<u>-</u>	<u>52,455</u>
Fund Balance		
Restricted for debt service	55,543,543	52,531,593
Total fund balance	<u>55,543,543</u>	<u>52,531,593</u>
Total liabilities and fund balance	<u>\$ 55,543,543</u>	<u>\$ 52,584,048</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, 2016
 (with comparative actual amounts for the year ended June 30, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Hospitality Fees	\$ 36,085,603	\$ 38,632,666	\$ 2,547,063	\$ 36,917,724
Interest	529,400	688,692	159,292	572,861
Total revenues	<u>36,615,003</u>	<u>39,321,358</u>	<u>2,706,355</u>	<u>37,490,585</u>
Expenditures				
Debt Service:				
Principal	30,982,594	30,982,594	-	28,528,290
Interest	4,890,126	4,890,124	2	5,799,670
Contingency	390,415	-	390,415	-
Total debt service	<u>36,263,135</u>	<u>35,872,718</u>	<u>390,417</u>	<u>34,327,960</u>
Excess of revenue over expenditures	<u>351,868</u>	<u>3,448,640</u>	<u>3,096,772</u>	<u>3,162,625</u>
Other Financing Sources (Uses)				
Transfers out	(351,868)	(436,690)	(84,822)	(360,225)
Total other financing sources (uses)	<u>(351,868)</u>	<u>(436,690)</u>	<u>(84,822)</u>	<u>(360,225)</u>
Net change in fund balance	-	3,011,950	3,011,950	2,802,400
Fund balance, beginning of year	<u>52,531,593</u>	<u>52,531,593</u>	-	49,729,193
Fund balance, end of year	<u>\$ 52,531,593</u>	<u>\$ 55,543,543</u>	<u>\$ 3,011,950</u>	<u>\$ 52,531,593</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2016

	Non-Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 7,302,201	\$ 187,407	\$ 7,489,608
Receivables, net:			
Taxes	392,044	-	392,044
Restricted assets	-	226,538	226,538
Total assets	<u>\$ 7,694,245</u>	<u>\$ 413,945</u>	<u>\$ 8,108,190</u>
Liabilities			
Accounts payable - trade	\$ 818	-	818
Total liabilities	<u>818</u>	<u>-</u>	<u>818</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	338,776	-	338,776
Total deferred inflows of resources	<u>338,776</u>	<u>-</u>	<u>338,776</u>
Fund Balance			
Restricted for debt service	7,354,651	413,945	7,768,596
Total fund balance	<u>7,354,651</u>	<u>413,945</u>	<u>7,768,596</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,694,245</u>	<u>\$ 413,945</u>	<u>\$ 8,108,190</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, 2016

	Non- Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Revenues			
Real property taxes	\$ 8,625,777	\$ -	\$ 8,625,777
Personal property taxes	630,994	-	630,994
Vehicle taxes	925,017	-	925,017
Fee in lieu of tax	74,904	-	74,904
Intergovernmental	35,026	-	35,026
Hospitality fees	-	242,550	242,550
Interest	146,408	261	146,669
Total revenues	<u>10,438,126</u>	<u>242,811</u>	<u>10,680,937</u>
Expenditures			
Debt service:			
Principal	9,650,000	199,500	9,849,500
Interest	2,645,046	38,063	2,683,109
Agents fees	4,187	-	4,187
Bond Issue Costs	61,834	-	61,834
Total debt service	<u>12,361,067</u>	<u>237,563</u>	<u>12,598,630</u>
Total expenditures	<u>12,361,067</u>	<u>237,563</u>	<u>12,598,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,922,941)</u>	<u>5,248</u>	<u>(1,917,693)</u>
Other Financing Sources (Uses)			
Transfers in	1,425,338	-	1,425,338
Issuance of bonded debt	15,410,000	-	15,410,000
Payment to refunding bond escrow agent	(15,337,428)	-	(15,337,428)
Total other financing sources (uses)	<u>1,497,910</u>	<u>-</u>	<u>1,497,910</u>
Net change in fund balance	(425,031)	5,248	(419,783)
Fund balance at beginning of year	<u>7,779,682</u>	<u>408,697</u>	<u>8,188,379</u>
Fund balance at end of year	<u>\$ 7,354,651</u>	<u>\$ 413,945</u>	<u>\$ 7,768,596</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 7,302,201	\$ 7,723,564
Receivables, net:		
Property taxes	392,044	337,375
Interest receivable	-	2,349
Total assets	<u>\$ 7,694,245</u>	<u>\$ 8,063,288</u>
Liabilities		
Liabilities:		
Accounts payable - trade	\$ 818	\$ 3,600
Total liabilities	<u>818</u>	<u>3,600</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>338,776</u>	<u>280,006</u>
Total deferred inflows of resources	<u>338,776</u>	<u>280,006</u>
Fund Balance		
Restricted for debt service	<u>7,354,651</u>	<u>7,779,682</u>
Total fund balance	<u>7,354,651</u>	<u>7,779,682</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,694,245</u>	<u>\$ 8,063,288</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, 2016
(with comparative actual amounts for the year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 8,642,866	\$ 8,625,777	\$ (17,089)	\$ 8,523,116
Personal property taxes	640,600	630,994	(9,606)	609,999
Vehicle taxes	838,420	925,017	86,597	861,987
Fee in lieu of tax	51,000	74,904	23,904	49,862
Intergovernmental	35,026	35,026	-	43,784
Interest	132,000	146,408	14,408	130,194
Total revenues	<u>10,339,912</u>	<u>10,438,126</u>	<u>98,214</u>	<u>10,218,942</u>
Expenditures				
Debt Service:				
Principal	9,743,054	9,650,000	93,054	10,425,342
Interest	2,822,635	2,645,046	177,589	3,959,273
Agents fees	5,378	4,187	1,191	4,013
Bond issuance costs	82,572	61,834	20,738	114,808
Total expenditures	<u>12,653,639</u>	<u>12,361,067</u>	<u>292,572</u>	<u>14,503,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,313,727)</u>	<u>(1,922,941)</u>	<u>390,786</u>	<u>(4,284,494)</u>
Other Financing Sources (Uses)				
Transfers in	1,643,434	1,425,338	(218,096)	2,486,670
Issuance of bonded debt	15,420,000	15,410,000	(10,000)	29,500,000
Payment to refunding bond escrow agent	<u>(15,337,428)</u>	<u>(15,337,428)</u>	-	<u>(29,383,898)</u>
Total other financing sources	<u>1,726,006</u>	<u>1,497,910</u>	<u>(228,096)</u>	<u>2,602,772</u>
Net change in fund balance	<u>(587,721)</u>	<u>(425,031)</u>	<u>162,690</u>	<u>(1,681,722)</u>
Fund balance at beginning of year	<u>7,779,682</u>	<u>7,779,682</u>	-	<u>9,461,404</u>
Fund balance at end of year	<u>\$ 7,191,961</u>	<u>\$ 7,354,651</u>	<u>\$ 162,690</u>	<u>\$ 7,779,682</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Pooled cash and investments	\$ 187,407	\$ 187,672
Restricted assets	<u>226,538</u>	<u>221,025</u>
Total assets	<u>\$ 413,945</u>	<u>\$ 408,697</u>
 Fund Balance		
Restricted for debt service	<u>\$ 413,945</u>	<u>\$ 408,697</u>
Total fund balance	<u>\$ 413,945</u>	<u>\$ 408,697</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, 2016
 (with comparative actual amounts for the year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 242,550	\$ 242,550	\$ -	\$ 242,551
Interest	-	261	261	-
Total revenues	<u>242,550</u>	<u>242,811</u>	<u>261</u>	<u>242,551</u>
Expenditures				
Debt Service:				
Principal	199,500	199,500	-	190,500
Interest	43,050	38,063	4,987	47,814
Agents fees	525	-	525	-
Total debt service	<u>243,075</u>	<u>237,563</u>	<u>5,512</u>	<u>238,314</u>
Net change in fund balance	(525)	5,248	5,773	4,237
Fund balance at beginning of year	<u>408,697</u>	<u>408,697</u>	-	<u>404,460</u>
Fund balance at end of year	<u>\$ 408,172</u>	<u>\$ 413,945</u>	<u>\$ 5,773</u>	<u>\$ 408,697</u>

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY (ENTERPRISE) FUND

Proprietary (enterprise) funds account for operations that are financed and operated in a manner similar to private business enterprises. In a proprietary fund the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Department of Airports – accounts for revenue and expenses for the operations of the Conway, Loris, Grand Strand general aviation airports, and the Myrtle Beach International Airport.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

JUNE 30, 2016

(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,250,297	\$ 46,286,871
Accounts receivable (net of allowance of \$421,366 in 2016 and \$469,031 in 2015)	2,358,567	1,997,959
Interest receivable	35,231	36,698
Due from other governments	1,233,602	2,147,941
Inventories	981,859	892,596
Prepaid items	134,580	99,633
Total current assets	<u>53,994,136</u>	<u>51,461,698</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	27,984,713	21,885,970
Investments	12,930,216	16,584,952
Receivables - PFC and CFC	1,030,181	849,973
Total restricted assets	<u>41,945,110</u>	<u>39,320,895</u>
Capital assets:		
Land, easements and infrastructure	32,455,493	32,455,493
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	212,715,024	219,374,485
Construction-in-progress	696,550	474,174
Total capital assets, net	<u>245,867,067</u>	<u>252,304,152</u>
Service concession arrangement (SCA)	-	1,706,192
Total assets	<u>341,806,313</u>	<u>344,792,937</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	665,450	649,655
Difference between projected and actual investment experience	766,228	-
Difference between expected and actual retirement plan experience	204,503	276,773
Change in proportionate share of net pension liability	274,493	-
Total deferred outflows of resources	<u>1,910,674</u>	<u>926,428</u>
Total assets and deferred outflows of resources	<u>\$ 343,716,987</u>	<u>\$ 345,719,365</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

- CONTINUED -

	<u>2016</u>	<u>2015</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,256,715	\$ 844,069
Construction accounts and retainage payable	619,488	2,704,463
Accrued salaries, wages and compensated absences	427,338	631,276
Other accrued expenses	302,958	417,994
Due to other funds	1,061,145	953,348
Unearned revenue from operating agreements	275,138	304,816
Capital lease payable - current portion	54,990	95,639
Amounts due to tenants, airlines, car rentals	890,491	991,723
Total current liabilities	<u>4,888,263</u>	<u>6,943,328</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,320,000	1,270,000
Accrued interest payable	1,493,397	1,518,797
Total current liabilities payable from restricted assets	<u>2,813,397</u>	<u>2,788,797</u>
Noncurrent liabilities:		
Revenue bonds payable	56,612,451	57,925,549
Compensated absences - long term	953,840	964,109
Net other post-employment benefits obligation (NOO)	818,582	813,573
Net pension liability	11,300,441	9,861,602
Present value of payments under Service Concession Arrangement	-	1,706,192
Capital lease payable	333,615	388,605
Total non-current liabilities	<u>70,018,929</u>	<u>71,659,630</u>
Total liabilities	<u>77,720,589</u>	<u>81,391,755</u>
Deferred Inflows of Resources		
Difference between projected and actual investment earnings - pension	682,866	882,078
Difference between expected and actual retirement plan experience	16,958	-
Total deferred inflows of resources	<u>699,824</u>	<u>882,078</u>
Net position		
Net investment in capital assets	188,866,010	193,870,492
Restricted for:		
Debt service	21,248,771	20,376,001
Capital projects	17,882,860	16,156,037
Unrestricted	37,298,933	33,043,002
Total net position	<u>265,296,574</u>	<u>263,445,532</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 343,716,987</u>	<u>\$ 345,719,365</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2016
(with comparative amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Landing fees	\$ 1,383,031	\$ 1,198,226
Airline terminal rents	6,296,539	6,171,723
Concessions and rentals	8,680,907	8,089,849
Baggage Handling System	904,012	848,875
Security fees	202,399	207,781
Leases	832,026	929,251
Fuel sales - FBO	4,452,995	5,720,015
Other airline services	504,729	489,649
Federal revenue- TSA LEO reimbursement program	132,129	120,524
Other	712,888	696,671
Total operating revenues	<u>24,101,655</u>	<u>24,472,564</u>
Less, signatory airline rebate and incentive fee waivers	<u>(755,696)</u>	<u>(785,259)</u>
Net operating revenues	<u>23,345,959</u>	<u>23,687,305</u>
Operating Expenses		
Salaries and benefits	8,300,850	8,066,624
Utilities	1,574,291	1,509,433
Baggage Handling System	904,012	848,875
Outside and professional services	1,300,602	1,108,915
Maintenance and supplies	1,398,001	1,256,022
Fuel cost of sales	2,696,440	4,039,083
Vehicle and equipment (non-capital) expense	448,912	471,148
Insurance	431,491	393,658
Dues, memberships and travel	224,314	232,894
Office supplies	43,547	38,354
Indirect cost allocation	296,945	413,747
Depreciation and amortization	11,381,544	10,331,761
Bad debt expense	66,022	199,011
Total operating expenses	<u>29,066,971</u>	<u>28,909,525</u>
Operating loss	<u>(5,721,012)</u>	<u>(5,222,220)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<u>2016</u>	<u>2015</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC)	3,917,745	3,631,910
Contract Facility Charges (CFC)	3,130,401	2,919,324
Intergovernmental revenues - City of Myrtle Beach	2,169,260	2,012,985
Gain / (loss) on disposal/sale of capital assets	24,525	(231,158)
Redevelopment Authority Revenue	-	150,000
Other expense	(55,922)	(23,454)
Interest income	391,725	200,273
Interest expense	(2,998,892)	(3,052,034)
Interest subsidy on Recovery Zone Economic Bonds	298,731	297,128
Net non-operating revenues (expenses)	<u>6,877,573</u>	<u>5,904,974</u>
Income before capital contributions	<u>1,156,561</u>	<u>682,754</u>
Capital Contributions		
Federal grant revenue - capital projects	693,876	20,494,317
State grant revenue - capital projects	605	160,303
Net capital contributions	<u>694,481</u>	<u>20,654,620</u>
Increase in net position	<u>1,851,042</u>	<u>21,337,374</u>
Net Position		
Beginning of year	<u>263,445,532</u>	<u>242,108,158</u>
End of year	<u>\$ 265,296,574</u>	<u>\$ 263,445,532</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016
(with comparative amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 17,063,814	\$ 16,213,954
FBO fuel sales and airline services	5,002,912	6,313,280
Other	721,692	663,089
Cash paid for:		
Salaries and benefits	(8,237,708)	(7,844,027)
Maintenance, supplies, fuel, utilities and equipment	(9,037,358)	(9,835,216)
Net cash provided by operating activities	<u>5,513,352</u>	<u>5,511,080</u>
Cash flows from non-capital financing activities		
Building demolition and tree removal	(55,922)	(23,454)
Net cash used in non-capital financing activities	<u>(55,922)</u>	<u>(23,454)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	6,867,938	6,543,702
Acquisition and construction of capital assets	(7,004,909)	(31,656,401)
Interest paid on bonds and notes	(3,017,390)	(3,069,432)
Principal payments on bonds and notes	(1,270,000)	(1,215,000)
Receipt of federal subsidy for "RZEDB" (Series 2010B)	298,731	297,128
Principal payments on capital lease obligation	(95,639)	(101,735)
Receipt of intergovernmental and private grants	2,169,260	2,162,985
Proceeds from Airport Improvement Program, TSA and State grants	1,608,820	20,446,205
Net cash used in capital and related financing activities	<u>(443,189)</u>	<u>(6,592,548)</u>
Cash flows from investing activities		
Investment purchases	(12,930,216)	(16,584,952)
Investment sales	16,584,952	26,857,431
Interest on investments	393,192	215,816
Net cash provided by investing activities	<u>4,047,928</u>	<u>10,488,295</u>
Net increase in cash and cash equivalents	<u>9,062,169</u>	<u>9,383,373</u>
Cash and cash equivalents, beginning of year		
Unrestricted	46,286,871	50,301,421
Restricted	21,885,970	8,488,047
	<u>68,172,841</u>	<u>58,789,468</u>
Cash and cash equivalents, end of year		
Unrestricted	49,250,297	46,286,871
Restricted	27,984,713	21,885,970
	<u>\$ 77,235,010</u>	<u>\$ 68,172,841</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (5,721,012)	\$ (5,222,220)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	11,381,544	10,331,761
Bad debt expense	66,022	199,011
(Increase) decrease in certain assets:		
Accounts receivable	(426,630)	(602,257)
Prepaid items	(34,947)	(5,523)
Inventories	(89,263)	140,586
(Decrease) increase in certain liabilities:		
Accounts payable	412,646	325,348
Accrued salaries, wages and compensated absences	(214,206)	91,292
Net other post-employment benefit obligation	5,009	62,904
Net pension obligation and related deferred inflows and outflows	272,339	68,401
Other accrued expenses	(120,291)	(179,042)
Due to Horry County - General Fund	113,052	195,544
Unearned revenue	(29,678)	11,069
Amounts due to tenants, airlines, car rentals	(101,233)	94,206
Net cash provided by operating activities	<u>\$ 5,513,352</u>	<u>\$ 5,511,080</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2016
(with comparative amounts for June 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Pooled cash and investments	\$ 22,603,370	\$ 21,006,872
Interest receivable	-	7,214
Inventory	435,101	393,155
Total current assets	<u>23,038,471</u>	<u>21,407,241</u>
Non-current assets:		
Capital assets:		
Land improvements	17,750	-
Machinery and equipment	33,844,722	30,764,794
Less, accumulated depreciation	<u>(21,625,412)</u>	<u>(18,985,863)</u>
Net capital assets	<u>12,237,060</u>	<u>11,778,931</u>
Total assets	<u>35,275,531</u>	<u>33,186,172</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	76,809	69,763
Difference between expected and actual retirement plan experience	20,491	26,827
Difference between projected and actual investment experience	81,722	-
Change in proportionate share of net pension liability	<u>7,632</u>	<u>-</u>
Total deferred outflows of resources	<u>186,654</u>	<u>96,590</u>
Total assets and deferred outflows of resources	<u>\$ 35,462,185</u>	<u>\$ 33,282,762</u>
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 811,395	\$ 73,281
Accrued salaries, wages and compensated absences	16,196	34,614
Total current liabilities	<u>827,591</u>	<u>107,895</u>
Non-current liabilities:		
Compensated absences - long term	110,237	118,281
Net other post-employment benefits obligation	199,449	189,667
Net pension liability	<u>1,095,790</u>	<u>972,016</u>
Total non-current liabilities	<u>1,405,476</u>	<u>1,279,964</u>
Total Liabilities	<u>2,233,067</u>	<u>1,387,859</u>
Deferred Inflows of Resources		
Difference between projected and actual investment earning - pension	72,272	95,560
Difference between expected and actual retirement plan experience	<u>1,069</u>	<u>-</u>
Total deferred inflows of resources	<u>73,341</u>	<u>95,560</u>
Net position		
Net investment in capital assets	12,237,060	11,778,931
Restricted for capital	<u>20,918,717</u>	<u>20,020,412</u>
Total net position	<u>33,155,777</u>	<u>31,799,343</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,462,185</u>	<u>\$ 33,282,762</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2016
(with comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for services	<u>\$ 7,054,364</u>	<u>\$ 6,218,968</u>
Total operating revenues	<u>7,054,364</u>	<u>6,218,968</u>
Operating Expenses		
Personal services	1,060,078	931,769
Contractual services	35,382	32,403
Supplies and materials	35,345	31,345
Business and transportation	1,468,591	1,383,988
Indirect cost allocation plan	6,736	9,794
Depreciation	3,834,375	3,789,317
Other	11,171	11,073
Total operating expenses	<u>6,451,678</u>	<u>6,189,689</u>
Operating income (loss)	<u>602,686</u>	<u>29,279</u>
Nonoperating revenues		
Gain (loss) on disposal of assets	254,707	84,663
Other	116,781	165,980
Interest	61,984	24,191
Net non-operating revenues	<u>433,472</u>	<u>274,834</u>
Income before transfers	<u>1,036,158</u>	<u>304,113</u>
Transfers in	513,647	99,418
Transfers out	<u>(193,371)</u>	<u>(1,694)</u>
Change in net position	1,356,434	401,837
Net position, beginning of year	<u>31,799,343</u>	<u>31,397,506</u>
Net position, end of year	<u>\$ 33,155,777</u>	<u>\$ 31,799,343</u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016
(with comparative actual amounts for the year ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 7,054,364	\$ 6,218,968
Cash paid for:		
Salaries and benefits	(1,065,267)	(908,977)
Maintenance, supplies, fuel, utilities and equipment	(849,886)	(1,647,044)
Other supplies and miscellaneous costs	(11,171)	(11,073)
Net cash provided by operating activities	<u>5,128,040</u>	<u>3,651,874</u>
Cash flows from non-capital and related financing activities		
Transfers in	513,647	99,418
Transfers out	(193,371)	(1,694)
Net cash provided by non-capital and related financing activities	<u>320,276</u>	<u>97,724</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(4,415,824)	(2,654,627)
Proceeds from disposition of capital assets	378,027	144,247
Miscellaneous proceeds	116,781	165,980
Net cash used in capital and other related financing activities	<u>(3,921,016)</u>	<u>(2,344,400)</u>
Cash flows from investing activities		
Interest income	69,198	26,473
Net cash provided by investing activities	<u>69,198</u>	<u>26,473</u>
Net change in cash and cash equivalents	1,596,498	1,431,671
Cash and cash equivalents, beginning of year	21,006,872	19,575,201
Cash and cash equivalents, end of year	<u>\$ 22,603,370</u>	<u>\$ 21,006,872</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 602,686	\$ 29,279
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,834,375	3,789,317
(Increase) decrease in assets:		
Inventories	(41,946)	(27,455)
Increase (decrease) in liabilities:		
Accounts payable	738,114	(162,059)
Accrued salaries, wages and compensated absences	(5,189)	22,792
Net cash provided by operating activities	<u>\$ 5,128,040</u>	<u>\$ 3,651,874</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, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Totals-Agency Funds				
Assets:				
Cash and investments	\$ 16,194,213	\$ 44,393,232	\$ 45,316,722	\$ 15,270,723
Pooled cash and investments	222,835,364	715,540,787	566,282,421	372,093,730
Taxes receivable	156,409,282	715,520,486	701,482,273	170,447,495
Fees receivable	468,556	10,066,229	9,945,321	589,464
Total assets	<u>\$ 395,907,415</u>	<u>\$ 1,485,520,734</u>	<u>\$ 1,323,026,737</u>	<u>\$ 558,401,412</u>
Liabilities:				
Due to others	<u>\$ 395,907,415</u>	<u>\$ 1,485,520,734</u>	<u>\$ 1,323,026,737</u>	<u>\$ 558,401,412</u>
Total liabilities	<u>\$ 395,907,415</u>	<u>\$ 1,485,520,734</u>	<u>\$ 1,323,026,737</u>	<u>\$ 558,401,412</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, June 30, 2015	Additions	Deductions	Balance June 30, June 30, 2016
<u>City of Conway</u>				
Assets:				
Pooled cash and investments	\$ 80,893	\$ 5,508,029	\$ 5,495,777	\$ 93,145
Taxes receivable	1,480,979	5,048,016	5,508,029	1,020,966
Total	<u>\$ 1,561,872</u>	<u>\$ 10,556,045</u>	<u>\$ 11,003,806</u>	<u>\$ 1,114,111</u>
Liabilities:				
Due to others	<u>\$ 1,561,872</u>	<u>\$ 10,556,045</u>	<u>\$ 11,003,806</u>	<u>\$ 1,114,111</u>
<u>City of Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 387,930	\$ 30,725,515	\$ 30,774,782	\$ 338,663
Taxes receivable	5,931,374	29,538,240	30,138,319	5,331,295
Fees receivable	27,087	590,605	587,196	30,496
Total	<u>\$ 6,346,391</u>	<u>\$ 60,854,360</u>	<u>\$ 61,500,297</u>	<u>\$ 5,700,454</u>
Liabilities:				
Due to others	<u>\$ 6,346,391</u>	<u>\$ 60,854,360</u>	<u>\$ 61,500,297</u>	<u>\$ 5,700,454</u>
<u>Town of Loris</u>				
Assets:				
Pooled cash and investments	\$ 14,157	\$ 995,244	\$ 1,002,025	\$ 7,376
Taxes receivable	347,676	868,650	995,244	221,082
Total	<u>\$ 361,833</u>	<u>\$ 1,863,894</u>	<u>\$ 1,997,269</u>	<u>\$ 228,458</u>
Liabilities:				
Due to others	<u>\$ 361,833</u>	<u>\$ 1,863,894</u>	<u>\$ 1,997,269</u>	<u>\$ 228,458</u>
<u>City of North Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 155,645	\$ 14,767,434	\$ 14,808,351	\$ 114,728
Taxes receivable	1,100,584	14,893,120	14,767,434	1,226,270
Total	<u>\$ 1,256,229</u>	<u>\$ 29,660,554</u>	<u>\$ 29,575,785</u>	<u>\$ 1,340,998</u>
Liabilities:				
Due to others	<u>\$ 1,256,229</u>	<u>\$ 29,660,554</u>	<u>\$ 29,575,785</u>	<u>\$ 1,340,998</u>
<u>Town of Surfside Beach</u>				
Assets:				
Pooled cash and investments	\$ 18,613	\$ 2,982,456	\$ 2,978,044	\$ 23,025
Taxes receivable	221,082	3,012,017	2,982,456	250,643
Total	<u>\$ 239,695</u>	<u>\$ 5,994,473</u>	<u>\$ 5,960,500</u>	<u>\$ 273,668</u>
Liabilities:				
Due to others	<u>\$ 239,695</u>	<u>\$ 5,994,473</u>	<u>\$ 5,960,500</u>	<u>\$ 273,668</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, June 30, 2015	Additions	Deductions	Balance June 30, June 30, 2016
<u>Town of Atlantic Beach</u>				
Assets:				
Pooled cash and investments	\$ 3,481	\$ 220,667	\$ 220,756	\$ 3,392
Taxes receivable	28,253	232,958	220,667	40,544
Total	<u>\$ 31,734</u>	<u>\$ 453,625</u>	<u>\$ 441,423</u>	<u>\$ 43,936</u>
Liabilities:				
Due to others	<u>\$ 31,734</u>	<u>\$ 453,625</u>	<u>\$ 441,423</u>	<u>\$ 43,936</u>
<u>Town of Aynor</u>				
Assets:				
Pooled cash and investments	\$ 1,668	\$ 178,011	\$ 175,398	\$ 4,281
Taxes receivable	32,443	178,620	178,011	33,052
Total	<u>\$ 34,111</u>	<u>\$ 356,631</u>	<u>\$ 353,409</u>	<u>\$ 37,333</u>
Liabilities:				
Due to others	<u>\$ 34,111</u>	<u>\$ 356,631</u>	<u>\$ 353,409</u>	<u>\$ 37,333</u>
<u>Town of Briarcliff Acres</u>				
Assets:				
Pooled cash and investments	\$ 3,550	\$ 283,034	\$ 282,547	\$ 4,037
Taxes receivable	11,920	288,078	283,034	16,964
Total	<u>\$ 15,470</u>	<u>\$ 571,112</u>	<u>\$ 565,581</u>	<u>\$ 21,001</u>
Liabilities:				
Due to others	<u>\$ 15,470</u>	<u>\$ 571,112</u>	<u>\$ 565,581</u>	<u>\$ 21,001</u>
<u>Horry County School District</u>				
<u>Horry County School District Operations/Debt</u>				
Assets:				
Pooled cash and investments	\$ 218,041,425	\$ 651,403,387	\$ 505,890,643	\$ 363,554,169
Taxes receivable	147,131,241	659,346,435	644,332,322	162,145,354
Fees receivable	300,165	7,150,169	7,071,065	379,269
Total	<u>\$ 365,472,831</u>	<u>\$ 1,317,899,991</u>	<u>\$ 1,157,294,030</u>	<u>\$ 526,078,792</u>
Liabilities:				
Due to others	<u>\$ 365,472,831</u>	<u>\$ 1,317,899,991</u>	<u>\$ 1,157,294,030</u>	<u>\$ 526,078,792</u>
<u>Murrells Inlet-Garden City</u>				
<u>Murrells Inlet-Garden City Fire District</u>				
Assets:				
Pooled cash and investments	\$ 24,221	\$ 2,075,345	\$ 2,062,350	\$ 37,216
Taxes receivable	123,730	2,112,940	2,075,345	161,325
Total	<u>\$ 147,951</u>	<u>\$ 4,188,285</u>	<u>\$ 4,137,695</u>	<u>\$ 198,541</u>
Liabilities:				
Due to others	<u>\$ 147,951</u>	<u>\$ 4,188,285</u>	<u>\$ 4,137,695</u>	<u>\$ 198,541</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, June 30, 2015	Additions	Deductions	Balance June 30, June 30, 2016
<u>Grand Strand Water and Sewer Authority</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 1,412	\$ 702	\$ 710
Front footage assessment	-	1,412	1,412	-
Total	<u>\$ -</u>	<u>\$ 2,824</u>	<u>\$ 2,114</u>	<u>\$ 710</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ 2,824</u>	<u>\$ 2,114</u>	<u>\$ 710</u>
<u>Fireman's Fund</u>				
Assets:				
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Due to others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	<u>\$ 68,351</u>	<u>\$ 461,419</u>	<u>\$ 172,072</u>	<u>\$ 357,698</u>
Liabilities:				
Due to others	<u>\$ 68,351</u>	<u>\$ 461,419</u>	<u>\$ 172,072</u>	<u>\$ 357,698</u>
<u>Police Fund</u>				
Assets:				
Cash	<u>\$ 1,199</u>	<u>\$ 71,064</u>	<u>\$ 66,611</u>	<u>\$ 5,652</u>
Liabilities:				
Due to others	<u>\$ 1,199</u>	<u>\$ 71,064</u>	<u>\$ 66,611</u>	<u>\$ 5,652</u>
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	<u>\$ 80,142</u>	<u>\$ 12,263</u>	<u>\$ -</u>	<u>\$ 92,405</u>
Liabilities:				
Due to others	<u>\$ 80,142</u>	<u>\$ 12,263</u>	<u>\$ -</u>	<u>\$ 92,405</u>
<u>Environmental Services</u>				
Assets:				
Cash	<u>\$ 46,100</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 46,239</u>
Liabilities:				
Due to others	<u>\$ 46,100</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 46,239</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, June 30, 2015	Additions	Deductions	Balance June 30, June 30, 2016
<u>Library Endowment</u>				
Assets:				
Cash	\$ 71,597	\$ 2,190	\$ 2,500	\$ 71,287
Liabilities:				
Due to others	\$ 71,597	\$ 2,190	\$ 2,500	\$ 71,287
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 267,077	\$ 99,759	\$ 302,334	\$ 64,502
Liabilities:				
Due to others	\$ 267,077	\$ 99,759	\$ 302,334	\$ 64,502
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ 62,497	\$ 83,046	\$ 86,815	\$ 58,728
Liabilities:				
Due to others	\$ 62,497	\$ 83,046	\$ 86,815	\$ 58,728
<u>Solicitor DEU Forfeiture</u>				
Assets:				
Cash	\$ 168,754	\$ 207,952	\$ 167,731	\$ 208,975
Liabilities:				
Due to others	\$ 168,754	\$ 207,952	\$ 167,731	\$ 208,975
<u>Police Counterfeit Program</u>				
Assets:				
Cash	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Due to others	\$ -	\$ -	\$ -	\$ -
<u>Police Flower Fund</u>				
Assets:				
Cash	\$ 4,854	\$ 2,165	\$ 3,980	\$ 3,039
Liabilities:				
Due to others	\$ 4,854	\$ 2,165	\$ 3,980	\$ 3,039

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, June 30, 2015	Additions	Deductions	Balance June 30, June 30, 2016
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Pooled cash and investments	\$ 11,250	\$ -	\$ 11,250	\$ -
Cash	7,383,038	2,287,060	2,324,038	7,346,060
Fees receivable	141,304	2,325,455	2,287,060	179,699
Total	<u>\$ 7,535,592</u>	<u>\$ 4,612,515</u>	<u>\$ 4,622,348</u>	<u>\$ 7,525,759</u>
Liabilities:				
Due to others	<u>\$ 7,535,592</u>	<u>\$ 4,612,515</u>	<u>\$ 4,622,348</u>	<u>\$ 7,525,759</u>
<u>Developer LOC</u>				
Assets:				
Pooled cash and investments	<u>\$ 4,092,531</u>	<u>\$ 6,400,253</u>	<u>\$ 2,579,796</u>	<u>\$ 7,912,988</u>
Liabilities:				
Due to others	<u>\$ 4,092,531</u>	<u>\$ 6,400,253</u>	<u>\$ 2,579,796</u>	<u>\$ 7,912,988</u>
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash and investments	<u>\$ 8,040,604</u>	<u>\$ 41,166,175</u>	<u>\$ 42,190,641</u>	<u>\$ 7,016,138</u>
Liabilities:				
Due to others	<u>\$ 8,040,604</u>	<u>\$ 41,166,175</u>	<u>\$ 42,190,641</u>	<u>\$ 7,016,138</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represent actual costs of construction, and/or estimated values of deeded properties by developers

HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE

June 30, 2016

(With comparative amounts for June 30, 2015)

Governmental funds- capital assets	<u>2016</u>	<u>2015</u>
Land and easements	\$ 23,758,693	\$ 23,051,248
Land improvements	8,931,458	8,530,656
Buildings and improvements	237,300,324	236,930,009
Machinery, equipment and vehicles	105,152,711	93,556,601
Intangible Assets	552,070	552,070
Infrastructure	482,985,121	473,894,049
Construction-in-progress	<u>42,527,535</u>	<u>38,568,537</u>
 Total governmental funds capital assets	 <u>\$ 901,207,912</u>	 <u>\$ 875,083,170</u>
 Investment in governmental funds		
capital assets by source		
General Obligations Bonds	\$ 185,713,571	\$ 185,713,571
General Fund Revenue	137,360,921	132,940,640
Special Revenue Fund Revenue	52,646,617	43,992,185
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	<u>515,436,500</u>	<u>502,386,471</u>
 Total investment in governmental funds capital assets	 <u>\$ 901,207,912</u>	 <u>\$ 875,083,170</u>

HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

June 30, 2016

	Land	Land improvements	Buildings and improvements	Machinery Equipment & Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
Function and Activity:								
General government	\$ 13,425,645	\$ 1,792,974	\$ 79,121,247	\$ 28,117,677	\$ 552,070	\$ -	\$ -	\$ 123,009,613
Public safety	2,820,004	144,057	100,119,836	69,789,611	-	-	-	172,873,508
Infrastructure	853,532	943,724	3,628,448	3,724,921	-	482,985,121	-	492,135,746
Health and social services	90,000	-	8,516,304	20,910	-	-	-	8,627,214
Cultural and recreation	6,569,512	6,050,703	45,914,489	3,499,592	-	-	-	62,034,296
Construction-in-progress	-	-	-	-	-	-	42,527,535	42,527,535
Total governmental funds capital assets	\$ 23,758,693	\$ 8,931,458	\$ 237,300,324	\$ 105,152,711	\$ 552,070	\$ 482,985,121	\$ 42,527,535	\$ 901,207,912

HORRY COUNTY, SOUTH CAROLINA

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

	Balances June 30, 2015	Additions	Deletions/ Transfers	Balances June 30, 2016
Functions and Activity:				
General government	\$ 120,481,725	1,885,122	642,766	\$ 123,009,613
Public Safety	162,490,415	22,508	10,360,585	172,873,508
Infrastructure & Regulation	483,266,003	8,488,017	381,726	492,135,746
Health and Social Services	8,627,214	-	-	8,627,214
Cultural and Recreation	61,649,276	225,837	159,183	62,034,296
Construction-in-progress	38,568,537	17,029,581	(13,070,583)	42,527,535
Total governmental funds capital assets	\$ 875,083,170	\$ 27,651,065	\$ (1,526,323)	\$ 901,207,912
Class:				
Land and easements	\$ 23,051,248	100,001	607,444	\$ 23,758,693
Land improvements	8,530,656	262,343	138,459	8,931,458
Buildings and improvements	236,930,009	-	370,315	237,300,324
Machinery, equipment and vehicles	93,556,601	1,871,008	9,725,102	105,152,711
Intangible Assets	552,070	-	-	552,070
Infrastructure	473,894,049	8,388,132	702,940	482,985,121
Construction-in-progress	38,568,537	17,029,581	(13,070,583)	42,527,535
Total governmental funds capital assets	\$ 875,083,170	\$ 27,651,065	\$ (1,526,323)	\$ 901,207,912

VICTIM'S RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2016
(with comparison for the year ended June 30, 2015)

<u>Collected</u>	Clerk of Court	Magistrate	Probate	Total 2016	Total 2015
Fines collected	\$ 1,836,506	\$ 2,971,613	\$ 59,420	\$ 4,867,539	\$ 5,122,052
Assessments collected	87,275	584,343	-	671,618	664,076
Surcharges collect	124,739	663,490	-	788,229	862,085
Total collected	\$ 2,048,520	\$ 4,219,446	\$ 59,420	\$ 6,327,386	\$ 6,648,213
<u>Retained by County</u>					
Fines	\$ 452,634	\$ 1,875,338	\$ -	\$ 2,327,972	\$ 2,501,948
Assessments	30,907	153,545	-	184,452	190,897
Surcharges	96,882	60,862	-	157,744	135,895
Total retained by County	\$ 580,423	\$ 2,089,745	\$ -	\$ 2,670,168	\$ 2,828,740
<u>Remitted to State</u>					
Fines	\$ 1,383,872	\$ 1,096,275	\$ 59,420	\$ 2,539,567	\$ 2,620,104
Assessments	56,368	430,798	-	487,166	473,179
Surcharges	27,857	602,628	-	630,485	726,190
Total remitted to State	\$ 1,468,097	\$ 2,129,701	\$ 59,420	\$ 3,657,218	\$ 3,819,473

HORRY COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULES
 CAPITAL PROJECTS SALES TAX
 FOR THE YEAR ENDED JUNE 30, 2016

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Pave 20 miles - DR	\$ 19,600,000	\$ 11,365,340	11,365,330	10
Project #2	Resurface 12 miles	945,000	839,422	839,422	-
Project #3	Backgate Interchange	49,500,000	123,370,000 ¹	102,822,757	20,547,243
Project #4	Widen 707	132,250,000	103,410,000	46,767,348	56,642,652
Project #5	Pave 25 miles - DR	25,750,000	22,750,988	10,536,367	12,214,621
Project #6	Resurface 12 miles	990,000	1,095,578	1,095,578	-
Project #7	Aynor Overpass	46,000,000	16,172,458	16,037,626	134,832
Project #8	Resurface 12 miles	1,035,000	1,500,300	1,473,826	26,474
Project #9	Widen Glenns Bay	76,000,000	76,034,044	38,798,956	37,235,088
Project #10	Resurface 12 miles	1,080,000	1,791,256	1,211,332	579,924
Project #11	Pave 25 miles - DR	27,750,000	27,755,232	14,173,815	13,581,417
Project #12	Resurface 12 miles	1,125,000	1,798,537	483,842	1,314,695
Project #13	International Dr	6,500,000	15,500,000	1,061,197	14,438,803
Project #14	Resurface 7 miles	682,500	948,029	125,710	822,319
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>36,128,500</u>	<u>5,360,125</u>	<u>30,768,375</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 440,459,684</u>	<u>\$ 252,153,231</u>	<u>\$ 188,306,453</u>

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

DR = Dirt Road

Note: From inception through June 30, 2016.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2016
(With comparative actual amounts for the year ended June 30, 2015)

	2016				2015
	Budget		Actual	Variance	Actual
	Original	Final			
Revenues					
Disposal fee	\$ 686,250	\$ 686,250	\$ 781,419	\$ 95,169	\$ 709,972
Intergovernmental - state	535,000	535,000	455,250	(79,750)	920,590
Intergovernmental - other	348,476	777,839	430,315	(347,524)	227,138
Interest	-	-	71,274	71,274	45,274
Other-donations	-	1,981,000	-	(1,981,000)	159,120
Total revenues	<u>1,569,726</u>	<u>3,980,089</u>	<u>1,738,258</u>	<u>(2,241,831)</u>	<u>2,062,094</u>
Expenditures					
Capital outlay:					
Contractual Services	-	15,746	-	15,746	-
Supplies and materials	-	-	679,483	(679,483)	1,758,005
Infrastructure	-	303,501	-	303,501	-
Capital outlay	9,140,427	32,744,477	7,761,330	24,983,147	13,775,279
Contingency	535,000	2,170,448	-	2,170,448	(26,043)
Capital lease principal	3,524,622	3,527,107	1,892,842	1,634,265	2,105,271
Capital lease interest	738,376	752,423	749,450	2,973	186,605
Other	-	8,942	-	8,942	13,316
Total expenditures	<u>13,938,425</u>	<u>39,522,644</u>	<u>11,083,105</u>	<u>28,439,539</u>	<u>17,812,433</u>
Excess (deficiency) of revenue over expenditures	<u>(12,368,699)</u>	<u>(35,542,555)</u>	<u>(9,344,847)</u>	<u>26,197,708</u>	<u>(15,750,339)</u>
Other Financing Sources (Uses)					
Bond proceeds	4,150,000	2,850,000	-	(2,850,000)	-
Capital lease	400,000	370,950	370,950	-	4,675,962
Transfers in	7,290,733	23,678,081	22,724,168	(953,913)	3,234,636
Transfers out	(228,514)	(274,598)	(274,598)	-	(260,083)
Total other financing sources (uses)	<u>11,612,219</u>	<u>26,624,433</u>	<u>22,820,520</u>	<u>(3,803,913)</u>	<u>7,650,515</u>
Net change in fund balance	<u>(756,480)</u>	<u>(8,918,122)</u>	<u>13,475,673</u>	<u>22,393,795</u>	<u>(8,099,824)</u>
Fund balance at beginning of year	<u>8,918,122</u>	<u>8,918,122</u>	<u>8,918,122</u>	<u>-</u>	<u>17,017,946</u>
Fund balance at end of year	<u>\$ 8,161,642</u>	<u>\$ -</u>	<u>\$ 22,393,795</u>	<u>\$ 22,393,795</u>	<u>\$ 8,918,122</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>2007</u>	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u> as restated	<u>2014</u> as restated	<u>2015</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$ 406,013	\$ 386,522	\$ 488,550	\$ 532,927	\$ 551,832	\$ 576,387	\$ 592,217	\$ 609,438	\$ 619,432	\$ 641,192
Restricted	64,674	186,578	206,516	231,335	309,063	348,119	345,339	353,422	311,619	276,761
Unrestricted	(251,630)	(241,001)	(255,722)	(218,404)	(256,844)	(240,372)	(162,562)	(116,907)	(215,437)	(162,063)
Total governmental activities net position	<u>\$ 219,057</u>	<u>\$ 332,099</u>	<u>\$ 439,344</u>	<u>\$ 545,858</u>	<u>\$ 604,051</u>	<u>\$ 684,134</u>	<u>\$ 774,994</u>	<u>\$ 845,953</u>	<u>\$ 715,614</u>	<u>\$ 755,890</u>
Business-type activities										
Net investment in capital assets	\$ 72,687	\$ 80,109	\$ 87,137	\$ 104,452	\$ 116,287	\$ 138,123	\$ 168,610	\$ 171,153	\$ 193,870	\$ 188,866
Restricted	34,046	26,679	26,894	30,469	42,403	45,038	32,929	33,430	36,532	39,132
Unrestricted	32,682	41,020	45,253	41,989	43,140	42,948	43,095	47,059	33,043	37,298
Total business-type activities net position	<u>\$ 139,415</u>	<u>\$ 147,808</u>	<u>\$ 139,284</u>	<u>\$ 176,910</u>	<u>\$ 201,830</u>	<u>\$ 226,109</u>	<u>\$ 244,634</u>	<u>\$ 251,642</u>	<u>\$ 263,445</u>	<u>\$ 265,296</u>
Primary government										
Net investment in capital assets	\$ 478,700	\$ 466,631	\$ 575,687	\$ 637,378	\$ 668,119	\$ 714,510	\$ 760,827	\$ 780,591	\$ 813,302	\$ 830,058
Restricted	98,719	213,257	233,410	261,804	351,466	393,157	378,268	386,852	348,151	315,893
Unrestricted (deficit)	(218,948)	(199,981)	(210,469)	(176,415)	(213,704)	(197,424)	(119,467)	(69,848)	(182,394)	(124,765)
Total primary government net position	<u>\$ 358,471</u>	<u>\$ 479,907</u>	<u>\$ 598,628</u>	<u>\$ 722,767</u>	<u>\$ 805,881</u>	<u>\$ 910,243</u>	<u>\$ 1,019,628</u>	<u>\$ 1,097,595</u>	<u>\$ 979,059</u>	<u>\$ 1,021,186</u>

**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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
		as restated	as restated				as restated	as restated		
Expenses										
Governmental activities:										
General government	\$ 40,691	\$ 38,239	\$ 37,914	\$ 34,971	\$ 34,962	\$ 33,091	\$ 33,488	\$ 35,355	\$ 33,225	\$ 36,108
Public safety	72,570	98,133	101,642	91,214	101,668	106,451	99,823	108,655	112,844	117,871
Health and social services	980	2,542	2,432	2,354	2,504	2,659	2,753	2,852	2,738	2,548
Infrastructure and regulation	14,126	18,910	23,492	31,037	34,998	28,236	27,786	27,780	30,247	32,638
Improvements to state roadways	-	-	-	-	35,731	15,722	25,118	31,821	33,078	32,980
Culture, recreation and tourism	9,133	10,836	9,426	4,629	9,307	10,523	11,376	12,046	13,331	14,388
Economic development	313	430	2,292	2,019	1,366	3,555	2,882	3,786	3,465	2,307
Debt service	16,193	16,767	7,530	8,964	11,970	9,652	10,485	9,757	10,060	8,067
Horry-Georgetown Tech	2,800	3,000	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200
Higher Education Commission	410	910	1,170	1,140	1,325	1,200	1,150	1,236	2,606	1,249
Total governmental activities expenses	<u>157,216</u>	<u>189,767</u>	<u>188,898</u>	<u>180,301</u>	<u>237,246</u>	<u>214,436</u>	<u>218,346</u>	<u>236,788</u>	<u>245,017</u>	<u>251,356</u>
Business-type activities:										
Airport	26,663	19,714	17,440	17,264	19,818	19,834	22,482	30,284	31,962	32,065
Baseball Stadium	376	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>27,039</u>	<u>19,714</u>	<u>17,440</u>	<u>17,264</u>	<u>19,818</u>	<u>19,834</u>	<u>22,482</u>	<u>30,284</u>	<u>31,962</u>	<u>32,065</u>
Total primary government expenses	<u>184,255</u>	<u>209,481</u>	<u>206,338</u>	<u>197,565</u>	<u>257,064</u>	<u>234,270</u>	<u>240,828</u>	<u>267,072</u>	<u>276,979</u>	<u>283,421</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,206	12,295	10,203	11,899	12,346	12,595	20,979	19,180	17,360	17,508
Public safety	12,559	15,687	16,918	17,875	17,988	16,787	12,811	12,506	13,849	16,499
Health and social services	101	49	71	70	69	70	79	-	-	-
Infrastructure and regulation	11,936	4,177	4,387	11,666	12,165	12,634	12,261	12,579	17,860	25,784
Culture, recreation and tourism	97	593	99	108	91	93	88	95	117	115
Economic Development	-	-	-	-	-	-	69	127	141	332
Operating grants and contributions	641	597	5,196	4,800	2,769	2,368	4,864	5,355	10,450	11,445
Capital grants and contributions	358	666	317	1,908	10,702	6,726	4,899	3,015	3,231	7,709
Total governmental activities program revenues	<u>27,898</u>	<u>34,064</u>	<u>37,191</u>	<u>48,326</u>	<u>56,130</u>	<u>51,273</u>	<u>56,050</u>	<u>52,857</u>	<u>63,008</u>	<u>79,392</u>

**HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
		as restated	as restated				as restated			
Business-type activities:										
Charges for services:										
Airport	26,539	24,634	19,726	18,902	24,661	25,841	24,433	28,291	30,215	30,337
Baseball Stadium	9	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	2,992	3,217	7,310	4,720	2,424	2,102	2,163	2,169
Capital grants and contributions	-	-	-	12,486	12,115	12,949	14,565	6,415	20,655	694
Total business-type activities program revenues	26,548	24,634	22,718	34,605	44,086	43,510	41,422	36,808	53,033	33,200
Total primary government program revenues	54,446	58,698	59,909	82,931	100,216	94,783	97,472	89,665	116,041	112,592
Net (Expense)/Revenues										
Governmental activities	(129,318)	(155,703)	(151,707)	(131,975)	(181,116)	(163,163)	(162,296)	(183,931)	(182,009)	(171,964)
Business-type activities	(491)	4,920	5,278	17,341	24,268	23,676	18,973	6,524	21,071	1,135
Total primary government program net expense	<u>(129,809)</u>	<u>(150,783)</u>	<u>(146,429)</u>	<u>(114,634)</u>	<u>(156,848)</u>	<u>(139,487)</u>	<u>(143,323)</u>	<u>(177,407)</u>	<u>(160,938)</u>	<u>(170,829)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	105,141	104,702	117,673	115,546	165,944	173,342	180,833	180,437	121,250	140,530
Investment earnings	8,030	7,880	6,717	4,656	2,382	2,014	1,770	1,923	1,334	1,995
Other	73,707	156,476	145,733	118,287	69,863	67,890	70,172	72,530	67,709	69,715
Transfers	(305)	(312)	(500)	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	1,120	-	-	-	-	-
Total governmental activities	186,573	268,746	269,623	238,489	239,309	243,246	252,775	254,890	190,293	212,240
Business-type activities:										
Other	(14,474)	-	4,091	(446)	453	282	198	177	66	324
Investment earnings	3,626	3,161	1,607	731	199	321	306	307	200	392
Transfers	305	312	500	-	-	-	-	-	-	-
Total business-type activities	<u>(10,543)</u>	<u>3,473</u>	<u>6,198</u>	<u>285</u>	<u>652</u>	<u>603</u>	<u>504</u>	<u>484</u>	<u>266</u>	<u>716</u>
Total primary government	176,030	272,219	275,821	238,774	239,961	243,849	253,279	255,374	190,559	212,956
Change in Net Position										
Governmental activities:										
Business-type activities:										
Total primary government	\$ 46,221	\$ 121,436	\$ 129,392	\$ 124,140	\$ 83,113	\$ 104,362	\$ 109,956	\$ 77,967	\$ 29,621	\$ 42,127

(1) The Baseball Stadium has been moved from a Business-type activity to a Governmental activity in the Special Revenue Funds.

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
		as restated	as restated				as restated			
General fund										
Reserved	\$ 1,273	\$ 1,250	\$ 1,174	\$ 3,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved/designated	3,567	3,254	5,309	8,375	-	-	-	-	-	-
Unreserved/undesignated	22,089	24,579	24,341	24,739	-	-	-	-	-	-
Nonspendable	-	-	-	-	1,532	169	1,975	77	1,319	338
Restricted	-	-	-	-	-	-	1,000	117	-	-
Committed	-	-	-	-	25,392	29,082	28,282	31,775	27,273	46,565
Assigned	-	-	-	-	343	343	473	-	-	-
Unassigned	-	-	-	-	9,797	7,108	10,431	9,391	12,194	7,734
Total general fund	<u>26,929</u>	<u>29,083</u>	<u>30,824</u>	<u>36,763</u>	<u>37,064</u>	<u>36,702</u>	<u>42,161</u>	<u>41,360</u>	<u>40,786</u>	<u>54,637</u>
All other governmental funds										
Reserved	70,700	196,056	272,586	256,012	-	-	-	-	-	-
Unreserved for:										
Special revenue funds	33,671	33,327	3,721	38,972	-	-	-	-	-	-
Capital project funds (deficit)	19,080	12,415	(7,235)	2,016	-	-	-	-	-	-
Nonspendable	-	-	-	-	857	20	19	75	-	210
Restricted	-	-	-	-	291,148	321,734	353,322	398,696	360,259	331,527
Committed	-	-	-	-	16,719	13,420	24,270	26,581	29,857	33,702
Unassigned	-	-	-	-	(1,199)	(1,134)	(3,292)	(107)	(469)	(314)
Total all other governmental funds	<u>123,451</u>	<u>241,798</u>	<u>269,072</u>	<u>297,000</u>	<u>307,525</u>	<u>334,040</u>	<u>374,319</u>	<u>425,245</u>	<u>389,647</u>	<u>365,125</u>
Total governmental fund balances	<u>\$ 150,380</u>	<u>\$ 270,881</u>	<u>\$ 299,896</u>	<u>\$ 333,763</u>	<u>\$ 344,589</u>	<u>\$ 370,742</u>	<u>\$ 416,480</u>	<u>\$ 466,605</u>	<u>\$ 430,433</u>	<u>\$ 419,762</u>

*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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
			as restated			as restated	as restated			
Revenues										
Property Taxes	\$ 93,557	\$ 104,607	\$ 114,821	\$ 118,249	\$ 115,241	\$ 114,481	\$ 117,238	\$ 124,996	\$ 123,181	\$ 139,589
Licenses and permits	12,128	9,999	7,551	6,572	6,272	6,537	7,344	7,797	8,805	10,217
Intergovernmental	22,570	21,210	22,296	24,025	19,701	34,545	22,391	25,030	22,216	22,572
Sales Tax Major Capital Projects (3)	-	63,537	63,549	58,070	61,477	64,802	65,732	69,733	1,139	304
Fees and fines	61,679	64,570	65,709	66,446	34,081	33,301	36,178	33,491	35,992	44,562
Hospitality & Local Accommodations fees (4)	-	-	-	-	36,867	39,452	39,917	42,291	45,280	47,348
Documentary Stamps	6,966	4,356	2,406	2,469	2,305	2,340	2,764	3,200	3,823	4,135
Interest on investments	8,030	7,880	7,834	4,658	2,383	2,015	1,770	1,923	1,310	1,933
Accommodation tax (1)	1,014	996	865	845	3,835	3,677	4,082	4,135	3,890	4,026
Cost allocation	1,426	1,685	2,100	3,077	3,055	3,167	2,787	3,069	3,302	3,570
Other	3,553	5,585	4,617	4,018	3,864	4,448	4,900	4,614	4,529	6,207
Total revenues	210,923	284,425	291,748	288,429	289,081	308,765	305,103	320,279	253,467	284,463
Expenditures										
General government	27,254	30,143	30,810	28,070	28,687	28,210	29,673	30,150	28,222	30,807
Public safety	73,533	79,117	84,810	87,461	93,942	99,887	92,996	101,040	104,798	110,286
Infrastructure and regulation (2)	31,078	32,898	29,208	31,611	54,990	59,689	52,922	60,474	29,994	33,125
Economic development	312	383	2,292	2,019	1,423	1,800	1,753	2,737	3,502	2,339
Health and social services	861	822	867	2,232	2,382	2,436	2,532	2,624	2,510	2,296
Culture and recreation	8,387	8,699	8,821	9,807	8,863	9,786	10,577	10,833	11,748	12,698
Capital outlay	11,175	28,822	50,118	56,796	37,060	29,302	16,749	19,113	31,983	20,541
Conservation and natural resources	1	47	-	-	-	-	-	-	-	-
Horry-Georgetown Tech	2,800	3,000	3,000	3,973	3,415	3,347	3,485	3,500	3,423	3,200
Higher Education	410	910	1,170	1,140	1,325	1,200	1,150	1,236	1,204	1,249
Improvements to state roadways	-	-	-	-	-	-	-	-	33,078	32,980
Debt service:										
Principal	19,455	21,704	28,130	27,675	31,198	33,299	26,305	28,408	28,528	30,983
Interest and fees	15,377	14,477	16,075	17,359	14,605	13,687	21,509	20,890	23,180	21,058
Other charges	6,419	10,925	5,008	1,025	44	1,906	1,194	1,119	-	-
Total expenditures	197,062	231,947	260,309	269,168	277,934	284,549	260,845	282,124	302,170	301,562
Excess of revenues over (under) expenditures	13,861	52,478	31,439	19,261	11,147	24,216	44,258	38,155	(48,703)	(17,099)

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
			as restated			as restated	as restated			
Transfers in	55,044	50,686	48,717	45,103	16,176	11,733	9,693	12,709	12,347	30,663
Transfers out	(55,349)	(50,997)	(49,221)	(45,103)	(19,967)	(12,759)	(10,981)	(13,166)	(12,445)	(30,920)
Issuance of debt and lease financing	11,000	62,000	8,155	26,040	-	8,740	-	252	29,500	20,910
Premium on bonds issued	-	1,496	-	1,151	-	285	-	-	-	-
Payments to refunded bond escrow agent	-	-	(10,671)	(13,260)	-	(8,881)	-	-	(29,384)	(15,337)
Capital leases	-	4,442	-	-	-	-	-	-	-	-
Sale of assets	44	330	400	94	259	216	148	95	95	513
Other	-	-	-	580	2,091	2,603	460	12,082	12,312	600
Total other financing sources (uses)	10,739	67,957	(2,620)	14,605	(1,441)	1,937	(680)	11,972	12,425	6,429
Extraordinary item	-	-	-	-	1,120	-	-	-	-	-
Net change in fund balances (3)	\$ 24,600	\$ 120,435	\$ 28,819	\$ 33,866	\$ 10,826	\$ 26,153	\$ 43,578	\$ 50,127	\$ (36,278)	\$ (10,670)
Debt service as a percentage of noncapital expenditures	18.7%	17.6%	21.0%	21.2%	16.9%	20.0%	19.9%	18.7%	19.1%	18.5%

- (1) Accommodation taxes are considered Special Assessments.
- (2) Prior to fiscal year ended June 30, 2004, expenses for Infrastructure and Regulation were classified as Public Works.
- (3) Major Capital Projects Sales Tax added 2008.
- (4) Prior to fiscal year ended June 30, 2011, Hospitality and Local Accommodations fees were classified as Intergovernmental.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	REAL PROPERTY (1) (2) (3)			PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (7)	TOTAL DIRECT TAX RATE (6) (7)	ESTIMATED ACTUAL TAXABLE VALUE (5) (7)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
		RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER				
2006	2007	326,176	980,924	5,031	148,820	145,614	1,606,565	46.3	28,190,764	5.70%
2007	2008	354,361	1,107,275	5,167	142,105	160,068	1,768,976	47.3	31,163,189	5.68%
2008	2009	394,601	1,264,297	5,088	133,789	172,811	1,970,586	47.3	34,797,636	5.66%
2009	2010	419,503	1,278,502	5,162	128,942	174,070	2,006,179	47.3	35,591,828	5.64%
2010	2011	465,852	1,282,410	5,524	109,872	165,332	2,028,990	44.9	36,448,278	5.57%
2011	2012	478,287	1,283,108	5,552	120,615	157,156	2,044,718	45.2	36,851,012	5.55%
2012	2013	489,498	1,269,741	5,597	134,214	154,820	2,053,870	45.2	37,099,739	5.54%
2013	2014	499,771	1,274,902	5,558	152,537	151,714	2,084,482	45.2	37,690,344	5.53%
2014	2015	489,077	1,215,768	5,474	173,197	213,486	2,097,002	45.2	37,546,392	5.59%
2015	2016	513,292	1,227,759	5,423	184,997	172,049	2,103,520	52.4	38,152,375	5.51%

Notes:

- (1) Property in the County is reassessed every five years.
- (2) Tax-exempt property has already been deducted.
- (3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
- (4) The County assessed personal property at 6.0%, 6.75% or 10.5% of estimated taxable market value for FY2007.
- (5) Estimated actual taxable value = appraised value.
- (6) Direct tax rates are per \$1,000 of assessed value.
- (7) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.
- (8) General Note: Taxes for each tax year are due and payable the following fiscal year.

Source/s:

Horry County Finance Department
Horry County Assessor
Horry County Auditor

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	Tax Year (1)									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County Direct Rates (2)										
General Fund	36.7	36.7	36.7	36.7	34.8	35.6	35.6	35.6	35.6	42.8
Debt Retirement	5.3	5.3	5.3	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Senior Citizens Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Higher Education	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation (Began in 2001)	1.3	2.3	2.3	2.3	2.2	1.7	1.7	1.7	1.7	1.7
Total Direct Rate	46.3	47.3	47.3	47.3	44.9	45.2	45.2	45.2	45.2	52.4
Unincorp. County Rates (2)										
Rural Fire	16.3	16.3	16.3	16.3	15.2	15.2	15.2	15.2	19.5	19.5
Rural Fire App. Repl. (Began 2013)									1.7	1.7
Waste Management	6.4	6.4	6.4	6.4	6.0	6.0	6.0	6.0	6.0	6.0
School District Rates (2)										
Operating	107.3	115.3	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1
Debt Service	28.0	28.0	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0
Total School Rate	135.3	143.3	143.3	139.3	132.2	130.2	130.2	130.2	133.1	133.1
Other Fire Districts Rates (2)										
Aynor Fire Contract	16.3	16.3	16.3	16.3	15.2	15.2	15.2	15.2	21.2	21.2
Atlantic Beach Fire Contract	16.3	16.3	16.3	16.3	15.2	15.2	15.2	15.2	21.2	21.2
Murrells Inlet /Garden City Contract	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	14.0
City Rates (2)										
Town of Atlantic Beach	90.0	94.5	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	70.8	72.2	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliff Acres	50.0	52.8	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4
City of Loris	105.0	105.0	105.0	105.0	103.7	103.7	111.7	111.7	111.7	115.0
City of Myrtle Beach	61.4	61.4	64.4	62.9	66.1	66.1	66.1	66.1	74.5	74.5
City of Myrtle Beach Tax Credit (Began in 2010)				1.5	58.5	58.5	58.5	58.5	61.5	61.2
City of N. Myrtle Beach	30.5	30.5	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3
City of Surfside Beach	44.0	44.0	44.0	44.0	40.0	40.0	40.0	40.0	46.2	46.2

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	Tax Year (1)									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Special District Rates (2)										
Crabtree	3.6	3.6	3.6	3.6	3.2	3.2	3.2	3.2	3.2	3.2
Todd Swamp	3.5	3.5	3.5	3.5	3.1	3.1	3.1	3.1	3.1	3.1
Buck Creek	3.8	3.8	3.8	3.8	3.2	3.2	3.2	3.2	3.2	3.2
Simpson Creek	3.4	3.4	3.4	3.4	2.9	2.9	2.9	2.9	2.9	2.9
Mt Gilead	17.4	17.4	7.4	7.4	7.0	7.0	7.0	7.0	7.0	7.0
Socastee Rec	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8
Cartwheel	3.9	3.9	3.9	3.9	3.4	3.4	3.4	3.4	3.4	3.4
Gapway	3.8	3.8	3.8	3.8	3.1	3.1	3.1	3.1	3.1	3.1
Arcadian Shores	35.0	35.0	35.0	35.0	32.3	32.3	32.3	32.3	35.0	35.0
Hidden Woods (Began in TY 2012)							84.6	84.6	84.6	0.0
River Grande (Began in TY 2012)							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.
- (3) A property reappraisal was performed for the Tax Year 2010. This reappraisal was delayed by one (1) tax year.
- (4) A property reappraisal was performed for the Tax Year 2014.
- (5) A reappraisal is scheduled to be performed every five years. The County's next scheduled reappraisal date is December 31, 2018 for the Tax Year 2019.

Source: Horry County Assessor and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	Fiscal Year 2016 (Tax Year 2015)			Fiscal Year 2007 (Tax Year 2006)		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)
Burroughs & Chapin Inc & Subsidiaries (2)(3)	\$ 19,052,370	1	0.91%	33,910,266	1	2.11%
Horry Electric Cooperative Inc.	18,068,760	2	0.86%	13,452,095	2	0.84%
HRP Myrtle Beach Operations LLC (4)	6,156,280	3	0.29%			
Lawyers Title Insurance Corporation	5,255,230	4	0.25%	3,796,152	5	0.24%
Bluegreen Vacations Unlimited Inc.	4,897,510	5	0.23%	2,525,278	8	
Marriott Ownership Resorts Inc.	4,068,990	6	0.19%			
South Carolina Electric & Gas	3,795,170	7	0.18%	3,920,944	6	
AVX Corporation	3,716,146	8	0.18%	2,554,186	7	0.16%
Ocean Lakes Family Campground	3,407,060	9	0.16%			
Frontier Communications of the Carolinas	3,353,340	10	0.16%			
Horry Telephone Coop./HTC Communications Inc.				7,762,834	3	0.48%
Verizon South Inc.				7,418,230	4	0.46%
Wal-Mart Real Estate Business Trust				2,458,039	9	0.15%
Leroy Springs & Company Inc.				2,321,610	10	0.14%
Totals	\$ 71,770,856		3.41%	\$ 80,119,634		4.58%

Notes:

- (1) Property that is exempt from the County portion of taxes have been subtracted from Total Assessed Value.
- (2) TY 2015 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.
- (3) TY 2006 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.
- (4) HRP Myrtle Beach Operations LLC - The Hard Rock Park property is currently under bankruptcy protection.

Source: Horry County Treasurer

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

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			FISCAL YEAR OF THE LEVY	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2006	2007	93,987	89,919	95.67%	1,772	91,691	97.56%
2007	2008	104,959	99,918	95.20%	2,232	102,150	97.32%
2008	2009	116,478	108,765	93.38%	4,737	113,502	97.45%
2009	2010	117,841	110,020	93.36%	4,936	114,956	97.55%
2010	2011	114,534	108,254	94.52%	3,112	111,366	97.23%
2011	2012	115,734	108,294	93.57%	3,738	112,032	96.80%
2012	2013	116,221	109,743	94.43%	3,343	113,086	97.30%
2013	2014	123,735	117,524	94.98%	3,796	121,320	98.05%
2014	2015	123,477	117,081	94.82%	1,421	118,502	95.97%
2015	2016	133,259	128,217	96.22%			

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
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	
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE		BASEBALL STADIUM COPS		REVENUE BONDS	CAPITAL LEASES	OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME (1) (2)	DEBT PER CAPITA (1) (2)
			IGA	LOANS	CAPITAL LEASES	STADIUM COPS BONDS					
2007	80,120	12,725	350,132	12,027	2,162	24,300	383	481,849	6.45%	1,909	
2008	137,920	11,405	334,103	13,115	2,024	11,140	345	510,052	6.59%	1,957	
2009	129,840	10,035	315,760	9,828	1,880	10,620	306	478,269	6.26%	1,800	
2010	134,670	7,105	297,308	6,726	1,570	10,075	266	457,720	5.90%	1,692	
2011	125,967	5,410	276,765	4,908	1,405	60,590 (3)	224	475,269	5.84%	1,726	
2012	117,794	3,665	254,386	5,264	1,233	60,590	180	443,112	5.22%	1,573	
2013	110,788	1,860	230,067	3,869	1,233 (4)	60,590	685	409,092	4.58%	1,415	
2014	101,054	-	203,700	14,224	1,051	60,404	586	381,019	3.99%	1,277	
2015	93,099	-	175,172	24,134	861	59,196	484	352,946	3.48%	1,141	
2016	83,625	-	144,190	26,944	661	57,933	389	313,742	not available	not available	

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.

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)
2007	63,915	9,306	54,609	0.19%	225
2008	122,890	15,441	107,449	0.34%	426
2009	116,050	14,129	101,921	0.29%	391
2010	122,175	13,226	108,949	0.31%	410
2011	114,797	12,310	102,487	0.28%	379
2012	104,999	10,647	94,352	0.26%	343
2013	97,711	8,978	88,733	0.24%	315
2014	89,552	7,586	81,966	0.22%	284
2015	84,064	6,080	77,984	0.21%	261
2016	75,775	5,820	69,955	0.18%	226

Notes:

- (1) The restricted for debt service principal column has not been included because there are no restricted assets for general obligation bonds.
- (2) Percentage Estimated Actual Taxable Value of Property = Total Column (above) / the Estimated Actual Taxable Value (see the schedule of Assessed Value and Estimated Actual Value of Taxable Property for Est. Actual Taxable Value).
- (3) Net Bonded Debt per capita = Total column (above) / the prior year's (rounded) County Population; which has been revised to incorporate updated information from the U.S. Census Bureau and the Bureau of Economic Analysis (see the schedule of Demographic and Economic Statistics for population data).
- (4) General obligation bonds includes all general obligation bonds other than:
 - (a) Fire Protection G.O. Bonds of \$5,105 as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
 - (b) Higher Education G.O. Bonds of \$2,745 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, 2016
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>ENTITY</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
School District	\$ 467,505	100.00%	\$ 467,505
City of Myrtle Beach	184,337	100.00%	184,337
City of Conway	8,625	100.00%	8,625
City of North Myrtle Beach	8,080	100.00%	8,080
City of Loris	1,315	100.00%	1,315
Town of Surfside	394	100.00%	394
Subtotal, overlapping debt			670,256
Horry County direct debt (1)(2)	255,122	100.00%	255,122
Total direct and overlapping debt		100.00%	<u>\$ 925,378</u>

Notes:

	<u>Amounts</u>
(1) Horry County direct debt outstanding includes all general obligation long-term bonds including:	
(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)	\$ 5,105
(b) Special Purpose/Tax District G.O. Bonds have their own designated millage (Special Purpose Districts, added beginning in FY 2013)	2,745
(2) Horry County direct debt outstanding also includes:	
(a) All general obligation long-term bonds (excluding item # 1 above)	74,185
(b) Certificates of Participation (added beginning in FY 2013)	661
(c) Ride IGA #1 & #2 (added beginning in FY 2013)	143,890
(d) Capitalized Leases (added beginning in FY 2012)	26,946
(e) Debt Outstanding includes the unamortized premiums (beginning in FY 2012)	1,590
Total Horry County Direct Debt	<u>\$ 255,122</u>

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, 2015									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 129,371	(1) \$ 142,364	\$ 158,493	\$ 161,340	\$ 163,165	\$ 164,423	\$ 165,155	\$ 167,604	\$ 173,555	182,646
Total net debt applicable to limit	<u>63,915</u>	<u>(1) 122,890</u>	<u>(1) 116,050</u>	<u>(1) 122,175</u>	<u>114,797</u>	<u>104,999</u>	<u>95,845</u>	<u>87,853</u>	<u>82,275</u>	<u>74,185</u>
Legal debt margin	<u>\$ 65,456</u>	<u>(1) \$ 19,474</u>	<u>(1) \$ 42,443</u>	<u>(1) \$ 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>
Total net debt applicable to the limit as a percentage of debt limit	49.40%	86.32%	73.22%	75.73%	70.36%	63.86%	58.03%	52.42%	47.41%	40.62%

Legal Debt Margin Calculation for Fiscal Year 2016:

Assessed value	\$ 2,272,504
Plus: Assessed value - Merchant's inventory	10,572
Total assessed value	<u>2,283,076</u>
Debt limit (8% of total assessed value)	182,646
Debt application to limit:	
General obligation bonds (2a) (2b)	74,185
Legal debt margin	<u>\$ 108,461</u>

Notes:
(1) Total net debt applicable to limit and Legal Debt Margin are restated for fiscal years 2007, 2008 and 2009 and the Debt Limit is restated for fiscal year 2007.
(2) General obligation bonds includes all general obligation bonds other than:
(a) Fire District G.O. Bonds as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
(b) Higher Education G.O. Bonds (beginning in FY 2012) as they have their own designated millage (Special Purpose Districts)

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS (AMOUNTS EXPRESSED IN THOUSANDS)				AIRPORT REVENUE BONDS (AMOUNTS EXPRESSED IN THOUSANDS)				SPECIAL OBLIGATION DEBT SERVICE BONDS (AMOUNTS EXPRESSED IN THOUSANDS)			
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	AVAILABLE REVENUE	NET REVENUE	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	
2007 (3)	22,219	9,748	12,471	12,471	1,890	380	5.49	6,638	1,260	766	3.28	
2008 (2) (3)	21,363	10,186	11,177	11,177	520	816	8.36	6,632	1,320	707	3.27	
2009 (3)	18,002	9,541	8,461	8,461	545	577	7.54	6,179	1,390	641	3.04	
2010 (3)	16,678	9,316	7,362	7,362	575	551	6.54	5,847	1,050	230	4.57	
2011(3)	18,557	10,680	7,878	7,878	-	41	192.51	6,101	1,695	223	3.18	
2012	17,937	11,163	6,774	6,774	-	228	29.64	6,401	1,745	170	3.34	
2013	18,531	13,788	4,743	4,743	-	1,013	4.68	6,495	1,805	115	3.38	
2014	21,974	17,167	4,807	4,807	-	2,805	1.71	6,743	1,860	58	3.52	
2015	23,687	18,578	5,109	5,109	-	2,755	1.85	-	-	-	-	
2016	23,346	17,685	5,661	5,661	-	2,700	2.10	-	-	-	-	

Notes:

- (1) Does not include interest, fund balance usage or transfers in.
- (2) On January 9, 2008, Horry County Redeemed \$11,270,000 of Airport Revenue Bonds
- (3) Calculations based on 2010 Airport Bond Ordinance (all Airport Revenue Bond numbers are restated for FY 2007 through FY 2010), Series 1997 and 2000 Bonds were redeemed in FY 2011.
- (4) Hospitality Fee Special Obligations Refunding Bonds, Series 2009 were redeemed in FY2014.

Source: Horry County Department of Airports and Horry County Finance Department

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

YEAR	COUNTY POPULATION (5B) (3B)	PERSONAL INCOME (AMOUNTS EXPRESSED IN THOUSANDS) (2A)(3B)	PER CAPITA PERSONAL INCOME (3B)	SCHOOL ENROLLMENT (1A) (4B) (7B)	LABOR FORCE (4A)(6B)	EMPLOYMENT (4A)(6B)	COUNTY % UNEMP. (4A)(6B)	STATE % UNEMP. (4A) (6B)
2006	242,194	7,039,489	29,065	36,068	134,654	127,734	5.1	6.8
2007	252,464	7,474,808	29,607	36,068	138,074	132,046	4.4	5.9
2008	260,609	7,738,585	29,694	37,735	138,738	130,649	5.8	6.6
2009	265,640	7,640,089	28,761	37,421	138,823	123,905	10.7	11.9
2010	270,516	7,756,764	28,674	38,206	137,911	122,694	11.0	11.2
2011	275,390	8,142,275	29,566	38,665	140,866	125,497	10.9	11.1
2012	281,751	8,495,538	30,153	39,419	140,514	126,931	9.7	9.8
2013	289,050	8,928,142	30,888	40,341	141,574	129,729	8.4	8.3
2014	298,258	9,540,891	31,989	41,490	141,818	132,468	6.6	6.6
2015	309,199	10,150,918	32,830	42,465	144,094	134,716	6.5	6.3
2016	not available	not available	not available	not available	146,476	138,301	5.6	5.6

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Personal Income = County Population (above) x Per Capita Personal Income (above) **or** Per Capita Personal Income = Personal Income (above) / County Population (above).
- (3) County Population, Personal Income and Per Capita Personal Income have been revised to incorporate updated information. (revised)
- (4) Labor Force, Employment, and County Unemployment and State Unemployment Rates have been revised to incorporate updated information.

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	2016 (A2)			2007		
	EMPLOYEES (B6)	RANK (B6)	PERCENTAGE OF TOTAL EMPLOYMENT (B3)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District	5,636	1	4.13%	4,853	1	3.79%
Wal-Mart	not available	2	not available	2,100	3	1.64%
Horry County Government (B5)	2,105	3	1.54%	1,934	4	1.51%
Conway Medical Center (7)	1,500	4	1.10%	1,050	6	0.82%
Coastal Carolina University	1,436	5	1.05%			
Grand Strand Regional Medical Center	1,360	6	1.00%	975	7	0.76%
Food Lion	not available	7	not available			
McLeod Health (Loris & Seacoast)	1,100	8	0.81%			
City of Myrtle Beach	897	9	0.66%	927	8	0.72%
Horry Telephone Cooperative	665	10	0.49%	700	9	0.55%
Burroughs & Chapin				3,000	2	2.34%
AVX Corporation				1,200	5	0.94%
Conbraco				400	10	0.31%
Totals	<u>14,699</u>		<u>10.77%</u>	<u>17,139</u>		<u>13.37%</u>

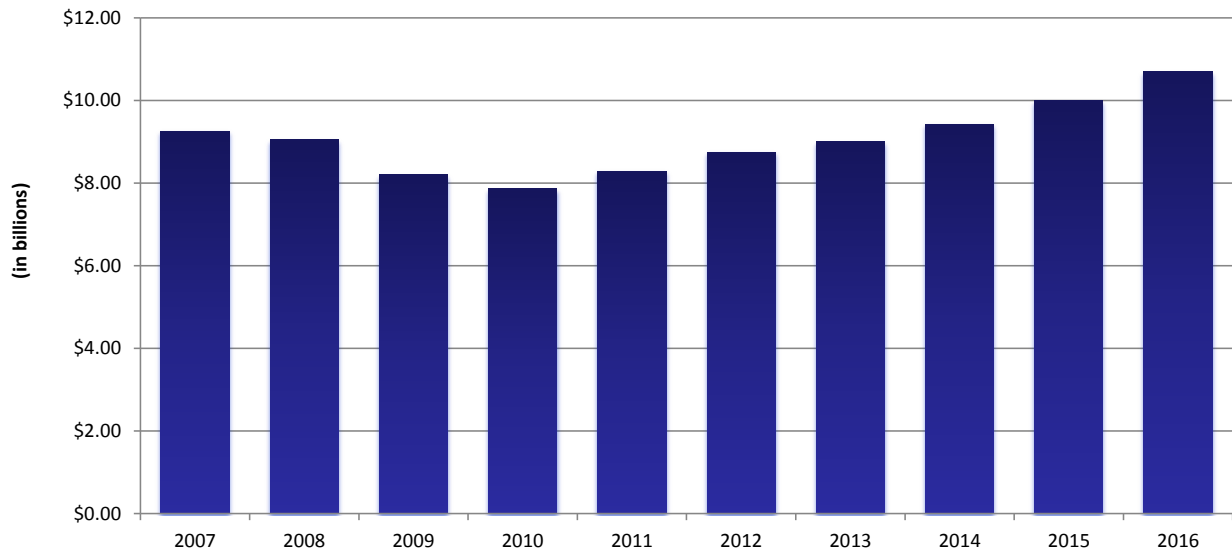
Notes (A):

- (1) The Total Employment is as of June of that year
- (2) Percentage of Total Employment = Total Employees (above) / prior year's Total Labor Force on an annual basis (see Demographic and Economic Statistics)

Sources (B):

- (1) Myrtle Beach Regional Economic Development
- (2) SC Employment Security Commission
- (3) U.S Department of Labor Bureau of Labor Statistics
- (4) 2006 Horry County Comprehensive Annual Financial Report
- (5) Horry County Finance Department
- (6) Myrtle Beach Chamber of Commerce - February, 2015
- (7) Human Resources Departments of some employers (above)

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



<u>YEAR</u>	<u>GROSS SALES (in Billions)</u>	<u>PERCENTAGE CHANGE</u>
2007	\$9.26	1.3
2008	\$9.06	(2.2)
2009	\$8.21	(9.4)
2010	\$7.86	(4.3)
2011	\$8.29	5.5
2012	\$8.75	5.5
2013	\$9.01	3.0
2014	\$9.43	4.7
2015	\$10.00	6.0
2016	\$10.70	6.9

Notes:

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

Sources:

- S. C. Statistical Abstract
- S. C. Department of Revenue

**HORRY COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,									
	2007	2008	2009 (2)	2010	2011	2012	2013	2014 (4)	2015 (4)	2016
Functions and Programs										
<u>Governmental Activities:</u>										
General government	940	964	354	341	340	307	309	362	367	284
Public safety										
Police	342	347	263	261	262	226	236	248	238	242
Fire (1)	291	288	136	151	151	150	147	177	184	173
EMS (1)	-	-	171	185	182	179	179	179	167	158
Sheriff & Detention Center	-	-	274	320	347	346	348	346	343	362
Courts	-	-	196	203	201	205	211	215	211	211
Other	-	-	98	100	110	143	155	113	113	109
Health and social services	-	-	3	3	5	6	6	7	7	7
Infrastructure and regulation										
Public Works	136	127	79	79	81	79	84	83	85	83
Code Enforcement	-	-	47	44	42	41	39	39	38	43
Fleet	17	15	16	15	14	16	17	17	16	20
Other	-	-	79	68	62	61	59	64	67	148
Culture, recreation and tourism										
Libraries	57	50	54	62	60	65	79	69	67	59
Parks	18	18	40	55	57	62	62	68 (5)	67 (5)	60
Other	-	-	5	4	4	5	5	8	10	8
Economic development										
CDBG	-	-	2	3	3	3	3	3	3	3
Myrtle Beach Reg. Economic Dev. (6)	-	-	-	-	-	-	-	-	-	2
<u>Business-type Activities:</u>										
Airports	133	118	112	105	104	109	130	140	137	133
Total Primary Government	<u>1,934</u>	<u>1,927</u>	<u>1,929</u>	<u>1,999</u>	<u>2,025</u>	<u>2,003</u>	<u>2,069</u>	<u>2,138</u>	<u>2,120</u>	<u>2,105</u>

Source: Horry County Human Resources Department

- (1) Fire/EMS was combined prior to FY2009 for reporting only.
- (2) Increased detail level of functional staffing; prior actual comparisons not available.
- (3) Regular Part-time employees are defined as working 20 hours or less or less than 6 months and are calculated at 0.5 of Full-time employee.
- (4) Horry County Human Resources provided additional clarification as to their methodology in calculating "Full-time Equivalent Employees". This additional clarification resulted in a recalculation of 2014. 2014 has been restated to reflect this recalculation.
- (5) An error in calculation method was discovered for Parks. This resulted in a recalculation of 2014 and 2015. 2014 and 2015 has been restated to reflect this recalculation.
- (6) Myrtle Beach Regional Economic Development was added in 2016.

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

	For the Fiscal Year Ended June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General government										
Information Technology/GIS:										
# of GIS Parcels Maintained	218,282	227,572	231,344	232,551	233,563	234,576	236,046	238,132	240,510	243,318
# of Servers Maintained (7)	98	98	123	103	100	75	55	78	72	75
Register of Deeds:										
Total Documents Filed	184,043	177,261	150,260	130,657	128,533	142,085	153,410	153,019	163,657	158,370
Assessor:										
Assessments of Building Permits	16,630	15,294	12,854	10,228	9,835	8,506	7,269	4,997	4,073	6,034
Special Assessments	19,391	21,054	17,507	10,346	10,566	10,255	8,143	9,169	10,008	13,264
Real Property Parcels	207,221	226,799	237,276	241,974	244,624	248,050	246,240	246,960	247,948	250,597
Human Resources:										
# of Applications Taken	8,735	7,392	8,322	4,777	12,209	14,701	15,170	21,164	18,080	19,826
Public safety										
Police:										
# of Calls for Service	132,328	139,302	134,514	129,909	130,532	129,109	120,796	120,771	123,458	119,816
# of Index Crimes (1) (6)	8,586	9,752	9,164	10,045	9,539	9,174	9,559	9,086	9,207	9,431
Index Crime Clearance Rate (1) (6)	16.85%	20.45%	19.00%	19.50%	19.75%	18.15%	23.98%	24.51%	17.81%	15.76%
# of Call Responsive Officers Per Shift	18	18	20	20	16	18	23	25	21	25
Fire:										
# of Calls for Service	40,910	43,188	42,594	42,612	40,631	46,468	48,454	52,278	52,501	57,791
# of Structure Fires	654	721	674	651	581	586	436	540	287	542
# of Ambulance Transports	21,478	20,510	20,961	20,982	23,600	23,631	23,967	24,805	26,922	28,909
# of Career Fire Fighters Per Shift	81	85	93	97	93	93	96	107	107	107
Emergency 911:										
# of 911 Calls (8)	228,418	225,530	221,693	214,880	234,944	249,786	233,032	210,310	250,681	268,417
# of Radio Dispatches	170,482	189,244	190,962	187,323	189,471	224,520	223,386	223,241	234,841	235,399
# of Telecommunicators per shift	10	10	10	10	10	11	11	11	11	11
Sheriff's Office/Jail:										
# of Bookings	14,804	16,172	15,880	13,400	13,380	13,013	13,290	13,308	13,069	12,693
Average daily population	650	632	632	641	579	635	629	659	608	624
Infrastructure and regulation										
Code Enforcement:										
# Building Permits	9,909	8,459	6,673	7,397	7,258	7,250	8,082	8,997	10,217	11,149
Public Works:										
Miles of Dirt Road Scraped	880	793	779	748	701	682	667	647	639	617
Dirt Roads Paved	11.63	2.69	1.77	13.99	13.71	5.74	4.03	7.23	4.70	6.47
Signage Replaced/Installed (6)	968	1,364	1,421	1,500	1,887	1,324	1,186	898	1,018	1,075
Miles of Ditches Cleaned	2,666	2,700	1,123	268	252	240	219	694	679	403

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

Functions and Programs	For the Fiscal Year Ended June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Governmental Activities (Continued):</u>										
Engineering:										
Dirt Roads Paved	9.19	9.07	9.72	19.01	28.47	6.01	9.23	11.50	3.92	17.57
Fleet:										
# Vehicles Maintained	659	695	700	824	831	822	830	828	832	838
# Heavy Equipment Vehicles Maintained	310	259	270	229	266	272	310	311	320	325
# Vehicles Repaired or Work Orders	8,236	8,501	8,277	8,111	7,872	7,835	7,592	8,386	8,042	8,456
Culture, recreation and tourism										
Library:										
Circulation	969,542	1,041,436	1,141,871	1,095,571	1,182,823	939,393	973,605	1,013,753	1,040,622	1,045,682
Patron Traffic Count	662,494	758,719	772,354	749,652	716,092	656,379	785,768	733,530	726,015	702,067
New Patrons Registered	28,487	28,780	26,572	23,555	15,764	12,290	15,318	12,238	11,404	11,603
Parks & Recreation:										
# Programs	153	161	180	187	193	216	223	227	245	248
Baseball Stadium:										
Paid Tickets (2)	163,056	187,009	183,094	167,334	155,076	160,062	154,633 (2)	176,218 (2)	182,450	170,606
<u>Business-type Activities:</u>										
Airports										
Deplanements	783,241	835,496	740,602	772,733	901,080	818,477	777,998	863,393	886,345	942,948
Industrial parks - (Three Parks) (3) (4) (5) (6) (9)	(3)(4)(5)(6)	(3)(4)(5)(6)	(3)(4)(5)(6)	(9)	(9)	(9)	(9)	(9)	(9)	(9)

- Notes:
- (1) # of Index Crimes & Clearance Rates not available due to software migration issues.
 - (2) Fiscal Year is January through December. Revenue months are April through September. The # of "Paid Tickets" have been revised for FY2014 and FY2015 to incorporate new information.
 - (3) Operating indicators are not available for the Industrial Parks prior to FY2006.
 - (4) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
 - (5) The beginning balance of total acreage owned by the County (used in the calculation of % of County owned acres) is as of July 1, 2005 and does not include unusable property such as roads.
 - (6) Operating indicators that are not available are indicated with N/A
 - (7) The reduction of the "# of Servers maintained" is a direct result of the use of virtual technology; which is the configuration of one physical server into multiple "virtual" servers.
 - (8) 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. 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.
 - (9) 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. Operating indicators were removed from this schedule due to all of the property being sold and therefore there has been no activity for FY2015 nor for the prior years of FY2010 - FY2014

Source: Various County Departments

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

	For the Fiscal Year Ended June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Functions and Programs										
<u>Governmental Activities:</u>										
General Government										
Building Complexes	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police(3):										
Patrol units	351	368	352	320	299	279	285	229	194	185
Sheriff/Detention Center(2):										
Transport Vehicles					102	97	106	107	110	84
Fire/Rescue:										
Stations	40	41	41	39	39	39	35	39	39	39
Trucks(Fire/Pumpers)	67	66	66	67	68	68	66	66	66	66
Ambulances	33	32	36	36	28	29	29	28	28	28
Health and Social Services										
Health Departments (bldg)	3	4	4	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)	1369	1334	1413	1426	1431	1429	1436	1440	1442	1456
Heavy equipment:										
Motorgraders	25	25	25	24	21	15	17	16	14	14
Dump trucks	22	21	24	17	26	23	19	20	20	20
Other	133	139	206	173	155	109	148	152	157	163
Culture, Recreation and Tourism										
Museums	1	1	1	2	2	2	2	2	2	2
Libraries	9	9	9	9	9	9	10	10	10	10
Bookmobile	1	1	1	1	1	1	1	1	1	1
Parks:										
Parks	20	20	35	35	35	35	35	35	35	35
Tennis Courts	15	15	7	7	13	13	13	13	13	17
Ball Fields	28	28	34	34	35	38	38	38	38	38
Soccer Fields	15	15	19	20	22	21	21	21	21	21
Recreation Centers/Headquarters		2	2	4	4	6	6	6	6	6
Conservation/Natural Resources										
Off Site Facilities:										
Boat Landings	27	27	27	27	27	27	28	28	28	28
Watersheds	6	6	6	6	6	6	6	6	6	6
<u>Business-type Activities:</u>										
Airports										
Locations	4	4	4	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4	4	4	4
Industrial Parks										
Locations	4	4	4	4	4	4	4	4	4	4
Baseball Stadium										
Baseball field (30% ownership)	1	1	1	1	1	1	1	1	1	1

Notes:

- (1) Capital Asset data is not available prior to FY2005; however, ten years of data will be accumulated over time.
- (2) Added the Sheriff department vehicle count in FY11.
- (3) As of FY14 number is police patrol units only.

Source: Horry County Finance Department

COMPLIANCE

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

Federal Grantor/Pass through Grantor/Program Title	Pass-through Grantor's Award Number	CFDA Number	Expenditures	Federal Awards passed through to subrecipients
U S DEPARTMENT OF TRANSPORTATION				
Direct Assistance				
Federal Aviation Administration: Airport Improvement Program	Not Available	20.106	\$ 693,876	\$ -
Total U S Department of Transportation			<u>693,876</u>	<u>-</u>
U S DEPARTMENT OF INTERIOR				
Passed through the SC Department of Natural Resources				
Rosewood Boat Landing	F15A500434	15.616	76,815	-
Total U S Department of Interior			<u>76,815</u>	<u>-</u>
U S DEPARTMENT OF HOMELAND SECURITY				
Direct Assistance				
Transportation Security Administration (TSA) Law Enforcement Officer Reimbursement Program	HSTS02-16-H-5LR762	97.090	132,129	-
Passed through the SC Emergency Preparedness Division of the Office of the Adjutant General Civil				
Homeland Security Grant Program - Civil Defense:				
Pee Dee Regional WMD Bomb Team Enhancement	14SHSP09	97.067	87,979	-
Pee Dee Regional WMD SWAT Team Enhancement	14SHSP16	97.067	69,896	-
Pee Dee RMAT FY 2014	13SHSP30	97.067	39,350	-
			<u>197,225</u>	<u>-</u>
FEMA Disaster Grants - Public Assistance	PA-04-SC-4241	97.036	501,982	-
Local Emergency Management Performance Grant FY 2014	14EMPG01	97.042	9,131	-
Local Emergency Management Performance Grant FY 2015	15EMPG01	97.042	65,125	-
			<u>74,256</u>	<u>-</u>
SAFER Grant	EMW-2010-FF-00060	97.044	2,020	-
Total U S Department of Homeland Security			<u>907,612</u>	<u>-</u>
U S DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the SC Department of Social Services				
Office of Child Support Enforcement:				
Sheriff Title IV-D Funds	C15026C	93.563	32,753	-
Child Support Enforcement - Incentive	C15026C	93.563	79,072	-
Filing Fees	C15026C	93.563	84,150	-
Child Support Enforcement	C15026C	93.563	381,649	-
			<u>577,624</u>	<u>-</u>
Total U S Department of Health and Human Services			<u>577,624</u>	<u>-</u>

(Continued)

Horry County, South Carolina
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

Federal Grantor/Pass through Grantor/Program Title	Pass-through Grantor's Award Number	CFDA Number	Expenditures	Federal Awards passed through to subrecipients
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Assistance				
Community Development Block Grant	B14-UC-45-0006	14.218	1,036,720	792,785
Home Investment Partnerships Program	M12-DC-45-0214	14.239	18,435	-
Emergency Shelter Grants Program	E-14-UC-45-0006	14.231	210,085	-
Total U S Department of Housing and Urban Development			1,265,240	792,785
U S DEPARTMENT OF JUSTICE				
Passed through Office of the Governor/Division of Public Safety				
Edward Byrne Memorial Justice Grant Program				
Solicitor - Technology Improvement	1G13002	16.738	11,373	-
Solicitor - Violent Crime Prosecutor	1G14043	16.738	107,675	-
Justice Assistance Grant FY 2015-2016	2015-DJ-BX-0453	16.738	11,962	-
Total Edward Byrne Memorial Justice Grant Program			131,010	-
State Criminal Alien Assistance Program - Illegal Alien	2014-AP-BX-0566	16.606	33,752	-
Police - Bilingual Victim Advocate	1V14096	16.575	5,674	-
Police - Bilingual Victim Advocate	1V15126	16.575	29,625	-
Police - Victim Advocate	1V11157	16.575	12,463	-
Solicitor - Victim Advocate	1V15124	16.575	63,540	-
Solicitor - Victim Advocate	1V15152	16.575	47,323	-
Solicitor - Victim Advocate	1V14077	16.575	9,162	-
			167,787	-
Total U S Department of Justice			332,549	-
Total Expenditures of Federal Awards			\$ 3,853,716	\$ 792,785

Horry County, South Carolina

Notes to the Schedule of Expenditures of Federal Awards

For the year ended June 30, 2016

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, 2016. 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, 2015 through June 30, 2016, 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.



**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and remaining fund information of Horry County (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 12, 2016. Our report includes a reference to other auditors who audited the financial statements of the Solicitor's Intervention Programs (blended component unit), Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services and the Horry County Solid Waste Authority (both discretely presented component units) as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 Decosimo, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
December 12, 2016



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited Horry County's (the County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016, except for the Airport Improvement Program – CFDA number 20.106, which was audited by other auditors. The other auditor's report thereon has been furnished to us, and our opinion, insofar as it relates to the County's compliance, in all material respects, with the requirements described above for the Airport Improvement Program – CFDA number 20.106, is based solely on the report of other auditors. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We and other auditors conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion and in the opinion of other auditors, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we and the other auditors considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration and the consideration of the other auditors of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We and other auditors did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, South Carolina
December 12, 2016

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2016

Section I. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? _____ yes X no
- Significant deficiency identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? _____ yes X no
- Significant deficiency identified? _____ yes X none reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
20.106	Airport Improvement Program (audited by other auditors)
97.036	FEMA Disaster Grants – Public Assistance
93.563	U.S. Dept. of Health and Human Services – Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? _____ yes X no

Horry County, South Carolina
Schedule of Findings and Questioned Costs
For the Year ended June 30, 2016

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, 2016

Financial Statement Findings

2015-001

Condition: Approximately \$145,000 in accounts receivable outstanding as of June 30, 2015 were reduced for payments credited but not received until after fiscal year end. Also, approximately \$132,000 in revenue and related accounts receivable that should have been recognized as of and for the year-ended June 30, 2015 were not recorded.

Auditor's Recommendation: We recommend that the County's controls be enhanced to prohibit the ability to post-date deposits made subsequent to year end. Further, the County should implement controls to enhance their review of subsequent collections for revenue and accounts receivable.

Current Status: The recommendation was adopted by the County. No similar findings were noted in the 2016 audit.

2015-002

Condition: During the audit, management disclosed they had failed to complete certain cash reconciliations in a timely manner.

Auditor's Recommendation: We recommend that management perform all internal control processes in a timely manner and place a higher priority on the cash reconciliation process.

Current Status: The recommendation was adopted by the County. No similar findings were noted in the 2016 audit.