

## OFFICIAL STATEMENT



BOOK-ENTRY-ONLY  
NEW ISSUE

**RATINGS:**

Moody's: Aa1

Fitch: AA+

S&P: AA+

(See "**RATINGS**" herein)

*In the opinion of Howell Linkous & Nettles, LLC, Charleston, South Carolina, bond counsel, under existing law, assuming compliance by the County with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds (a) is excludable from gross income for federal and South Carolina income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See "TAX EXEMPTION AND OTHER TAX MATTERS" herein.*



### HORRY COUNTY, SOUTH CAROLINA GENERAL OBLIGATION BONDS

**\$35,650,000 SERIES 2022A**

**\$1,450,000 (HORRY COUNTY FIRE PROTECTION DISTRICT) SERIES 2022B**

**Dated: Date of Delivery**

**Due: March 1, as shown on inside cover**

Horry County, South Carolina (the "**County**"), is issuing its \$35,650,000 General Obligation Bonds, Series 2022A (the "**Series 2022A Bonds**"), and its \$1,450,000 General Obligation Bonds (Horry County Fire Protection District) Series 2022B (the "**Series 2022B Bonds**," and together with the Series 2022A Bonds, the "**Bonds**"), for the purpose of providing funds to defray all or a portion of the costs of (1) the Capital Projects, (2) the Fire Protection Projects and (3) issuing the Bonds. See "**PLAN OF FINANCE**" herein. **All undefined capitalized terms used on this cover are defined in this Official Statement.**

The Bonds are secured by a pledge of the full faith, credit, and taxing power of the County. The Series 2022A Bonds are payable from an annual *ad valorem* tax, without limit as to rate or amount, on all taxable property in the County sufficient to pay the principal of and interest on the Series 2022A Bonds as they mature. The Series 2022B Bonds are payable from an annual *ad valorem* tax, without limit as to rate or amount, on all taxable property in the Fire District sufficient to pay the principal of and interest on the Series 2022B Bonds.

The Bonds are issuable in fully registered form and will initially be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds are payable to Cede & Co. as nominee for DTC, which will in turn remit such principal and interest payments to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry System" and APPENDIX G. U.S. Bank Trust Company, National Association, will serve as Registrar and Paying Agent for the Bonds.

The Bonds will be dated and bear interest from their date of delivery at the rates shown on the inside front cover hereof. Interest on the Bonds will be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2023, until the Bonds mature. The Bonds will mature on March 1 in each of the years and in the principal amounts as indicated on the inside cover page hereof.

The Bonds will be subject to optional redemption prior to maturity as described herein.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued and accepted by the Underwriters, subject to the approving opinion as to legality of Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel and Disclosure Counsel to the County. Certain legal matters will be passed on for the County by Arrigo P. Carotti, Esq., Horry County Attorney, Conway, South Carolina. First Tryon Advisors, Charlotte, North Carolina, has served as financial advisor to the County. It is expected that the Bonds in definitive form will be available for delivery on or about October 13, 2022, through the facilities of DTC.

This Official Statement is dated September 29, 2022.

## **MATURITY SCHEDULE**

### **SERIES 2022A BONDS**

#### **\$35,650,000 SERIAL BONDS**

(March 1) Year	Principal Amount	Interest Rate	Yield	Price	CUSIP
2023	\$ 4,500,000	5.00%	3.050%	100.732%	440668XR7
2024	2,195,000	5.00	3.130	102.508	440668XS5
2025	2,300,000	5.00	3.150	104.212	440668XT3
2026	2,415,000	5.00	3.170	105.823	440668XU0
2027	2,540,000	5.00	3.190	107.346	440668XV8
2028	2,665,000	5.00	3.200	108.833	440668XW6
2029	2,800,000	5.00	3.210	110.254	440668XX4
2030	2,940,000	5.00	3.240	111.471	440668XY2
2031	3,085,000	5.00	3.300	112.358	440668XZ9
2032	3,240,000	5.00	3.360	113.101	440668YA3
2033	3,400,000	5.00	3.420	112.587 <sup>C</sup>	440668YB1
2034	3,570,000	5.00	3.550	111.482 <sup>C</sup>	440668YC9

### **SERIES 2022B BONDS**

#### **\$1,450,000 SERIAL BONDS**

(March 1) Year	Principal Amount	Interest Rate	Yield	Price	CUSIP
2023	\$ 50,000	5.00%	3.050%	100.732%	440668YD7
2024	65,000	5.00	3.130	102.508	440668YE5
2025	70,000	5.00	3.150	104.212	440668YF2
2026	75,000	5.00	3.170	105.823	440668YG0
2027	75,000	5.00	3.200	107.303	440668YH8
2028	80,000	5.00	3.220	108.730	440668YJ4
2029	85,000	5.00	3.250	110.011	440668YK1
2030	90,000	5.00	3.300	111.055	440668YL9
2031	90,000	5.00	3.350	111.969	440668YM7
2032	95,000	5.00	3.400	112.758	440668YN5
2033	100,000	5.00	3.470	112.160 <sup>C</sup>	440668YP0
2034	105,000	5.00	3.610	110.976 <sup>C</sup>	440668YQ8
2035	110,000	4.00	3.930	100.541 <sup>C</sup>	440668YR6
2036	115,000	4.00	4.050	99.483	440668YS4
2037	120,000	4.00	4.150	98.383	440668YT2
2038	125,000	4.00	4.200	97.746	440668YU9

<sup>C</sup> Priced to first optional par call date of March 1, 2032.

<sup>†</sup> Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, a division of FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied on as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER THIS DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE DATE HEREOF.

The Purchaser (as defined herein) has provided the following sentence for inclusion in this Official Statement. The Purchaser has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchaser does not guarantee the accuracy or completeness of such information.

U.S. Bank Trust Company, National Association, as registrar and paying agent, has not provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of information, (ii) the validity of the Bonds, or (iii) the tax status of the interest on the Bonds.

Reference herein to laws, rules, regulations, agreements, reports and other documents, do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made therein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements," within the meaning of the Securities Act of 1933, as amended (the "**1933 Act**") or the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "may," "will," "could," "should," "expect," "forecast," "plan," "project," "anticipate," "intend," "believe," "estimate," "budget," "potential," "continue," or the negative of these terms or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR OR FAIL TO OCCUR.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING MAY BE DISCONTINUED AT ANY TIME.

**THE BONDS WILL NOT BE REGISTERED UNDER THE 1933 ACT, AND THE BOND ORDINANCES HAVE NOT BEEN REGISTERED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED ON THE ACCURACY OR ADEQUACY OF THE OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

As of the date of this Official Statement, the United States, including the State of South Carolina and the County, are in the midst of a pandemic caused by a novel coronavirus and resulting disease known as COVID-19. COVID-19 and resulting social and business disruptions (collectively, “COVID”) may have a material impact on (i) current County operations, (ii) its financial performance in the future, and (iii) the sources of revenues utilized by the County, but the extent of those impacts cannot be predicted. This Official Statement identifies certain potential impacts of COVID on the County. Owing to the dynamic nature of COVID, there may be other impacts on the County not identified herein. Data presented in this Official Statement regarding revenues received by the County in prior fiscal years should not be relied upon as a projection of revenues to be received by the County in the present and future fiscal years.

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## **FINANCING PARTICIPANTS**

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### **HORRY COUNTY, SOUTH CAROLINA**

Government and Justice Center  
1301 Second Avenue  
Conway, South Carolina 29526

#### **COUNTY COUNCIL**

Johnny Gardner, Chairman  
Tyler Servant, Vice Chairman  
Al Allen  
Orton Bellamy  
R. Mark Causey  
Cam Crawford  
Dennis DiSabato  
Danny Hardee  
Bill Howard  
Gary Loftus  
Johnny Vaught  
Harold Worley

#### **COUNTY ADMINISTRATION**

Steve Gosnell  
County Administrator

Barry R. Spivey  
Assistant County Administrator – Administration Division  
Chief Financial Officer

David Gilreath  
Assistant County Administrator – Infrastructure and Regulation Division

Randy Webster  
Assistant County Administrator – Public Safety Division

Marla Bell  
Assistant Finance Director

#### **BOND AND DISCLOSURE COUNSEL**

Howell Linkous & Nettles, LLC  
Charleston, South Carolina

#### **FINANCIAL ADVISOR**

First Tryon Advisors  
Charlotte, North Carolina

#### **REGISTRAR/PAYING AGENT**

U.S. Bank Trust Company, National Association  
Columbia, South Carolina

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## SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement and the Appendices hereto (collectively, the “**Official Statement**”). The offering of the Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Any capitalized terms used but not defined in this Official Statement have the meanings set forth in the Bond Ordinances (as defined herein).

<b>The Issuer</b>	Horry County, South Carolina (the “ <b>County</b> ”) is located in the extreme eastern part of the State of South Carolina (the “ <b>State</b> ”) and is bordered on the east by the Atlantic Ocean, the north by the State of North Carolina, the west by Dillon and Marion Counties and the South by Georgetown County. The County is the largest county in the State, with a land area encompassing approximately 1,134 square miles. The County’s Census 2010 population was 269,291, and its Census 2020 population was 351,029. See APPENDIX A – THE COUNTY for more detailed information regarding the County.
<b>The Bonds</b>	The Bonds will be issued in fully registered form, in denominations of \$5,000 or any whole multiple thereof, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds under a book-entry-only system, as described herein. So long as the Bonds are held in book-entry form only, beneficial owners of the Bonds will not receive physical delivery of the Bonds. See “THE BONDS” herein for a more complete description of the Bonds.
<b>Dated Date and Date of Delivery</b>	The Bonds will be initially dated their date of delivery. It is expected that the Bonds will be available for delivery in definitive form on or about October 13, 2022.
<b>Interest Payments</b>	Interest on the Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2023, until the Bonds mature. Interest is payable by check or draft of the Paying Agent mailed to the person in whose name each Bond is registered.
<b>Maturity</b>	The Bonds will mature in each of the years and in the principal amounts as indicated on the inside cover page hereof. The Bonds will be dated and bear interest from their date of delivery and will mature on March 1 in the years and in the principal amounts and will bear interest at the rates shown on the inside front cover.
<b>Redemption</b>	The Bonds will be subject to optional redemption prior to maturity as described herein.
<b>Purposes</b>	The Series 2022A Bonds are issued for the purpose of providing funds to defray the costs of (1) the Capital Projects and (2) issuing the Series 2022A Bonds. The Series 2022B Bonds are issued for the purpose of providing funds to defray the costs of (1) the Fire Protection Projects and (2) issuing the Series 2022B Bonds. See “PLAN OF FINANCE” and “SOURCES AND USES OF FUNDS” herein for more information regarding the use of Bond proceeds.

**Security**

The Series 2022A Bonds will constitute binding general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged for the payment of the Series 2022A Bonds. There shall be levied and collected annually in the same manner as other County taxes are levied and collected, an *ad valorem* tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Series 2022A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The Series 2022B Bonds will constitute binding general obligations of the County and, as such will be payable from such tax as may be levied and collected on all taxable property without limit in the unincorporated area of the County within the fire district designated as the Horry County Fire Protection District (the “**Fire District**”). There shall be levied and collected annually in the same manner as other County taxes are levied and collected, an *ad valorem* tax, without limit, on all taxable property in the Fire District sufficient to pay the principal of and interest on the Series 2022B Bonds, as they respectively mature, and to create such sinking fund as may be necessary therefor. Only in the event *ad valorem* taxes levied and collected in the Fire District are insufficient to pay the debt service on the Series 2022B Bonds shall the County be required to levy and collect an *ad valorem* tax on all taxable property in the County sufficient to pay the principal of and interest on the Series 2022B Bonds, as they respectively mature, and to create such sinking fund as may be necessary therefor.

See “THE BONDS – Security” herein for a more complete description of the security for the Bonds.

**Tax Status of Interest on the Bonds**

Assuming the County’s continued compliance with certain covenants, in the opinion of Howell Linkous & Nettles, LLC, Bond Counsel, interest on the Bonds is excludable from gross income for federal and South Carolina income tax purposes under existing statutes, regulations and court decisions. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See APPENDIX D – Forms of Bond Counsel Opinions.

Such opinions are subject to certain limitations and conditions described in the section of this Official Statement entitled “TAX EXEMPTION AND OTHER TAX MATTERS.”

**Professionals Involved in the Offering**

U.S. Bank Trust Company, National Association, serves as Registrar and Paying Agent for the Bonds. First Tryon Advisors is serving as Financial Advisor to the County. Howell Linkous & Nettles, LLC, Charleston, South Carolina, serves as Bond Counsel and Disclosure Counsel to the County. Arrigo P. Carotti, Esq., is the Horry County Attorney.

**Continuing Disclosure**

In accordance with Rule 15c2-12(b)(5) of the U.S. Securities and Exchange Commission, the County has covenanted to execute and deliver prior to closing, and to thereafter comply with the terms of, Disclosure Dissemination Agent Agreement in substantially the form appearing as APPENDIX F to this Official Statement. See “CONTINUING DISCLOSURE” herein for a more complete description of the County’s continuing disclosure obligations.

**Authorization**

The Series 2022A Bonds are being issued pursuant to and in accordance with the Constitution and the laws of the State, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; and Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance 84-2022, duly enacted by the County Council on September 6, 2022.

The Series 2022B Bonds are being issued pursuant to and in accordance with the Constitution and the laws of the State, including Article X, Sections 12 and 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 9, Article 1 of the Code of Laws of South Carolina, 1976, as amended; Title 11, Chapter 27, of the Code of Laws of South Carolina, 1976, as amended; and Ordinance 85-2022, duly enacted by the County Council on September 6, 2022.

**General**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Preliminary Official Statement, the Official Statement, the Bond Ordinances and other relevant documents and information regarding the documents are available from Barry R. Spivey, Assistant County Administrator – Administration Division, Government and Justice Center, 1301 Second Avenue, Conway, South Carolina 29526.

This Official Statement, including the cover page, the inside cover page and the attached Appendices, contains specific information relating to the Bonds and the County and other information pertinent to this issue.

All information included herein has been provided by the County except where attributed to other sources. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to each such document, statute, report or other instrument.

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## HORRY COUNTY, SOUTH CAROLINA

**\$35,650,000**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2022A**

**\$1,450,000**  
**GENERAL OBLIGATION BONDS**  
**(HORRY COUNTY FIRE PROTECTION DISTRICT)**  
**SERIES 2022B**

### INTRODUCTION

This Official Statement of Horry County, South Carolina (the “*County*” or “*Horry County*”), including the cover page, Summary Statement, and Appendices, is provided for the purpose of furnishing certain information concerning the County, the \$35,650,000 General Obligation Bonds, Series 2022A (the “*Series 2022A Bonds*”) and \$1,450,000 General Obligation Bonds (Horry County Fire Protection District) Series 2022B (the “*Series 2022B Bonds*,” and together with the Series 2022A Bonds, the “*Bonds*”), of the County and other matters related thereto, in connection with the public invitation for bids for the purchase of the Bonds. This Official Statement has been prepared under the supervision of Steve Gosnell, County Administrator, Barry R. Spivey, Assistant County Administrator – Administration Division, and Marla Bell, Assistant Finance Director.

The information furnished herein includes a description of the Bonds, the County and its indebtedness, tax information, economic data, financial information and other matters. Also included are certain information and data pertaining to the State of South Carolina (the “*State*” or “*South Carolina*”).

The County’s Fiscal Year is the twelve-month period beginning July 1 in each year and ending June 30 of the succeeding year. Reference herein to “Fiscal Year” or “FY” followed by a year designation means the Fiscal Year ended or ending June 30 of that year. For example, “Fiscal Year 2022” means the Fiscal Year ended June 30, 2022.

### THE BONDS

#### Description

The Bonds will be general obligation bonds of the County; will be issuable initially as fully registered bonds in book-entry-only form, and, when issued, will be registered to Cede & Co. as nominee for The Depository Trust Company, New York, New York (“*DTC*”). Purchases of beneficial interests in the Bonds will be made in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. The Bonds will be dated the date of delivery (which is expected to be October 13, 2022); will bear interest from their date at the rates shown on the inside cover page hereof (calculated on a 360-day year of twelve 30-day months); and payable at maturity as indicated on the inside cover page hereof. See APPENDIX G – DTC and Book-Entry Only System herein for additional information regarding DTC and its book-entry system.

See APPENDIX A – THE COUNTY- Debt Structure - Composite Debt Service herein for a table setting forth the scheduled annual principal and interest payments on the Bonds.

#### Purpose

The Series 2022A Bonds are issued for the purpose of providing funds to defray the costs of (i) the Capital Projects, as defined under the caption “PLAN OF FINANCE” herein, and (ii) issuing the Series 2022A Bonds.

The Series 2022B Bonds are issued for the purpose of providing funds to defray the costs of (i) the Fire Protection Projects, as defined under the caption “PLAN OF FINANCE” herein, and (ii) issuing the Series 2022B Bonds.

## Authorization

The Series 2022A Bonds are being issued pursuant to and in accordance with the Constitution and the laws of the State, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended (“*SC Code*”); and Title 11, Chapter 27, SC Code; and Ordinance 84-2022, duly enacted by the County Council on September 6, 2022 (the “*2022A Ordinance*”).

The Series 2022B Bonds are being issued pursuant to and in accordance with the Constitution and the laws of the State, including Article X, Sections 12 and 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 9, Article 1 of the SC Code; Title 11, Chapter 27, of the SC Code; and Ordinance 85-2022, duly enacted by the County Council on September 6, 2022 (the “*2022B Ordinance*,” and together with the 2022A Ordinance, the “*Bond Ordinances*”). A summary of certain provisions of the Bond Ordinances is attached hereto as APPENDIX H.

## Security

For the payment of principal of and interest on the Bonds, the full faith, credit and taxing power of the County are irrevocably pledged. There shall be levied and collected annually in the same manner as other County taxes are levied and collected, an *ad valorem* tax, without limit, on (i) all taxable property in the County sufficient to pay the principal of and interest on the Series 2022A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor and (ii) all taxable property in the Fire District, sufficient to pay the principal of and interest on the Series 2022B Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

## Additional Security for the Bonds

Article X, Section 14, Paragraph 5 of the Constitution provides:

If at any time any political subdivision shall fail to effect the punctual payment of the principal and interest of its general obligation debt, the State Treasurer shall withhold from such political subdivision sufficient moneys from any state appropriation to which such political subdivision may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the political subdivision then due.

As is the case with the enforcement of the pledge of the full faith, credit and taxing powers of the County, mandamus may be available to require the State Treasurer to fulfill the duty imposed by the provision of Article X stated above.

Article X, Section 14, Paragraph 5 does not contain an express pledge or covenant to apply the State moneys referred to therein to the payment of county indebtedness. Neither the applicable State statute nor the Bonds nor the proceedings pursuant to which the Bonds are being issued contains any reference to the above-quoted provision of Article X. In the opinion of Bond Counsel, the constitutional provision above-quoted can be enforced only so long as it remains a part of the South Carolina Constitution, but an amendment to the South Carolina Constitution modifying or repealing the above-quoted provision of Article X would be sustained against a claim by the holders of the Bonds that such an amendment is a law impairing the obligation of contracts in violation of Section 10 of Article 1 of the Constitution of the United States.

Any such constitutional amendment, to become effective, would have to be proposed by a vote of two-thirds (2/3rd) of the members of each House of the South Carolina General Assembly, favorably voted on in the succeeding State-wide general election, and then ratified by a majority vote of each House of the General Assembly at the next session.



The following table shows the amount of State General Fund appropriations subject to being so withheld which were received or estimated to be received by the County for the fiscal years shown below:

<u>Fiscal Year</u>	<u>Amount Received</u>
2016-17	\$ 10,809,312
2017-18	10,659,009
2018-19	10,793,812
2019-20	11,198,222
2020-21	11,415,445
2021-22	14,286,351

### **General Redemption Provisions; Notice**

In the event the Bonds or any portion thereof shall be called for redemption, notice of the redemption, describing (among other things) the Bonds to be redeemed, specifying the redemption date, and the redemption price payable on such redemption, shall be mailed by U.S. Bank Trust Company, National Association, as registrar and pay agent ("**Registrar/Paying Agent**") by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry (as defined herein) not less than 30 days and not more than 60 days prior to the redemption date. So long as the Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, notices of redemption with respect to the Bonds will be given to Cede & Co., and will be distributed by Cede & Co. as set forth in APPENDIX G - DTC AND BOOK-ENTRY SYSTEM.

If less than all of the Bonds of any series and maturity are called for redemption, the Bonds of such series and maturity to be redeemed shall be selected by lot by the Registrar/Paying Agent within such maturity, subject to the rules of procedure of DTC while the Bonds are held in book-entry form.

If a Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as in the Bond Ordinances provided and if moneys for the payment of such Bond at the then applicable redemption price and the interest to accrue to the redemption date on such Bond are held for the purpose of such payment by the Registrar/Paying Agent, then such Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Bond, as appropriate, so called for redemption shall cease to accrue. The County is entitled to provide for, and give notice of, the redemption of a Bond based on certain conditions being met at or prior to redemption, including, but not limited to, the availability of amounts for such purposes.

### **Optional Redemption**

The Bonds maturing on or prior to March 1, 2032, shall not be subject to redemption prior to their stated maturities. The Bonds maturing on and after March 1, 2033, are subject to redemption prior to maturity, at the option of the County, on or after March 1, 2032, in whole or in part at any time, at a redemption price equal to 100 percent of the principal amount thereof, without premium, together with interest accrued to the redemption date.

### **Book-Entry System**

The Bonds will be available to purchasers under the book-entry system maintained by The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository for the Bonds. Purchasers will not be entitled to receive physical delivery of the Bonds. For so long as any purchaser is a beneficial owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Bonds. See APPENDIX G – DTC AND BOOK-ENTRY ONLY SYSTEM hereto for additional information regarding DTC and its book-entry system.

For so long as a Book-Entry Only System for the Bonds is in place, the registration, transfer and exchange of the Bonds will be made as described in APPENDIX G - DTC AND BOOK-ENTRY ONLY SYSTEM.

See APPENDIX H for a description of the registration, transfer, and exchange procedures for the Bonds if the Book-Entry Only System is discontinued.

### Miscellaneous

Neither the Bonds nor any of the documents relating to their issuance contain any covenants or periodic reporting requirements that could result in a default. Payment of principal of and interest on the Bonds may be enforced against the County, and the pledge of the full faith, credit and taxing power is enforceable by mandamus.

## SOURCES AND USES OF FUNDS

The following table sets forth an estimation of the sources of funds to be derived from the sale of the Series 2022A Bonds and the uses of such funds.

<u>Sources of Funds:</u>	<u>Funds</u>
Par Amount of the Series 2022A Bonds	\$35,650,000
Original Issue Premium	<u>3,015,421</u>
Total Sources: †	<u>\$38,665,421</u>
 <u>Uses of Funds:</u>	
Capital Projects	\$35,467,740
Debt Service Fund	2,907,136
Cost of Issuance <sup>(1)</sup>	182,260
Underwriter's Discount	<u>108,286</u>
Total Uses: †	<u>\$38,665,421</u>

<sup>(1)</sup> Includes legal fees, bond rating agency fees, consultant fees, and other costs of issuance.

† Totals may not add due to rounding.

The following table sets forth an estimation of the sources of funds to be derived from the sale of the Series 2022B Bonds and the uses of such funds.

<u>Sources of Funds:</u>	<u>Funds</u>
Par Amount of the Series 2022B Bonds	\$1,450,000
Original Issue Premium	<u>82,052</u>
Total Sources:	<u>\$1,532,052</u>
 <u>Uses of Funds:</u>	
Fire Protection Projects	\$1,426,480
Debt Service Fund	70,877
Cost of Issuance <sup>(1)</sup>	23,520
Underwriter's Discount	<u>11,175</u>
Total Uses:	<u>\$1,532,052</u>

<sup>(1)</sup> Includes legal fees, bond rating agency fees, consultant fees, and other costs of issuance.

## PLAN OF FINANCE

The proceeds of the Series 2022A Bonds will be utilized to fund certain projects in the County's capital improvement program. Specifically, the County plans to use the funds for the purpose of defraying or reimbursing a portion of the costs of acquisition and construction of a Public Safety Training Facility, the expansion and rehabilitation of Public Works Complex, the acquisition and renovation of office space in Conway, South Carolina, rehabilitation of the Historical Courthouse, rehabilitation of the Elm Street Technology Building, rehabilitation and expansion of the Procurement/Records/Fire Warehouse, construction of a Public Works Maintenance Warehouse, rehabilitation of the JP Stevens Building, rehabilitation of the ML Brown Complex, rehabilitation of the Government & Justice Complex, additions to the Fox Gore Animal Care Center, parking and entrance improvements at the Ralph Ellis Complex, rehabilitation at the Cochran Building, the expansion of County EMS facilities at Cherry Hill and Maple (collectively, the "***Capital Projects***").

The County operates and maintains a system of fire protection in the unincorporated area of the County (defined herein as the "***Fire District***"). The proceeds of the Series 2022B Bonds will be utilized for the purpose of defraying a portion of the cost of expanding the fire fighting facilities at Cherry Hill and Maple (collectively, the "***Fire Protection Projects***").

## THE COUNTY

### General Description

The County is located in the extreme eastern part of the State and is bordered on the east by the Atlantic Ocean, the north by the State of North Carolina, the west by Dillon and Marion Counties and the south by Georgetown County. The County is the largest county in the State, with a land area of approximately 1,134 square miles. The County's Census 2020 population was 351,029. For additional information regarding the County, see APPENDIX A – THE COUNTY.

## INVESTMENT CONSIDERATIONS

### Introduction

In analyzing the Series 2022 Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully consider the following investment considerations prior to making a decision to purchase the Series 2022 Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Series 2022 Bonds. Additional investment considerations relating to the purchase of the Series 2022 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

### COVID-19

For over the past two years, the United States, including the State and the County, has been in the midst of a pandemic caused by a novel coronavirus and resulting disease known as COVID-19. The pandemic led to a declaration of emergency by the Governor of South Carolina on March 13, 2020, followed by the issuance of progressively more stringent orders by the Governor through the rest of March and April 2020 including, but not limited to, a stay-at-home order, the closure of public schools and colleges through the remainder of the school year, placing occupancy limitations on retail, dining and other non-essential businesses, and otherwise promoting social distancing. Beginning April 2020 and extending through March 2021, the Governor issued a series of orders gradually easing most of those restrictions, including lifting the stay-at-home order, allowing for in-person instruction in schools, removing limitations on mass gatherings, and allowing for retail, dining, and non-essential businesses to reopen, while

also providing guidance and recommendations regarding their safe operations. The State's COVID-19 related state of emergency ended in June 2021.

The COVID-19 pandemic altered the behavior of businesses, governments and people in a manner that had detrimental effects on global and local economies, including the County's economy. In addition, global financial markets experienced significant volatility attributed to concerns over COVID-19. The ongoing impact of the pandemic on the County, its operations, and the local, regional, national and international economies cannot be predicted due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities, businesses and institutions to attempt to contain or mitigate its impact. Data presented in this Official Statement regarding revenues received by the County in prior Fiscal Years should not be relied upon as a projection of revenues to be received by the City in the present and future Fiscal Years.

The County received direct funding of \$34.4 million in Fiscal Year 2021 and \$34.4 million in Fiscal Year 2022 under the American Rescue Plan Act of 2021. Additionally, the County has received \$90.9 million in indirect ARPA and CARES Act funding including reimbursements of \$12.4 million, supplemental funding for Airports and Emergency Medical Services of \$39.9 million, and additional community benefits funding of \$38.6 million.

### **Cybersecurity**

The County, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats involving, but not limited to, hacking, phishing viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, the County may be the target of cybersecurity incidents that could result in adverse consequences to the County and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the County's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the County invests in multiple forms of cybersecurity and operational safeguards.

While the County's cybersecurity and operational safeguards are periodically tested, no assurances can be given by the County that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the County's finances or operations. The costs of remedying any such damage or obtaining insurance related thereto, or protecting against future attacks could be substantial and insurance (if any can be obtained) may not be adequate to cover such losses or other consequential County costs and expenses. Further, cybersecurity breaches could expose the County to material litigation and other legal risks, which could cause the County to incur material costs related to such legal claims or proceedings.

### **Climate Change**

The County is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes, and has experienced multiple severe weather events within the past several years. These effects may be exacerbated by longer-term climate shifts (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events and natural disasters could damage local infrastructure that provides essential services to the residents and visitors of the County. The economic effects resulting from such extreme weather events and natural disasters could include a loss of revenue (which may be due to declines in tourism, depreciation of property values or otherwise), interruption of service and escalated recovery costs. The County monitors the impact of climate change on the County and its operations. However, no assurances can be given that a future extreme weather event driven by climate change will not adversely affect the operations or financial condition of the County.

The County experienced limited impacts from Hurricane Matthew in October 2016. Initial storm damage included limited roadway infrastructure damage, storm debris, storm related flash flooding, and subsequent riverine

flooding. The County-incurred cost related to the storm was \$12.2 million with reimbursement projected through Federal and State grants of \$12.2 million. The County experienced limited impacts from Hurricane Florence in September 2018. Initial storm damage included limited roadway infrastructure damage, limited storm debris, storm related flash flooding, and subsequent record riverine flooding. The County-incurred cost related to the storm was \$10.7 million with reimbursement projected through Federal and State grants of \$10.0 million. Costs of these storms were funded from recurring annual budgets without the use of or reduction of fiscal reserves. These events had limited negative economic impacts on the County due to their occurrence after the peak tourist season.

In 2021, the County took steps to increase its fiscal reserves from 25% to 28% in its General Fund and other operating governmental funds. The new reserve amounts include an 18% cash management reserve, 5% revenue stabilization reserve, and a 5% disaster reserve. Reserves were fully funded in the year implemented through revenues in excess of budget and expenditure savings. General Fund reserves total \$66.5 million of the \$115.2 million fund balance at June 30, 2022 (unaudited). The County also maintains a separate debris reserve of \$10.0 million, funded from one-time sources. Additionally, the County is in the process of completing a Resiliency Study addressing both projects and policies to better prepare the County for possible future events. This study is partially funded from FEMA grants. Further, the County increased the freeboard requirement from one to three feet and enacted a supplemental flood zone to regulate building in developed and undeveloped areas flooded in Hurricane Florence and not included in revised FEMA official flood maps. The County is also participating in an Army Corps of Engineers study of the Waccamaw River Basin to determine what, if any, opportunities there might be to mitigate riverine flooding and reduce its impacts on County communities. This is a three year project at a cost of \$3.0 million which has received Congressional budget authority and initial federal funding. The local match requirement is \$1.5 million and has been fully funded by the County.

## **LEGAL MATTERS**

### **Litigation**

There is no controversy or litigation of any nature now pending or, to the knowledge of the County officials, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the levy and collection of taxes to pay the Bonds; or questioning the proceedings or authority pursuant to which the Bonds are issued and taxes levied; or questioning or relating to the validity of the Bonds; or contesting the corporate existence of the County or the titles of its present officers to their respective offices. The absence of such litigation will be confirmed by the County at the time of delivery of the Bonds.

### **Legal Proceedings and Disclosure Counsel**

The legal proceedings relating to the issuance of the Bonds were prepared by Howell Linkous & Nettles, LLC, attorneys and counsellors at law, Charleston, South Carolina, whose approving opinion will be furnished without charge to the purchaser of the Bonds at the time of their delivery. The forms of Bond Counsel opinions as set forth in APPENDIX D to this Official Statement.

Howell Linkous & Nettles, LLC have also served as disclosure counsel to the County regarding the issuance of the Bonds offered hereby. On delivery of the Bonds, Howell Linkous & Nettles, LLC will deliver opinion letters as disclosure counsel addressed to the County and the respective Underwriter to the effect that (1) the Continuing Disclosure Undertaking on the part of the County satisfies the requirements of Rule 15c2-12, (2) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and (3) that, subject to their limited review, nothing has come to their attention that would lead them to believe that the Official Statement contains any untrue statement of material fact or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they made, not misleading (except that no statement will be made regarding information on DTC or financial or statistical information contained in this Official Statement or in APPENDIX A hereto).

Certain legal matters will be passed upon for the County by Arrigo P. Carotti, Esq., Conway, South Carolina, Horry County Attorney.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

### **United States Bankruptcy Code**

This undertaking of the County should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. §§ 901, et seq., as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

## **TAX EXEMPTION AND OTHER TAX MATTERS**

### **Litigation**

There is no litigation of any nature now pending or threatened to restrain or enjoin the sale, execution, issuance, or delivery of the Bonds or in any way contesting the validity of the Bonds or any proceedings of the County taken with respect to the authorisation, sale, or issuance of the Bonds or the pledge or application of any moneys provided for the payment of or security for the Bonds. Certifications to those effects will be delivered at the time of the original delivery of the Bonds.

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest on the Bonds to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and for purposes of South Carolina income taxation. Noncompliance with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The County has covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and South Carolina income tax purposes (the "**Covenants**"). The Non-Arbitrage and Tax Certificates executed by the County with respect to the Bonds (the "**Tax Certificates**"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The County, in executing the Tax Certificates, will certify to the effect that the County expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate.

Certain requirements and procedures contained or referred to in the Bond Ordinance, the Tax Certificate, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Howell Linkous & Nettles, LLC.

## **Tax Opinions**

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the County, under existing law, including current statutes, regulations, rulings, and judicial decisions and assuming continuing compliance by the County with the Covenants and the Tax Certificate, interest on the Bonds is excludible from gross income for federal and South Carolina income tax purposes under Section 103(a) of the Code, except as discussed below.

Bond Counsel is of the further opinion that interest on the Bonds is not an item of tax preference for the purposes of the alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the “*Code*”) however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

Bond Counsel is further of the opinion that the Series 2022A Bonds and the interest thereon are exempt from all state, county, school district, municipal, and all other taxes or assessments of the State of South Carolina, except inheritance, estate, or transfer taxes.

Section 12-11-20 of the South Carolina Code of Laws of 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue and Taxation require that the term “entire net income” includes income derived from any source whatsoever including interest on obligations of any state or political subdivision thereof. Interest on the Bonds will be included in such computation.

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

The proposed forms of the opinion letters of Bond Counsel for the Bonds are set forth in APPENDIX D, attached hereto. The actual legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their dates, and subsequent distribution of their by re-circulation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinions concerning any of the matters referenced in the opinions subsequent to its date.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), including non-compliance with the Covenants or other provisions of the Tax Certificate, or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events, or matters.

## **Certain Federal Tax Consequences**

The following is a discussion of certain federal income tax matters under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to particular Bondholders of the Bonds. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion letter, and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding, or disposing of the Bonds on the tax liabilities of the individual or entity.

Although Bond Counsel has rendered opinions that, with certain assumptions, interest on the Bonds is excludible from gross income for federal and South Carolina income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction.

For example, ownership or disposition of the Bonds may result in other collateral federal, state, or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code. Ownership of the Bonds may also result in the limitation of interest, and certain other deductions for financial institutions and certain other taxpayers under Section 265 of the Code. Finally, residence of the holder of the Bonds in a state other than the State of South Carolina or being subject to tax in a state other than the State of South Carolina may result in income or other tax liability being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

### **Changes in Federal and State Tax Law**

From time to time, legislative proposals are pending in the United States Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Bonds. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. It cannot be predicted whether or in what form any of such proposals may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In all such events, the market value of the Bonds may be affected and the ability of the Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to adjustment in the event of any such change in the tax treatment of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby.

### **Information Reporting Requirement**

Interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. In general, such information reporting requirements are satisfied if the Bondholder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the Bondholder is one of a limited class of exempt recipients, such as corporations. Backup withholding (i.e., the requirement for the payor to deduct and withhold a tax, calculated in the manner determined under the Code, from the interest payment) may be imposed on payments made to any Bondholder who fails to provide the required information, including an accurate taxpayer identification number, to any person required to collect such information under Section 6049 of the Code. Neither the compliance with this reporting requirement nor backup withholding, in and of itself, affects or alters the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

BOND COUNSEL'S OPINIONS ARE BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS. EACH SUCH OPINION IS FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINION TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINIONS ARE NOT A GUARANTEE OF RESULT AND IS NOT BINDING ON THE INTERNAL



REVENUE SERVICE (THE “SERVICE”); RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL’S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH RESPECTIVE OPINIONS.

THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF ANY COMPONENT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE SERVICE IS LIKELY TO TREAT THE COUNTY AS THE TAXPAYER AND THE BONDHOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

### **Original Issue Discount on Bonds**

The Bonds maturing in the years 2036 through 2038 have been sold at initial public offering prices which are less than the amount payable at maturity (the “Discount Bonds”). The difference between the initial public offering prices to the public (excluding bond houses and brokers) at which price a substantial amount of each maturity of the Discount Bonds is sold and the amount payable at maturity constitutes original issue discount, which will be treated as interest on such Discount Bonds and to the extent properly allocable to particular owners who acquire such Discount Bonds at the initial offering thereof, will be excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Discount Bond who acquires the Discount Bond in this offering during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Any gain realized by an owner from a sale, exchange, payment, or redemption of a Discount Bond will be treated as gain from the sale or exchange of such Discount Bond.

Owners who may acquire Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount or interest properly accruable with respect to such Discount Bonds, other tax consequences of owning Discount Bonds and the state and local tax consequences of owning Discount Bonds.

### **Original Issue Premium on Bonds**

The Bonds maturing in the years 2023 through 2035 have been sold at an initial public offering price which is greater than the amount payable at maturity (the “Premium Bonds”). An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. IT IS NOT INTENDED TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO BONDHOLDERS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER FEDERAL OR APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

## RATINGS

Moody's Investors Service, Inc. ("**Moody's**"), S&P Global Ratings ("**S&P**"), and Fitch Ratings, Inc. ("**Fitch**") (each, a "**Rating Agency**," and collectively, the "**Rating Agencies**"), have assigned the Bonds their municipal bond ratings of "Aa1," "AA+," and "AA+," respectively. Such ratings reflect only the views of the applicable Rating Agency and an explanation of the significance of such ratings may be obtained from the respective Rating Agency as follows: Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; S&P at 55 Water Street, 38th Floor, New York, New York 10041; or Fitch at 33 Whitehall Street, New York, New York 10004. The County has furnished to the Rating Agencies certain information and materials respecting the County and the Bonds. Generally, the Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them.

There is no assurance that such ratings will remain unchanged for any period of time or that they may not be lowered or withdrawn entirely by the Rating Services if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## UNDERWRITING

The Series 2022A Bonds have been purchased at a competitive sale from the County for resale by BNY Mellon Capital Markets, LLC (the "**Purchaser**"). The Series 2022A Bonds have been purchased at a purchase price of \$38,557,135.56. The interest rates and yields, which information has been provided by the Purchaser, are stated on the cover hereof. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering prices. In addition, the initial public offering prices of either series of the Series 2022A Bonds may be changed from time to time by the Purchaser without prior notice. The County will not pay a fee to the Purchaser for underwriting the Series 2022A Bonds.

The Series 2022B Bonds have been purchased at a competitive sale from the County for resale by BofA Securities (the "**Purchaser**"). The Series 2022B Bonds have been purchased at a purchase price of \$1,520,876.60. The interest rates and yields, which information has been provided by the Purchaser, are stated on the cover hereof. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial public offering prices. In addition, the initial public offering prices of either series of the Series 2022B Bonds may be changed from time to time by the Purchaser without prior notice. The County will not pay a fee to the Purchaser for underwriting the Series 2022B Bonds.

## FINANCIAL ADVISOR

First Tryon Advisors has served as Financial Advisor (the "**Financial Advisor**") to the County with respect to the sale of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent on the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendixes thereto.

## **INDEPENDENT AUDITS AND OTHER FINANCIAL INFORMATION**

The County's financial statements were audited by Elliott Davis, LLC, Charleston, South Carolina, for the fiscal year ended June 30, 2021. The County's Annual Comprehensive Financial Report ("ACFR") for the Fiscal Year ended June 30, 2021, including the audited financial statements for the Fiscal Year ended June 30, 2021 (the "2021 Financial Statements"), is included in this Official Statement as APPENDIX B. The 2021 Financial Statements, including the footnotes thereto, should be reviewed in their entirety by prospective purchasers of the Bonds. Elliott Davis, LLC has not been engaged to perform, and has not performed, since the date of its report included in APPENDIX B, any procedures on the 2021 Financial Statements addressed in that report. Elliott Davis, LLC has also not performed any procedures relating to this Official Statement.

With respect to evaluating the ability of the County to make timely payment of debt service on the Bonds based on information contained in the ACFR, no representation is made that such information contains all factors material to such an evaluation or that any specific information should be accorded any particular significance. The 2021 Financial Statements represent a comprehensive report of the County's finances and include funds, accounts, and revenues that are not pledged to the payment of debt service on the Bonds. This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other solely by reason of its location herein.

## **CONTINUING DISCLOSURE**

To the extent required by Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the County, through written agreement or contract for the benefit of registered owners and the Beneficial Owners of the Bonds, will provide notice in a format as required by the Rule, either directly or indirectly through a designated agent, in a timely manner not in excess of ten business days after its occurrence, of any of the events enumerated in Section (b)(5)(i)(C) of the Rule and will provide certain financial information and operating data relating to the County by February 1 following the end of each of the County's Fiscal Years, commencing with the report for the 2022 Fiscal Year (the "Annual Report"). The form of such written agreement, the Disclosure Dissemination Agent Agreement entered into by the County with Digital Assurance Certification, L.L.C. ("DAC") in connection with the issuance of the Bonds (the "DDAAs"), is attached as APPENDIX F. The Annual Report will be filed on behalf of the County by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board ("MSRB"). The notices of any events enumerated in Section (b)(5)(i)(C) of the Rule will be filed on behalf of the County by DAC with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in the DDAA. These covenants have been made in order to assist each original purchaser of the Bonds in complying with the Rule.

As provided in the DDAA, if the County or DAC fails to comply with any provision of the DDAA, any registered owner or "Holder" of the Bonds may seek to compel performance by such parties with their obligations under the DDAA by action in mandamus or for specific performance. "Holder" is defined in the DDAA to mean any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) treated as the owner of any Bonds for federal income tax purposes. If any person seeks to cause the County to comply with its continuing disclosure obligations under the DDAA, it is the responsibility of such person to demonstrate that it is a "Holder" within the meaning of the DDAA.

In connection with the issuance by the County of its (i) \$5,040,000 General Obligation Bonds, Tax-Exempt Series 2009A (the "2009A Bonds"), (ii) \$6,960,000 General Obligation Bonds, Taxable Series 2009B (Build America Bonds – Direct Pay to Issuer) (the "2009B Bonds") and (iii) \$13,690,000 General Obligation Refunding Bonds, Series 2010B (the "2010B Bonds"), the County executed Continuing Disclosure Certificates (collectively, the "Prior CDCs") which contained certain annual reporting requirements related to school funding and enrollment (the "School Data") not applicable to county governments. As permitted by the terms of the Prior CDCs, the County amended the Prior CDCs on September 21, 2017 pursuant to First Amendments thereto to (a) delete the School Data requirements and (b) provide alternate information reporting requirements which are pertinent to the security for the 2009A Bonds, the

2009B Bonds and the 2010B Bonds. On October 6, 2017, DAC filed, on behalf of the County, a disclosure with the MSRB which indicated that the School Data was not applicable to the County.

In March of 2020, the County adopted written procedures relating to timely compliance with its continuing disclosure obligations under the Rule, including the obligation to file with MSRB's Electronic Municipal Market Access System: (a) certain financial information on an annual basis, and (b) notice within 10 business days of the occurrence of certain events enumerated in the Rule.

The County has also covenanted, so long as required by Section 11-1-85 of the S.C. Code to file with a central repository for availability in the secondary bond market, an annual independent audit within 30 days of its receipt and event specific information within 30 days of an event adversely affecting more than 5% of tax revenue or the County's tax base. Failure of the County to comply with said covenants will not result in an Event of Default under the Bond Ordinances.

### **CONCLUDING STATEMENT**

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds and the determinations of the County Council relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the Bond Ordinance and to such determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in the Official Statement and in the appendices hereto has been obtained from sources other than the County that are believed to be reliable but is not guaranteed as to accuracy or completeness.

Neither any advertisement for the Bonds nor this Official Statement is to be construed as constituting an agreement the holders of the Bonds.

If there are further inquiries, or requests for additional copies of this Official Statement, please address them to Samuel W. Howell, Disclosure Counsel, telephone (843) 266-3801, e-mail: [samhowell@bond-law.com](mailto:samhowell@bond-law.com), or with the Financial Advisor, Amy Vitner, Managing Director, First Tryon Advisors, telephone (704) 926-2457; e-mail: [avitner@firsttryon.com](mailto:avitner@firsttryon.com).

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The delivery of this Official Statement and its use in connection with the sale of the Bonds has been duly authorized by officials of the County in such capacity.

HORRY COUNTY, SOUTH CAROLINA

/s/ Johnny Gardner

Chairman, Horry County Council

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## **APPENDIX A**

### **THE COUNTY**

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## COUNTY GOVERNMENT AND SERVICES

### General Description

The County is located in the extreme eastern part of the State and is bordered on the east by the Atlantic Ocean, the north by the State of North Carolina, the west by Dillon and Marion Counties and the south by Georgetown County. The County is the largest county in the State, with a land area of approximately 1,134 square miles. The County's Census 2020 population was 351,029.

### Form of Government

The County operates under the Council-Administrator form of government in accordance with Title 4, Chapter 9 of the S.C. Code (the "Home Rule Act"). The County Council of the County (the "County Council") consists of 12 members, 11 of whom are elected from single member districts to serve staggered four-year terms. The Chairman of County Council is elected county-wide.

The present members of the County Council, their occupations and the date they began service on County Council are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Beginning Date of Service on County Council</u>
Johnny Gardner, Chairman	Attorney	January 2019
Tyler Servant, Vice Chairman	Resort Real Estate	January 2015
Al Allen	Businessman	January 2007
Orton Bellamy	Businessman	January 2019
R. Mark Causey	Real Estate	January 2020
Cam Crawford	Trade Association Executive	December 2016
Dennis DiSabato	Attorney	January 2017
Danny Hardee	Retired	January 2017
Bill Howard	Resort Restaurants	January 2015
Gary Loftus	Retired	January 2009
Johnny Vaught	Retired	January 2015
Harold G. Worley	Resort Accommodations	January 2003

The County Council appoints a County Administrator who serves at the pleasure of County Council and is responsible for County operations, subject to supervision of the County Council.

The power and duties of the County Administrator include service as the chief administrative officer of the County government; overseeing execution of the policies, directives and the legislative actions of the County Council; directing and coordinating operational agencies and administrative activities of the County government; preparing annual, monthly and other reports for County Council on finances and administrative activities of the County; responsibility for the administration of the County personnel policies, including salary and classification plans approved by County Council; and responsibility for the employment and discharge of personnel. The Home Rule Act provides that, except for the purposes of inquiries and investigations, County Council must deal with County officers and employees who are subject to the direction and supervision of the County Administrator solely through the County Administrator, and neither the County Council nor its members may give orders or instructions to any such officers or employees.

The County Administrator is also responsible for preparing the annual operating and capital improvement budgets for submission to the County Council and supervising the expenditure of appropriated funds. Major changes in the budget during the Fiscal Year must be approved by County Council. See "FINANCIAL AND TAX INFORMATION-Budget Procedure."

## County Administrative Officials

*Steve Gosnell, P.E., County Administrator.* Mr. Gosnell has served as the County Administrator of the County since July of 2019. Prior to serving as County Administrator, Mr. Gosnell served as Assistant County Administrator – Infrastructure & Regulation Division and served as the County Engineer starting in May of 1993. Prior to his employment with the County, Mr. Gosnell worked in the private sector and was a Senior Project Engineer and manager of a branch office in Litchfield, South Carolina, of DDC Engineers, Incorporated. Before joining DDC Engineers, Inc. in 1989 he worked for three years as a consulting engineer with R.L. Bellamy and Associates in Myrtle Beach, South Carolina. Prior to entering the private consulting arena, Mr. Gosnell began his career with the Wyoming Department of Transportation and moved to South Carolina in 1986 where he worked with the South Carolina Department of Transportation in Georgetown, South Carolina. Mr. Gosnell received his Bachelor of Science degree from the University of Wyoming in 1982 and his Professional Engineers license in 1988 from South Carolina Engineers License. He is a member of the American Society of Civil Engineers, National Association of County Engineers and the American Public Works Association.

*Barry R. Spivey, CPA, CPFO, Assistant County Administrator - Administration Division.* Mr. Spivey has served as the Assistant County Administrator – Administration Division since July 2019. Prior to serving in such capacity, Mr. Spivey served as Finance Director of the County from April of 2011. Prior to joining the County, Mr. Spivey served as partner in the local accounting firm of Parker Hunter Spivey. Prior to that, he served twenty plus years in various financial leadership positions including Chief Financial Officer with the largest diversified development and amusement operational company in Northeast South Carolina. Mr. Spivey began his career with accounting firm of Smith Sapp Bookhout Crumpler & Calliham with primary responsibility in governmental auditing. Mr. Spivey has a Bachelor of Science Degree in Business Administration with a Concentration in Accounting from University of South Carolina-Coastal Carolina College where he graduated Magna Cum Laude and a Masters in Business Administration Degree from Coastal Carolina University where he graduated Summa Cum Laude. He is a member of the American Institute of Certified Public Accountants, the South Carolina Association of Certified Public Accountants, the Government Finance Officers Association, and the South Carolina Government Finance Officers Association. Mr. Spivey is a Certified Public Accountant, Certified Public Finance Officer, and Global Chartered Management Accountant.

*David Gilreath, P.E, Assistant County Administrator - Infrastructure & Regulation Division.* Mr. Gilreath has served as the Assistant County Administrator – Infrastructure & Regulation Division since September 2019. Prior to serving in such capacity, he was the Director of Public Works of the County since 2007 and was responsible for the maintenance and construction of roads and bridges, maintenance and operation of 9 miles of unincorporated County beaches, and the County-wide litter program. Mr. Gilreath came to the County in 2005 as Deputy County Engineer. In that role, he was responsible for all aspects of engineering related to County roads as well as development reviews, permitting and inspections. Before coming to the County he had over ten years of experience as a consultant and contractor. Mr. Gilreath is a licensed professional engineer and a graduate of Clemson University.

*Randy Webster, Assistant County Administrator - Public Safety Division.* Mr. Webster has served as the Horry County Public Safety Division Director since July 2019. Prior to serving in such capacity, Mr. Webster served as Emergency Management Director from April 2003 and in various other capacities prior to that date including Paramedic, Emergency Medical Services Supervisor, Deputy Director, Director, and Fire Chief. Mr. Webster is a graduate of numerous Emergency Management and Department of Homeland Security (FEMA) programs and courses. Mr. Webster is a Certified Emergency Planner and Certified Environmental Specialist. Mr. Webster serves as an Emergency Management presenter at numerous National and Regional Conferences including the National Hurricane Conference, National Hurricane Center – Miami, Florida, FEMA Emergency Management Institute, North Carolina Emergency Management Institute – Eastern Carolina University, FEMA Interagency Committee on Hurricanes, and South Carolina Emergency Managers Association.

## County Elected and Appointed Officials

*Angie Jones, Treasurer.* Ms. Jones was elected County Treasurer on November 8, 2016 and was sworn in and assumed duties as County Treasurer on July 3, 2017. She began her service in the Horry County Treasurer's office in August 2001 as a Revenue Collector in the Business License Hospitality Fee division. In January 2005, Ms. Jones was promoted to Manager of the Business License Hospitality Fee division. In July 2005, she was promoted to Deputy Treasurer and served in that position for 11 years. Ms. Jones also serves as an Adjunct Professor at National American and Webster Universities teaching management, leadership and finance classes through their MBA program. She possesses a Bachelor of Science degree in Accounting, Masters of Business Administration (MBA), and a Doctorate of Business Administration (DBA).

*Elizabeth Calhoun, Auditor.* Ms. Calhoun was elected County Auditor in November 2020 and began serving her first term as Auditor on July 1, 2021. She began her service in the Horry County Auditor's office in 2001 and was sworn in as Assistant Deputy Auditor in 2013. Ms. Calhoun graduated from the Horry Georgetown Technical College in 1997 and the University of South Carolina (USC)-Coastal in 1982. She graduated from the Institute of Government and received an Advanced Certification through the USC Institute of Public Service. Ms. Calhoun is an active member of South Carolina Association of Countywide Elected Executives, served on the Student Improvement Council for Horry County Schools, and has graduated from the Lean Six Sigma and Horry County Leadership Programs.

*Lawrence Roscoe, Assessor.* Mr. Roscoe was appointed County Assessor in 2015. Prior to his service as County Assessor, Mr. Roscoe served seven (7) years as the Deputy Assessor for Florence County and has been in county government for 13 years. Mr. Roscoe received his Bachelor's Degree in Economics from the Francis Marion School of Business and his Master's in Public Administration (MPA) from Arkansas State University. He is also a State Certified General Appraiser and Appraisal Education Instructor.

## Services Provided

The County provides a broad range of local services to its residents, business visitors and tourists. These local services are in addition to the substantial services provided in the County by the State and federal governments, and other local government entities. Among the services which the County funds in whole or in part are the following:

- (1) Administrative and General Government services (including Election Commission, Assessor's Office, Register of Deeds, etc.)
- (2) Public Safety
  - a. Judicial services (e.g., Clerk of Court, Magistrates' Offices, Central Court, Solicitor's Office, Public Defender's Office, etc.)
  - b. Law enforcement (e.g., sheriff operations, detention facilities, police, 911 communications, Emergency Medical Services, Coroner, Magistrates, Clerk of Court, etc.)
  - c. Emergency management
  - d. Fire
- (3) Infrastructure and Regulation
  - a. Building inspection (e.g., code enforcement, planning and zoning, etc.)
  - b. Public Works (e.g., roads, streets, etc.)
  - c. Maintenance
  - d. Engineering
- (4) Public health and social services
- (5) Cultural services (e.g., library, County museum, etc.)
- (6) Recreation and tourism
- (7) Airport

In order to provide these services, the County, in its 2023 Fiscal Year budget, authorized 2,965 funded positions, consisting of:

<u>Services</u>	<u>Number of Funded Positions</u>
Administrative Services	413
Public Safety	1,104
Infrastructure and Regulation	420
Fire	292
EMS	235
Recreation	123
Victim Witness	12
Solid Waste	164
Fleet	27
Airport	<u>175</u>
Total	<u>2,965</u>

None of these employees belong to a union or other collective bargaining group. The County government's relations with its employees are generally good and there are no currently pending or threatened strikes or other work stoppages by County employees.

Source: County Finance Department

### **Description of Certain Services Provided by the County**

#### Horry County Infrastructure and Regulation

##### *Planning and Zoning*

The County Council organized the Planning Commission in 1979 to guide the development of the County in an orderly and managed way. Subdivision regulations were adopted in 1984, and a portion of the unincorporated area of the County was initially zoned in 1987. Over the next few years land along major corridors was zoned and by 2001 the entire County was under some form of zoning control. The South Carolina Local Government Comprehensive Planning Enabling Act of 1994 provided the necessary standards making planning across the State consistent, and also empowered the Planning Commission to establish growth principles and recommend policies to direct development in the County. The local zoning ordinance assigned appropriate uses to land, while land development regulations provided the physical site requirements. In 1999, the County adopted a new comprehensive plan that was detailed and specific in its analysis and implementation recommendations. By May 2007, the previous plan was updated and revised by the Envision 2025 Comprehensive Plan Steering Committee, and that document was adopted by the County Council in 2008. Imagine 2040 was adopted by County Council in 2019 as the most recent update to the comprehensive plan.

Implementation of and revisions to the Imagine 2040 Comprehensive Plan is the primary responsibility of the eleven-member Horry County Planning Commission. Imagine 2040 is the policy document to manage growth in the most land-efficient and cost-effective way. To assist and advise the Horry County Planning Commission, the Planning and Zoning Department responds on three division levels, structured specifically in the following way: the current planning division is responsible for the day-to-day administration and enforcement of the Horry County Zoning Ordinance. Responsibilities also include assisting citizens with rezoning requests, zoning variance requests, zoning compliance for business licensing, and answering all zoning related questions. The Horry County Zoning Board of Appeals exists to hear variances and special exceptions to the Zoning Ordinance, and administrative appeals and reconsiderations of previous denied requests.

The land development division is responsible for the administration and enforcement of the County's Land Development Regulations. These regulations provide for the orderly development of the County and its environs, and are revised periodically to ensure consistency with the current comprehensive plan. Development reviews by this

division include minor plans, commercial development plans, and residential plans for the subdivision of land. When the strict application of the regulations creates an unnecessary hardship on a property owner, design modifications may be granted by the Planning Commission. This division also reviews plans for compliance with the landscape, buffer and tree ordinance as well as overlay zones. Currently, there are ten overlay zones, several of which serve as corridor plans along the County's major thoroughfares.

The long range planning division is responsible for the drafting and implementation of the Horry County Comprehensive Plan, drafting of area plans and corridor plans, as well as research related to all future planning endeavors. This division serves as staff liaison to various committees and boards, in particular the Board of Architectural Review and the Parks & Open Space Board. The long range planning division has contributed to five area plans and the creation of ten overlay zones. In concert with the Imagine 2040 Comprehensive Plan Steering Committee, the long range planners drafted the latest re-write and updating of the Horry County Envision 2025 Comprehensive Plan that includes elements relating to population, economic development, natural resources, cultural resources, community facilities, housing, and land use.

The mechanics of the Planning and Zoning Department are designed to impart a philosophy of growth management through a sustainable and controlled pace, and to encourage an economic balance of uses while limiting the physical impact on the land, and preserving the character of the County. Through the growth of the past few decades, there is the ongoing challenge to meet the needs of the present and future residents of the County. As well, the primary industry of tourism continues to rise, increasing the essential demands on the local governments of the County. The overall policy of the Horry County Imagine 2040 Comprehensive Plan is designed to be fluid with change, responded to as required through the Horry County Planning and Zoning Department and the public, boards, commissions, and committees it serves.

### *Engineering*

The County's Engineering Department provides administration of the Horry County Local Road Improvement Program, the administration of the Horry County Beach Re-nourishment Program, the processing of encroachment permit applications, the acquisition of road and drainage easements, the review and approval of subdivision plans, construction inspections of approved subdivisions and administration of the road dedication process.

An important and significant program for the Engineering Department is the capital projects sales tax road construction and improvement program. On November 8, 2016 Horry County voters approved a one-cent Capital Projects Sales Tax for multiple road projects. The sales tax was implemented in May of 2017. See herein under the heading "ECONOMIC CHARACTERISTICS AND DATA – Road Improvement and Development Effort (RIDE)."

### *Recreation*

The County's Parks and Recreation Department provides a diverse base of recreational facilities and programs in over 37 park facilities and 27 boat landing locations. Additionally, the Parks and Recreation Department offers both year-round as well as seasonally appropriate recreation programs throughout the County. With the adoption of the 2008 Fiscal Year budget, an additional mill of tax was added in order to begin the implementation of the Recreation Facility Plan. The Recreation Facility Plan is designed to add additional health, wellness and fitness programs; to host cultural events, artistic and instructional activities; and to promote tourism through athletic tournaments throughout the County in conjunction with the construction of community centers, athletic complexes, playgrounds and renovation of existing facilities. Community centers are the first priority in the Recreation Facility Plan. The components of the community centers vary depending on the needs of the community, but can include a gymnasium, multi-purpose meeting and activity rooms, exercise rooms and common spaces. The Vereen Memorial Historical Gardens and Community Center was completed in May 2008. The center has interpretive information about wildlife in the park, multi-purpose meeting and activity rooms. The County operates four recreation centers (James Frasier – Bucksport, North Strand, Carolina Forest, and South Strand) offering a variety of recreational, fitness, sports, after-school and summer camp programs.

## Horry County Public Safety

### *Police Protection*

The major law enforcement agency in the County is the Horry County Police Department which has 640 officers budgeted for the 2023 Fiscal Year. In addition, there are 10 additional law enforcement agencies operating within the County. These include Myrtle Beach Police Department, North Myrtle Beach Public Safety, Surfside Beach Public Safety, Conway Police Department, Aynor Police Department, Loris Police Department, Coastal Carolina University Police and the Horry County Sheriff's Office.

The Horry County Police Department is a full service law enforcement agency, providing uniformed patrol services, investigative services, narcotics investigations, and other associated operations. The department is divided into four geographical precincts; with precinct headquarter facilities for each location. In addition, the Horry County Police Department operates numerous specialty teams, including a SWAT Team, a Bomb Squad, and a Bloodhound Tracking Team.

### *Fire Protection*

Horry County Fire/Rescue is the largest fire department in the County, serving the unincorporated area of the County. Horry County Fire/Rescue operates 41 fire and EMS stations, of which 28 are staffed with career staff, 24 hours a day, seven days a week. Operating and capital funding for Horry County Fire/Rescue is provided primarily through the "Rural Fire Millage." In addition to Horry County Fire/Rescue, there are six additional fire departments operating in Horry County, including Myrtle Beach Fire Department, North Myrtle Beach Public Safety, Surfside Beach Public Safety, Conway Fire Department, Loris Fire Department and Murrells Inlet/Garden City Fire Department.

Horry County Fire/Rescue is a full-service fire department, providing fire suppression services, public education, arson investigation and other associated operations. The department is divided into four geographical battalions. In addition, Horry County Fire/Rescue operates several specialty teams, including a Hazardous Materials Team, a Technical Rescue Team, a Wildfire Team, a Competition Team, and a Marine Rescue Honor Guard Team.

### *Emergency Medical Service*

Emergency Medical Services are provided in the County primarily through Horry County Fire/Rescue. Horry County Fire/Rescue operates 17 Advanced Life Support (ALS), and eight Basic Life Support (BLS), and two Quick Response Vehicles (QRV) throughout the County. In addition, Myrtle Beach Fire Department operates two ALS ambulances within the City of Myrtle Beach to augment the County's efforts. All of the ALS ambulances are staffed 24 hours a day, seven days a week by career personnel.

### *Emergency Communications*

The County operates an Emergency Communications Center in Conway, where all 911 calls in the County are received. This facility is referred to as the Primary Public Safety Answering Point (PSAP). Calls are received and emergency units are dispatched from this location. In addition to this facility, there are four Secondary PSAPs, operated by Myrtle Beach, North Myrtle Beach, Surfside Beach, and Loris.

All public safety agencies in the County utilize a County-owned 800 MHz trunked radio system. This is a 6-site Simulcast system that is networked via a 6 GHz microwave network and a County-owned fiber network. The County provides the infrastructure of the system, and each agency is responsible for their subscriber equipment.

### *Emergency Management Operations*

Horry County Emergency Management Department ("EMD") is responsible for coordinating the community's response to all disasters and major emergencies. EMD operates the County Emergency Operations Center, and provides the structure for the community to respond to and recover from these type events. EMD also



provides the liaison with the State and Federal agencies that provide assistance following a disaster. In addition, EMD provides the coordination for several regional efforts, including the Regional Medical Assistance Team.

### Other Services Provided Within the County

The several municipalities within the County (Myrtle Beach, Conway, Loris, Surfside Beach, North Myrtle Beach, Aynor, and Little River) also provide some of the services listed above and additional services not provided by the County. Grand Strand Water and Sewer Authority, a special purpose district created by State legislation, provides water and sewer services to the majority of the incorporated and unincorporated area of the County.

### Retirement Plan

All full-time County employees except public safety department employees are under the South Carolina Governmental Employees' Retirement System ("SCRS") established by the State for county government employees. Public safety department employees are covered by the South Carolina Police Officers' Retirement System ("PORS"), also a benefit plan. These plans are funded on a matching basis, using an actuarial method, by the employees and the County.

The County is required to make contributions on behalf of its employees into the pension system. The County's expenses are funded on an actuarial basis determined by the State, and the County is assessed on an annual basis for its share of the State retirement system's pension costs. The County's local pension contributions have risen substantially since the 2000 Fiscal Year. This has resulted in substantial increases in the County's pension costs. The table below sets forth the County's actual pension contributions for the 2017-2021 Fiscal Years (amounts expressed in thousands).

<u>Fiscal Year</u>	<u>SC Government Employee's Retirement System (SCRS)</u>	<u>Police Officers Retirement System (PORS)</u>	<u>Total Pension Payments</u>
2017	\$5,831	\$6,415	\$12,246
2018	7,196	7,352	14,548
2019	7,477	8,160	15,637
2020	8,482	9,626	18,108
2021	8,581	10,010	18,591

For Fiscal Year ended June 30, 2022 (unaudited), the County made contributions to the SCRS of \$9,575,559 and to the PORS of \$11,394,126, which amounts equaled the statutorily required contributions to SCRS and PORS.

### Required Pension Contributions

Rates of employer and employee contribution to the SCRS and PORS are set by statute through Fiscal Year ending June 30, 2027, as follows:

	<b>SCRS</b>		<b>PORS</b>	
<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2021 <sup>(1)</sup>	15.56%	9.00%	18.24%	9.75%
2022 <sup>(2)</sup>	16.56%	9.00%	19.24%	9.75%
2023 <sup>(3)</sup>	17.56%	9.00%	20.24%	9.75%
2024-2027	18.56%	9.00%	21.24%	9.75%

<sup>(1)</sup> Act 135 of 2020 of the General Assembly suspended the annual increase in the employer contribution rate for the SCRS and PORS for Fiscal Year 2021. The employer contribution percentages for Fiscal Year 2021, previously set by statute at 16.56% for the SCRS and 19.24% for the PORS, instead remained at the same rates imposed for Fiscal Year 2020, being 15.56% for SCRS and 18.24% for PORS.

<sup>(2)</sup> Act 94 of 2021 of the General Assembly increased the employer contribution rates for the SCRS and PORS for Fiscal Year ending June 30, 2022, one percent from the Fiscal Year 2021 rates as set in Act 135 of 2020 of the General Assembly.

<sup>(3)</sup> Act 239 of 2022 of the General Assembly increased the employer contribution rates for the SCRS and PORS for Fiscal Year ending June 30, 2023, one percent from the Fiscal Year 2022 rates as set in Act 94 of 2021 of the General Assembly.

Following the Fiscal Year ending June 30, 2027, the Board of Directors (the “Authority Board”) of the South Carolina Public Employee Benefit Authority is authorized to determine the contribution rates of participating employers; however, by statute, employee contributions are capped at 9.00% of earnable compensation for the SCRS and 9.75% of earnable compensation for the PORS. The Authority Board is authorized to set employer contributions based on the actuarial value of the plans except that a participating employer’s rate of contribution may not be increased by more than 0.5% in any Fiscal Year. The Authority Board may decrease contribution rates of both employers and employees if an actuarial valuation of a plan shows a funded ratio of at least 85% and any decrease in employer and employee contributions would not decrease the funded ratio below 85%.

The Authority Board is permitted to further increase employer contributions to the plans without limitation if the rates of contribution are insufficient to meet the amortization schedule for the unfunded actuarial accrued liability of the SCRS and PORS as set forth below:

<u>Fiscal Year</u>	<u>Funding Period</u>
2022	26 years
2023	25 years
2024	24 years
2025	23 years
2026	22 years
2027	21 years
2028 and after	20 years

### **Reporting Pension Liability and Expense**

In accordance with Statement No. 68 of the Governmental Accounting Standards Board (“GASB”), the County reported its proportionate share of the overall Net Pension Liability of SCRS’s expected future benefits to be paid and the value of assets on hand to cover the benefits in the County’s financial statements. For Fiscal Year 2022 (unaudited), the County reported its proportionate share of SCRS and PORS Net Pension Liability as \$111,885,029 and \$98,275,816 respectively, or 0.52% and 3.82% of the total net pension liability. Additionally, for Fiscal Year 2022 (unaudited), the County recognized pension expense of \$8,949,647 and \$13,463,311 for the SCRS and PORS respectively.

### **Post-Employment Healthcare Benefits**

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

In accordance with newly implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (“OPEB”), the County’s other post-employment benefits liability is now calculated based on the County’s total unfunded OPEB liability. As of June 30, 2020, the most recent measurement date, the estimated total OPEB liability of the County was \$49,315,864. The County currently funds its OPEB plan on a pay-as-you-go basis. The required payments for Fiscal Year 2021 were \$1,407,152. The County funds a commitment of fund balance in the General Fund for future OPEB payments. The balance at June 30, 2021 was \$7,862,374. See Note 14 to the Notes to Financial Statements in APPENDIX A hereto for more information regarding the County’s employee benefits plan.

## **Liability Insurance**

Subject to specific immunity set forth in the South Carolina Tort Claims Act (the “Tort Claims Act”), local governments including the County are liable for damages not to exceed \$300,000 per person and \$600,000 per occurrence. No punitive or exemplary damages are permitted under the Tort Claims Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Budget and Control Board, private carriers, self-insurance or pooled self-insurance funds. The County's current general liability insurance coverage is \$1,000,000 per occurrence and the deductible is \$250. It is insured by the South Carolina State Budget and Control Board.

## **School District**

The School District of Horry County (the “School District”) is coextensive with the County. The School District, established by State legislation, has taxing authority, and, pursuant to a court order, is legally empowered to determine the necessary millage for the operation of schools of the School District. The School District provides certain services with funds from taxes levied and collected for it by the County.

Pursuant to a court order of the Court of Common Pleas for Horry County dated August 31, 1995, it has been determined that the Horry County School Board is legally empowered to determine the necessary millage for the operation of schools of the School District.

## **DEBT STRUCTURE**

### **Legal Debt Limit of the County**

Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the “State Constitution”), provides that counties shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the State Legislature shall prescribe by general law. General obligation debt may be incurred only for a public and corporate purpose as follows:

(a) If the general obligation debt is authorized by a majority vote of the qualified electors of the county in a referendum, general obligation debt may be incurred without any limitation as to amount (other than the amount specified in the referendum).

(b) General obligation debt also may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of such county, without an election and without limitation as to amount, provided a special assessment, tax, or service charge in an amount sufficient to provide debt service on the bonds issued for such purposes shall be imposed upon the area or persons receiving the benefit therefrom.

(c) General obligation debt may also be incurred in an amount not exceeding 8% of the assessed value of all taxable property of the county.

Title 4, Chapter 15 of the S.C. Code provides that counties of the State may issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional debt limit.

The County's 8% debt limitation is computed below:

Assessed Value	\$2,834,357,984
Plus: Assessed Value - Merchant's Inventory	<u>10,571,700</u>
Total assessed value	\$2,844,929,684
Debt limit (8% of total assessed value)	\$227,594,375
Debt application to limit:	
General obligation bonds	<u>53,218,000</u>
Legal debt margin	<u><u>\$174,376,375</u></u>

### Outstanding General Obligation Indebtedness

The following table sets forth the amount of general obligation indebtedness of the County (including special tax districts) at the end of each of the past five Fiscal Years:

<u>Fiscal Year</u>	<u>General Obligation Indebtedness<sup>(1)</sup></u>
2018	\$65,144
2019	53,209
2020	61,456
2021	47,464
2022	61,253

<sup>(1)</sup> Amounts do not include unamortized premiums

### Description of General Obligation Indebtedness by Issue

The County has the following outstanding issues of general obligation indebtedness:

<u>Publicly Issued General Obligation Bonds</u>	<u>Outstanding Maturities</u>	<u>Original Amount</u>	<u>Current Outstanding Balance</u>
Series 2011A, dated 12/6/11 <sup>(1)</sup>	3/1/23-3/1/24	\$ 6,640,000	\$ 1,030,000
Series 2011B, dated 12/6/11 <sup>(2)</sup>	3/1/23-3/1/24	2,100,000	480,000
Series 2020A, dated 3/11/20	3/1/23-3/1/30	18,800,000	16,500,000
Series 2020B dated 3/11/20 <sup>(1)</sup>	3/1/23-3/1/30	2,100,000	1,655,000
Series 2021B dated 10/21/21	3/1/23-3/1/34	25,000,000	21,765,000
Series 2021C dated 10/21/21 <sup>(1)</sup>	3/1/23-3/1/36	3,630,000	3,195,000
<u>Direct Placement General Obligation Bonds</u>			
Series 2015C, dated 4/30/15	3/1/23-3/1/28	24,700,000	9,323,000
Series 2016A, dated 11/15/16 <sup>(1)</sup>	3/1/23-3/1/31	3,000,000	1,675,000
Series 2016B, dated 11/15/16	3/1/23-3/1/26	6,985,000	<u>5,630,000</u>
TOTAL		<u>\$97,729,000</u>	<u>\$61,253,000</u>

<sup>(1)</sup> Special tax district bonds which do not count against the County's 8% constitutional debt limit.

<sup>(2)</sup> Special purpose district bonds which do not count against the County's 8% constitutional debt limit.

## Composite Debt Service

The following tables set forth the principal and interest requirements of the County on its presently outstanding general obligation debt, including the Series 2022A Bonds and the Series 2022B Bonds offered hereby.

### County Supported General Obligation Debt

Fiscal Year	Series 2022A Bonds			Outstanding Debt Service	Total Debt Service
	Principal	Interest	Total Debt Service		
2023	\$ 4,500,000	\$ 683,292	\$5,183,292	\$ 11,434,466	\$16,617,758
2024	2,195,000	1,557,500	3,752,500	7,016,652	10,769,152
2025	2,300,000	1,447,750	3,747,750	7,024,052	10,771,802
2026	2,415,000	1,332,750	3,747,750	7,024,283	10,772,033
2027	2,540,000	1,212,000	3,752,000	5,561,139	9,313,139
2028	2,665,000	1,085,000	3,750,000	5,557,134	9,307,134
2029	2,800,000	951,750	3,751,750	4,672,700	8,424,450
2030	2,940,000	811,750	3,751,750	4,670,150	8,421,900
2031	3,085,000	664,750	3,749,750	2,267,200	6,016,950
2032	3,240,000	510,500	3,750,500	2,266,450	6,016,950
2033	3,400,000	348,500	3,748,500	2,268,000	6,016,500
2034	3,570,000	178,500	3,748,500	2,264,400	6,012,900

### Fire District Supported General Obligation Debt

Fiscal Year	Series 2022B Bonds			Outstanding Debt Service	Total Debt Service
	Principal	Interest	Total Debt Service		
2023	\$ 50,000	\$ 25,990	\$ 75,990	\$1,188,133	\$ 1,264,123
2024	65,000	65,300	130,300	1,189,248	1,319,548
2025	70,000	62,050	132,050	772,963	905,013
2026	75,000	58,550	133,550	774,161	907,711
2027	75,000	54,800	129,800	769,250	899,050
2028	80,000	51,050	131,050	768,339	899,389
2029	85,000	47,050	132,050	766,319	898,369
2030	90,000	42,800	132,800	770,839	903,639
2031	90,000	38,300	128,300	504,399	632,699
2032	95,000	33,800	128,800	292,550	421,350
2033	100,000	29,050	129,050	289,750	418,800
2034	105,000	24,050	129,050	291,800	420,850
2035	110,000	18,800	128,800	291,300	420,100
2036	115,000	14,400	129,400	290,700	420,100
2037	120,000	9,800	129,800	-0-	129,800
2038	125,000	5,000	130,000	-0-	130,000

### **Additional Lease-Purchase and Annual Appropriation Indebtedness**

South Carolina law permits county governments to finance the acquisition and construction of capital assets by means of lease-purchase financing. Lease-purchase financing of personal property, such as vehicles and equipment, does not count against the 8% constitutional debt limit described in “- Legal Debt Limit of the County” herein. In most instances, lease-purchase financing of real property acquisition or improvements will, however, count against a similar statutory 8% debt limit.

County governments are permitted under State law to use annual appropriation instalment purchase financing to acquire and construct real property improvements. This form of financing generally will not count against either the constitutional or statutory 8% debt limit.

The County is considering lease-purchase financing for fire apparatus in the future.

### **County’s Authority to Issue Revenue Bonds**

The South Carolina Constitution grants authority to county governments to incur indebtedness payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license on such terms and conditions as are prescribed by general law. Revenue bond indebtedness issued in compliance with this provision of the State Constitution does not count against the 8% constitutional debt limit described in “- Legal Debt Limit of the County” herein.

Pursuant to this authorization, State law permits county governments to issue revenue bonds payable from user fees or charges, such as for utility systems, solid waste disposal facilities and systems, parking facilities and systems, healthcare facilities, and similar revenue-generating projects or special taxes or assessments, such as hospitality fees and local accommodations fees. South Carolina law also permits county governments to finance public infrastructure by means of tax increment financing and special assessment district financing. County governments that receive fee-in-lieu of tax payments from qualifying businesses may also issue special source revenue bonds payable from those payments.

### **Other Financial Obligations**

On November 17, 2010, the County issued \$50,870,000 original principal amount Airport Revenue Bonds, Series 2010A (the “2010A Airport Bonds”), and \$9,720,000 original principal amount Taxable Airport Revenue Bonds, Series 2010B (the “2010B Airport Bonds”). The 2010A Airport Bonds were refunded in 2021 as described below. The 2010B Airport Bonds mature in July 2040, and are currently outstanding in the principal amount of \$9,720,000.

On September 9, 2021, the County issued \$27,255,000 Airport Revenue Refunding Bonds, Series 2021 (the “2021 Airport Bonds” and together with the 2010B Airport Bonds, the “Airport Bonds”) for the purpose of refunding all of the outstanding 2010A Airport Bonds on October 12, 2021. The Airport Bonds are secured by a pledge of net revenues derived by the Myrtle Beach International Airport, 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.

On September 22, 2022, the County issued \$60,000,000 aggregate principal amount of Limited Obligation Bonds (Hospitality Fee and Local Accommodations Fee Pledge), Series 2022 (the “Series 2022 Limited Obligation Bonds”). The Series 2022 Limited Obligation Bonds are limited obligations of the County payable solely from and secured by a pledge of a portion of certain local hospitality fees collected in the unincorporated area of the County and a pledge of certain local accommodations fees collected in the unincorporated area of the County.

The County has entered into capital leases for various equipment including, but not limited to, firefighting apparatus, telephone systems, computer systems and E-911 equipment. The total principal balance of all capital leases as of June 30, 2022, was \$8,100,500. The County is implementing GASB Statement No. 87 for leases. As part of that implementation, there will be a reflection of additional lease liability for leases previously classified as operating leases.

## Anticipated Capital Needs

The County's proposed five year Capital Improvement Plan for the 2021 to 2025 fiscal years focuses on necessary capacity enhancements and maintaining existing facilities. This plan anticipates maintaining the general debt service millage at existing levels and funding new projects as prior debt service is reduced through normal amortization. The majority of these projects relate to public safety, general facilities and road paving. Of the \$211 million proposed five year period, \$74.2 million in funding is anticipated from general fund general obligation bonds, and \$4.6 million in funding is anticipated from general obligation bonds issued on behalf of the Fire District. All future year projects in the plan will be re-evaluated based on the County's needs and fiscal situation as that year's budget is developed.

## Miscellaneous Debt Information

The County has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the County within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The County has not used the proceeds of any bonds or other securities for current operating expenses at any time within the last 10 years.

## Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts

Under the provisions of Article X, Section 14 of the Constitution, each incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law (a) incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and (b) incur, without an election, general obligation debt (in addition to bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding the debt limit.

## Legal Debt Limit of School Districts

Article X, Section 15 of the Constitution empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. Each school district may incur general obligation debt in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness authorized by a majority vote of the qualified electors of the school district voting in a referendum is not considered in the computation of the debt limit.

## Overlapping Debt

The following table sets forth the amount of general obligation indebtedness outstanding as of June 30, 2020, for each political subdivision situated within the County.

<u>Political Subdivisions</u>	<u>Outstanding General Obligation Debt</u>
<u>Incorporated Municipalities</u>	
City of Myrtle Beach	\$173,532,000
City of Conway	3,063,000
City of Loris	1,131,000
Town of Surfside Beach	75,000
<u>School Districts</u>	
Horry County School District	\$382,292,000

Source: Horry County 2020 Annual Report

## **CERTAIN FISCAL MATTERS**

### **Property Taxation and Assessment**

Article X, Section 1 of the State Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value. Certain real property owned by or leased to manufacturers for use in “research and development,” office buildings and warehousing and wholesale distribution of wearing apparel is excluded from this classification, and would be subject to the six percent assessment ratio for other real property. Certain new industrial facilities may be entitled to pay a “fee-in-lieu-of-taxes” computed on an assessment ratio of not less than 6% (4% for investments exceeding \$400 million) of original cost less depreciation;
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property - 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, an exemption is available from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit);
- (8) (A) Except as set forth in (B) below, all other personal property - 10.5% of fair market value; and  
(B) Personal motor vehicles - 6.00%.

The South Carolina Department of Revenue (“DOR”) is charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within a county. Under law enacted by the South Carolina General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations adopted by the DOR prior to the 1995 law and which are still in place also require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. Under present law, reassessment within a county may be delayed upon action of the governing body for such county for one year and may be further delayed by legislative enactment at the state level. The County completed its last reassessment in the 2019 Fiscal Year. The County will complete its next reassessment in the 2024 Fiscal Year.

The Comptroller General of the State may extend the time for assessment and collection of taxes by county officials. Unpaid property taxes, both real and personal, constitute a first lien against the property taxed.

The County Assessor appraises and assesses all the real property and mobile homes located within such county and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the



assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and also of business equipment.

Each year the DOR certifies its assessments to the County Auditors each of whom prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection. South Carolina has no statewide property tax.

*Limitations on Reassessment.* State laws limit the increase in valuation of real property attributable to reassessment to 15% within each five year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from the 15% reassessment restriction described above and, generally, at the sale (or other “assessable transfer of interest” which includes long-term leases, conveyances out of trusts, and other defined events, but excludes transfers between spouses) of any real property, that real property will be reassessed at its market value. However, for certain property subject to property tax at an assessment ratio of 6%, State law, limits, in certain circumstances, this market value reassessment following an “assessable transfer of interest.” This property, following an “assessable transfer of interest,” is instead reassessed for property tax purposes using an “exemption value.” The “exemption value” is calculated by reducing the real property’s market value at the time of the “assessable transfer of interest” by up to 25%. If the 25% reduction in market value results in an “exemption value” which is less than the property’s assessed value as reflected on the books of the property tax assessor at the time of the “assessable transfer of interest,” then the “exemption value” of the property will be the value reflected on the books of the property.

*Millage in Years of Reassessment.* In the year reassessment is implemented, political subdivisions of the State are limited in the level of millage they may impose. This limited millage levy is referred to as the “rollback” millage. The intended effect of rollback millage is to limit the millage rate to that millage rate which, following a reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of reassessment. The rollback millage limitation is inapplicable to millage necessary to pay general obligation debt. State law prohibits political subdivisions from overriding the rollback millage limitation except to meet certain specified conditions. Political subdivisions are also limited to the amount by which millage may be increased in a year in which reassessment is not being imposed. See “CERTAIN FISCAL MATTERS – Limitations on Millage Rate Increases” below.

#### ***Limitations on Millage Rate Increases***

State law limits future increases in the rate of millage levied for operational purposes by all political subdivisions. The annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision. There may be added to the operating millage increase any such increase, allowed but not previously imposed, for the three property tax years preceding the year to which the current limit applies. This limitation does not apply to millage that is levied to pay bonded indebtedness. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year;
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government;
- (6) purchase by the local governing body of undeveloped real property or of the residential development rights in undeveloped real property near an operating United States military base which property has been identified as suitable for residential development but which residential development would

constitute undesirable residential encroachment upon the United States military base as determined by the governing body; or

- (7) to purchase capital equipment and make expenditures related to the installation, operation, and purchase of the capital equipment including, but not limited to, taxes, duty, transportation, delivery and transit insurance, in a county having a population of less than one hundred thousand persons and having at least forty thousand acres of state forest land.

*Local Option Sales and Use Tax for Local Property Tax Credits*

State law further authorizes the imposition within a county, subject to approval by referendum, of a local sales and use tax to provide additional property tax relief. The local sales and use tax may only be imposed to the extent necessary to provide 100% credit to all classes of taxable property against (a) county operating taxes, (b) school operating taxes, or (c) both, as set forth on the referendum ballot. In no event, however, may the rate of such local sales and use tax exceed one percent. State law also provides a procedure for rescinding this local sales tax, as well as any other local sales taxes in force as of June 1, 2006. The County has not adopted a local sales tax relief. No assurance can be given that the County will not conduct such a referendum, or that such a local option sales tax will not be implemented within the County.

**Assessed Value of Property in the County**

The assessed value of all property in the County (in thousands) for the last five tax years (corresponding to the succeeding Fiscal Year, e.g., the 2021 tax year equates to the 2022 Fiscal Year) is set forth below:

<u>Tax Year</u>	<u>Real<sup>(1)</sup></u>	<u>Personal<sup>(1)</sup></u>	<u>Total<sup>(1)</sup></u>
2017	\$1,854,839	\$376,254	\$2,231,093
2018	1,936,313	383,312	2,319,625
2019	2,207,046	382,619	2,589,665
2020	2,303,384	398,428	2,701,812
2021 <sup>(2)</sup>	2,406,521	438,409	2,844,930

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

<sup>(2)</sup> Unaudited

Source: County's 2021 Annual Comprehensive Financial Report ("County 2021 ACFR"); Horry County Finance

**Assessed and Actual Taxable Value of All Taxable Property in the County**

Below is the assessed value and estimated taxable value of all taxable property in the County (in thousands) by classifications as of the 2022 Fiscal Year.

<u>Classification of Property</u>	<u>Assessed Value</u>	<u>Estimated Taxable Value<sup>1</sup></u>
Residential	\$ 849,039	\$ 21,225,978
Commercial	1,551,417	25,856,943
Farm	6,065	151,628
Motor Vehicles	250,599	4,176,644
Other	<u>187,810</u>	<u>1,788,669</u>
<b>TOTAL</b>	<b><u>\$ 2,844,930</u></b>	<b><u>\$ 53,199,862</u></b>

Note: Excludes Exempt Manufacturing Property in the amount of \$4,540,100.

Source: County Auditor

<sup>1</sup> Estimated Taxable Value equals Estimated Appraised Value.

## Tax Rates

The millage assessed for County operations and debt service in each of the last five tax years is set forth below:

<u>Tax Year</u>	<u>County General Fund</u>	<u>County Debt Service</u>	<u>Total</u>
2018	42.8	5.0	47.8
2019	41.6	4.7	46.3
2020	41.6	4.7	46.3
2021	44.6	4.2	48.8
2022	44.8	4.0	48.8

Source: County 2021 ACFR; Horry County Finance

## Tax Collection Procedure

Taxes are collected for County and School District purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes are payable without penalty on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for motor vehicles expires. When taxes are not paid on or before January 15, a penalty of 3% is added thereon; if not paid on or before February 1, an additional penalty of 7% is added; if not paid on or before March 17, an additional penalty of 5% is added and the taxes go into execution. The County Treasurer is the delinquent tax collector, and is responsible for the collection of delinquent taxes and is empowered to sell so much of the defaulting taxpayer's estate – real, personal or both – as may be sufficient to satisfy the taxes.

## Tax Collections for Last Five Years

The following table shows the amount of County property taxes levied by the County Auditor (real, personal and vehicles), the amount of such taxes collected as of the Fiscal Year following the year in which the levy was made, the percentage of taxes collected and the amount of delinquent taxes collected in the County for the last five years (in thousands, where applicable).

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>Percentage Current Collections</u>	<u>Delinquent Taxes</u>	<u>Total Tax Collections</u>	<u>Percentage Total Collections</u>
2018	2017	\$149,757	\$143,104	95.56%	\$2,680	\$145,784	97.35%
2019	2018	155,156	148,606	95.78%	2,390	150,996	97.32%
2020	2019	169,317	162,163	95.77%	2,782	164,945	97.42%
2021	2020	177,739	171,496	96.49%	1,928	173,424	97.57%
2022 <sup>(1)</sup>	2021	202,787	195,765	96.54%	N/A	N/A	N/A

Source: County 2021 ACFR; County Treasurer

<sup>(1)</sup> Unaudited

## Ten Largest Taxpayers

The ten largest taxpayers in the County, the 2022 assessed value of their taxable property, and the total amount of County (and other taxing entity) taxes (including fees-in-lieu of taxes) billed to each for the 2021 tax year are shown below.

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>County and Other Taxes Billed</u>	<u>Percentage of Total Assessed Value<sup>(1)</sup></u>
Horry Electric Coop Inc.	\$21,623,280	\$4,599,272	0.76%
Burroughs & Chapin Company, Inc.	19,627,500	3,637,830	0.69%
Dominion Energy South Carolina	7,539,110	1,475,619	0.27%
Kingston Resort Owner LLC	6,405,158	1,362,376	0.23%
Lawyers Title Insurance Corp.	5,659,670	1,091,237	0.20%
Bluegreen Vacations Unlimited Inc.	5,650,440	1,068,739	0.20%
Spectrum Southeast LLC	4,845,560	973,935	0.17%
Wal-Mart Real Estate Business Trust	4,715,420	942,953	0.17%
Marriott Ownership Resorts Inc.	4,677,650	848,058	0.16%
Ocean Lakes Family Campground	<u>4,176,070</u>	<u>888,250</u>	<u>0.15%</u>
Totals	<u>\$84,919,858</u>	<u>\$16,888,269</u>	<u>3.00%</u>

Notes:

<sup>(1)</sup> Property that is exempt from the County portion of taxes has been subtracted from Assessed Value.

<sup>(2)</sup> Tax year 2021 data for Burroughs & Chapin Inc. includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

Source: County 2021 ACFR; County Treasurer

## County Investment Policy

Pursuant to the County's investment policy and Section 6-5-10 of the S.C. Code, the County Treasurer may invest money subject to his control and jurisdiction in the following types of investments: (1) obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States; (2) obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (3) (i) general obligations of the State of South Carolina or any of its political units, or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two rating categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (4) savings and loan associations to the extent that the same are insured by an agency of the federal government; (5) certificates of deposit which are collaterally secured by securities of the type described in subsections (1) and (2) of this paragraph, provided such collateral is not required to the extent the same are insured by an agency of the federal government; (6) repurchase agreements when collateralized by securities as set forth in this paragraph; and (7) certain no load open-end or closed-end management type investment companies or trusts which are, in essence, an indirect investment in investments of the kind described in subsections (1), (2), (3) and (6) above, and have among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

In addition to these investments, the State has established a South Carolina Pooled Investment Fund into which any county treasurer may deposit public moneys in excess of current needs. The State Treasurer may invest the moneys of the fund in the same types of investments provided for in Section 6-5-10 above (as well as those permitted in S.C. Code Sections 11-9-660 and 11-9-661) and then may sell to all political subdivisions of the State participation

units in the fund which shall be legal investments for the subdivisions in addition to the investments and deposits authorized in the sections detailed herein.

## **FINANCIAL AND TAX INFORMATION**

### **Five Year Summary of General Fund Operations**

The following table sets forth a summary of the County's General Fund operations for the Fiscal Years ended June 30, 2018 through June 30, 2022 (unaudited). The summary should be reviewed together with the County's audited financial statements, including, but not limited to, the reports of the County's independent auditor and the notes to such financial statements.

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**Summary of Revenues, Expenditures and Changes  
in Fund Balances - General Fund**

Years Ended June 30, 2018 through June 30, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> <u>(unaudited)</u>
<b><u>Revenues:</u></b>					
Property Taxes					
Real property taxes	\$79,949,841	\$82,985,278	\$92,383,794	\$96,923,736	\$108,254,037
Personal property taxes	5,544,570	5,724,428	5,403,598	6,251,091	6,893,323
Vehicle taxes	8,383,400	8,482,570	8,518,486	9,240,332	10,771,616
Fee in lieu of tax	3,364,476	3,153,830	3,465,031	3,948,428	4,144,719
Intergovernmental	13,261,099	12,996,795	14,006,573	24,318,046	18,045,800
Fees and fines	29,286,461	29,076,722	29,043,353	31,159,021	31,832,586
Documentary stamps	4,973,474	5,337,630	5,358,858	7,978,625	10,739,381
License and permits	11,694,040	11,881,915	11,254,408	16,052,043	18,520,517
Interest on investments	676,251	2,880,979	1,645,457	345,918	766,619
Cost allocation	3,429,198	4,437,499	4,142,879	3,697,033	3,608,604
Other	5,036,308	5,339,991	5,082,115	5,152,954	5,688,872
Total Revenues	<u>\$165,599,118</u>	<u>\$172,297,637</u>	<u>\$180,304,552</u>	<u>\$205,067,227</u>	<u>\$219,266,075</u>
<b><u>Expenditures:</u></b>					
Current:					
General government	\$ 32,492,969	\$ 35,003,743	\$ 36,790,370	\$ 35,552,518	\$ 38,196,690
Public safety	84,494,298	92,222,664	98,008,697	111,786,520	84,332,818 <sup>(1)</sup>
Health and social services	1,497,308	1,583,352	1,584,740	1,544,802	1,582,588
Infrastructure and regulation	15,637,646	16,966,040	17,368,939	18,303,357	24,879,083
Culture, recreation and tourism	5,260,753	5,412,738	5,657,593	5,379,893	5,769,162
Economic development	1,559,444	489,307	289,171	109,308	2,274,764
Capital outlay	435,906	380,072	222,045	141,474	195,585
Total Expenditures	<u>\$141,378,324</u>	<u>\$152,057,916</u>	<u>\$159,921,555</u>	<u>\$172,817,872</u>	<u>\$157,230,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 24,220,794	\$ 20,239,721	\$ 20,382,997	\$ 32,249,355	\$ 62,035,384
<b><u>Other Financing Sources/Uses</u></b>					
Sales of capital assets	\$ 19,320	\$ 87,902	\$ 14,053	\$ 24,445	\$ 297,316
Transfers in	688,541	678,691	608,765	1,954,581	2,849,138
Transfers out	(10,607,565)	(19,126,747)	(20,332,150)	(18,051,079)	(46,815,105) <sup>(1)</sup>
Total Other financing sources (uses)	<u>\$(9,899,704)</u>	<u>\$(18,360,154)</u>	<u>\$(19,709,332)</u>	<u>\$(16,072,053)</u>	<u>\$(43,668,651)</u>
Net Change in Fund Balance	\$ 14,321,090	\$ 1,879,567	\$ 673,665	\$ 16,177,302	\$ 18,366,733
Fund Balance, July 1	63,808,960	78,130,050	80,009,617	80,683,282	96,860,584
Fund Balance, June 30	<u>\$ 78,130,050</u>	<u>\$ 80,009,617</u>	<u>\$ 80,683,282</u>	<u>\$ 96,860,584</u>	<u>\$115,227,316</u>

<sup>(1)</sup> Fiscal Year 2022 (unaudited) includes \$26,000,000 transfer of public safety payroll to American Rescue Plan Act Fund as partial use of revenue reduction amounts and \$26,000,000 transfer out to American Rescue Plan Act Fund as future funding for cybersecurity and road improvements.

## **Financial Statements**

The financial statements of the County have been audited for the 2017 through 2021 Fiscal Years by Elliott Davis, LLC. The audited general purpose financial statements of the County for the 2021 Fiscal Year are attached to this Official Statement as APPENDIX A. Copies of the Annual Comprehensive Financial Report for the 2021 Fiscal Year, and prior years are available for inspection at County offices and on the County's website.

Elliott Davis, LLC, the County's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included in APPENDIX A, any procedures on the financial statements addressed in that report. Elliott Davis, LLC also has not performed any procedures relating to this Official Statement.

## **Budget Procedure**

The State Constitution requires each county to prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. If a county's expenses exceed income in any year, the governing body of the county is required in the following year to levy taxes in an amount which when added to all other sources of income will be sufficient to pay such deficiency and the estimated expenses for such year.

The Home Rule Act provides that the Fiscal Year for county governments begins on July 1 of each year and ends on June 30 of the following year. The County Council is required to adopt annually, prior to the beginning of each Fiscal Year, operating and capital budgets for the operation of county government. The budgets must identify the sources of anticipated revenue including taxes necessary to meet the financial requirements of the budgets adopted.

The Code of Ordinances of the County, Sections 2-532 through 2-534, outlines the procedure by which the County Administrator prepares the recommended annual operating and capital improvement budgets for submission to the County Council. In January of each year, the various department heads are sent background information on which departmental budget estimates and appropriations requests can be made. Once the departmental heads have submitted their requests, worksheets, and other forms in writing, each department's request is reviewed and evaluated and a proposed balanced budget is submitted to the County Administrator for review. In April of each year, the proposed budget is submitted to the County Council for review and revision. A public hearing, after due notice has been provided, is held in May or early June to allow public input as to the proposed budget. The County Council holds several duly advertised public budget workshops and council committee meetings to deliberate the budget changes that are considered for inclusion or exclusion from the budget document and ordinance. Pursuant to State law, the County Council must then take formal action by an ordinance in adopting its annual budget. All ordinances are required to be read at three public meetings of the County Council on three separate days with an interval of not less than seven days between the second and third reading. In order to modify the original ordinance adopting the budget, formal action must again be taken by ordinance with due notice provided. An ordinance to amend the budget requires the approval of three-fourths of the full County Council or nine positive votes in favor of the amendment.

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## General Fund Budget

The following is a summary of the adopted General Fund Budget of the County for the 2023 Fiscal Year as adopted by the Council on June 7, 2022, as compared to the adopted General Fund Budget for the 2022 Fiscal Year and the actual results for the 2022 Fiscal Year (unaudited).

	Budget Fiscal Year 2022	Actual Results Fiscal Year 2022 <sup>(1)</sup>	Budget Fiscal Year 2023
<b><u>Revenues and Other Sources:</u></b>			
Taxes (Property, Etc.)	\$125,619,935	\$130,063,695	\$137,858,409
Licenses & Permits	12,572,085	18,520,517	17,041,673
Intergovernmental	13,810,090	18,045,800	17,241,081
Documentary Stamps	7,226,057	10,739,381	9,761,841
Fees and Fines	30,184,673	31,832,586	32,415,978
Interest	850,000	766,619	1,100,000
Miscellaneous	2,834,805	5,688,872	4,041,426
Indirect Cost Allocation	4,588,482	3,608,604	4,534,794
Other Financing Sources	2,868,595	3,146,454	2,912,441
Fund Balance	<u>4,961,510</u>	<u>0</u>	<u>2,512,691</u>
Total Revenues and Other Sources	<u>\$205,516,232</u>	<u>\$222,412,529</u>	<u>\$229,420,334</u>
<b><u>Expenditures and Other Uses:</u></b>			
Administration Division	\$ 39,519,434	\$ 38,056,584	\$ 44,590,300
Public Safety Division	113,629,171	84,504,706 <sup>(2)</sup>	130,237,922
Infrastructure and Regulation Division	27,247,005	24,834,804	30,680,363
Health & Human Services	1,664,048	1,582,588	1,762,472
Culture, Recreation, and Tourism	6,177,287	5,769,162	7,129,440
Economic Development	119,308	<u>2,274,764</u>	119,308
Transfers Out	<u>17,159,980</u>	<u>46,815,105<sup>(2)</sup></u>	<u>14,900,529</u>
Total Expenditures and Other Uses	<u>\$205,516,232</u>	<u>\$203,837,713</u>	<u>\$229,420,334</u>

**Note:** The category breakdown shown above is different from the breakdown in the County 2021 ACFR

<sup>(1)</sup> Unaudited

<sup>(2)</sup> Actual Results for Fiscal Year 2022 (unaudited) includes \$26,000,000 transfer of public safety payroll to American Rescue Plan Act Fund as partial use of revenue reduction amounts and \$26,000,000 transfer out to American Rescue Plan Act Fund as future funding for cybersecurity and road improvements.

Source: County Finance Department

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## **ECONOMIC CHARACTERISTICS AND DATA**

### **Location, History, Tourism and Economic Development**

The County is the northeastern-most county in the State. Encompassing 1,134 square miles, it is also the largest. The County is bordered on the northeast by North Carolina, on the southeast by the Atlantic Ocean, and on the west by Dillon, Marion, and Georgetown counties. The County seat of Conway is located near the center of the County, and the largest cities (Myrtle Beach and North Myrtle Beach) run along much of the coastline. 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, the County developed a distinctive culture, which gave rise to its moniker, “The Independent Republic of Horry County”. From the time of incorporation, the County stood off the edge of South Carolina, both literally and figuratively.

The County's thirty-three (33) miles of beaches stretching from Cherry Grove to Garden City have been developed residentially or commercially while at least 32 percent of the remainder of the County is yet to be developed. This stretch of the beach is known as the “Grand Strand”. In addition to the world class beaches, more than 100 local golf courses, the Myrtle Beach Convention Center, Brookgreen Gardens, hundreds of square miles of waterways and nearby wilderness also attract visitors. The County leads the State's tourism industry with 31.5 percent of the total domestic traveler spending. Forty percent of the State's second homes are also located within the County.

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

Based upon an estimate of annual visitors to the Myrtle Beach area conducted by D. K. Shifflet & Associates, Ltd., approximately 20.6 million people visited the area in 2019. There are approximately 425 hotels and 157,000 accommodations units available for rent and approximately 1,800 full-service restaurants along the Grand Strand. Following the drop in hotel occupancy rates in 2020 due to the COVID-19 pandemic, rates increased in 2021. The average daily lodging rate in August 2021 was \$237.32, compared to \$157.69 in August 2019 and \$133.12 in August 2020.

The Myrtle Beach area contributes a large portion of the golf revenue within the State. The Myrtle Beach golf community also hosts many amateur tournaments, including the Myrtle Beach World Amateur Handicap Championship, a 72-hole event that attracts between 3,000 to 5,000 players from across the globe, and the Palmetto High School Golf Championship, the nation's largest high school golf tournament. In addition, the area serves as the host of the Hootie & the Blowfish Monday after the Masters Celebrity Pro-Am, an event that has raised more than \$3 million for charity since coming to the Grand Strand, and in 2019 hosted an NCAA Division 1 golf regional tournament.

### **Agriculture and Forestry**

Twenty-four percent of the County's land is used for agriculture. In 2018, the County ranked first among the State's 46 counties in production of tobacco, third in overall crop production, fourth in peanut production and fifth in the production of soybeans. Preliminary cash receipts for crop and livestock production in the County in 2017, the latest year for which information is available, amounted to \$87,850,000, including crops at \$71,094,000 and livestock and livestock products at \$16,755,000, according to the U.S. Department of Agriculture.

Sixty-three percent of the County's land is forested, and the County ranks ninth in the State in delivered value of timber. The delivered value of harvested timber sold in 2017, the latest year for which information is available, was \$32,149,733.

## **Capital Investment**

In 2022, it was announced that Federal Express will lease a facility built by a developer in the County, representing an anticipated capital investment of more than \$64 million and the anticipated creation of 84 new jobs over the next five years.

In July 2022, Republic Airways, the first flight-owned academy, announced it will begin its Leadership in Flight Training Academy (LIFT) in Myrtle Beach, at the Myrtle Beach International Airport. LIFT plans to begin the program as early as October of 2022. Negotiations are underway for a long-term facility for LIFT's flight training program at the Myrtle Beach International Airport.

In June 2022, Carolina Food Service, an independently-owned, full-service distributor located in Loris, South Carolina announced plans to expand. The company announced an anticipated capital investment of \$3.7 million and creation of 71 new jobs over the next five years.

In May 2022, DC BLOX, Inc., a leading provider of tier III data centers and connectivity to businesses, announced that it will operate subsea optical communication cables that will connect North America's south east region to South America. The company anticipates an investment of more than \$31.5 million and the creation of three new jobs over the next five years.

In April 2022, Landrace LLC, a North Carolina limited liability company, entered into a Fee Agreement with the County to acquire, construct and install a 55-acre solar panel facility. The company is expected to invest more than \$50 million over the next five years.

In July 2021, Wild West of Myrtle Beach, Inc., a boots and apparel retailer, announced plans to expand operations in the County. The company announced an anticipated capital investment of more than \$2.5 million and creation of 40 new jobs over the next five years.

In November 2020, Skutchi Designs Inc., a manufacturer of custom, designer office cubicles and proprietary interior glass office wall system, announced plans to expand operations in the County, with anticipated hires of approximately 41 employees and anticipated capital investment of \$3.5 million.

In August 2019, CRP Industries, a manufacturer in automotive parts and industrial products sectors, announced plans to establish operations in the County. The company is anticipated to invest \$2.5 million and create approximately 115 jobs over the next five years.

In April 2018, Sure Trac, a manufacturer of axles located in the County, announced plans to expand its operations. The company is projected to invest \$2.5 million and create approximately 20 new positions over five years.

In November 2017, Teknoware, a Finland-based manufacturing firm, announced plans to establish operations in the County. The company is anticipated to hire approximately 45 employees and make a capital investment of \$5.8 million over five years. Teknoware develops, manufactures and supplies interior lighting systems for commercial vehicles, as well as emergency lighting systems for public premises and ships.

In December 2016, Ebtron, an existing South Carolina-based company that designs and manufactures air flow measuring devices, announced its intention to expand operations in the County. The project is expected to result in more than \$2.5 million of new capital investment and lead to the creation of 100 new jobs over five years.

The following table sets forth the total capital investment for new and expanded industry within the County for the last five years for which information is available.

<u>Year</u>	<u>New Investment</u>	<u>New Employment</u>
2018	\$35,800,000	289
2019	14,725,000	255
2020	9,000,000	61
2021	2,500,000	40
2022	149,200,000	158

Source: Horry County Economic Development Office

### **Labor Force**

The composition of the civilian, nonagricultural labor force in the County, on a place-of-work basis, for the last five calendar years for which information is available is as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Forestry, Fishing and Related Activities	375	367	382	394	408
Mining, Quarrying and Oil and Gas Extraction	246	239	197	186	183
Utilities	407	395	409	396	402
Construction	11,305	11,886	12,794	13,120	12,682
Manufacturing	3,669	3,676	3,855	3,658	3,478
Wholesale Trade	3,081	3,204	3,367	3,199	3,132
Retail Trade	26,555	27,084	27,908	28,395	26,785
Transportation and Warehousing	3,097	3,650	4,217	4,611	4,376
Information	2,402	2,445	2,423	2,388	2,296
Finance and Insurance	7,359	7,511	8,042	7,783	7,950
Real Estate and Rental and Leasing	14,755	14,489	15,461	14,826	14,131
Professional, Scientific and Technical Services	7,577	7,603	7,612	7,898	7,735
Management of Companies and Enterprises	1,080	1,002	1,100	1,045	993
Administrative Support, Waste Management and Remediation Services	10,268	11,558	12,580	13,292	12,072
Educational Services	1,366	1,362	1,269	1,397	1,233
Health Care and Social Assistance	12,543	13,258	14,150	15,059	14,720
Arts, Entertainment, and Recreation	7,005	7,154	7,277	7,613	5,765
Accommodation and Food Services	32,049	33,203	33,720	34,135	28,130
Other Services (except Government)	10,426	10,455	11,116	11,411	10,642
Government and Government Enterprises (Federal, State and Local)	<u>17,790</u>	<u>18,235</u>	<u>18,505</u>	<u>19,024</u>	<u>18,552</u>
TOTALS	173,355	178,776	186,384	189,830	175,665

Last updated November 16, 2021

Source: U.S. Bureau of Economic Analysis

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## Retail Sales

The following table shows gross retail sales for businesses located in the County for the last five Fiscal Years for which information is available:

<u>Fiscal Year</u>	<u>Total Retail Sales</u>
2017	\$11,297,018,127
2018	11,794,717,963
2019	11,957,865,054
2020	11,325,889,328
2021	13,393,078,043

Source: South Carolina Department of Revenue

## Major Employers

The following table shows the ten largest employers located within the County as of June 30, 2021, the type of business and their approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Horry County School District	Education	5,976
Wal-Mart/Sam's Club	Retail	3,575
Horry County Government	Government	2,325
Conway Medical Center	Medical	1,591
Grand Strand Regional Medical Center	Medical	1,543
Coastal Carolina University	Education	1,517
McLeod Health (Loris & Seacoast)	Medical	1,308
City of Myrtle Beach	Government	1,133
Food Lion	Grocery	1,039
Lowe's Home Centers, LLC	Retail	822

Source: County 2021 ACFR

## Building Permits Issued

The following table shows the number of building permits issued by the County for residential construction and non-residential construction and the revenue received.

<u>Fiscal Year</u>	<u>Number of Permits Issued</u>	<u>Revenue</u>
2017	11,930	\$5,958,122
2018	12,493	6,346,257
2019	12,990	6,347,074
2020	13,396	7,116,044
2021	15,894	9,671,689
2022	17,008	11,635,943

Source: County 2021 ACFR; County Finance Department

## Public School Enrollment in the County

The School District, which is the third largest of 85 school districts in the State, ranks second in the State in student enrollment growth during the past ten years. The School District operates a total of 56 school facilities within nine attendance areas. Three of the School District's nine attendance areas are located along the Grand Strand in North Myrtle Beach, Myrtle Beach and Socastee.

Public school enrollment in the County for the last school years for which information is available is shown in the following table:

<u>School</u> <u>Year</u>	<u>Kindergarten</u>	<u>Elementary</u> <u>Grades 1-8</u>	<u>High School</u> <u>Grades 9-12</u>	<u>Total</u>
2016-17	3,144	26,762	12,604	42,510
2017-18	3,227	27,364	12,766	43,357
2018-19	3,039	27,664	12,827	43,530
2019-20	3,175	28,068	13,006	44,250
2020-21	2,851	27,136	13,129	43,116

Source: Horry County School District's Annual Reports filed with EMMA.

### **Per Capita Personal Income**

The per capita personal income in the County, State, and United States for each of the last five years for which information is available is shown below.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2017	\$35,520	\$42,296	\$51,731
2018	36,950	43,711	53,712
2019	37,740	45,455	56,490
2020	35,048	48,021	59,729
2021	41,964	52,074	63,444

Sources: County 2021 ACFR; U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C.

### **Median Family Income**

The per capita personal income in the County, State, and United States for each of the last five years for which information is available is shown below.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2017	\$35,520	\$42,296	\$51,731
2018	36,950	43,711	53,712
2019	37,740	45,455	56,490
2020	35,048	48,021	59,729
2021	41,964	52,074	63,444

Sources: County 2021 ACFR; U.S. Department of Commerce, Bureau of Economic Analysis, Washington, D.C.

### **Unemployment Rates**

The average unemployment rates in the County, the State and the United States for each of the last five years are shown below:

<u>Year</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
2017	4.6%	4.3%	4.4%
2018	4.1%	3.4%	3.9%
2019	3.5%	2.8%	3.7%
2020	11.4%	6.2%	8.1%
2021	5.4%	4.0%	5.3%

Sources: County 2021 ACFR; U.S. Department of Labor Statistics

The average unemployment rate in the County for each of the last 12 months for which data is available is shown below.

<u>Month</u>	<u>Unemployment Rate*</u>
July 2021	5.1%
August 2021	5.1%
September 2021	4.0%
October 2021	4.1%
November 2021	4.1%
December 2021	4.4%
January 2022	5.4%
February 2022	5.5%
March 2022	4.2%
April 2022	3.1%
May 2022	3.6%
June 2022	3.9%

\*Seasonally adjusted

Source: South Carolina Department of Employment and Workforce

### Population Growth

The following table shows the population increases in the County for the last five decades for which Census figures are available. The estimated 2021 population of the County was 377,180.

	<u>Horry County</u>		<u>South Carolina</u>		<u>United States</u>	
	<u>Population</u>	<u>% change</u>	<u>Population</u>	<u>% change</u>	<u>Population</u>	<u>% change</u>
1980	101,419	45%	3,121,820	21%	226,545,805	11%
1990	144,053	42	3,486,703	12	248,709,873	10
2000	196,629	36	4,012,012	15	281,421,906	13
2010	269,291	37	4,625,364	15	308,745,538	10
2020	365,449	36	5,118,425	11	331,449,281	7

Source: County 2021 ACFR

The following table shows the 2010 Census population and 2020 Census population of all incorporated municipalities located within the County:

<u>Municipality</u>	<u>2010 Census</u>	<u>2020 Census</u>
City of Myrtle Beach	27,109	35,682
City of North Myrtle Beach	13,752	18,790
City of Conway	17,103	24,849
Town of Surfside Beach	3,837	4,470
City of Loris	2,396	2,449
Town of Aynor	560	1,022
Town of Briarcliffe Acres	457	479
Town of Atlantic Beach	334	499

Sources: U.S. Department of Commerce, Bureau of the Census, Population Division; SC Statistical Abstract

## Median Age and Education Levels

The following table illustrates the changes in the median age of the County and the percentage of the population 25 years old and older with a bachelor's degree or higher. Median age and education statistics for the State and the United States are included for comparison purposes.

	<u>Median Age (in years)</u>			<u>Percentage over 25 with bachelor's degree</u>		
	<u>County</u>	<u>South Carolina</u>	<u>United States</u>	<u>County</u>	<u>South Carolina</u>	<u>United States</u>
2000	32.6	35.4	35.3	32.5%	20.4%	24.4%
2010	32.6	37.9	37.2	36.0%	24.5%	27.4%
2019†	45.9	39.4	37.4	23.6%	28.1%	32.1%

†latest estimate available.

Source: United State Census Bureau

## Utilities

Electricity - Electric power is provided from three suppliers. Duke Energy (formerly Progress Energy and Carolina Power & Light) serves the Aynor and Green Sea/Floyds area of western Horry County, Horry Electric Cooperative serves the majority of all rural areas of the County and Santee Cooper, an electric utility owned by the State, is the largest supplier of electricity and serves the remaining areas of the County.

Water & Sewer - Water and sewer service in the County is provided primarily by Grand Strand Water and Sewer Authority. The County does not own and operate a water and/or sewer system.

Natural Gas - Natural gas is available to users in the County through the facilities of Carolina Pipeline, Inc., a subsidiary of Carolina Energies, Inc. Carolina Pipeline serves industrial customers in Conway and Myrtle Beach as well as distribution systems owned by Carolina Natural Gas Corporation in both cities.

Telephone - Telephone service in the County is provided by Frontier, which serves Myrtle Beach, Conway, North Myrtle Beach, Surfside Beach and portions of Little River and Horry Telephone Cooperative, which serves all other areas of the County.

## Airport System

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.

Passenger enplanements for the Fiscal Year ending June 30, 2022 were 1,757,482, which is an 82% increase from the previous Fiscal Year. The increase is a result of leisure air travel recovering faster from the pandemic with increased seat capacity and frequency beginning in the spring of 2021. Southwest Airlines entered the MYR market in May 2021 with 10 nonstop destinations from MYR including daily service to Atlanta, Nashville, Chicago and Baltimore. Avelo Airlines began providing service at MYR in May 2022 with service to New Haven, Connecticut, and Porter Airlines returned to MYR in March 2022 with service to Toronto, Canada. During the 2022 Fiscal Year, the airlines operating at MYR offered nonstop air service to over 50 markets.

During the 2021 Fiscal Year, several capital projects began or were completed, which were funded by the federal Airport Improvement Program (AIP) grants, and local funds, including passenger facility charges (PFCs) and Airport cash. At MYR, the rehabilitation of Taxiway A began during Fiscal Year 2019, and the first component (Taxiway A-South) was substantially complete in May 2020. Taxiway A-North began construction in January 2020 and was substantially complete in winter 2021. The FAA-mandated Airport Master Plan study was placed on hold in 2020, due to the coronavirus and the substantial impact on forecasting, and now has an estimated completion date of December 2022. The average airline cost per enplaned passenger (CPE) at MYR was \$7.10 for the 2021 Fiscal Year and \$8.29 for the 2020 Fiscal Year. The current year average cost per enplaned passenger at MYR remains very

competitive and below Moody's and Fitch's most-recently reported cost per enplanement medians for similarly rated (A2/A+) airports. Rates and charges of "signatory" airlines serving MYR (being airlines that have entered into a lease and use agreement with MYR which affords such airlines input on MYR's budget process and capital project planning, as opposed to non-signatory airlines that operate at MYR under a permit or operating agreement), represented 27.1% and 30.0% total operating revenues in the 2021 and 2020 Fiscal Years, respectively. Of the signatory airline carriers, Spirit Airlines represents 48.9% of airport traffic, American Airlines 24.5%, Delta Airlines 9.9%, Allegiant Airlines 7.4%, and Southwest Airlines 3.1%. Non-signatory airlines comprise 6.2% of MYR's passenger traffic.

During the 2021 Fiscal Year, the Airport's asset additions included passenger boarding bridge upgrades, software upgrades for the bagging handling system, a chiller system for Terminal A, renovations for airlines and concessionaries, and a new 25,000-gallon Jet A tank for General Aviation, as well as other projects and general capital machinery and equipment.

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 at the Loris Airport.

### **Transportation Facilities**

The County is served by CSX Transportation, five United States highways, and several State roads and highways.

### **Road Improvement and Development Effort (RIDE)**

County voters approved a ballot referendum for new one-cent Capital Projects Sales Tax in November 2016. The sales tax went into effect May 1, 2017 and is a 1% sales tax on all retail sales, prepared food/beverage and accommodations. Groceries (unprepared food) is exempt from the sales tax. The sales tax will remain in effect for eight years or April 30, 2025. The eight-year projected revenues from the 1% Sales Tax is \$592 million. Infrastructure to be funded from the sales tax includes Hwy 501 widening, Carolina Forest Boulevard widening, Forestbrook Road widening, Conway Perimeter Road, SC Hwy 9 East widening, Hwy 701 N widening, Palmetto Point Boulevard extension, Fred Nash Boulevard extension, Southern Evacuation Lifeline (SELL) – Environmental Studies and right of way, and SC Hwy. 31 (Carolina Bays Parkway) extension to the North Carolina state line along with 100 miles of dirt road paving and 100 miles of road resurfacing. As of June 30, 2022 (unaudited), the Capital Project Sales Tax Fund had generated \$423.3 million in revenue. Spending totaled \$113 million through year-end which results in \$310.4 million fund balance on hand at year end for use in construction on the above projects.

County Council established, in August 2022, the RIDE IV Advisory Committee to study future road needs and make recommendations that will ensure continuation of road improvements in the County. The County anticipates a November 2024 ballot referendum to continue a one-cent Capital Projects Sales Tax for such purpose.

### **Capital Projects Completed and Projects under Construction**

The County completed renovations in the Santee Cooper building adjacent to County property in order to relocate some offices to the campus. In the fall of 2020, the County began construction of the Emergency Operations Center (the "EOC") (total estimated cost of \$26 million). The EOC will house the County's Emergency Operations group and E911. The EOC will serve as ground zero for all County emergencies. Groundbreaking occurred in November 2020 and construction is expected to be completed by August 2022. Construction of the Longs Fire/EMS Station was completed in July 2022. County Council provided new staffing for the facility with in its Fiscal Year 2022 Budget. Other major capital equipment purchases included body cameras, EMS stretchers, Fire SCBA Breathing apparatus and lighting for ballfields for Parks and Recreation.

Construction of a new Central Coast Complex (total estimated cost of \$21 million) is expected to begin in late 2022. The new complex will house offices for the Treasurer, Auditor, Assessor, Magistrate, Probate Judge and Clerk of Court, along with the addition of a fifth police precinct. Major capital equipment purchases in Fiscal Year 2023 include EMS stretchers and a Police hostage/crisis negotiation vehicle.



The County is in the permitting stage for two new and one replacement Fire/Rescue stations. At an estimated combined cost of \$5.4 million, Nixonville/Wampee and Shell stations are targeted to address high growth areas of the County. At an estimated cost of \$3.2 million, Forestbrook station will be replaced due to the Forestbrook Road widening project.

Renovations and expansions at various Fire/Rescue stations totaling \$4.8 million are currently in the design stage for Socastee, Goretown, Cherry Hill, and Maple stations to address current and planned growth within these communities.

The County has identified an existing County-owned site for a new Public Safety Training Facility. Design is continuing for the \$13.1 million facility to be located adjacent to the County's new EOC facility.

The County is currently negotiating for the purchase of an existing office facility adjacent to its Conway Government & Justice Complex. The project and renovation are estimated at \$6.5 million and will provide additional space for consolidation of functions and growing judicial functions.

The County has provided \$25 million to renovate five existing office complexes including the Historical Courthouse, JP Stevens Building (Loris), Ralph Ellis Complex (Little River), Technology Building (Conway), Public Works Complex (Conway), Records/Procurement/Warehouse Complex (Conway), and ML Brown Public Safety Complex (Conway). These projects are designed to extend the useful life of these facilities for an additional 20 to 25 years. This project also includes the addition of an approximate 19,200 square foot office/equipment warehouse. These projects are in the design phase currently with bidding anticipated in early 2023.

The County is currently acquiring sites for expansion of the Hwy 57 recycling center and addition of a center on Hwy 90 to address growing needs from residential development. The approximate \$5 million investment is in the site selection process with design initiating afterward.

The County is under contract for the purchase of approximately 500 acres of land for the development of a Multi-Use Sports and Recreation Complex with an Equestrian emphasis. This new facility will include flexible indoor and outdoor arenas for events and shows. The purchase of land is planned for September 2022 with master planning and design commencing prior to the end of 2022.

The County acquired property in 2022 for the expansion of the Ascott Valley Industrial Park. The original park, developed in partnership with Santee Cooper, is completing site development with \$3.2 million in grant funding. The additional 53 acres will provide additional opportunities at the site including existing rail service.

## **Healthcare Services**

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

In 2016, McLeod Health began construction on a six-building medical campus in the Carolina Forest Town Centre near River Oaks Drive. The property includes 43 acres of land – an investment of \$4.78 million, according to McLeod. The first phase of the development is projected to be approximately \$20 million. Recent construction added a freestanding Emergency Department to the existing cardiology, vascular, neurology, family medicine, general surgery and rehabilitation services on site. McLeod has asked for state approval to construct a \$56 million, 48-bed acute care hospital within this campus. McLeod has also acquired a site in Conway, west of the Waccamaw River, for the purpose of constructing facilities for medical and emergency services as well as future inpatient services.

Grand Strand Health opened a new emergency room operation in the Carolina Forest community of the County. The 10-bed, 11,000 square foot facility will cost approximately \$10 million. Recently, two Certificates of Need were submitted to expand the Grand Strand Regional Medical Center (3-story inpatient bed tower) and South Strand Medical Center (full service hospital with 59 acute care beds, four operating room and expanded emergency room at a cost of \$146 million).

Conway Medical Center (“CMC”) announced in September 2020 a new facility in Carolina Forest that would transfer 50 beds to a new hospital facility to be built on International Drive, to include women's health, surgical emergency, cancer care, orthopedics, and imaging. CMC has acquired the site for construction and is awaiting the Certificate of Need to begin construction. In 2019, CMC announced a partnership with Duke Health to open a new state-of-the-art cancer treatment center.

Tidelands Health, the largest health care provider in Georgetown County, is continuing its expansion into the County with a new medical park at the Market Common in Myrtle Beach. The \$44 million, 65,000-square-foot building is to be used for outpatient services and was completed in 2019. The new medical park is one of multiple new locations planned to respond to the County's population growth and has created 100 new jobs in the past year. Tidelands has received state approval to build the Tidelands Health Carolina Bays Hospital at the interchange of Highways 31 and 707. The 36-bed, \$79 million, hospital will offer an emergency department, medical surgical and critical care four operating suites, diagnostic imaging and lab services. It anticipates creating 140 jobs.

In April 2021, the Ralph H. Johnson VA Medical Center opened the new Myrtle Beach VA Outpatient Clinic located at 1800 Airpark Drive in Market Commons. The new 84,000 square foot clinic includes 200 clinical treatment rooms to serve the County's more than 27,000 veterans.

The County is working with the State to locate a 104-bed Veterans Nursing facility in the County. Site selection is underway for this approximate \$100 million facility. The State has funded the local match required in the federal grant process and the County anticipates that it will provide the site as its local match.

## **Higher Education**

The County is home to several institutions of higher education including Coastal Carolina University (“CCU”), Horry Georgetown Technical College, Pittsburg Institute of Aeronautics, Webster University, and Miller Mott Technical College. CCU is a public institution located in Conway and is fully accredited by the Southern Association of Colleges and Schools. CCU offers baccalaureate degrees in more than 100 major fields of study. Among CCU's graduate-level programs are 28 master's degrees, two educational specialist degrees, and two Ph.D. programs: coastal and marine systems science and education. As the 2016 College World Series Champions, CCU competes in the Sun Belt Athletic Conference (NCAA Division 1).

Horry Georgetown Technical College (“HGTC”) has three locations: Georgetown, Conway, and Myrtle Beach. HGTC offers more than 65 associate degrees, diplomas, and certificate programs for students who are either seeking quick entry into the workforce or desiring to transfer to a senior institution to pursue a bachelor's degree. In 2019 HGTC and CCU formed an additional partnership (Coastal Bound) to provide students with additional CCU services early in their collegiate career. HGTC is the fourth-largest of the 16 South Carolina technical colleges and is one of the fastest-growing higher education institutions in the State. HGTC is accredited by the Southern Association of Colleges and Schools (SACS) to award associate degrees, diplomas and certificates.

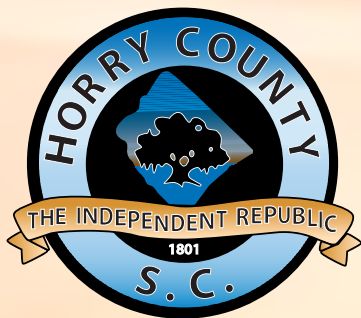
## **Financial Institutions**

According to the Federal Deposit Insurance Corporation, as of June 30, 2021, there were 110 branches of major and local commercial banks in the County, with total deposits of \$6,913,471,000. The continuing reorganization of the banking system in the United States, with its attendant mergers and consolidations, is likely to affect the total number of branch offices in the County.

**APPENDIX B**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE COUNTY FOR FISCAL YEAR ENDED JUNE 30, 2021**

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# Horry County

South Carolina

## Annual Comprehensive Financial Report

Fiscal Year

July 1, 2020 - June 30, 2021

[www.horrycounty.org](http://www.horrycounty.org)

**HORRY COUNTY, SOUTH CAROLINA**

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**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**PREPARED BY THE FINANCE DEPARTMENT**

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2021

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HORRY COUNTY, SOUTH CAROLINA

## INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA



**LETTER OF TRANSMITTAL**  
**DECEMBER 21, 2021**

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) for Horry County, South Carolina, for the fiscal year ending June 30, 2021.

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

The County's financial statements have been audited by Elliott Davis, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on auditor's judgment, including the assessment of risk of material misstatement to the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was sufficient and appropriate evidence for rendering an unmodified opinion that Horry County's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement, and should be read in conjunction with MD&A. Horry County's MD&A can be found immediately following the report of the independent auditors.



## **Profile of the Government**

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

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

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 121-

123 as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other financial information section of this report, which begins on page 164.

### **Factors Affecting Financial Condition**

On March 13, 2020, the President of the United States declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic to be of sufficient severity and magnitude to constitute a national emergency for all states. On March 15, 2020, the Governor of South Carolina directed the closure of all public schools in the State for students and non-essential employees beginning March 16, 2020. On March 17, 2020, the Governor temporarily prohibited restaurants from providing certain food services for on-premises consumption and prohibited events at government facilities that would have more than 50 or more persons in single room or confined area. These actions at both the state and national levels resulted in economic downturn for the tourism and hospitality industries.

County employees maintained their regular work schedules, in-person at the County's facilities with only limited telecommuting staff. The County reopened its facilities, transitioning from access to the public on an appointment-only basis to full access, in accordance with Center for Disease Control guidelines, as of May 18, 2020. Domestic travel restrictions were lifted and tourism rebounded in the summer of 2020. The approval and deployment of COVID Vaccines in late 2020 and early 2021 further invigorated consumer confidence propelling a record 2021 tourist season for the Grand Strand.

Real estate indicators from increased building permits and Register of Deeds values continued to increase during fiscal year 2021 and provided a base for the County to continue to provide our constituent services at pre-COVID-19 levels. The County also continued to develop 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**

The County's thirty-three (33) miles of beaches stretching from Cherry Grove to Garden City have been developed residentially or commercially while at least 30 percent of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand." In addition to the world class beaches, more than 100 local golf courses, the Myrtle Beach Convention Center, Brookgreen Gardens, hundreds of square miles of waterways and nearby wilderness also attract visitors. The County leads the State's tourism industry with 31.5 percent of the total domestic traveler spending. Forty percent of the State's second homes are also located within the County.

The Myrtle Beach area of South Carolina continually proves that it is worthy of the moniker "The Grand Strand" year-after-year, garnering prestigious awards and designations ranging from the "World's Best Beach" by Yahoo! Travel, "Overall Value for Money Destination". The South's Best Beach Towns 2019 by Southern Living, and seventh on the "Best US Golf Destination" by USA Today's 10 Best. Whether seeking an exciting sporting event or recreational vacation, the perfect family beach, the ideal retirement location, or the best place to host a meeting, visitors to the Myrtle Beach area will find award-



winning offerings in every lifestyle category. Coastal Carolina University estimates that tourism accounts for a \$7 billion economic impact and another \$2.2 billion in labor impact. According to an Economic Impact of Travel report produced by the U.S. Travel Association), Horry County led all counties in South Carolina, in travel expenditures in 2018. Domestic travel expenditures in Horry County reached \$4.5 billion, accounting for 31.5 percent of the state total travel expenditures of \$14.4 billion; up 5.2 percent from 2017. The County leads all counties, of the State, in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism. Beginning in March 2020, Governor McMaster began imposing a wide array of restrictions on hotels, beaches, bars and restaurants, hoping to ensure that these places did not help spread the COVID-19 infection. The restrictions resulted in fewer travelers, and fewer dollars generated by tourism dependent areas. Governor

McMaster lifted some of the restrictions in mid-May. Hotels and restaurants reported an estimated forty percent drop in sales compared to the same period a year earlier.

Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 20.6 million people visited the area in 2019. Following a drop in hotel occupancy rates in 2020 due to the COVID-19 pandemic, rates have increased in 2021. The chart to the right illustrates levels before, during, and after the peak of the pandemic. 2021 occupancy rates are now in-line with or exceeding 2019 levels. The average daily lodging rate in August 2021 was \$237.32, compared to \$157.69 in August 2019 and \$133.12 in August 2020. Marketing in the shoulder season continues to emphasize growth in meetings/events and sports tourism. Per DK Shifflet (for MB Chamber), there are approximately 425 hotels and 157,000 accommodation units for rent and approximately 1,800 full service restaurants.

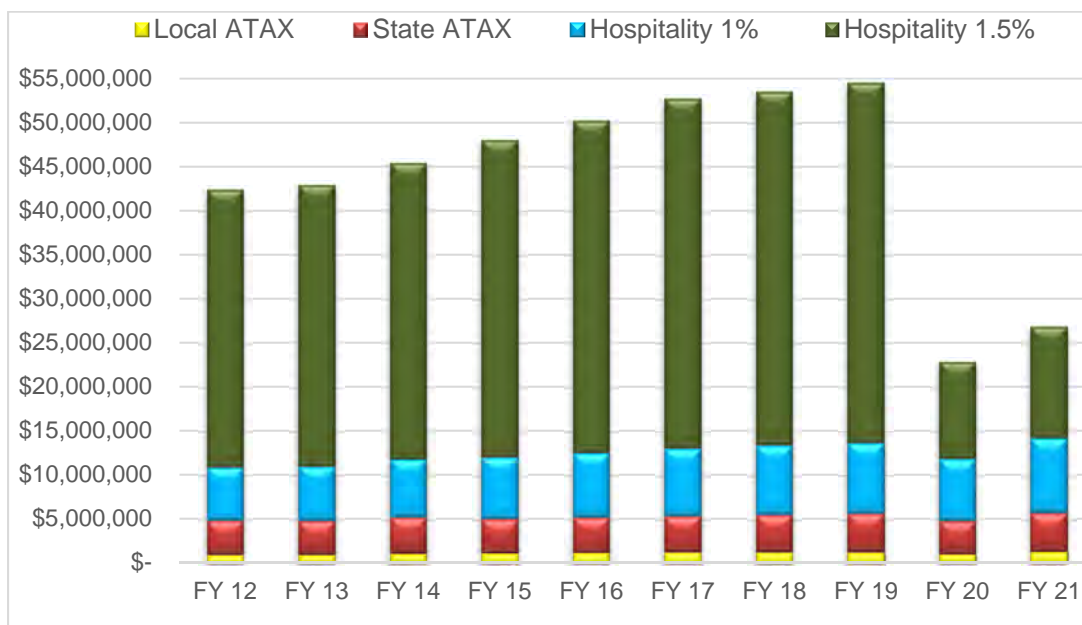
	2019	2020	2021
Jan	35.7%	27.4%	38.1%
Feb	46.0%	36.6%	50.1%
Mar	63.2%	32.3%	58.4%
Apr	71.8%	15.5%	67.1%
May	69.5%	45.5%	68.8%
Jun	81.7%	64.6%	86.0%
Jul	86.6%	54.4%	88.8%
Aug	78.5%	52.3%	84.8%
Sep	56.8%	51.7%	
Oct	55.5%	42.9%	
Nov	40.6%	30.4%	
Dec	35.9%	28.4%	
Avg	60.1%	40.2%	67.8%

Source: Myrtle Beach Area Chamber of Commerce

The Myrtle Beach area contributes a large portion of the golf revenue within the state. While the quantity is certainly impressive, the quality is nothing short of awesome. Challenging layouts, stunning vistas and impeccably maintained fairways and greens are the hallmark of the courses that make up the world's most impressive collection of public courses. The Myrtle Beach golf community also hosts some of the game's most popular amateur tournaments, including the Myrtle Beach World Amateur Handicap Championship, a 72-hole event that attracts between 3,000 to 5,000 players from across the globe, and the Palmetto High School Golf Championship, the nation's largest high school golf tournament. In addition, the area serves as the host of the Hootie & the Blowfish Monday After the Masters Celebrity Pro-Am, an event that has raised more than \$3 million for charity since coming to the Grand Strand and in 2019 hosted an NCAA Division 1 golf regional tournament. In 2020, total golf rounds were down 7.8 percent, due to the COVID pandemic, to approximately 2.6 million total rounds of golf played across the Grand Strand (Rounds data reported by Myrtle Beach Area Chamber of Commerce). Golf Courses on the Grand Strand remained open during the pandemic and experienced increased round in the fall of 2020 and spring 2021.



The following graph shows that the County's revenues from the tourism industry have declined due in part to the effects of COVID-19. Also, the County was involved in litigation brought by the City of Myrtle Beach (City) in 2019 concerning the collection of the 1.5% Hospitality fee within the municipalities. The County and Municipalities settled the lawsuit during fiscal year 2021 resulting in the County re-initiating county-wide collections beginning July 1, 2021, the Municipalities consenting retroactively to the Hospitality Fee Ordinances, and the Municipalities returning to the 2019 effective Hospitality and Accommodations Fee rates. The County will distribute revenues collected within each municipality based on the location of collection and the parties will work collectively to address road infrastructure needs. The Municipal Lawsuit impacted fiscal year 2020 and 2021 revenues as collections include only unincorporated businesses. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for fiscal year 2012 – fiscal year 2021.



## Higher Education

Horry County is home to several institutions of higher education including Coastal Carolina University (CCU), Horry Georgetown Technical College (HGTC), Pittsburg Institute of Aeronautics, Webster University, and Miller Mott Technical College. Coastal Carolina University is a public institution located in Conway and is fully accredited by the Southern Association of Colleges and Schools (SACS). CCU offers baccalaureate degrees in 74 major fields of study. Among CCU's 21 graduate-level programs are 26 master's degrees, two educational specialist degrees, and two Ph.D. programs: coastal and marine systems science and education. With 514 full time faculty, the University's current enrollment of 10,118 (up 1.3% from 2020) includes 51 percent South Carolina residents, 48 percent out-of-state residents and international students from 59 countries. Annual economic impact was estimated at \$1.5 million per day million for 2018. As the 2016 College World Series Champions, CCU competes in the Sun Belt Athletic Conference (NCAA Division 1). CCU graduate, Dustin Johnson won the Masters golf tournament in November 2020.

HGTC has three locations: Georgetown, Conway, and Myrtle Beach. HGTC offers more than 65 associate degrees, diplomas, and certificate programs for students who are either seeking quick entry into the workforce or desiring to transfer to a senior institution to pursue a bachelor's degree. In 2019, HGTC and CCU formed an additional partnership (Coastal Bound) to provide students with additional CCU services early in their collegiate career. HGTC is the fourth largest of the 16 South Carolina technical colleges and is one of the fastest-growing higher education institutions in the state. HGTC is accredited by the Southern Association of Colleges and Schools (SACS) to award associate degrees, diplomas and certificates.

## Sports Tourism

The Myrtle Beach area is showcasing its competitive spirit with the growth of its sports tourism offerings. Already a destination favorite for 20.6 million annual visitors, sports event planners are also now discovering what makes Myrtle Beach the ideal location for any sporting event. Sports tourism accounted for over \$140 million in 2019. The top five sports facilities include: Myrtle Beach Sports Center featuring eight basketball courts, 16 volleyball courts and 100,000-square-feet of configurable space for numerous indoor events; North Myrtle Beach Park and Sports Complex includes two state-of-the-art sports complexes utilizing a 160 acre tract including a 12-acre open meadow, Zipline and Tree Top adventure and a 20-acre lake; Grand Park Athletic Complex features seven large multipurpose fields and two youth fields utilizing synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football; CCU provides 127,685 square-foot Student Recreation and Convocation Center (The HTC Center) including gymnasium seating more than 3,000 people for basketball, graduations and concert events; and The Ripken Experience, a one-of-a-kind youth baseball

complex centrally located in Myrtle Beach featuring professional fields with a popular synthetic playing surface, FieldTurf, include four regulation-sized diamonds and five youth diamonds, designed after historic ballparks from baseball history. The Myrtle Beach area saw close to a 40% decrease in participation in sports tourism related activities between April and July 2020 due to restrictions in place for the COVID-19 pandemic.

### **Medical Services**

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

In 2016, McLeod Health began construction on a six-building medical campus in the Carolina Forest Town Centre off International Drive near River Oaks Drive. The property includes 43 acres of land – an investment of \$4.78 million, according to McLeod. The first phase of the development is projected to be approximately \$20 million. Recent construction added a free standing Emergency Department to the existing cardiology, vascular, neurology, family medicine, general surgery and rehabilitation services on site. McLeod has asked for state approval to construct a \$56 million, 48-bed acute care hospital within this campus.

Grand Strand Health opened a new emergency room operation in the Carolina Forest community of Horry County. The 10-bed, 11,000 square foot facility will cost approximately \$10 million. Recently, two Certificates of Need were submitted for the expansion of Grand Strand Regional Medical Center (3-story inpatient bed tower) and South Strand Medical Center (full service hospital with 59 acute care beds, four operating room and expanded emergency room at a cost of \$146 million). Conway Medical Center (CMC) announced September 2020 a new facility in Carolina Forest that would transfer 50 beds to a new hospital facility to be built on International Drive, to include women's health, surgical emergency, cancer care, orthopedics, and imaging. In 2019, CMC announced a partnership with Duke Health to open a new state-of-the-art cancer center.

Tidelands Health, the largest health care provider in Georgetown County, has continued its expansion into Horry County with a new medical park at the Market Common in Myrtle Beach. The \$44 million, 65,000-square-foot building is being used for outpatient services and was completed in 2019. The medical park is one of multiple new locations planned to respond to Horry County's population growth and has created 100 new jobs in the past year. Tidelands has also asked for state approval to build the Tidelands Health Carolina Bays Hospital at the interchange of Highways 31 and 707. If approved the 36-bed, \$79 million, hospital will offer an emergency department, medical surgical and critical care four operating suites, diagnostic imaging and lab services. It is anticipating creating 140 jobs.

### **Property Assessed Value and Reassessment**

Property tax growth continued for fiscal year 2021 (tax year 2020). Revenue for real property taxes increased due to growth in assessed value and new residential growth. Increases continue in revenue for vehicles as population is increasing at a 5.9 percent annual rate.

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

<u>Tax Year</u>	<u>Real</u>	<u>Personal</u>	<u>Total<sup>(1)</sup></u>
2011	1,766,946	277,772	2,044,718
2012	1,764,836	289,034	2,053,870
2013	1,780,231	304,251	2,084,482
2014	1,710,319	386,683	2,097,002
2015	1,746,474	357,046	2,103,520
2016	1,794,535	381,119	2,175,654
2017	1,854,839	376,254	2,231,093
2018	1,936,313	383,312	2,319,625
2019	2,207,046	382,619	2,589,665
2020	2,303,384	398,428	2,701,812

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

## Building Permits Issued

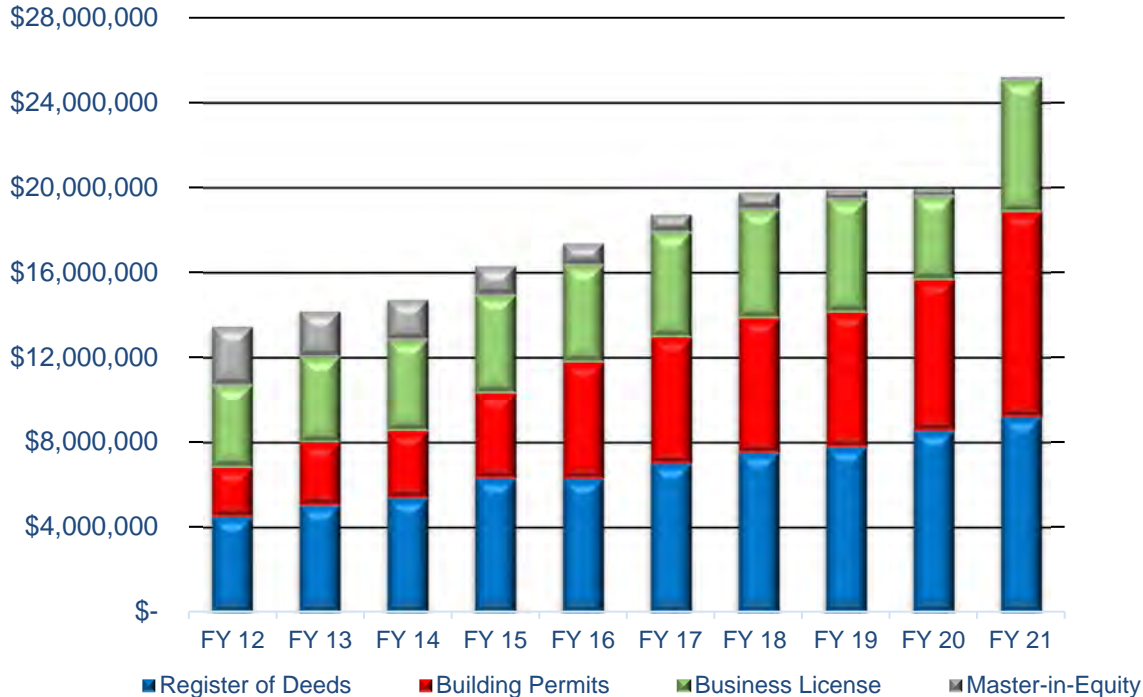
Horry County continues to see a steady an increase in permits issued and revenue received. The number of permits issued increased 3.1 percent for 2020 resulting in a 12.1 percent increase in revenues.

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Revenue</u>
2012	7,250	2,321,424
2013	8,082	2,960,873
2014	8,997	3,159,978
2015	10,217	4,020,778
2016 <sup>1</sup>	11,149	5,490,169
2017	11,930	5,958,122
2018	12,493	6,346,257
2019	12,990	6,347,074
2020	13,396	7,116,044
2021	15,894	9,671,689

<sup>1</sup> Fiscal year 2016 includes a 10% rate increase

## Economy Sensitive Revenues

Revenue sources that increased as the commercial and residential development continued strong growth include, building permit fees, Register of Deeds recording fees and documentary stamps, and Business Licenses. The fiscal year 2022 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, 2021 of \$96.9 million (46.7 percent of the fiscal year 2021 General Fund expenditure budget) remains within the policy guidelines set by County Council for budgetary and planning purposes. In fiscal 2021, County Council modified reserve requirements for its major operating governmental funds receiving economically sensitive revenues (General Fund, Fire Special Revenue Fund, Waste Management Recycling Special Revenue Fund, and Recreation Special Revenue Fund). This change to the fiscal policy increased the two (2) percent revenue stabilization to five (5) percent and in the three (3) component reserve including eighteen (18) percent cash flow reserve, five (5) percent revenue stabilization, and five (5) percent disaster reserve for a total reserve goal of twenty-eight (28) percent.

To address the ongoing capital needs for the growing county, County Council approved the development of a Capital Improvement Program Policy. This policy calls for the adoption of a formal five-year Capital Improvements Program (CIP) to be updated annually. The policy calls for the County to budget a pay-as-you-go funding for capital improvements an amount equal to at least three (3) percent of General Fund operating revenues. The capital improvement budget is adopted annually, encompassing appropriations for the projects scheduled for the first year of the plan, and authorizing any bond issues necessary to fund the improvements. The next nine (9) years are considered planning years and are subject to appropriation in the following years. Projects included in the CIP represent major facility construction, infrastructure renovations, and economic development projects. The CIP document is available from the County's Finance Office. On March 11, 2020, the County issued \$18.8 million of General Obligation (GO) Bonds to defray the costs of design, acquisition or construction of an Emergency Operations Center and expansion of several other properties. Also, on March 11, 2020, the County (Horry County Fire Protection District) issued \$2.1 million GO Bonds to defray the costs of design, acquisition or construction of several fire stations (Socastee, Goretown, Longs).

## **Major Initiatives**

### **Economic Development**

Our strong commitment to building and diversifying our economy is evidenced by our support and funding of the Myrtle Beach Regional Economic Development Corporation (MBREDC). According to the U.S. Bureau of Labor and Statistics, the County's unemployment rate was 5.4 percent at June 30, 2021, which is a decrease from the June 2020 rate of 9.9 percent. According to the US Census, the Horry County area was the 2<sup>nd</sup> fastest growing Metro-Area in the US in 2019.

New jobs announced from relocation or expansion of jobs through MBREDC efforts exceed 2,000 from 2012 to 2021. Myrtle Beach-Conway-North Myrtle Beach ranked in the Top 20 "Prime Workforce" Cities in 2016 by Area Development Magazine. Forbes ranked Myrtle Beach, S.C. #16 for The Best Places for Business and Careers in 2015 and 2018.

Due to the pandemic, the MBREC has focused its efforts in 2020 on supporting existing businesses and providing resources to help them through COVID-19. The Myrtle Beach area workforce was touted as one of the five most productive in the country by Area Development Magazine. Horry County enjoys a talent pipeline that is trained and skilled.

The County currently operates seven (7) industrial parks (Atlantic Center, Ascot Valley, Cool Springs Business Park, Grand Strand Water and Sewer Authority - Marine Park in Bucksport, Pineridge Business Center, Loris Commerce Park, and International Technology and Aeronautical Park) and is in the planning stages for an additional park, which are industry specific. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of two of these parks.

### **Opportunity Zones**

Opportunity Zones are a new community development program established by Congress as a part of the Tax Cuts and Jobs Act of 2017. They are designed to encourage long-term private investments in low-income communities.



This program provides a federal tax incentive for taxpayers who reinvest unrealized capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas called "Opportunity Zones."

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

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

## **Airport**

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

Passenger enplanements for the fiscal year ending June 30, 2021 were 965,681, which is a 6.0% increase from the previous fiscal year. The increase is a result of leisure air travel recovering faster from the pandemic with increased seat capacity and frequency beginning in the spring of 2021. Southwest Airlines entered the MYR market in May 2021 with 10 nonstop destinations from MYR including daily service to Atlanta, Nashville, Chicago, and Baltimore.



During fiscal year 2021, the nine airlines operating at MYR offered nonstop air service to over 50 markets.

In response to the COVID-19 Pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. The Act provided nearly \$10 billion to eligible United States airports to prevent, prepare for, and mitigate the coronavirus impacts. The airport received \$19,400,057 in CARES Act funding for our four airports as follows: MYR - \$19,281,057; CRE - \$69,000; HYW - \$30,000; 5J9 - \$20,000.

The Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) was passed by Congress and signed into law on December 27, 2020. The airport received \$5,097,221 in CRRSA Act funding for three airports and concessionaires as follows: MYR - \$4,751,803; CRE - \$57,162; HYW - \$13,000; and concessions relief of \$275,256.

The American Rescue Plan Act (ARPA) was passed by Congress and signed into law on March 11, 2021. In fiscal year 2022 the Airport will receive ARPA grants of \$10,649,522 for MYR and \$1,101,025 for eligible concessionaires located within the terminal.

MYR has utilized the CARES Act funds to cover debt service, partial salary reimbursement and critical operations related to safety and security. The airport committed to reducing our Operations and Maintenance expenses for the last quarter of Fiscal Year 2020 and for Fiscal Year 2021. MYR obtained County Administrator approval to extend financial relief to airlines, food and beverage/news and gifts concessionaires, rental car agencies and other on-site tenants.



In June 2021, the county redeemed \$5.7 million of the non-PFC backed portion of the Series 2010A Airport Revenue bonds. The county used CARES Act funds for the cost of the redemption.

During fiscal year 2021, the Department of Airports' asset additions included passenger boarding bridge upgrades, software upgrades for the baggage handling system, a chiller system for Terminal A, renovations for airlines and concessionaires, and a new 25,000-gallon Jet A tank for General Aviation, as well as other projects and general capital machinery and equipment.

### **Road Improvement and Development Effort (RIDE)**

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

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

RIDE II - On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law ended April 30, 2014. Infrastructure Included the Backgate Interchange, Aynor Overpass, Hwy 707 widening, Glenn's Bay Road widening and interchange, International Drive, along with 100 miles of dirt road paving and 67 miles of road resurfacing. As of June 30, 2021, the capital project sales tax fund had generated \$476.0 million in revenue. Spending totaled \$407.2million through year-end, which results in \$68.2 million fund balance on hand for use in construction on the above projects.



RIDE III – With both the success of the RIDE II program and the large continued infrastructure need, voters approved a ballot referendum for a new one-cent Capital Projects Sales Tax in November 2016. The sales tax went into effect May 1, 2017 and will be a 1% Sales Tax on all retail sales, prepared food/beverage and accommodations. Groceries (unprepared food) would be exempt from the sales tax. The sales tax would remain in effect for eight years or April 30, 2025. The eight-year projected revenues from the 1% Sales Tax is \$592 million. Infrastructure includes Hwy 501 widening, Carolina Forest Boulevard widening, Forestbrook Road widening, Conway Perimeter Road, SC Hwy 9 East Widening, Hwy 701 N widening, Palmetto Point Boulevard extension, Fred Nash Boulevard extension, Southern Evacuation Lifeline (SELL) – Environmental Studies and ROW, and SC Hwy. 31 (Carolina Bays Parkway) Extension to SC/NC State line, along with 100 miles of dirt road paving and 100 miles of road resurfacing. As of June 30, 2021, the Capital Project Sales Tax Fund had generated \$334.2 million in revenue. Spending totaled \$84 million through year-end, which results in \$250.2 million fund balance on hand for use in construction on the above projects.

### **Capital Projects Completed and Projects under Construction**

The County continued renovations of the Santee Cooper building adjacent to County property in order to relocate some offices to the campus. In the fall of 2020, the County began construction of the Emergency Operations Center (EOC) (total estimated cost of \$26 million). The EOC will house the County's Emergency Operations group and E911. It will serve as ground zero for all County emergencies. Groundbreaking occurred in November 2020 and construction is expected to take 18-24 months. Construction of the Longs Fire/EMS Station was initiated during the year and will replace an existing volunteer station. County Council provided new staffing for this facility with its Fiscal Year 2022 Budget. Other major capital equipment purchases included: body cameras, EMS stretchers, Fire SCBA Breathing apparatus and lighting for ballfields for Parks and Recreation.

## **Funding**

The County's Capital Improvement Plan focuses on on-going projects that are to be funded with bond proceeds, pay-as-you go funding, or grants. County Council also approved the addition to the Capital Improvement Plan and commitment of \$5.0 million from fiscal year 2020 General Fund excess revenues to the replacement of the Public Safety enterprise software.

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

The CARES Act \$2.2 trillion economic relief package was committed to protecting the American people from the public health and economic impacts of COVID-19. The County, to date, has received \$11.1 million in reimbursements for expenditures directly related to COVID-19 from the CARES Act funding. In addition, the County has received \$3.1 million in competitive grants, \$29.6 million in formula grants for assistance to individuals, and \$24.5 million received by the Department of Airports. The County continues to track COVID-19 expenditures and its effect on County operations.

The County will receive approximately \$68.7 million from the American Rescue Plan Act of 2021. The County will use these funds for, among other things, responding to and mitigating the public health emergency caused by COVID-19 and the resulting economic impacts.

## **Awards and Acknowledgements**

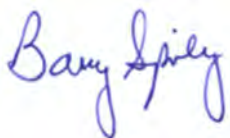
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-fourth (34) consecutive 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 ACFR. 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 annual comprehensive 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, 2020 for fiscal year ended June 30, 2021. This was the thirty-second (32) consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Barry Spivey  
Chief Financial Officer



Marla Bell  
Assistant 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, 2020

*Christopher P. Morill*

Executive Director/CEO



**Johnny Gardner**  
Chairman

# **Horry County**

## **County Council**



**Harold Worley**  
District 1



**Tyler Servant**  
District 5



**Bill Howard**  
District 2



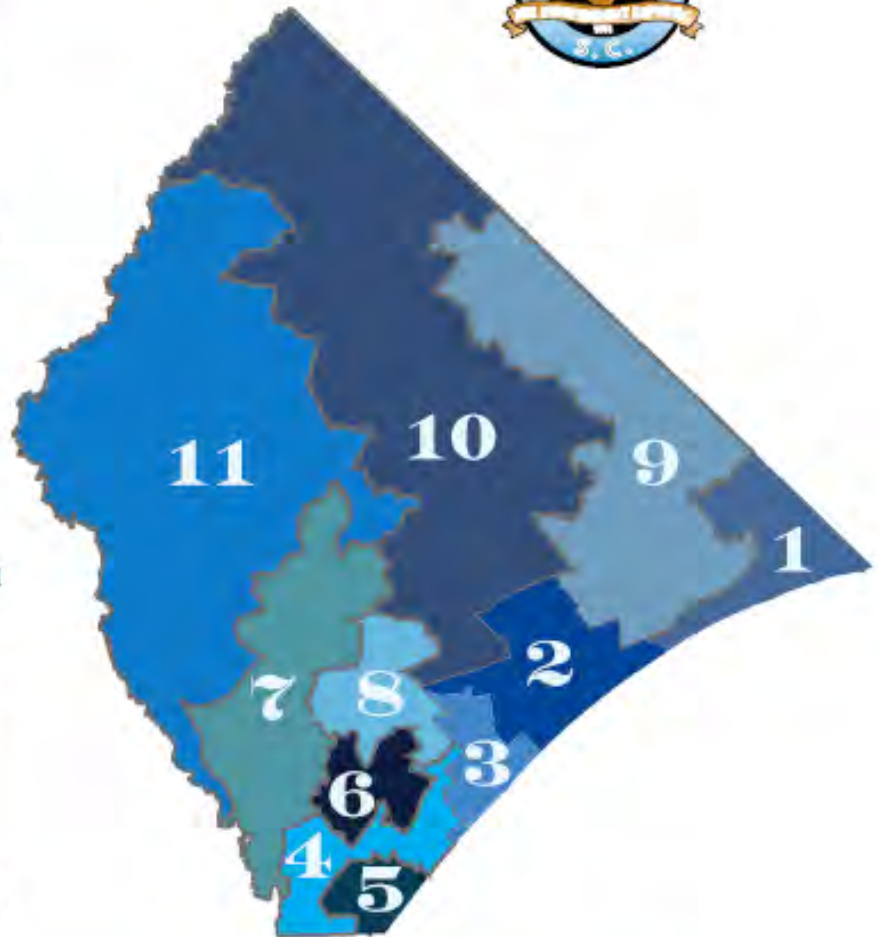
**Cam Crawford**  
District 6



**Dennis DiSabato**  
District 3  
Vice Chairman



**Orton Bellamy**  
District 7



**Gary Loftus**  
District 4



**Johnny Vaught**  
District 8



**R. Mark Causey**  
District 9



**Danny Hardee**  
District 10



**Al Allen**  
District 11

## MEMBERS OF COUNTY COUNCIL

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

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## ELECTED OFFICIALS

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

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## APPOINTED OFFICIALS

Manuela A. Clayton	Chief Magistrate
Pat Hartley	Clerk to Council
Tracey Elvis-Weitzel	Library
Cynthia Graham Howe	Master in Equity
Ronald Hazzard	Public Defender Fifteenth Circuit
Marion D. Foxworth, III	Register of Deeds
Sandy Martin	Registration & Election
Ronald Elvis, Jr.	Veteran's Affairs

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## ADMINISTRATIVE OFFICIALS

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

As of 11/12/2021



## Citizens of Horry County



HORRY COUNTY, SOUTH CAROLINA

## FINANCIAL SECTION

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



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, 2021, the respective changes in net position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Solicitor's Intervention Programs (blended component unit), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Solicitor's Intervention Programs financial statements represent 0.40 percent, 0.30 percent, and 0.20 percent, respectively of the assets, net position, and revenues of the aggregate remaining fund information. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the blended component unit and both discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Solicitor's Intervention Programs (blended component unit) were not audited in accordance with *Government Auditing Standards*.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2021, 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 schedules, 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 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 schedules, and the general improvements capital project budgetary schedule 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 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, and the general improvements capital project budgetary schedule 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 21, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

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

Charleston, South Carolina  
December 21, 2021

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## Management's Discussion and Analysis

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Management's Discussion and Analysis provides a narrative overview and analysis of the County's financial activities for fiscal year ended June 30, 2021. 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 \$2.2 billion. This represents a \$263.7 million increase from fiscal year 2020. Capital assets, net, increased \$60 million due primarily to spending for new construction, including a \$27.1 million increase in road infrastructure and a \$51.9 million increase in construction-in-progress for governmental activities. Capital assets, net, for business-type activities increased \$14.1 million in runways and taxiways.
- Total liabilities increased \$99.2 million from fiscal year 2020. During fiscal year 2021, G.O. bonds payable decreased by \$11.6 million. Net pension liability increased \$36.3 million.
- Net position of the County totaled \$1.69 billion at June 30, 2021, an increase of \$188.9 million from fiscal year 2020. Net investment in capital assets increased \$86.0 million. Restricted net position increased \$59.0 million. The County's capital project sales tax program excess of revenue over expenditures was \$67.3 million in fiscal year 2021 as construction-in-progress accelerated on several major projects in RIDE III and projects began to near completion in the RIDE II program. The General Improvement Capital Projects Fund's net change in fund balance was \$6.6 million.
- At June 30, 2021, fund balance for the General Fund was \$96.9 million or 48.4 percent of total budgeted General Fund expenditures and transfers out, compared to \$80.7 million or 41.9 percent for the previous year. The fiscal year 2021 actual results reflect a \$16.2 million increase in fund balance due primarily to one-time reimbursements of disaster related expenditures, increases in economic sensitive revenues related to the continued strong growth in population and continued real estate market growth, strong rebound of hospitality tourism-related revenues and a favorable expenditure variance due to proactive cost management procedures due to the COVID-19 pandemic.
- Property tax revenue for the General Fund for fiscal year 2021 was \$116.4 million compared to \$109.7 million for fiscal year 2020 an increase of \$6.6 million due to growth in residential properties and assessed values.
- Tourism related revenues rebounded in fiscal year 2021 and are reflected in accommodations tax, local accommodations tax and hospitality fees. Revenues increased 25.7 percent to \$28.2 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, deferred outflows of resources, liabilities and deferred inflows of resources with the difference 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 is the difference between the County's assets and deferred outflows of resources less liabilities and deferred inflows of resources.

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 financial and capital resources, net position, direct expenses, program revenues and general revenues. This reporting model measures the County's overall financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The government-wide financial statements of the County are divided into three categories:

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

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

## **FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 118 of this report.

## **OTHER INFORMATION**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's overall financial condition and position. In the case of the County, as reflected in the primary government funds, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.69 billion at the close of the fiscal year ended June 30, 2021. At the end of fiscal year 2021 and 2020, the County reported the following Net Position:

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 820,038	\$ 629,297	\$ 130,456	\$ 116,647	\$ 950,494	\$ 745,944
Capital Assets, net	955,495	909,609	311,051	296,902	1,266,546	1,206,511
Total Assets	1,775,533	1,538,906	441,507	413,548	2,217,040	1,952,454
Deferred Outflow s of Resources	59,177	38,061	3,516	2,335	62,693	40,396
Current Liabilities	162,147	85,446	12,519	11,180	174,666	96,626
Long-term Liabilities	333,078	306,996	62,814	67,773	395,892	374,769
Total Liabilities	495,225	392,442	75,333	78,952	570,558	471,395
Deferred Inflow s of Resources:	5,156	6,612	4,619	2,819	9,775	9,431
Net Position:						
Net investment in capital assets	906,300	842,463	264,891	242,725	1,171,191	1,085,188
Restricted	452,155	394,864	57,947	56,247	510,102	451,111
Unrestricted (deficit)	(24,126)	(60,919)	42,233	35,140	18,107	(25,779)
Total Net Position	\$ 1,334,329	\$ 1,176,408	\$ 365,071	\$ 334,112	\$ 1,699,400	\$ 1,510,520

Net Position of the County's governmental activities increased 13.4 percent from \$1.18 billion to \$1.34 billion. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities increased 9.8 percent to \$1.36 billion at year end. Net investment in capital assets and restricted net position of the County's governmental activities are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so forth). The County continues to invest in needed capital improvements and provides for a large portion of annual capital needs in addition to debt financed larger projects thereby increasing Net Position. Restricted Net Position includes the \$318 million excess Capital Project Sales Tax revenues over expenditures for RIDE II (\$68.2 million) and RIDE III (\$250.2 million). These funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are completed, the expenditures will exceed revenue in subsequent years and utilize this accumulated excess over the next several years.

Unrestricted Net Position for governmental activities reflected a \$24.1 million deficit at the end of this year. This deficit is primarily the result of net pension liability of \$237.3 million and net OPEB liability of \$47.3 million. The Net Position of business-type activities increased 9.27 percent from \$334.1 million in 2020 to \$365.1 million in 2021. This increase primarily resulted from federal and state grant revenue programs.

The total fund balances for governmental funds was \$603.5 million at the end of fiscal year 2021. 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, 2021, which are not included in this fund balance, totaled \$955.5 million. Long-term liabilities of \$333.1 million are not due and payable in the current period and therefore are also not reported in these funds.



## Governmental activities

Governmental activities increased the County's Net Position during the year by \$157.9 million. Key elements of this increase are as shown below.

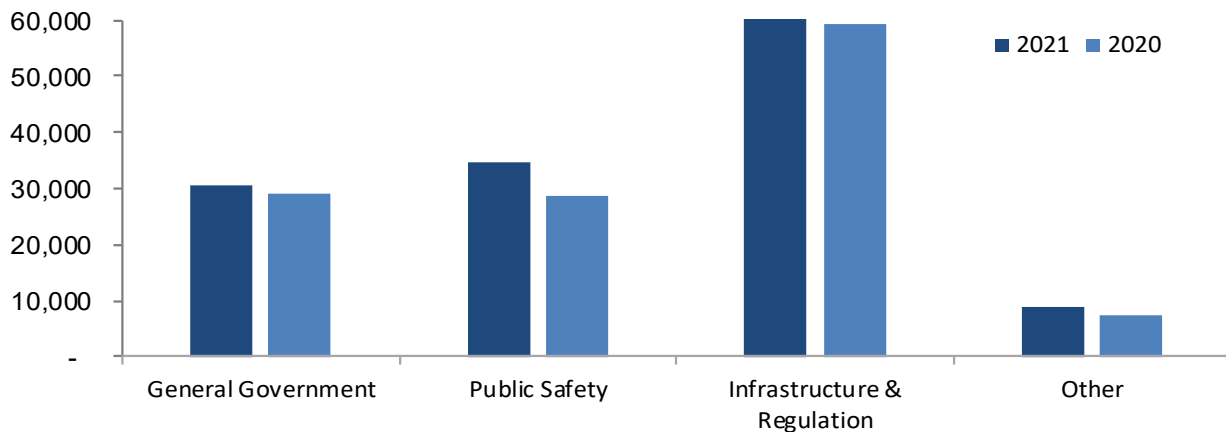
### Horry County's Changes in Net Position (amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Fees for services	\$ 87,145	\$ 78,613	\$ 35,448	\$ 33,882	\$ 122,593	\$ 112,495
Operating Grants and Contributions	29,528	17,137	17,259	6,689	46,787	23,826
Capital Grants and Contributions	23,000	18,557	20,003	24,005	43,003	42,562
General Revenues: Property taxes, Shared revenue and Unallocated intergovernmental	291,381	270,388	-	-	291,381	270,388
Other	34,082	32,906	854	2,516	34,936	35,422
Total Revenues	465,136	417,601	73,564	67,092	538,700	484,693
Expenses:						
General government	45,964	46,049	-	-	45,964	46,049
Public safety	172,527	157,342	-	-	172,527	157,342
Infrastructure and regulation	47,520	50,510	-	-	47,520	50,510
Health and social services	2,927	2,878	-	-	2,927	2,878
Culture, recreation and tourism	16,426	16,300	-	-	16,426	16,300
Economic development	6,227	3,410	-	-	6,227	3,410
Improvements to state roadways	8,689	7,538	-	-	8,689	7,538
HGTC and Higher Education Commission	5,283	5,232	-	-	5,283	5,232
Interest	1,652	1,649	-	-	1,652	1,649
Airports	-	-	42,605	40,853	42,605	40,853
Total Expenses	307,215	290,908	42,605	40,853	349,820	331,761
Increase in net position	157,921	126,693	30,959	26,239	188,880	152,932
Net Position – July 1	1,176,408	1,049,715	334,112	307,873	1,510,520	1,357,588
Net Position – June 30	\$ 1,334,329	\$ 1,176,408	\$ 365,071	\$ 334,112	\$ 1,699,400	\$ 1,510,520

## Program Revenues and Expenses – Governmental Activities

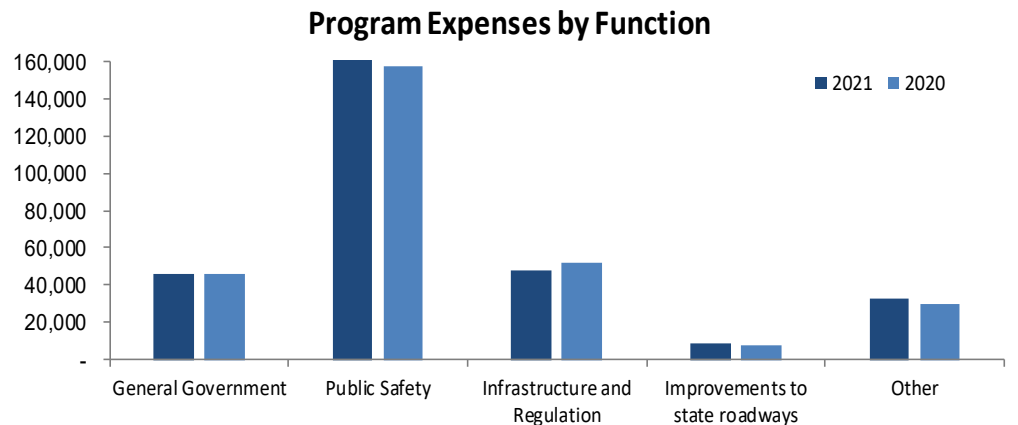
### Program Revenues by Function

(Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions)

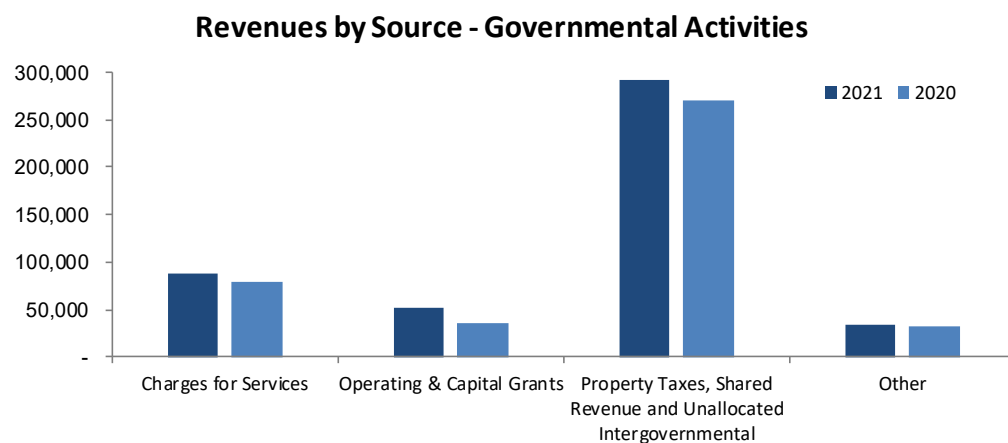


Program revenues in governmental activities increased \$25.3 million for fiscal year 2021. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In

2021, Operating Grants and Contributions increased \$12.4 million while Fees for Services increased \$8.5 million and Capital Grants and Contributions increased \$4.4 million.



Program expenses in governmental activities increased \$16.3 million or 5.6 percent due primarily to public safety expenditures increasing \$15.2 million due to a legal settlement of \$12.6 million. Economic Development saw an increase of \$2.8M and Infrastructure and Regulation saw a \$2.9 million decrease.

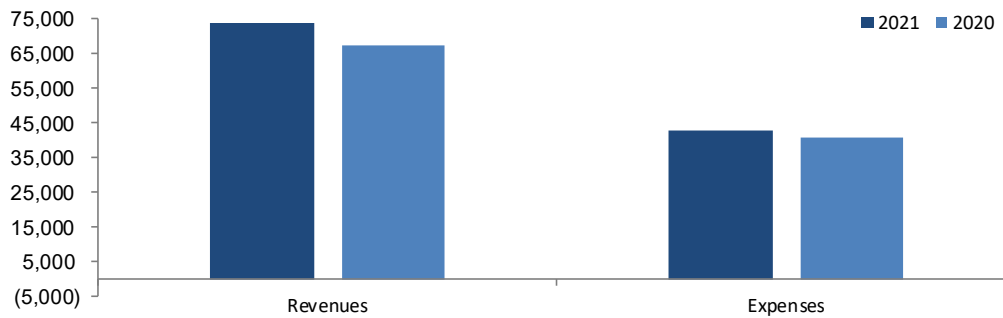


Total revenues in the governmental activities increased \$47.5 million for fiscal year 2021, which was in part due to increases in tourism related revenues as a result of a strong rebound from the negative impact of the COVID-19 pandemic in the previous year. The County saw significant increases in tourism related revenues, as well as significant increases in intergovernmental revenues related to Federal Cares Act funding.

### Business-type activities

Business-type activities increased the County's net position by \$30.9 million, due to increase in both Operating Grants and Contributions (\$10.6 million) and Fees for Services (\$1.6 million), despite a reduction in Capital Grants and Contributions (\$4.0 million). Program expenses increased by \$1.8 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 2021, the County's governmental funds reported combined ending fund balances of \$603.5 million, an increase of \$110.6 million from the prior year. General Fund growth of \$16.1 million, General Improvement Capital Projects Fund growth of \$6.6 million, growth of \$15.4 million in 1.5% Hospitality and \$69.0 million in RIDE III offset reductions in RIDE II of \$0.9 million resulting from completion of some major projects. Unassigned Fund Balance which is undesignated in the governmental funds of \$6.3 million is available for spending at the County's discretion. The remainder of the Fund Balance is reported as restricted and non-spendable, to indicate that it is not available for new spending, or committed because it has already been identified for a specific purpose.

#### Horry County's Governmental Funds Ending Fund Balance (amounts expressed in thousands)

	2021	2020	Variance
Nonspendable			
Inventory and prepaid	\$ 1,076	\$ 1,032	\$ 44
Restricted			
Capital	366,173	298,586	67,587
Debt service	6,729	21,369	(14,640)
Other	51,737	38,857	12,880
Committed			
Cash management reserve	36,100	31,647	4,453
Disaster reserve	10,028	8,791	1,237
Revenue stabilization reserve	10,027	3,516	6,511
Debris reserve	10,000	10,000	-
Other purposes	11,879	3,089	8,790
Infrastructure and regulation	20,386	20,728	(342)
Economic development	3,492	2,101	1,391
Capital	53,669	33,932	19,737
Public safety, culture, recreation and tourism	7,225	6,094	1,131
OPEB	7,862	5,455	2,407
Abatement/demolition	829	833	(4)
Unassigned	6,309	6,930	(621)
Total	<u>\$ 603,522</u>	<u>\$ 492,960</u>	<u>\$ 110,562</u>

## General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2021, Fund Balance totaled \$96.9 million. Council committed \$88.8 million of fund balance a commitment for reserves/stabilization (\$66.2 million) and for OPEB (\$7.9 million) and \$14.7 million for other purposes. Unassigned Fund Balance is \$7.0 million in the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 3.6 percent of actual General Fund expenditures and transfers out. Total Fund Balance represents 48.5 percent of budgeted General Fund expenditures and transfers out.

The Fund Balance of the General Fund increased by \$16.2 million during the current fiscal year. This increase is a result of revenues over budget of \$21.2 million coupled with positive expenditure savings to budget of \$9.0 million.

### Net change in fund balance (amounts expressed in thousands)

Planned use of fund balance	\$ (13,954)
Revenues over budget	21,194
Expenditures under budget	8,978
Other Financing Sources (Uses) over budget	(40)
Net budget savings from the General Fund	30,132
<b>Net change in Fund Balance from FY 2021</b>	<b>\$ 16,177</b>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2021 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2020.

### Comparison of FY 2021 General Fund Results to FY 2020

(amounts expressed in thousands)

<b>Increase in Property Taxes</b> , primarily due to growth and reassessment	\$ 6,593
<b>Increase in Intergovernmental Revenue</b> , primarily due to Federal Cares Act funding of \$7.8M	10,311
<b>Increase in Fees and Fines</b> , primarily due to increases in Hospitality and EMS fees	2,116
<b>Increase in Register of Deeds Documentary Stamps</b> , due to increase in instruments filed	2,620
<b>Increase in Licenses and Permits</b> , attributed to a business license rate increase, as well as an increase in the number of building permits issued.	4,798
<b>Decrease in Interest on Investments</b> , due to reduced interest rates	(1,302)
<b>Decrease in Cost Allocations</b> , due to decreased central service allocations to other funds	(445)
<b>Increase in Other Revenues</b> , increases in rents offset by decreased casino boat revenue	70
<b>Decrease in net Other Financing Sources (Uses)</b> , primarily due to higher transfers out	3,637
<b>Increase in Expenditures</b> , primarily due to legal settlement	(12,895)
<b>Net increase in General Fund results compared to FY 2020 results</b>	15,503
<b>Net increase in fund balance from FY 2020 General Fund results</b>	674
<b>Net increase in the fund balance of the General Fund from FY 2021 results</b>	<b>\$ 16,177</b>

## American Rescue Plan Act Fund (ARPA)

The American Rescue Plan Act Fund reflects the funding source and expenditures for the County's 2021 Recovery Plan. Horry County has assigned this as a major fund in an effort to provide transparency. As of the end of the fiscal year 2021, Fund Balance totaled \$213. Revenues are recognized and recorded as spent. In fiscal year

2021, \$356 thousand was recorded as revenue to the ARPA fund with a liability balance of \$34.0 million in advanced funds.

The purpose of the ARPA funding allocation is to accelerate the County's recovery efforts from the economic and public health impacts of the COVID-19 pandemic. Funding in the amount of \$68.8 million, which the County has received half or \$34.4 million, was in legislation passed by Congress and signed into law on March 11, 2021. Horry County has developed a framework to formalize the allocation and distribution of ARPA funds. This includes responding to the COVID-19 public health emergency or its negative economic impacts, including aiding households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel and hospitality. The funds will be allocated under the provision of funding government services to the extent of the reduction in revenue caused by the pandemic, as well as making necessary investments in water, sewer, or broadband infrastructure.

#### **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, Internal Service Funds and the Grants Fund. Primary funding sources are debt proceeds, transfers in a pay-as-you-go funding, and interest earnings. During fiscal year 2021, \$18.9 million was transferred in from other funds. The fund balance of \$56.2 million at June 30, 2021 reflects 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, 2020	\$ 49,593
Revenues	1,272
Expenditures	(13,588)
Other Financing Sources (Uses)	18,944
Net change in Fund Balance	6,628
Fund Balance, June 30, 2021	<b>\$ 56,221</b>

The Capital Projects Sales Tax Fund (RIDE II) reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. As the statutory collection period has now ended, no additional sales taxes are collected. Total receipts life to date of the program through June 30, 2021 are \$453.1 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 of \$27.8 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 remaining projects. Expenditures for 2021 total \$0.9 million and includes construction of \$0.8 million on State roadways. The net change in fund balance of \$0.9 million decreases the accumulated fund balance to \$68.2 million. The funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are completed, the expenditures will exceed revenue in subsequent periods and utilize this accumulated excess over the next several years.

**Horry County's Capital Project Sales Tax Fund**  
**(RIDE II)**  
*(amounts expressed in thousands)*

Fund Balance, July 1, 2020	\$ 69,126
Revenues	26
Expenditures	(957)
Net change in Fund Balance	(931)
Fund Balance, June 30, 2021	<u><u>\$ 68,195</u></u>

In November 2016 voters approved a ballot referendum for new one-cent Capital Projects Sales Tax (RIDE III). The sales tax, effective May 1, 2017, is a 1% sales tax on all retail sales, prepared food/beverages, and accommodations. Groceries (unprepared food) are exempt from the sales tax. The sales tax will remain in effect for eight years or through April 30, 2025. The eight-year projected revenues from the 1% sales tax is \$593.5 million. Total receipts life to date of the program through June 30, 2021 are \$327.9 million. For fiscal year 2021, revenues total \$92.6 million. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects. Expenditures for 2021 total \$24.4 million and includes construction of \$7.1 million on State roadways. The excess of revenues over expenditures of \$69.0 million increases the accumulated fund balance to \$250.2 million. This reflects a decrease in interest earnings of \$1.8 million, an increase in Sales Tax of \$12 million, and a decrease in infrastructure of \$16 million due to the substantial amount of work that was completed on projects such as the Carolina Forest Boulevard Widening and Dirt Road paving projects in FY20.

The funds are restricted to specific projects and accumulate due to anticipated timing of project design, permitting, and right-of-way acquisition.

**Horry County's Capital Project Sales Tax Fund**  
**(RIDE III)**  
*(amounts expressed in thousands)*

Fund Balance, July 1, 2020	\$ 181,213
Revenues	92,613
Expenditures	(24,410)
Other Financing Sources (Uses)	785
Net change in Fund Balance	68,988
Fund Balance, June 30, 2021	<u><u>\$ 250,201</u></u>

**Proprietary funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All proprietary funds are reported as major funds. Net Position of proprietary funds at the end of the year amounted to \$433.2 million. The Department of Airports reflects a \$30.9 million or 9.3 percent increase in 2021 resulting from increased operating grant and fee revenues. The Internal Service Funds provide for the repair and replacement of the County's light and heavy equipment fleet (with the exception of heavy fire apparatus), operation of the County's P-25 digital radio system, and the maintenance and replacement of mobile radios. Net investment in capital assets at June 30, 2021, equals \$31.4 million which includes the undepreciated cost of the covered fleet vehicles in service less debt related to capital of \$0.5 million. This reflects a \$3.8 million increase during the year including \$10.9 million of assets purchased, less \$5.1 million for annual depreciation and asset disposals. The remaining net position of \$34.5 million is restricted for future replacement of the covered equipment and \$2.2 million is unrestricted.

## Horry County's Proprietary Funds Net Position

*(amounts expressed in thousands)*

	Department of Airports		Internal Service Funds		Total	
	2021	2020	2021	2020	2021	2020
Net investment in capital assets	\$ 264,891	\$ 242,725	\$ 31,395	\$ 27,552	\$ 296,286	\$ 270,277
Restricted for:						
Debt Service	28,624	28,435	-	-	28,624	28,435
Capital	29,323	27,813	34,539	33,766	63,862	61,579
Unrestricted	42,233	35,140	2,214	2,077	44,447	37,217
Total net position	<u>\$ 365,071</u>	<u>\$ 334,113</u>	<u>\$ 68,148</u>	<u>\$ 63,395</u>	<u>\$ 433,219</u>	<u>\$ 397,508</u>

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

### General Fund Budgetary Highlights

The final budgeted revenues were adjusted for budgetary amendments that netted to an increase of \$11.0 million from the original budget. These increases were reflected in real property taxes (\$5.7 million) for growth and reassessment, intergovernmental revenues (\$4.6 million) including federal CARES Act reimbursements and state program revenue primarily within public safety. Interest on investments revenue budget decreased \$0.9 million due to lower interest rates.

The final budgeted expenditures increased \$15.6 million. The primary reasons for these expenditure budget adjustments were: Public Safety Software of \$5.0 million, Covid-19 leave and salary adjustments of \$4.9 million, and to fund original budget requests of \$2.7 million with budgetary roll forward of unspent dedicated amounts from fiscal year 2020 of \$5.6 million, Cares Act Funding of \$3.2 million, and Program Revenues of \$1.9 million. Considering these budget amendments, General Fund actual revenues were more than the final budget by \$21.2 million and actual expenditures were less than the final budget by \$9.0 million.

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

- Property taxes were higher than budget by \$4.4 million primarily related to real property taxes (\$3.3 million).
- Intergovernmental was higher than budget by \$6.7 million primarily related to federal grants.
- Fees and fines was higher than budget by \$1.5 million primarily related to higher than expected hospitality and EMS fees.
- Interest on investments and cost allocation each reflected declines of \$0.5 million, due to lower interest rates and central service allocations, respectively.
- 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 Variance

*(amounts expressed in thousands)*

	Final Budget	Actual	Unfavorable (Favorable) Variance
County Council	\$ 1,740	\$ 972	\$ (768)
County Administrator	1,470	1,187	(283)
Department Overhead	9,763	4,685	(5,078)
Human Resources	2,279	1,614	(665)
IT/GIS	6,654	6,352	(302)
Assessor	4,316	3,912	(404)
Registration & Election	1,180	852	(327)
Legal	1,512	1,041	(471)
Maintenance	4,360	3,490	(870)
Clerk of Court	2,465	2,053	(412)
Clerk of Court-Family Court	978	265	(713)
Magistrates	3,738	3,435	(303)
Police	28,804	28,011	(793)
County Engineer	1,842	1,467	(374)
Public Works	11,543	9,857	(1,686)
Abatement/Demolition	848	19	(829)
Library	5,240	4,693	(547)
Museum	1,007	687	(320)
Total of above			\$ (15,146)
Various other departments (under) budget, net			(2,697)
			(17,843)
Detention Center	31,277	40,142	8,865
Total expenditures (under) budget			\$ (8,978)

### 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, 2021 amounts to \$1.3 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), leasehold improvements, equipment, intangible assets, infrastructure, and construction-in-progress. The total increase of \$60.0 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 4.9 percent change from the prior year (a 5.0 percent increase for governmental activities and a 4.8 percent increase for business-type activities).

Some of the significant capital events that occurred during the current fiscal year which increased capital assets were: spending for new construction, including a \$26.0 million increase in construction-in-progress, \$27.4 million increase in infrastructure, \$2.8 million in machinery and equipment, and \$14.1 million in Airport capital. These addition amounts are reduced by depreciation during the year of \$39.0 million and asset disposals of \$6.7 million.



### Horry County's Net Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land, Easements, and Imp.	\$ 31,454	\$ 32,162	\$ 48,169	\$ 49,958	\$ 79,623	\$ 82,120
Intangible Assets	28	78	-	-	28	78
Infrastructure	655,851	628,491	9,182	9,182	665,033	637,673
Construction-in-Progress	99,446	73,421	32,478	6,653	131,924	80,074
Buildings and Improvements	115,731	125,237	120,744	125,335	236,475	250,572
Machinery and Equipment	52,985	50,220	10,439	10,779	63,424	60,999
Runways and Taxiways	-	-	90,040	94,996	90,040	94,996
Total	<u>\$ 955,495</u>	<u>\$ 909,609</u>	<u>\$ 311,051</u>	<u>\$ 296,903</u>	<u>\$ 1,266,546</u>	<u>\$ 1,206,512</u>

Additional information on 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 66 percent paved roads and 34 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of the condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads.

The following assessment shows that the County is in compliance with the target condition levels that have been established. The prior year is presented to show the change in measurement through this new pavement management system.

	<u>2021</u>	<u>2020</u>
Arterial	92.3%	91.5%
Collector	86.5%	86.1%
Access	90.7%	87.7%
Overall system	89.8%	88.5%

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 stabilized during fiscal year 2013 to allow approximately 11 miles of paving per year (including the one mile of CTC-funded improvements). Fiscal year 2015 reflected an increase to 18.7 miles (including 9.5 miles from the capital project sales tax program and one mile of CTC-funded improvements). Fiscal Year 2016 reflected an increase of 7.6 miles including 1.1 from the capital project sales tax program and one mile of CTC-funded improvements. For fiscal years 2017 and forward, dirt road paving is budgeted for 3.0 miles including the one mile of CTC funded improvements. As these roads are paved, they become part of the County's pavement management system.

In November 2006, a one-cent Capital Projects Sales Tax (RIDE II) was passed by voter referendum and is dedicated to specific road projects, including resurfacing 67 miles of County maintained roads over a seven-year period. During fiscal year 2016, County Council increased the road maintenance fee by \$20.00 and dedicated it to the resurfacing program. In May 2017, another one-cent Capital Projects Sales Tax (RIDE III) was implemented and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 100 miles of County maintained roads over an 8-year period. This is the third successive sales tax program addressing road needs.

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

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

*(amounts expressed in thousands)*

	<b>Current Year</b>	<b>Project to Date</b>
Backgate interchange	\$ 97	\$ 107,292
Widen 707	431	90,963
Widen Glenss Bay	106	70,803
Total	<u>\$ 634</u>	<u>\$ 269,058</u>

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

*(amounts expressed in thousands)*

	<b>Current Year</b>	<b>Project to Date</b>
SC Hwy. 9 East Widening (Loris)	\$ 469	\$ 1,311
US Hwy. 701 N Widening (North Conway)	1,292	2,933
Fred Nash Boulevard connection to Harrelson	741	1,828
US Hwy. 17 Bus Intersection Imp - Garden City	538	1,436
Forestbrook Road Widening	1,465	2,709
US Hwy. 701 Widening - North of Loris	707	1,769
Conway Perimeter Road Phase II	1,012	2,288
Others	849	2,199
Total	<u>\$ 7,073</u>	<u>\$ 16,473</u>

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

**Debt Administration**

At June 30, 2021, the County had total GO and revenue bonded debt outstanding of \$94.4 million. This is a decrease from the prior year of approximately \$23.3 million and represents the partial redemption of the 2010A revenue bonds (\$5.7 million) offset by the normal amortization of prior balances for GO and Revenue bonds. Of the total bonded debt outstanding, \$50.8 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 Airport revenues pledged to repay the Revenue Bonds.

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, 2021 are presented in the following table:

## Horry County's General Obligation and Revenue Bonds Outstanding

*(amounts expressed in thousands)*

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 50,838	\$ 65,279	\$ -	\$ -	\$ 50,838	\$ 65,279
Revenue Bonds	-	-	43,517	52,375	43,517	52,375
Total	<u>\$ 50,838</u>	<u>\$ 65,279</u>	<u>\$ 43,517</u>	<u>\$ 52,375</u>	<u>\$ 94,355</u>	<u>\$ 117,654</u>

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

The County maintains various reserves from which to pay future debt service. At June 30, 2021, amounts reserved for debt service totaled \$35.7 million. General Debt Fund reflected a \$5.0 million decrease and Revenue Bonds reflected a \$0.2 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	
	2021	2020	2021	2020	2021	2020
General Debt	\$ 6,995	\$ 11,982	\$ -	\$ -	\$ 6,995	\$ 11,982
Revenue Bonds	-	-	28,624	28,435	28,624	28,435
Total	<u>\$ 6,995</u>	<u>\$ 11,982</u>	<u>\$ 28,624</u>	<u>\$ 28,435</u>	<u>\$ 35,619</u>	<u>\$ 40,417</u>

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

## Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors currently affecting the County:

- As of June 2021, the unemployment rate for the County per the U.S. Bureau of Labor Statistics (not seasonally adjusted) was 5.4 percent, compared to 11.4 percent at June 2020. The unemployment rate for the state of South Carolina as of June 2021 was 4.5 percent, compared to 8.9 percent at June 2020.
- The fiscal year 2021 County base tax millage is 53.2 mills, equivalent to a tax rate of .0536 percent of assessed value. This was the lowest county base tax rate in South Carolina.

The County continues to face the challenges of a rapidly growing population (2nd fastest growing metropolitan area in 2019 and 2020 according to US Census) as well as the ongoing COVID-19 pandemic. With these and other challenges in mind, the County's fiscal year 2022 budget compared to fiscal year 2021 has been impacted as follows:

- The fiscal year 2022 budget includes an additional 288 funded positions (implemented across several years). Additional positions include 195 new Public Safety positions, 79 new Infrastructure and Regulation positions, 12 positions in the Administration and Airport Divisions and 2 new positions for the Horry County Solid Waste Authority, a component unit.
- The Fiscal Year 2022 General Fund budget of \$205,516,232 represents a budgetary increase of 16.8%. The General Fund millage rate for Fiscal Year 2022 is 44.6 mills (this is an increase of 3 mills from the Fiscal Year 2021 budget including a 0.5 shift in millage from the Debt Service fund) while the millage for the Fire Fund is increased to 21.1 mills (a 2.1 mill increase). The Waste Management fund millage was increased by 3.0 mills, to a total of 8.7 mills due to the growing population of Horry County as well as the increased demand put on the Unincorporated Waste services due to the effects of the COVID-19 pandemic (restaurants closed or drive-thru only, schools virtual or hybrid means students are at home and work from home jobs). Also, the County's stormwater fee was increased by \$45 per ERU (Equivalent Residential Unit).
- General Fund revenues for the Fiscal Year 2022 budget were increased \$29.5 million. As the Administrator's requested budget for Fiscal Year 2022 was prepared, staff projected that revenue would increase due to the

aforementioned 3.0 millage increase. In addition, the County projects an additional \$6.1M increase in recurring revenues, including business licenses, building permits, and property taxes, due to economic impacts related to the continued strong growth in population and continued real estate market growth.

- General Fund expenses for the Fiscal Year 2022 budget increased by \$29.5 million. Horry County Council approved an employee compensation increase for all employees. The Council used a tiered approach to the increase with employees with lower salaries receiving up to 5% and employees at the top tiers of the pay scale receiving 1.67%. Also, the retirement system employer contribution for FY22 was increased by 1%.
- The Hospitality fee lawsuit between Horry County and the local municipalities concerning the collection of the 1.5% was settled in Fiscal Year 2021. The County has re-initiated county wide collections as of July 1, 2021. The County will distribute revenues collected within each municipality to that municipality. The monies anticipated to be collected in the unincorporated areas are included in the Fiscal Year 2022 budget. County Council has approved approximately \$5M of the unincorporated collections be used for recurring expenditures and capital needs. Additionally, approval was given in the amount of \$144.5 million to address County capital hospitality related projects including a SC Hwy 31 interchange, Waccamaw Drive & Atlantic Avenue improvements, Rural Civic Center, and other projects.

During fiscal year ended 2021, unassigned fund balance in the General Fund decreased from \$7.3 million to \$7.0 million and total fund balance in the General Fund increased from \$80.7 million to \$96.9 million due to favorable revenue and expenditure results in fiscal year 2021. Projections at this time indicate that at the end of fiscal year 2022, the unassigned 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 Marla Bell, Assistant Finance Director, 1301 Second Avenue, Conway, SC 29526.

## AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2021  
(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 1,743	\$ 45,566	\$ 47,309	\$ 3,125	\$ 4,325
Pooled cash and investments	35,310	12,070	47,380	-	-
Investments	629,793	-	629,793	-	40,770
Receivables, net:					
Property taxes	4,207	-	4,207	-	-
Accounts and other	6,425	4,961	11,386	220	2,625
Fees	7,026	-	7,026	-	-
Lease receivable, current	284	-	284	-	-
Due from other governments	60,799	2,748	63,547	871	985
Inventories	449	1,280	1,729	-	35
Prepaid items	3,147	255	3,402	-	-
Other assets	-	-	-	3	-
Restricted funds - cash and cash equivalents	225	-	225	2,177	-
Restricted funds - investments	69,703	-	69,703	-	-
Total current assets	819,111	66,880	885,991	6,396	48,740
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	46,841	46,841	-	-
Pooled cash and investments	-	10,697	10,697	-	-
Accounts and other receivables	-	-	-	151	-
Receivables - PFC and CFC	-	1,763	1,763	-	-
Total restricted assets	-	59,301	59,301	151	-
Lease receivable	927	-	-	-	-
Capital assets:					
Land, easements, intangible assets and infrastructure	680,728	37,016	717,744	328	7,918
Depreciable capital assets, net	175,321	241,557	416,878	546	36,251
Construction-in-progress	99,446	32,478	131,924	7	11,071
Total capital assets, net	955,495	311,051	1,266,546	881	55,240
Service concession arrangement (SCA)	-	4,275	4,275	-	-
Total non-current assets	956,422	374,627	1,330,122	1,032	55,240
Total assets	1,775,533	441,507	2,216,113	7,428	103,980
<b>Deferred Outflows of Resources</b>					
Deferred charge on refunding	1,226	-	1,226	-	-
Deferred outflows - pension	50,400	2,945	53,345	1,338	2,047
Deferred outflows - OPEB	4,757	387	5,144	-	333
Total deferred outflows of resources	56,383	3,332	59,715	1,338	2,380

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
<b>Liabilities</b>					
Current liabilities payable from non-restricted assets:					
Accounts payable - trade	29,618	4,284	33,902	95	3,695
Accounts payable - other	144	-	144	-	-
Accrued salaries and related taxes	6,905	285	7,190	-	141
Compensated absences and leave					
- current portion	9,942	277	10,219	95	250
Unearned revenue	50,097	188	50,285	25	-
Internal balances	(1,108)	1,108	-	-	-
Due to component units, net	1,342	-	1,342	-	-
Due to other governments	3,086	51	3,137	-	-
Construction and retainage payable	2,953	2,536	5,489	-	-
Construction performance bonds	33,118	-	33,118	-	-
Other accrued liabilities	12,521	321	12,842	-	-
Accrued interest payable	455	-	455	-	-
General and special obligation bonds payable					
- current portion	11,171	-	11,171	-	-
Capital lease obligations - current portion	1,903	58	1,961	-	-
Amounts due to tenants	-	2,098	2,098	-	-
Total current liabilities payable from non-restricted assets	162,147	11,206	173,353	215	4,086
Current liabilities payable from restricted assets:					
Accrued interest payable	-	1,313	1,313	-	-
Total current liabilities payable from restricted assets	-	1,313	1,313	-	-
Total current liabilities	162,147	12,519	174,666	215	4,086
Non-current (long-term) liabilities:					
General obligation bonds payable	39,667	-	39,667	-	-
Revenue bonds payable	-	43,517	43,517	-	-
Compensated absences and leave	4,645	831	5,476	138	174
Net pension liability	237,303	16,427	253,730	6,525	9,647
Net OPEB liability	47,326	1,990	49,316	92	2,335
Capital lease obligations	4,137	49	4,186	-	-
Landfill closures costs	-	-	-	-	15,603
Landfill post closure care costs	-	-	-	-	4,816
Total non-current liabilities	333,078	62,814	395,892	6,755	32,575
Total liabilities	495,225	75,333	570,558	6,970	36,661
<b>Deferred Inflows of Resources</b>					
Present value of payments under service concession arrangement	-	4,275	4,275	-	-
Deferred inflows - pension	987	64	1,051	49	618
Deferred inflows - OPEB	1,375	96	1,471	-	395
Total deferred inflows of resources	2,362	4,435	6,797	49	1,013

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavioral	Solid Waste Authority
<b>Net Position</b>					
Net investment in capital assets	906,300	264,891	1,171,191	881	55,240
Restricted for capital projects	416,651	29,323	445,974	2,177	-
Restricted for debt service	6,995	28,624	35,619	-	-
Restricted for other purposes	28,509	-	28,509	-	-
Unrestricted (deficit)	(24,126)	42,233	18,107	(1,311)	13,446
Total net position	<u>\$ 1,334,329</u>	<u>\$ 365,071</u>	<u>\$ 1,699,400</u>	<u>\$ 1,747</u>	<u>\$ 68,686</u>

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



HORRY COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021  
(amounts expressed in thousands)

Functions and Programs	Expenses	Program Revenue		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 45,964	\$ 27,585	\$ 2,799	\$ 250
Public safety	172,527	19,215	15,272	113
Infrastructure and regulation	47,520	37,791	5,124	22,637
Health and social services	2,927	-	13	-
Culture, recreation and tourism	16,426	2,409	1,930	-
Economic development	6,227	145	4,332	-
Improvements to state and other roadways	8,689	-	-	-
HGTC and Higher Education Commission	5,283	-	19	-
Interest	1,652	-	39	-
Total governmental activities	307,215	87,145	29,528	23,000
Business-type activities:				
Airports	42,605	35,448	17,259	20,003
Total primary Government	\$ 349,820	\$ 122,593	\$ 46,787	\$ 43,003
Component units				
Shoreline Behavioral	\$ 6,397	\$ 5,521	\$ -	\$ 500
Solid Waste Authority	21,246	27,920	290	166
Total component units	\$ 27,643	\$ 33,441	\$ 290	\$ 666

**General Revenue**

Property taxes
Capital Project Sales Tax
Fee-in-lieu of taxes
Intergovernmental - unrestricted
Accommodations tax
Local accommodations tax
Hospitality fee
Unrestricted investment earnings
Other
Special item
Total general revenue

Change in net position
Net position - beginning of year
Net position - end of year

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

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business -type Activities	Totals	Shoreline Behavioral	Solid Waste Authority
\$ (15,330)	\$ -	\$ (15,330)	\$ -	\$ -
(137,927)	-	(137,927)	-	-
18,032	-	18,032	-	-
(2,914)	-	(2,914)	-	-
(12,087)	-	(12,087)	-	-
(1,750)	-	(1,750)	-	-
(8,689)	-	(8,689)	-	-
(5,264)	-	(5,264)	-	-
(1,613)	-	(1,613)	-	-
(167,542)	-	(167,542)	-	-
-	30,105	30,105	-	-
(167,542)	30,105	(137,437)	-	-
-	-	-	(376)	-
-	-	-	-	7,130
-	-	-	(376)	7,130
174,202	-	174,202	-	-
97,888	-	97,888	-	-
5,770	-	5,770	-	-
13,521	-	13,521	-	-
5,456	-	5,456	-	-
1,332	-	1,332	-	-
21,425	-	21,425	-	-
1,871	552	2,423	4	206
3,998	302	4,300	-	137
-	-	-	1,496	-
325,463	854	326,317	1,500	343
157,921	30,959	188,880	1,124	7,473
1,176,408	334,112	1,510,520	623	61,213
\$ 1,334,329	\$ 365,071	\$ 1,699,400	\$ 1,747	\$ 68,686

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax -RIDE II</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,397,625	\$ -	\$ -
Pooled cash and investments	154,695,998	42,112,541	68,198,438
Receivables, net:			
Property taxes	2,424,999	-	-
Accounts and other	6,153,319	-	-
Fees	2,663,366	-	-
Lease receivable	-	-	-
Due from other funds	2,084,076	-	-
Due from other governments	6,267,434	309,672	39,403
Inventory	238,264	-	-
Prepaid items	832,684	-	-
Restricted assets	-	16,157,152	-
Total Assets	<u>\$ 176,757,765</u>	<u>\$ 58,579,365</u>	<u>\$ 68,237,841</u>
<b>Liabilities</b>			
Accounts payable - trade	\$ 15,731,069	\$ 2,358,717	\$ 3,103
Accounts payable - other	-	-	-
Accrued salaries, wages and compensated absences	5,707,889	-	-
Due to other funds	-	-	-
Due to component units	356,701	-	-
Due to other governments	2,993,021	-	-
Due to taxpayers for overpayment	244,312	-	-
Funds associated with delinquent taxes	10,185,954	-	-
Unearned revenue	16,181	-	-
Construction performance bonds	33,117,593	-	-
Other liabilities	2,091,244	-	-
Total liabilities	<u>70,443,964</u>	<u>2,358,717</u>	<u>3,103</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue-fees and other	6,716,918	-	39,403
Unavailable revenue-property taxes	2,736,299	-	-
Total deferred inflows of resources	<u>9,453,217</u>	<u>-</u>	<u>39,403</u>

- CONTINUED -

<b>Capital Project Sales Tax - RIDE III</b>	<b>Special Revenue - ARPA</b>	<b>Other Non- Major Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 345,457	\$ 1,743,082
232,950,957	-	130,081,672	628,039,606
-	-	1,781,964	4,206,963
-	-	272,043	6,425,362
-	-	4,362,739	7,026,105
-	-	1,211,005	1,211,005
-	-	-	2,084,076
47,253,688	-	6,928,946	60,799,143
-	-	-	238,264
-	-	5,825	838,509
-	34,032,347	19,738,501	69,928,000
<u>\$ 280,204,645</u>	<u>\$ 34,032,347</u>	<u>\$ 164,728,152</u>	<u>\$ 782,540,115</u>
\$ 7,592,372	\$ -	\$ 7,175,478	\$ 32,860,739
-	-	143,954	143,954
8,830	-	1,170,860	6,887,579
-	-	976,488	976,488
-	-	-	356,701
-	-	93,319	3,086,340
-	-	-	244,312
-	-	-	10,185,954
-	34,032,134	16,048,957	50,097,272
-	-	-	33,117,593
-	-	-	2,091,244
<u>7,601,202</u>	<u>34,032,134</u>	<u>25,609,056</u>	<u>140,048,176</u>
22,402,397	-	5,625,262	34,783,980
-	-	1,449,885	4,186,184
<u>22,402,397</u>	<u>-</u>	<u>7,075,147</u>	<u>38,970,164</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax -RIDE II</u>
<b>Fund Balances</b>			
Nonspendable	1,070,948	-	-
Restricted for capital projects	-	29,682,736	68,195,335
Restricted for public safety	-	-	-
Restricted for culture, recreation and tourism	-	-	-
Restricted for infrastructure and regulation	-	-	-
Restricted for economic development	-	-	-
Restricted for health and social services	-	-	-
Restricted for debt service	-	-	-
Committed to capital projects	-	26,537,912	-
Committed to public safety	2,763,078	-	-
Committed to culture, recreation and tourism	130,499	-	-
Committed to infrastructure and regulation	1,448,332	-	-
Committed to reserves/stabilization	66,155,322	-	-
Committed to economic development	-	-	-
Committed to other purposes	9,637,642	-	-
Committed to OPEB	7,862,374	-	-
Committed to abatement/demolition	829,293	-	-
Unassigned (deficit)	6,963,096	-	-
Total fund balances	<u>96,860,584</u>	<u>56,220,648</u>	<u>68,195,335</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 176,757,765</u>	<u>\$ 58,579,365</u>	<u>\$ 68,237,841</u>

<b>Capital Project Sales Tax - RIDE III</b>	<b>Special Revenue - ARPA</b>	<b>Other Non- Major Governmental Funds</b>	<b>Total Governmental Funds</b>
-	-	5,825	1,076,773
250,201,046	-	18,094,458	366,173,575
-	-	20,501,027	20,501,027
-	-	13,318,412	13,318,412
-	-	16,489,388	16,489,388
-	-	1,353,224	1,353,224
-	-	74,654	74,654
-	-	6,728,868	6,728,868
-	-	27,131,312	53,669,224
-	-	-	2,763,078
-	-	4,331,304	4,461,803
-	-	18,937,535	20,385,867
-	-	-	66,155,322
-	-	3,491,418	3,491,418
-	-	2,241,503	11,879,145
-	-	-	7,862,374
-	-	-	829,293
-	213	(654,979)	6,308,330
<u>250,201,046</u>	<u>213</u>	<u>132,043,949</u>	<u>603,521,775</u>
<u>\$ 280,204,645</u>	<u>\$ 34,032,347</u>	<u>\$ 164,728,152</u>	<u>\$ 782,540,115</u>

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
- CONTINUED -

<b>Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:</b>	<b>(amounts expressed in thousands)</b>
Total fund balances - governmental funds	\$ 603,522
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.	923,515
Property and other taxes will be collected after year end, but are not available soon enough to pay for current period's expenditures, and therefore, are reported as unavailable revenue in the funds.	4,186
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.	34,784
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	1,226
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 Funds are included in governmental activities in the Statement of Net Position.	68,148
Net pension liability, other post employment benefit obligation costs, compensated absences liability and related deferred inflows and outflows reported in the Statement of Net Position (exclusive of the Internal Service Funds) does not require the use of current financial resources and, therefore, they are not reported as a liability in the funds.	(244,303)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period are reported in the funds.	(56,749)
Net position end of year - governmental activities	<u>\$ 1,334,329</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, 2021

	General Fund	General Improvement Capital Projects	Capital Project Sales Tax - RIDE II
<b>Revenues</b>			
Real property taxes	\$ 96,923,736	\$ -	\$ -
Personal property taxes	6,251,091	-	-
Vehicle taxes	9,240,332	-	-
Fee in lieu of tax	3,948,428	-	-
Intergovernmental	24,088,345	938,116	14,930
Sales tax	-	-	-
Accommodations tax	229,701	-	-
Fees and fines	22,892,140	-	-
Hospitality fees	7,935,175	-	-
Local Accommodations tax	331,706	-	-
Documentary stamps	7,978,625	-	-
License and permits	16,052,043	-	-
Interest on investments	345,918	333,903	10,967
Cost allocation	3,697,033	-	-
Other	5,152,954	-	-
Total revenues	<u>205,067,227</u>	<u>1,272,019</u>	<u>25,897</u>
<b>Expenditures</b>			
Current:			
General government	35,552,518	1,112,364	-
Public safety	111,786,520	139,156	-
Infrastructure and regulation	18,303,357	12,402	41,140
Health and social services	1,544,802	-	-
Improvements to state and other roadways	-	-	753,460
Culture, recreation and tourism	5,379,893	134,041	-
Economic development	109,308	-	-
HGTC & Higher Education Commission	-	-	-
Debt service	-	-	-
Capital outlay	141,474	12,190,177	162,024
Total expenditures	<u>172,817,872</u>	<u>13,588,140</u>	<u>956,624</u>
Excess (deficiency) of revenues over expenditures	<u>32,249,355</u>	<u>(12,316,121)</u>	<u>(930,727)</u>
<b>Other Financing Sources (Uses)</b>			
Sales of capital assets	24,445	-	-
Lease financing proceeds	-	-	-
Transfers in	1,954,581	18,955,692	-
Transfers out	(18,051,079)	(11,980)	-
Total other financing sources (uses)	<u>(16,072,053)</u>	<u>18,943,712</u>	<u>-</u>
Net change in fund balance	16,177,302	6,627,591	(930,727)
Fund balances at beginning of year	80,683,282	49,593,057	69,126,062
Fund balances at end of year	<u>\$ 96,860,584</u>	<u>\$ 56,220,648</u>	<u>\$ 68,195,335</u>

- CONTINUED -

<b>Capital Project Sales Tax - RIDE III</b>	<b>Special Revenue - ARPA</b>	<b>Other Non- Major</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 51,938,707	\$ 148,862,443
-	-	3,762,585	10,013,676
-	-	6,080,326	15,320,658
-	-	1,821,483	5,769,911
9,016	355,907	25,844,852	51,251,166
92,200,894	-	-	92,200,894
-	-	4,167,191	4,396,892
-	-	29,300,934	52,193,074
-	-	13,489,443	21,424,618
-	-	1,000,000	1,331,706
-	-	-	7,978,625
-	-	2,815,941	18,867,984
403,512	213	599,569	1,694,082
-	-	-	3,697,033
-	-	3,017,638	8,170,592
<u>92,613,422</u>	<u>356,120</u>	<u>143,838,669</u>	<u>443,173,354</u>
-	355,907	1,607,482	38,628,271
-	-	42,715,523	154,641,199
436,454	-	27,785,258	46,578,611
-	-	1,077,776	2,622,578
7,073,271	-	-	7,826,731
-	-	7,687,121	13,201,055
-	-	5,101,910	5,211,218
-	-	5,282,803	5,282,803
-	-	17,066,366	17,066,366
16,901,133	-	10,264,114	39,658,922
<u>24,410,858</u>	<u>355,907</u>	<u>118,588,353</u>	<u>330,717,754</u>
<u>68,202,564</u>	<u>213</u>	<u>25,250,316</u>	<u>112,455,600</u>
-	-	40,837	65,282
-	-	279,558	279,558
785,250	-	20,644,877	42,340,400
-	-	(26,515,573)	(44,578,632)
<u>785,250</u>	<u>-</u>	<u>(5,550,301)</u>	<u>(1,893,392)</u>
68,987,814	213	19,700,015	110,562,208
181,213,232	-	112,343,934	492,959,567
<u>\$ 250,201,046</u>	<u>\$ 213</u>	<u>\$ 132,043,949</u>	<u>\$ 603,521,775</u>

# HORRY COUNTY, SOUTH CAROLINA

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

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

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ 110,562
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.	19,611
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	38,970
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	(39,951)
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.	23,000
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.	(14,462)
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.	15,440
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities.	4,751
Change in net position - Governmental Activities	<u>\$ 157,921</u>

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

## HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2021

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 45,565,923	\$ -
Pooled cash and investments	12,070,221	37,063,190
Accounts receivable, net	4,961,007	-
Fees receivable	-	95,351
Due from other governments	2,747,622	-
Inventory	1,279,984	210,308
Prepaid items	255,587	2,308,123
Total current assets	<u>66,880,344</u>	<u>39,676,972</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	46,841,391	-
Investments	10,696,836	-
Receivables - PFC and CFC	1,763,396	-
Total restricted assets	<u>59,301,623</u>	<u>-</u>
Capital assets, net:		
Land, easements and infrastructure	37,015,705	-
Depreciable capital assets, net	241,556,811	31,533,471
Construction-in-progress	32,478,511	446,019
Total capital assets, net	<u>311,051,027</u>	<u>31,979,490</u>
Service concession arrangement (SCA)	4,274,639	-
Total noncurrent assets	<u>374,627,289</u>	<u>31,979,490</u>
Total assets	<u>441,507,633</u>	<u>71,656,462</u>
<b>Deferred outflows of resources:</b>		
Deferred Outflows-pension	2,945,475	391,441
Deferred Outflows-OPEB	386,657	37,756
Total deferred outflows of resources	<u>3,332,132</u>	<u>429,197</u>
Total assets and deferred outflows of resources	<u>\$ 444,839,765</u>	<u>\$ 72,085,659</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

JUNE 30, 2021

- CONTINUED -

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Liabilities</b>		
Current liabilities payable from non-restricted assets:		
Accounts payable-trade	\$ 4,284,130	\$ 789,263
Construction accounts and retainage payable	2,536,131	-
Accrued salaries and wages	285,238	42,655
Compensated absences and leave - current portion	276,982	120,957
Accrued interest payable	-	6,800
Other accrued liabilities	322,503	-
Unearned revenue	188,343	-
Due to other funds	1,107,588	-
Due to other governments	50,500	-
Capital leases payable-current portion	58,226	578,174
Amounts due to tenants, airlines, car rentals	2,098,346	-
Total current liabilities payable from non-restricted assets	<u>11,207,987</u>	<u>1,537,849</u>
Current liabilities payable from restricted assets:		
Accrued interest payable	1,312,622	-
Total current liabilities payable from restricted assets	<u>1,312,622</u>	<u>-</u>
Total current liabilities	<u>12,520,609</u>	<u>1,537,849</u>
Non-current liabilities:		
Revenue bonds payable	43,516,961	-
Compensated absences and leave	830,944	40,817
Net pension liability	16,426,560	1,899,904
Net OPEB liability	1,989,790	398,799
Capital lease payable	49,032	-
Total non-current liabilities	<u>62,813,287</u>	<u>2,339,520</u>
Total liabilities	<u>75,333,896</u>	<u>3,877,369</u>
<b>Deferred inflows of resources:</b>		
Present value of payments under service concession arrangement	4,274,639	-
Deferred inflows - pension	64,329	47,872
Deferred inflows - OPEB	96,160	12,717
Total deferred inflows of resources	<u>4,435,128</u>	<u>60,589</u>
<b>Net position</b>		
Net investment in capital assets	264,890,677	31,394,516
Restricted for:		
Debt service	28,623,768	-
Capital projects	29,322,915	34,538,920
Unrestricted	42,233,381	2,214,265
Total net position	<u>365,070,741</u>	<u>68,147,701</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 444,839,765</u>	<u>\$ 72,085,659</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, 2021

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Revenues</b>		
Concessions and rentals	\$ 8,434,960	\$ -
Fuel sales - FBO	9,371,026	-
Airline terminal rents	6,574,266	-
Baggage handling system	873,327	-
Landing fees	1,747,330	-
Leases	1,012,050	-
Other airline services	576,841	-
Other	1,232,627	-
Federal revenue - TSA LEO reimbursement program	125,260	-
Security fees	253,683	-
Charges for services	-	13,623,202
Intergovernmental	-	175,491
Fees	-	936,974
Total operating revenues	<u>30,201,370</u>	<u>14,735,667</u>
Less, signatory airline rebate and incentive fee waivers	(1,716,205)	-
Net operating revenues	<u>28,485,165</u>	<u>14,735,667</u>
<b>Operating Expenses</b>		
Salaries and benefits	11,555,013	1,547,179
Depreciation and amortization	14,797,784	7,531,099
Baggage handling system	895,105	-
Fuel cost of sales	5,601,871	-
Outside and professional services	1,590,461	799,501
Utilities	1,747,201	-
Maintenance and supplies	1,939,017	163,508
Indirect cost allocation	400,000	49,329
Cost allocation	-	380,691
Vehicle and equipment (non-capital)	488,021	2,637,733
Insurance	532,682	-
Memberships, travel and fuels	233,649	-
Office supplies	40,572	-
Bad debt expense	23,299	-
Disaster	-	26,907
Other	-	45,000
Total operating expenses	<u>39,844,675</u>	<u>13,180,947</u>
Operating income (loss)	<u>(11,359,510)</u>	<u>1,554,720</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

- CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
<b>Nonoperating Revenues (Expenses)</b>		
Passenger Facility Charges (PFC's)	4,924,707	-
Contract Facility Charges (CFC's)	2,037,968	-
Interest revenue	551,919	177,326
Intergovernmental revenues	2,738,981	-
Gain on disposal/sale of capital assets	-	564,944
Federal grant revenue - CARES Act	14,456,656	-
Other state grant revenue	63,275	-
Other, net	(522)	242,642
Interest subsidy on recovery zone economic bonds	302,257	-
Interest expense	(2,760,742)	(26,185)
Total non-operating revenues	22,314,499	958,727
Income before capital contributions and transfers	10,954,989	2,513,447
Capital contributions, net	20,003,404	-
Transfers in	-	2,562,231
Transfers out	-	(324,000)
Change in net position	30,958,393	4,751,678
<b>Net Position</b>		
Beginning of year	334,112,348	63,396,023
End of year	<u>\$ 365,070,741</u>	<u>\$ 68,147,701</u>

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



HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Cash Flows provided by (used for) Operating Activities</b>		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 16,621,572	\$ -
FBO fuel sales and airline services	8,933,601	-
Vending, FBO ramp fees, hanger fees and other	1,083,679	-
Service and miscellaneous charges	-	14,572,050
Intergovernmental	-	175,493
Cash paid for:		
Personnel costs	(10,471,367)	(1,527,099)
Maintenance, supplies, fuel, utilities and equipment	(12,698,348)	(3,133,947)
Other supplies and miscellaneous costs	-	(71,907)
Net cash provided by operating activities	<u>3,469,137</u>	<u>10,014,590</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Receipt of Federal CARES Act	13,914,844	-
Insurance settlement	63,275	-
Building demolition/tree removal	(522)	-
Other nonoperating income	-	10,800
Transfers in	-	2,562,231
Transfers out	-	(324,000)
Net cash provided by non-capital financing activities	<u>13,977,597</u>	<u>2,249,031</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipt of Passenger and Contract Facility Charges	5,787,499	-
Acquisition and construction of capital assets	(28,047,647)	(10,876,260)
Proceeds from sale of capital assets	-	636,150
Interest paid on bonds, notes and capital lease	(2,822,690)	(32,847)
Principal payments on bonds and notes	(8,865,000)	-
Receipt of federal subsidy for "RZEDB" (Series 2010B)	302,257	-
Principal payments on capital lease obligation	(57,564)	(561,983)
Receipt of intergovernmental and private grants	2,738,981	-
Proceeds from airport improvement program, TSA and State grants	21,770,406	-
Miscellaneous proceeds	-	231,842
Net cash used for capital and related financing activities	<u>(9,193,758)</u>	<u>(10,603,098)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities Internal Service Funds
<b>Cash flow from Investing Activities</b>		
Interest on investments	551,919	177,326
Net cash provided by investing activities	551,919	177,326
Net increase (decrease) in cash and cash equivalents	8,804,895	1,837,849
Cash and cash equivalents at beginning of year (of which \$58,583,201 is restricted for Airports)	106,369,476	35,225,341
Cash and cash equivalents at end of year (of which \$57,538,227 is restricted for Airports)	\$ 115,174,371	\$ 37,063,190
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>		
Operating income (loss)	\$ (11,359,510)	\$ 1,554,720
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	14,797,784	7,531,099
Bad debt recovery	23,299	-
(Increase) decrease in assets and deferred outflows of resources:		
Accounts/fees receivable, net	(2,757,555)	11,874
Prepaid items	(157,776)	282,911
Inventory	(155,950)	16,428
Deferred outflow of resources	-	(165,839)
(Decrease) increase in liabilities and deferred inflows of resources:		
Accounts payable	940,832	597,477
Accrued salaries and wages	55,790	7,001
Compensated absences and leave	34,585	(3,616)
Net pension liability	834,924	183,161
Net OPEB liability	158,347	58,690
Deferred inflows of resources	-	(59,316)
Other accrued expenses	(51,399)	-
Due to other funds	194,524	-
Unearned revenue	(6,995)	-
Amounts due to tenants, airlines, car rentals	918,237	-
Net cash provided by operating activities	\$ 3,469,137	\$ 10,014,590

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 - CONTINUED -

	<b>Business-type Activities</b>
	<b>Enterprise Fund</b>
	<b>Department of</b>
	<b>Airports</b>
	<hr/>
<b>Reconciliation of unrestricted and restricted cash and cash equivalents</b>	
Cash and cash equivalents, beginning of year	
Unrestricted - cash and cash equivalents	\$ 8,121,643
Unrestricted - pooled cash and investments	39,664,632
Total unrestricted cash	<hr/> 47,786,275
Restricted - cash and cash equivalents	48,149,953
Restricted - pooled cash and investments	10,433,248
Total restricted cash	<hr/> 58,583,201
Total cash and cash equivalents, beginning of year	<hr/> <hr/> \$ 106,369,476
 Cash and cash equivalents, end of year	
Unrestricted - cash and cash equivalents	\$ 45,565,923
Unrestricted - pooled cash and investments	12,070,221
Total unrestricted cash	<hr/> 57,636,144
Restricted - cash and cash equivalents	46,841,391
Restricted - pooled cash and investments	10,696,836
Total restricted cash	<hr/> 57,538,227
Total cash and cash equivalents, end of year	<hr/> <hr/> \$ 115,174,371

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2021

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and investments	\$ 9,310,628
Pooled cash and investments	307,192,378
Receivables, net:	
Property taxes	51,665,573
Fees	1,335,425
Total assets	<u>369,504,004</u>
<b>Liabilities</b>	
Accounts payable	122,484
Due to other governments	<u>300,743,749</u>
Total liabilities	<u>300,866,233</u>
<b>Deferred Inflows of Resources</b>	
Uncollected property taxes	51,665,573
Uncollected fees	<u>1,335,425</u>
	<u>53,000,998</u>
<b>Net Position</b>	
Restricted for individuals, organizations, and other governments	<u>15,636,773</u>
Total net position	<u><u>\$ 15,636,773</u></u>

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<b>Custodial Funds</b>
<b>Additions</b>	
Taxes and fees collected for other governments	\$ 338,699,050
State funding collected for other governments	385,944,590
Interest income	366,464
Miscellaneous	4,583,473
Deposits held for others	19,752,906
Total additions	<u>749,346,483</u>
<b>Deductions</b>	
Payment of taxes and fees to other governments	944,421,923
Payment of debt service on behalf of others	63,000,030
Payments to others	23,323,937
Total deductions	<u>1,030,745,890</u>
Change in net position	<u>(281,399,407)</u>
Net Position, at beginning of year, as originally reported	-
Restatement per GASB 84 Implementation (see note 27)	<u>297,036,180</u>
Net Position, at beginning of year, as restated	<u>297,036,180</u>
Net Position, at end of year	<u><u>\$ 15,636,773</u></u>

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 1. Summary of Significant Accounting Policies**

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

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

The County implemented GASB Statement No. 84, *Fiduciary Activities*, and Implementation Guide No. 2019-2, *Fiduciary Activities*. The objective of the statement and guide is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement and guide establish criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The statement and guide also provide for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The County implemented Implementation Guide No. 2019-1, *Implementation Guidance Update-2019*. The objective of this guide is to provide guidance that clarifies, explains, or elaborates on GASB statements.

#### **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 31 fiscal year end.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies, continued**

**A. Reporting Entity**

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

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

The Solicitor's Intervention Programs ("SIP") was created and is controlled by the 15<sup>th</sup> Circuit Solicitor's Office. Horry County is appointed by South Carolina Statute as the Administrative County for the 15<sup>th</sup> Circuit Solicitor's Office comprising Horry County and Georgetown County. SIP provides services mandated by Court Administration for South Carolina solely to the 15<sup>th</sup> Circuit Solicitor's Office. SIP provides 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 15<sup>th</sup> Judicial Circuit [Alcohol Drug Education Class, Adult CHANGE Program (Choose Healthy Attitudes and New Growth Experiences), Juvenile CHANGE Program (Choose Healthy Attitudes and New Growth Experiences)]. The Solicitor's Intervention Programs also administers restitution for the Horry County Drug Court and Victim Witness Assistance Program. During the calendar year 2015 SIP added two new programs. Community Service Dollars for Charity provides clients with the opportunity to donate dollars to charity in lieu of service hours. The EPIC Program offers defensive driving classes Educating People in Choices.

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

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

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

Solicitor's Intervention Programs  
1601 11<sup>th</sup> Avenue  
Conway, SC 29526

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation**

**Government-Wide and Fund Financial Statements**

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

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

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

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

The County reports the following major governmental funds: General Fund, General Improvement Capital Projects, Capital Projects Sales Tax (RIDE II), Capital Projects Sales Tax (RIDE III), and American Rescue Plan Act of 2021. The County reports the Department of Airports as a major proprietary fund.

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



## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 1. Summary of Significant Accounting Policies, continued**

##### **B. Basis of Presentation**

A summary of fund financial statement types follows:

##### *Governmental Fund Types*

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

**Special Revenue Funds** - Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally or donor restricted to expenditures for specified purposes. The special revenue funds consist of the American Rescue Plan Act of 2021 fund, which is a major fund and the following non-major funds: Fire, E-911, Victim Witness Assistance, Solicitor, Public Defender, Road Maintenance & CTC, Beach Renourishment, Recreation, Waste Management Recycling, Stormwater Management, Watershed, Mt. Gilead, Socastee Recreation, Arcadian Shores, Higher Education, Horry-Georgetown Technical College (HGTC), Senior Citizen, Economic Development, , Multi-County Business Park Rollback, Tourism and Promotion, Admissions Tax, Baseball Stadium, 1.5% Hospitality Fee, Conway Library Endowment, Grants, and CDBG Grant Program.

**Capital Projects Funds** - Capital projects funds account for the financial resources restricted, committed or assigned for the acquisition or construction of major capital facilities and equipment (other than those financed by the proprietary funds). Capital projects funds consist of the General Improvement, Capital Projects Sales Tax Fund (RIDE II) and Capital Projects Sales Tax (RIDE III), which are major funds and the Fire Apparatus Replacement Fund, Voluntary Developer Contributions Fund and the 1.5% Hospitality Capital Projects Fund which are non-major funds. The Capital Projects Sales Tax Funds-Ride II and III account for the one cent increase in sales tax legally restricted for infrastructure improvements. The Fire Apparatus Replacement Fund accounts for providing fire apparatus equipment from taxes levied in the unincorporated areas of Horry County and the Voluntary Developer Contributions Fund accounts for the donations made by developers for specific land improvements or other designated capital uses. The 1.5% Hospitality Capital Projects Fund (formerly called RIDE I Hospitality) will use the 1.5% hospitality fee for the continued development of roads and other major capital projects within the County.

**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 General Debt Service Fund and the RIDE Program Debt Service Fund. The RIDE Program 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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 1. Summary of Significant Accounting Policies, continued**

##### **B. Basis of Presentation**

other purposes. The Department of Airports Fund, a major Enterprise Fund, accounts for revenue and expenses for the operations of the Conway-Horry County Airport (HYW), Twin City Airport (5J9), Grand Strand Airport (CRE), and Myrtle Beach Aviation (FBO) general aviation airports, as well as the Myrtle Beach International Airport (MYR).

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

**Fiduciary Fund Type** - Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is comprised of four fund types: three of which are only used to report activities of which assets are the subject of a legal trust or an equivalent agreement, and the fourth, custodial funds, which are not trusted agreements. The trusted fiduciary fund types are pension and other employee benefit trust funds, investment trust funds, and private-purpose trust funds. The County only reports custodial funds within the fiduciary fund type.

Custodial funds, previously known as agency funds, account for the resources received and held by the County in a fiduciary capacity for individuals, private organizations or other governments and therefore, are not available to support the County's own programs. Disbursements are made in accordance with the agreement or applicable legislative enactment for each particular fund.

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. Custodial funds, which are the only fiduciary funds of the County are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Interfund services provided and used are not eliminated in the process of consolidation.

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 1. Summary of Significant Accounting Policies, continued**

##### **C. Measurement Focus and Basis of Accounting**

"available" means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred.

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

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

##### 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 exceptions of the school district portion of the Fiduciary fund which has its own cash and investment pool, the one cent capital project sales tax, and ARPA where legal restrictions prohibit the commingling of funds. Allocation of interest earned is made to each fund based on pro rata equity with the exceptions of school district, capital project sales tax and ARPA, 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."

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies, continued**

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

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

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

*Investments*

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

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

*Receivables and Allowance for Doubtful Accounts*

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

Property taxes receivable represents delinquent and unpaid real and personal property tax billings 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*

For the primary government, inventories of supplies are valued and reported at cost using the first-in, first-out method, and inventories held for resale are reported at the lower of cost or market. Inventories are measured at the average cost method for the discretely presented component unit, HCSWA.

## 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**

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

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

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

##### Interfund Receivables and Payables

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

##### Lease Receivable

Lease receivable represents a contract which conveys the right to use an asset to another entity and is accounted for at the present value of the payments that will be received from the lessee over the lease term. A deferred inflow of resources concurrent with the lease receivable is reported, and the deferred inflow is recognized as revenue over the lease term.

##### 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)

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**

capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) have been capitalized using actual and estimated historical costs of major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements in fiscal years ending after June 30, 1980.

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

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

*Intangible Assets & Amortization*

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

*Capitalization of Interest*

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

*Deferred Inflows/Outflows of Resources*

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

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

The classifications are present value of payments under service concession arrangements and various pension and OPEB accounts. 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.

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**

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

*Compensated Absences and Leave*

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 leave, 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.

*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).

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**

These restrictions may be changed or lifted only with the consent of resource providers.

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

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

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

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

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

A cash management reserve is to be maintained in the general fund, the fire fund, the waste management fund, the recreation fund, and the stormwater fund. The cash management reserve is shown as a part of the restricted fund balance in the fire fund, recreation fund and stormwater fund. Since this policy is approved by county council ordinance, the council authorizes the cash management reserve which is not categorized as restricted to be classified as "committed" fund balance. The cash management reserve shall be sufficient to allow the county to avoid short-term borrowing at all times in the fiscal year. Use of the cash management reserve shall require approval by a super-majority of seventy-five (75) percent of county council through ordinance. The cash management reserve should be maintained at eighteen (18) percent of the fund's next year budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. In the event that the cash management reserve is spent, the reserve shall be reestablished within three (3) fiscal years.

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



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

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

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

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

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

The County's minimum fund balance policy states that all governmental funds responsible for the payment of debt service must maintain within fund balance an amount equal to at least 50% of the next year's debt service amount and this policy, approved by County Council Ordinance, authorizes this amount which is not categorized as "restricted" to be classified as "committed" fund balance.

This requirement applies to the General Debt Service Fund and Fire Fund. The Airport Enterprise Fund will maintain reserves at levels that comply with the applicable regulatory requirements such as bond covenants and requirements of various funding sources.

On April 17, 2020 County Council approved by Resolution 39-2020 to commit \$10,000,000 of unassigned General Fund balance for the purpose of designating funds as a debris reserve in order to reduce the amount of debt needed for debris expenditures occurring as a result of a disaster.

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**

*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 and Airport have received grant funds from the South Carolina Department of Transportation ("SCDOT") for road improvements.

*Passenger Facility Charges*

Passenger Facility Charges ("PFC") collected pursuant to Federal FAA regulations from enplaned passengers via airlines' remittances are restricted for future construction, capitalization, and related debt services of the Airport as approved by the FAA. In 2010, the FAA approved application #10-04-C-00-MYR in the amount of \$104,020,700 to fund the Terminal Capacity Enhancement Program (TCEP). The Airport was authorized to impose a PFC of \$4.50 per enplaned passenger and to utilize PFC on construction cost in the amount of \$19,000,000 and debt service related expenditures of \$85,020,700. In August 2019, the FAA approved application #19-05-C-00-MYR in the amount of \$7,862,375 to fund the rehabilitation and reconstruction of Taxiway A and Baggage Make-up area improvements. The Airport was authorized to impose a PFC of \$4.50 per enplaned passenger and to utilize PFC on Taxiway A reconstruction in the amount of \$4,861,497 and baggage make-up improvements of \$3,000,878. In July 2020, the FAA approved application #20-06-C-00-MYR for the RPZ Land Acquisition project in the amount of \$4,912,422. The Airport was authorized to impose a PFC of \$4.50 per enplaned passenger to utilize the PFC for Land Acquisition for Runway 36 Approach Protection in the amount of \$4,912,442.

*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 – Department of Airports*

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 expense over the life of the lease.

*Leased Property Under Capital Lease*

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

*Property Taxes*

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property owned and used in the County, except that

## 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**

which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget process.

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

New vehicle property taxes are assessed and levied by the County Auditor within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal. County property tax revenues are recognized at the time of levy for the budget period to which they apply. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

##### *Cost Allocation - Indirect*

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

##### *Future Landfill Closure and Postclosure Care Costs*

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

##### *Net Pension Liability*

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

##### *Net OPEB liability*

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

##### **E. Reclassification**

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

##### **F. Subsequent events**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 21, 2021, 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 (RIDE II and RIDE III) adopted project-length budgets. Budgetary comparisons to actual of the general fund are presented as Required Supplementary Information.

Capital Projects project-length budget comparisons are presented following individual fund-level schedules. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports, Fleet Services, and Communications for fiscal year ended June 30, 2021, 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, 2021, any funds budgeted for the following purposes which have not been expended shall reflect as a commitment of fund balance in the Annual Comprehensive Financial Report and shall be brought forward in the fiscal year 2022 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting shall not require a supplemental budget ordinance and shall be limited to the amount available above the required fund balance for the previous fiscal year: funds budgeted for Capital Improvement Projects; Road Maintenance local road improvements; Capital Project Sales Tax projects; SCOOT Annual Work Plan; County Council expense accounts and community benefit funds; Grants or donations; Stormwater capital projects, chemicals, and contract spraying; Berm Height Study and Singleton Swash Capital Project; Maintenance Life Cycle Program; ongoing in-house maintenance projects, Recreation capital improvements; capital items authorized by purchase order or contract but not received; accommodations tax funds approved by the Accommodations Tax Committee and County Council; ongoing capital projects at the baseball stadium; County paid parking program; Myrtle Beach Regional Economic Development Corporation (MBREDC); Coast RTA capital funding; abandoned property demolition funding; disaster expenditures funded in a prior year; infrastructure improvements in admission tax districts; spoil basin maintenance and legal expenses related therein; expenditures related to traffic lights; Public Works drainage, asphalt, and construction; heavy equipment replacement; infrastructure improvements in the Multi-County Business Park Rollback Fund; Solicitor and Public Defender Circuit Offices; Fire Apparatus Replacement; Prisoner Canteen proceeds; Department of Social Service incentives; home detention; Museum gift shop net revenues; employee benefit funds authorized under Section 19; funds designated for insurance risk retention; amounts reserved for maintenance and capital in Internal Service Funds; amounts appropriated or reserved for maintenance and capital in Watershed Levy Districts and Arcadian Shores, Mt. Gilead, and RiverGrand Special Tax Districts; Grant Match funding; funds designated for Tax Year 2024 Reassessment; funds designated for redistricting from the 2020 Census; funds designated for one-time costs associated with new employee positions; department fuel savings can be designated for additional Fleet Replacement Program if underfunded, funds designated for Impact Fee Study; Forfeited Land Commission revenues; 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 measureable but not available at June 30, 2021. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

#### **Note 3. Deposits and Investments**

##### **A. Deposits**

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

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. Essentially all deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2021, the reported amount of the County's deposits was \$140.9 million and the bank balance was \$146.8 million. The \$ 146.8 million bank balance was covered by federal depository insurance or subsequently collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

##### **B. Investments**

###### **Investment Policy**

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments, continued**

**B. Investments**

Investment Policy, continued

At June 30, 2021, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (amounts shown in thousands)		
		Three months or less	Three to twelve months	More than one year
Certificates of Deposit	\$ 3,193	\$ 3,184	\$ 6	\$ 3
Money Market funds	69,991	69,991	-	-
U.S. Government Agencies Securities	542,798	418,006	81,140	43,652
State of S.C. Treasurer's Investment Pool	411,475	411,475	-	-
Total investments held in the County's name	<u>\$ 1,027,457</u>	<u>\$ 902,656</u>	<u>\$ 81,146</u>	<u>\$ 43,655</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.

	June 30, 2021	Fair Value Measurements Using (amounts shown in thousands)	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Certificates of Deposits	\$ 3,193	\$ 3,193	\$ -
Money Market Funds	69,991	69,991	-
U.S. Government Agencies Securities	542,798	-	542,798
Total Investments by Fair Value Level	<u>615,982</u>	<u>\$ 73,184</u>	<u>\$ 542,798</u>

Investments Measured at the Net Asset Value (NAV)

State of S.C. Treasurer's Investment Pool	<u>411,475</u>
Total Investments at the NAV	<u>411,475</u>
Total Investments held in the County's name	<u>\$ 1,027,457</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 county treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

##### **Custodial Credit Risk**

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

##### **Credit Risk**

As of June 30, 2021, 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, 2021, the County had 25.4% of its investments invested with First Citizens, 40.1% with the State of S.C. Treasurer's investment pool and 27.5% with Synovus. The County does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments, continued**

Component Units

HCSWA:

**A. Deposits**

At June 30, 2021, the carrying amount of the HCSWA's total cash deposits was \$4,323,147 with corresponding bank balances of \$4,410,670. Of that balance, \$250,000 was covered by federal depository insurance and \$4,160,670 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.

**B. Investments**

At June 30, 2021, fair value measurements of the HCSWA's investments are as follows:

	Fair Value Measurements Using		
	Net Asset Value	Level 1 Inputs	Total
Repurchase Agreement	\$ -	\$30,478,579	\$30,478,579
Local Government Investment Pool	10,291,452	-	10,291,452
	<u>\$10,291,452</u>	<u>\$30,478,579</u>	<u>\$40,770,031</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.

**C. Designated Cash**

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2021 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 10,338,947
Landfill Postclosure Care Costs	11,477,918
Equipment Replacement	6,597,732
Construction	5,026,075
MRF Contingency	94,682
OPEB Obligation	2,416,143
Waste Diversion	534,070
	<u>\$ 36,485,567</u>



HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments, continued**

Component Units, continued

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, 2021 a total of \$5,630,606 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.

**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, 2021, 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:

	<i>(amounts shown in thousands)</i>				
	<b>Primary Government</b>	<b>Fiduciary Fund Custodial</b>	<b>Total</b>	<b>Discretely Presented Component Units</b>	
				<b>SBHS</b>	<b>HCSWA</b>
Cash on hand	\$ 31	\$ -	\$ 31	\$ -	\$ 2
Carrying amount of deposits:					
Cash and cash equivalents	94,344	9,311	103,655	5,302	4,323
Pooled cash	30,842	6,466	37,308	-	-
Carrying amount of investments	726,731	300,726	1,027,457	-	40,770
<b>Totals</b>	<b>\$ 851,948</b>	<b>\$ 316,503</b>	<b>\$ 1,168,451</b>	<b>\$ 5,302</b>	<b>\$ 45,095</b>
Cash and cash equivalents	\$ 47,309	\$ 9,311	\$ 56,620	\$ 3,125	\$ 4,325
Pooled cash and investments	47,380	300,583	347,963	-	-
Investments	629,793	6,610	636,402	-	40,770
Cash and cash equivalents - restricted	47,066	-	47,066	2,177	-
Pooled cash & investments- restricted	10,697	-	10,697	-	-
Restricted funds - investments	69,703	-	69,703	-	-
<b>Totals</b>	<b>\$ 851,948</b>	<b>\$ 316,503</b>	<b>\$ 1,168,451</b>	<b>\$ 5,302</b>	<b>\$ 45,095</b>

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, 2021, are as follows:

	<i>(amounts shown in thousands)</i>		
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Totals</b>
Property taxes	\$ 20,453	\$ -	\$ 20,453
Less, allowance for uncollectibles and amounts not available for current period	(16,246)	-	(16,246)
Net property taxes	4,207	-	4,207
Accounts and other			
Other	3,337	5,143	8,480
EMS billings	17,038	-	17,038
Less, allowance for uncollectibles	(13,950)	(182)	(14,132)
Net accounts and other	6,425	4,961	11,386
Fees			
Road fees	2,946	-	2,946
Hospitality fees	3,859	-	3,859
Stormwater Management fees	303	-	303
Other fees	1,589	-	1,589
Less Allowance for uncollectibles	(1,671)	-	(1,671)
Net fees	7,026	-	7,026
Total receivables, net	\$ 17,658	\$ 4,961	\$ 22,619

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

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

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Receivables, continued

#### Lease receivable

During September 2013, the County (lessor) and an unrelated third party (lessee) entered into a lease agreement with an option to purchase a building and land; providing the lessee is not in default under lease, performance or any fee-in-leu of tax (FILOT) agreement. On or around the same time, these parties entered into a performance and FILOT agreement to aid the lessee in the relocation of its manufacturing business to Horry County. The terms of the lease agreement are for a period of 12 years with an annual base rent of \$100 due for the first 2 years and annual base rent of \$300,000 due the third and following years. During the initial months and years of the agreement, the initial lessee was not current on lease and FILOT payment. The initial lessee was purchased and lease assigned to the new owner with County consent. The new owner satisfied the current lease and FILOT obligation at the time of purchase but subsequently disputed the FILOT billing and considered relocation due to general economic conditions. The County, therefore, accounted for this lease as an operating lease until certainty as to intent to fulfill the lease term was demonstrated by the lessee.

In August 2021, the lessee entered into a performance agreement including additional financial incentive to expand its existing operations with a commitment to retain jobs and operate the facility beyond the existing lease term. In compliance with GASB 62 lease accounting, the County's fund financial statements recognize a lease receivable and deferred inflow of resources and the Government-wide statements reflect a lease receivable and a sale of the associated assets. The present value of minimum lease payments is computed at the incremental borrowing rate of 1.5%. The table below provides a summary of the transaction reflected in the fiscal year 2021 statements:

Land	\$	79,396
Building, net of accumulated depreciation		<u>2,333,480</u>
		2,412,876
Economic Development expense		<u>(922,312)</u>
Net basis of assets sold	\$	<u>1,490,564</u>
Sales price of land and building	\$	1,490,564
Net basis of assets sold		<u>(1,490,564)</u>
Gain or loss of assets sold	\$	<u>-</u>
Lease receivable at beginning of year	\$	1,490,564
Principal lease payment received		<u>(279,559)</u>
Lease receivable at end of year	\$	<u>1,211,005</u>

Future minimum lease payments to be received at June 30, 2021 for the County are summarized as follows:

Years ending June 30,	Principal	Interest	Total
2022	\$ 283,781	\$ 16,219	\$ 300,000
2023	288,067	11,933	300,000
2024	292,418	7,582	300,000
2025	296,834	3,166	300,000
2026	<u>49,905</u>	<u>95</u>	<u>50,000</u>
Total	<u>\$ 1,211,005</u>	<u>\$ 38,995</u>	<u>\$ 1,250,000</u>

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Receivables, continued

#### Component Units

##### SBHS:

Gross receivables & due from other governments (current and non-current) at June 30, 2021 for the discretely presented component unit SBHS totaled \$3,297,626 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$2,055,000 allowance for uncollectible accounts.

Amounts due from private party, if any, represents amount charged to 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, 2021, SBHS's revenue for Debt Setoff was approximately \$102,700.

2) GEAR - Gear is a program whereby the SCDOR impounds a portion of individuals recurring wages. Amounts impounded are remitted monthly to SBHS less an administrative fee of 28.5%. For the fiscal year ended June 30, 2021, SBHS's revenue from GEAR was \$55,798.

##### HCSWA:

Gross receivables at June 30, 2021 for the discretely presented component unit HCSWA totaled \$2,639,631 and were reported net of \$15,000 in allowance for doubtful accounts.

### 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, 2021 were as follows:

Due To	Due From			Total
	CDBG	Tourism & Promotion	Airport	
General Fund	\$ 454	\$ 522	\$ 1,108	\$ 2,084
Total	<u>\$ 454</u>	<u>\$ 522</u>	<u>\$ 1,108</u>	<u>\$ 2,084</u>

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

Primary government:	Receivable	Payable	Net Payable
General Fund	\$ -	\$ 357	\$ 357
Waste Management Recycling Fund	-	1,080	1,080
Communications Internal Service Fund	95	-	(95)
	<u>\$ 95</u>	<u>\$ 1,437</u>	<u>\$ 1,342</u>
Component units:	Receivable	Payable	Net Receivable
SHBS	\$ 357	\$ -	\$ 357
HCSWA	1,080	95	985
	<u>\$ 1,437</u>	<u>\$ 95</u>	<u>\$ 1,342</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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.

The following table summarizes interfund transfers during the year ended June 30, 2021:

	Transfers from				Total
	General Fund	General Improvement Capital Projects Fund	Non-major Governmental Funds	Internal Service Fund	
<b>Transfers to</b>					
General Fund	\$ -	\$ 12	\$ 1,619	\$ 324	\$ 1,955
Fire	-	-	650	-	650
Victim Witness	362	-	-	-	362
Public Defender	1,332	-	-	-	1,332
Solicitor	4,848	-	14	-	4,862
Recreation	11	-	5	-	16
Tourism & Promotion	-	-	19	-	19
Grants	1,083	-	993	-	2,076
CDBG	-	-	5	-	5
Capital Projects	9,851	-	9,105	-	18,956
Capital Project Sales Tax (RIDE III)	-	-	785	-	785
1.5% Hospitality Capital Projects	-	-	9,960	-	9,960
General Debt Service	-	-	1,362	-	1,362
Internal Service	564	-	1,999	-	2,563
<b>Total</b>	<b>\$ 18,051</b>	<b>\$ 12</b>	<b>\$ 26,516</b>	<b>\$ 324</b>	<b>\$ 44,903</b>

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

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

Amounts due from other governments for the primary governments and component units on the Statement of Net Position at June 30, 2021 are as follows:

	Governmental Activities				Business-type Activities	
	General	Capital (Ride II & III)	Capital General Improvement	Other Non-Major	Total	Department of Airports
Federal	\$ 2,423	\$ 33	\$ -	\$ 3,105	\$ 5,561	\$ 2,748
State	3,844	47,260	310	3,807	55,221	-
Other	-	-	-	17	17	-
<b>Total</b>	<b>\$ 6,267</b>	<b>\$ 47,293</b>	<b>\$ 310</b>	<b>\$ 6,929</b>	<b>\$ 60,799</b>	<b>\$ 2,748</b>

	Discretely Presented	
	SBHS	HCSWA
State	\$ 279	\$ -
Primary Government	357	985
Other	235	-
<b>Total</b>	<b>\$ 871</b>	<b>\$ 985</b>

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, 2021 are as follows:

	<i>(amounts shown in thousands)</i>				
	Balance				Balance
<b>Governmental Activities</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>June 30, 2021</b>
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 25,097	\$ 275	\$ (515)	\$ -	\$ 24,857
Intangible Assets	20	-	-	-	20
Infrastructure	628,491	22,618	(532)	5,275	655,851
	653,608	22,893	(1,047)	5,275	680,728
Construction-in-progress	73,256	35,934	(14)	(10,176)	99,000
Total capital assets not depreciated	726,864	58,826	(1,061)	(4,901)	779,728
Subject to depreciation/amortization:					
Land improvements	12,612	85	-	144	12,841
Buildings and improvements	242,519	-	(3,561)	369	239,327
Machinery, equipment and vehicles	108,136	3,782	(1,402)	4,388	114,904
Intangible Assets	532	-	-	-	532
Totals	363,799	3,867	(4,963)	4,901	367,604
Total general capital assets	1,090,663	62,693	(6,024)	-	1,147,332
Less, accumulated depreciation:					
Land improvements	(5,561)	(696)	-	-	(6,257)
Buildings and improvements	(117,611)	(7,530)	1,228	-	(123,913)
Machinery, equipment and vehicles	(86,113)	(8,366)	1,356	-	(93,123)
Intangible assets	(474)	(50)	-	-	(524)
Totals	(209,759)	(16,642)	2,583	-	(223,817)
Net general capital assets	880,904	46,052	(3,441)	-	923,515
<u>Internal Service Fund Capital Assets</u>					
Not subject to depreciation:					
Construction-in-progress	165	393	-	(112)	446
Total capital assets not depreciated	165	393	-	(112)	446
Subject to depreciation:					
Land improvements	18	-	-	-	18
Buildings and improvements	363	-	-	-	363
Machinery, equipment and vehicles	41,966	6,821	(2,731)	112	46,168
Heavy equipment	21,211	3,662	(2,468)	-	22,405
Totals	63,558	10,483	(5,199)	112	68,954
Total internal service fund capital assets	63,723	10,876	(5,199)	-	69,400
Less, accumulated depreciation					
Land improvements	(5)	-	-	-	(5)
Buildings and improvements	(34)	(12)	-	-	(46)
Machinery, equipment and vehicles	(22,548)	(5,481)	2,660	-	(25,370)
Heavy Equipment	(12,431)	(2,036)	2,468	-	(11,999)
Totals	(35,018)	(7,530)	5,128	-	(37,420)
Net internal service fund capital assets	28,705	3,346	(71)	-	31,980
Net capital assets - Governmental Activities	\$ 909,609	\$ 49,398	\$ (3,512)	\$ -	\$ 955,495

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, 2021 was \$7.8 million.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 7. Capital Assets, continued**

	<i>(amounts shown in thousands)</i>			
<b>Business-type Activities</b>	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2021</b>
Not subject to depreciation:				
Land and easements	\$ 27,834	\$ -	\$ -	\$ 27,834
Infrastructure	9,182	-	-	9,182
	37,016	-	-	37,016
Construction-in-progress	6,653	28,794	(2,969)	32,478
Total capital assets not depreciated	43,669	28,794	(2,969)	69,494
Subject to depreciation:				
Buildings and improvements	190,116	915	-	191,031
Runways and taxiways	145,549	315	(1,176)	144,688
Machinery and equipment	27,817	1,872	(19)	29,670
Land improvements	40,797	18	-	40,815
Totals	404,279	3,120	(1,195)	406,204
Total Business-Type Assets	447,948	31,914	(4,164)	475,698
Less accumulated depreciation:				
Buildings and improvements	(64,781)	(5,508)	-	(70,289)
Runways and taxiways	(50,553)	(5,271)	1,176	(54,648)
Machinery and equipment	(17,038)	(2,213)	19	(19,232)
Land improvements	(18,673)	(1,805)	-	(20,478)
Totals	(151,045)	(14,797)	1,195	(164,647)
Net capital assets - Business-type Activities	<u>\$ 296,903</u>	<u>\$ 17,117</u>	<u>\$ (2,969)</u>	<u>\$ 311,051</u>

During the year ended June 30, 2021, depreciation expense for the Airport totaled \$14,797,784.

Capital Assets totaled \$311,051,027 and \$296,902,580 for 2021 and 2020, respectively. During fiscal year 2021, the Department of Airports' asset additions included passenger boarding bridge upgrades, software upgrades for the baggage handling system, a chiller system for Terminal A, renovations for airlines and concessionaires, and a new 25,000 gallon Jet A tank for General Aviation, as well as other projects and general capital machinery and equipment.

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2021, are as follows:

	<i>(amounts shown in thousands)</i>	
<b>Component Units</b>	<b>SBHS</b>	<b>HCSWA</b>
Land	\$ 328	\$ 7,918
Subtitle D (Class 3) landfill	-	36,526
Buildings	1,507	12,495
Vehicles, machinery and equipment	322	28,342
Other improvements	-	14,528
Construction-in-progress	7	11,071
Totals	2,164	110,880
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(27,137)
Buildings	(1,061)	(5,468)
Vehicles, machinery and equipment	(222)	(17,613)
Other improvements	-	(5,422)
Totals	(1,283)	(55,640)
Net capital assets - Component Units	<u>\$ 881</u>	<u>\$ 55,240</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 7. Capital Assets, continued**

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

<b>Governmental Activities</b>	<b>(amounts shown in thousands)</b>	
Road Improvements	\$	88,013
Building Projects		8,351
IT Projects		2,034
Machinery & Equipment		562
Recreation		40
Total	\$	99,000

Estimated total costs to complete these projects approximates \$86.6 million.

<b>Business-type Activities: (Department of Airports)</b>	<b>(amounts shown in thousands)</b>	
GA Facility Development	\$	165
MYR RAC Improvements		549
Environmental Contingency		306
MYR Master Plan Study		834
CRE Grading, Erosion & Drainage		428
MYR Taxiway A & B Rehabilitation		27,074
HYW - Runway & Taxiway rehabilitation		30
MYR Security system upgrade		408
MYR Fuel Farm Infrastructure		149
Retainage Payable		2,536
Total	\$	32,479

Estimated remaining costs to complete these Airport projects approximates \$77.5 million.

Myrtle Beach International Airport (MYR) continues to experience tremendous growth in aircraft operations and increases in aircraft size. The age and wearing of the existing asphalt and concrete surfaces on both taxiways and taxi-lanes have resulted in cracks, rutting, spalls and other visible distresses as the pavements are approaching or have exceeded their design life. The scope of this major capital project includes:

- Relocation of Taxiway A to a 600-foot separation from runway
- Reconstruct Taxiway B in its current location
- Install Taxiway A and Taxiway B lighting and signage system
- Install Airfield Electrical Vault
- Construct Airfield Drainage Improvements

MYR began this project in FY19, and as of June 30, 2020, the first component (Taxiway A-South) was substantially complete in May 2020. Taxiway A-North construction began January 2020 and estimated completion is winter 2021.

The FAA-mandated Airport Master Plan Study is a comprehensive study of the Airport and its surrounding environment, and discusses the short, medium, and long term plans for airport development in a report format. The last airport master planning effort was completed in 2001. Masters plans are primarily for use by members of the aviation community, especially airport sponsors, airport staff, airport consultants, FAA representatives, state aviation officials, airlines and airport tenants. The Master Plan is the airport's strategy for the future development of the airport, encompassing a 20 year forecast. Due to the Coronavirus and the substantial impact on forecasting, the Master Plan Study was placed on hold in fiscal year 2020, per the FAA and now has an estimated completion of December 2021.

At June 30, 2021, the Airport had outstanding purchase orders relating to the projects above in the amount of \$9,934,522.



## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 7. Capital Assets, continued**

##### Department of Airport Facilities

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

The term of the Base Lease Agreement was extended to December 31, 2028. The agreement called for the transfer of ownership of the property in fee simple to the County from the USAF for the land and facilities at the end of the lease, but contemplated an earlier transfer based upon the USAF meeting certain criteria set forth in the agreement. The transfer of ownership was completed on June 17, 2003 and a fee simple deed to the property was recorded in the County's name in the Register of Deeds office of Horry County on that date at Deed Book 2623, page number 1491. The property transferred excludes portions of MYR property, which are still undergoing environmental remediation and cleanup efforts by the United States Government.

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

##### County depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2021 is as follows: general government (\$5,474,516); public safety (\$7,918,857); Infrastructure and regulation (\$322,716); culture and recreation (\$2,693,924) and health and social services (\$231,522). Capital assets held by the Internal Service Fund (\$7,531,099).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Short and Long-Term Debt**

**A. Governmental Activities Debt**

**Short Term**

On April 30, 2021, the County issued \$3,500,000 of General Obligation Bonds, Series 2021A (the "2021A Bonds") with an interest rate of 0.67%. The proceeds of the Bond will be used to defray the costs of certain capital projects of the County identified in the County's Capital Improvement Plan for fiscal years ending June 30, 2021 through June 30, 2025. The 2021A Bonds matured on June 30, 2021.

Change in the County's short-term debt for its Governmental Activities at June 30, 2021 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
<b>Bonded Debt:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2021</b>
General Obligation Bonds				
G.O. Bonds of 2021 (Series A) dated April 30 for \$3.5M with interest at 0.67% - Capital Improvement Plan, matures June 2021	\$ -	\$ 3,500	\$ (3,500)	\$ -
Total governmental bonded short-term debt	\$ -	\$ 3,500	\$ (3,500)	\$ -

**Long Term**

Long-term debt at June 30, 2021, is comprised of general and special obligation bonds, direct payments, revenue bonds, accumulated compensated absences liability, pension, other post-employment benefits, and long-term capital leases, including financed purchases. General Obligation (G.O.) bonds are issued to provide funds for the acquisition and construction of major capital facilities and equipment. G.O. bonds are direct obligations that pledge the full faith, credit and taxing power of the County. The South Carolina Constitution limits local government units borrowing power to eight percent of its assessed property values. The limitation excludes bonded indebtedness existing prior to December 1, 1997 (date of the Constitutional Amendment), certain special levies assessed on properties located in specific areas receiving special benefits, and other prescribed indebtedness approved by the voters.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Short and Long-Term Debt , continued**

Change in the County's long-term debt for its Governmental Activities at June 30, 2021 are as follows:

	<i>(amounts shown in thousands)</i>				
	Balance			Balance	Current
<b>Bonded Debt:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2021</b>	<b>Portion</b>
<b>General Obligation Bonds</b>					
G.O. Bonds of 2010 (Series B) dated June 3 for \$12.2 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding - S.S. Complex, Libraries & Court House, matures March 2021	\$ 1,575	\$ -	\$ (1,575)	\$ -	\$ -
G.O. Bonds of 2010 (Series B) dated June 3 for \$1.67 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding-Higher Ed, matures March 2021	215	-	(215)	-	-
G.O. Bonds of 2011 (Series A) dated December 6 for \$6.64M with interest at 2% to 4% - Series 2004A Refunding - Fire Protection District, matures March 2024	2,015	-	(475)	1,540	510
G.O. Bonds of 2011 (Series B) dated December 6 for \$2.1M with interest at 2% to 3% - Series 2004B Refunding - HGTC, matures March 2024	935	-	(225)	710	230
G.O. Bonds of 2015 (Series B) dated April 30 for \$4.774 M with interest at 1.56% - Series 2007 Refunding, matures March 2022 <sup>1</sup>	1,963	-	(970)	993	993
G.O. Bonds of 2015 (Series C) dated April 30 for \$24.7 M with interest at 1.77% - Series 2008 Refunding, matures March 2028 <sup>1</sup>	19,278	-	(4,932)	14,346	5,023
G.O. Bonds of 2015 (Series A) dated December 3 for \$15.41 M with interest of 1.92% - Series 2005 Refunding, matures March 2022 <sup>1</sup>	5,570	-	(2,750)	2,820	2,820
G.O. Bonds of 2016 (Series A) dated November 15 for \$3.0M with interest of 2.19% - Fire Protection District, matures March 2031 <sup>1</sup>	2,020	-	(170)	1,850	175
G.O. Bonds of 2016 (Series B) dated November 15 for \$6.985M with interest of 1.68% - Series 2009 B Refunding, matures March 2026 <sup>1</sup>	6,985	-	(5)	6,980	1,350
G.O. Bonds of 2020 (Series A) dated March 11 for \$18.8M with interest at 1.19% - Emergency Operations Center, matures March 2030	18,800	-	(2,300)	16,500	-
G.O. Bonds of 2020 (Series B) dated March 11 for \$2.1M with interest at 1.22% - Fire Protection District, matures March 2030	2,100	-	(375)	1,725	70
Total governmental bonded debt	61,456	-	(13,992)	47,464	11,171
Unamortized premiums	3,823	-	(449)	3,374	-
Net governmental bonded debt	<u>\$ 65,279</u>	<u>\$ -</u>	<u>\$ (14,441)</u>	<u>\$ 50,838</u>	<u>\$ 11,171</u>

<sup>1</sup> - Denotes G.O. bonds-direct placement

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Short and Long-Term Debt , continued**

**A. Governmental Activities Debt**

Other general long-term obligations of the County's Governmental Activities at June 30, 2021 are as follows:

	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
<b>Other general long-term obligations:</b>					
<u>Capital Lease Obligations</u>					
Fire apparatus <sup>2</sup>	\$ 3,487	\$ -	\$ (775)	\$ 2,712	\$ 775
Fire apparatus <sup>2</sup>	3,300	-	(550)	2,750	550
Total capital lease obligations - general	6,787	-	(1,325)	5,462	1,325
<u>Capital Lease Obligations - Internal Service Fund</u>					
Public safety Motorola radios	1,140	-	(562)	578	578
Total capital lease obligations	7,927	-	(1,887)	6,040	1,903
Net OPEB liability	42,084	5,242	-	47,326	-
Compensated absences	13,461	8,980	(8,898)	13,543	8,898
Accrued COVID-19 leave	1,778	-	(734)	1,044	1,044
Net pension liability	202,932	34,371	-	237,303	-
Total other general long-term obligations	268,182	48,593	(11,519)	305,256	11,845
<b>Total net governmental activities long-term debt</b>	<b>\$ 333,461</b>	<b>\$ 48,593</b>	<b>\$ (25,960)</b>	<b>\$ 356,094</b>	<b>\$ 23,016</b>

<sup>2</sup> Denotes financed purchases

	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
<b>Governmental Activities</b>					
General obligation bonds	\$ 25,640	\$ 3,500	\$ (8,665)	\$ 20,475	\$ 810
General obligation bonds - direct placements	35,816	-	(8,827)	26,989	10,361
Total	\$ 61,456	\$ 3,500	\$ (17,492)	\$ 47,464	\$ 11,171

The County's outstanding GO bonds from direct placements related to governmental activities of \$26.99 million require the County's full faith, credit and taxing power and this debt is irrevocably pledged for the payment of the direct placements. The property taxes shall be levied and collected annually in the same manner as other county taxes are levied and collected. The County is required to set a millage rate that applies to all taxable property in the County sufficient to pay the principal and interest on the debt obligations.

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

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

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

Changes in financed purchases for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Current Portion
<b>Governmental Activities</b>					
Financed Purchases	\$ 6,787	\$ -	\$ (1,325)	\$ 5,462	\$ 1,325
Total	\$ 6,787	\$ -	\$ (1,325)	\$ 5,462	\$ 1,325

The County's outstanding financed purchases related to governmental activities of \$5.46 million contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment. The equipment must then be returned to lessor at the County's expense, and the equipment and all of the County's rights therein shall be deemed surrendered to lessor. The County has pledged fire apparatus equipment, including fire pumper trucks, fire tanker, fire ladder trucks and fire tower truck, as collateral for the financed purchases.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Short and Long-Term Debt , continued**

**B. Business-type Activities (Enterprise Funds) Debt**

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

The Series 2010A Bonds were issued to pay a portion of the cost of construction of the TCEP at the Myrtle Beach International Airport and to fund capitalized interest on the Series 2010A Bonds, fund the debt service reserve, and pay the costs of issuance of the Series 2010A Bonds, and mature in July, 2040. The remaining unamortized original issue discount for the 2010A Bond was \$138,039 at June 30, 2021.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard improvements, fund the capitalized interest on the Series 2010B Bonds, fund the debt service reserve requirements, and pay cost of issuance of the Series 2010B Bonds, and mature in July 2040. The County has elected to treat the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" for the purposes of the Internal Revenue Code of 1986. Subject to the County's compliance with certain requirements of the Code, the County expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Series 2010B Bonds. Due to the federal government's sequestration measures, this amount was reduced by 5.7% in fiscal year 2021. Series 2010B Bond currently has interest only payments and the first principal payment will occur on July 1, 2030.

The Airport received total interest subsidies of \$302,257 for fiscal year 2021.

**Partial Redemption of the 2010A Bonds**

On June 4, 2021, the County redeemed \$5.710 million of the non-PFC backed portion of Series 2010A Airport Revenue Bonds, as detailed in the table below. Following this redemption, debt service on all Series 2010A Bonds became eligible for payment with Passenger Facility Charge (PFC) revenues. The County reimbursed itself in full for the cost of the redemption with CARES Act grants.

Rate	Maturity	Redemption price	Amount called
4.00%	7/1/2022	100.00%	\$ 535,000
5.00%	7/1/2023	100.00%	\$ 555,000
4.38%	7/1/2026	100.00%	\$ 1,830,000
4.50%	7/1/2030	100.00%	\$ 1,040,000
5.00%	7/1/2030	100.00%	\$ 1,750,000

The revenue bonds are secured by the pledge of net revenues derived by MYR. The Airport received net revenues in the amount of \$11,830,667 while net debt service was \$4,040,245. The Bonds are limited obligations of the County and do not constitute the general obligation, or a pledge of the faith, credit, or taxing power of the County or any other political subdivision. The County has agreed to establish rates and charges for use of MYR services and facilities that are reasonably expected to yield net revenues equal to at least 1.25 times the aggregate debt service to become due on the revenue bonds in the forthcoming fiscal year. Net revenues are defined as revenues less maintenance and operations expenses of MYR. The revenue bond ordinance also requires that certain funds be established and certain financial conditions be maintained. The debt service coverage ratio in fiscal year 2021 satisfies the Series 2010 revenue bond covenant.

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

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2021, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<b>Revenue Bonds:</b>				
Revenue bond, 2010A Series dated November 17, with interest at 4.375% to 5% due 2011-2040	\$ 42,800	\$ -	\$ (8,865)	\$ 33,935
Revenue bond, 2010B Series dated November 17, with interest at 7.328% due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	52,520	-	(8,865)	43,655
Less, original issue discount	(145)	7	-	(138)
Less, current maturities	(1,540)	-	1,540	-
<b>Net Revenue Bonds, non-current</b>	<b>\$ 50,835</b>	<b>\$ 7</b>	<b>\$ (7,325)</b>	<b>\$ 43,517</b>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Short and Long-Term Debt, continued**

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

Annual principal requirements to amortize general obligation bonds, direct placements, and revenue bond at their respective present values at June 30, 2021 for the County, are summarized as follows:

*(amounts shown in thousands)*

<u>Years Ending</u> <u>June 30,</u>	<b>G.O Bonds -</b>					
	<b>G.O. Bonds</b>		<b>Direct Placements</b>		<b>Airport Revenue Bonds</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 810	\$ 775	\$ 10,361	\$ 485	\$ -	\$ 2,625
2023	2,620	754	6,648	299	1,145	2,362
2024	2,725	641	2,351	181	1,190	2,316
2025	2,130	541	2,430	140	1,250	2,256
2026	2,220	454	2,468	96	1,305	2,202
2027-2031	9,970	725	2,731	113	7,535	10,061
2032-2036	-	-	-	-	13,815	7,419
2037-2041	-	-	-	-	17,415	3,073
<b>Total</b>	<b>\$ 20,475</b>	<b>\$ 3,890</b>	<b>\$ 26,989</b>	<b>\$ 1,314</b>	<b>\$ 43,655</b>	<b>\$ 32,314</b>

<u>Years Ending</u> <u>June 30,</u>	<b>Total Debt Service Requirements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 11,171	\$ 3,885
2023	10,413	3,415
2024	6,266	3,139
2025	5,810	2,937
2026	5,993	2,752
2027-2031	20,236	10,899
2032-2036	13,815	7,419
2037-2041	17,415	3,073
<b>Total</b>	<b>\$ 91,119</b>	<b>\$ 37,518</b>

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

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Subsidy*</u>	<u>Debt Service Requirements</u>
2022	\$ -	\$ 2,625	\$ (302)	\$ 2,323
2023	1,145	2,362	(302)	3,205
2024	1,190	2,316	(302)	3,204
2025	1,250	2,256	(302)	3,204
2026	1,305	2,202	(303)	3,204
2027-2031	7,535	10,061	(1,511)	16,085
2032-2036	13,815	7,419	(1,242)	19,992
2037-2041	17,415	3,073	(509)	19,979
<b>Total</b>	<b>\$ 43,655</b>	<b>\$ 32,314</b>	<b>\$ (4,773)</b>	<b>\$ 71,196</b>

\*Assumes a 5.7% reduction on the 45% subsidy payment based upon federal guidance for subsidy payments made in federal fiscal year 2021 and 5.7% fiscal year 2022 and forward

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

**A. Capital Lease Obligations**

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

**Governmental Activities:**

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

<b>Year Ended June 30,</b>	<b>(amounts shown in thousands)</b>		
	<b>Fire Apparatus</b>	<b>Fire Apparatus</b>	<b>Total</b>
2022	\$ 830	\$ 598	\$ 1,428
2023	814	588	1,402
2024	799	579	1,378
2025	391	569	960
2026	-	560	560
Thereafter	-	-	-
Total financed purchases			
payments	2,834	2,894	5,728
Less, interest	(122)	(144)	(266)
Present value of future			
minimum payments	2,712	2,750	5,462
Less, current portion	(775)	(550)	(1,325)
Total non-current portion	<u>\$ 1,937</u>	<u>\$ 2,200</u>	<u>\$ 4,137</u>

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

<b>Year Ended June 30,</b>	<b>(amounts shown in thousands)</b>
	<b>Motorola Radios</b>
2022	\$ 595
Total lease payments	595
Less, interest	(17)
Present value of future	
minimum lease payments	578
Less, current portion	(578)
Total non-current portion	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

**Business-type Activities (Enterprise Funds):**

During fiscal year 2013, the Airport entered into a ten-year non-cancelable lease for an additional generator for the Airport's new terminal building. This additional lease was effective April 1, 2013. The annual interest rate on the lease is 1.15% per annum. The fair market value of the generator at acquisition was \$558,650, and the net book value of the generator as of June 30, 2021 was \$102,431.

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

<b><u>Year Ended June 30,</u></b>	<b><u>Total</u></b>
2022	\$ 59,148
2023	49,290
Total payments	108,438
Less, amount representing interest	(1,180)
Present value of future minimum lease payments	107,258
Less, current portion	(58,226)
Total non-current portion	<u>\$ 49,032</u>

The changes in the County's capital leases and other long-term obligations for its business-type activities for the June 30, 2021 are as follows:

	<u>Balance 6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>	<u>Current Portion</u>
Capital leases	\$ 164,821	\$ -	\$ (57,563)	\$ 107,258	\$ 58,226
Compensated absences	1,061,812	587,974	(541,860)	1,107,926	276,982
Net OPEB liability	1,565,546	424,244	-	1,989,790	-
Net Pension liability	14,468,434	1,958,126	-	16,426,560	-
<b>Total Long Term Liability</b>	<u>\$ 17,260,613</u>	<u>\$ 2,970,344</u>	<u>\$ (599,423)</u>	<u>\$ 19,631,534</u>	<u>\$ 335,208</u>



HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

**B. Operating Lease Agreements**

**Lessor (Department of Airports)**

The Airport derives a substantial portion of its revenues from charges to air carriers, aeronautical businesses and schools, and concessionaires. Substantially all of the assets classified as capital assets in the statement of net position are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, and concessionaires on a fixed fee as well as a contingent fee basis. All leases of the Airport are treated as operating leases for accounting purposes. Most of the leases provide for an annual review and redetermination of the rental amounts. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2021:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2022	\$ 8,925
2023	4,604
2024	2,528
2025	2,356
2026	1,813
2027-2031	4,601
Total	<u>\$ 24,827</u>

At June 30, 2021, the historical cost and net book value of certain property leased to parties external to the County reporting entity is \$132,615,546 and \$78,549,998, respectively.

**Lessee (SBHS)**

At June 30, 2021 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2022	\$ 12,150
2023	930
2024	930
2025	-
2026	-
Total	<u>\$ 14,010</u>

Total lease expense for the fiscal year ended June 30, 2021 was approximately \$13,668.

**C. Other Long-Term Liabilities**

**SBHS**

The changes in the SBHS's other long-term obligations for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts due within one year
Compensated absences	\$ 184,852	\$ 189,217	\$ (140,935)	\$ 233,134	\$ 94,927
Total OPEB Liability	101,165	-	(8,960)	92,205	-
Net Pension Liability	5,605,339	919,335	-	6,524,674	-
Total Long-term liabilities	<u>\$ 5,891,356</u>	<u>\$ 1,108,552</u>	<u>\$ (149,895)</u>	<u>\$ 6,850,013</u>	<u>\$ 94,927</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

**C. Other Long-Term Liabilities**

**HCSWA at June 30, 2021**

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts due within one year
Compensated absences	\$ 389,643	\$ 293,713	\$ (258,959)	\$ 424,397	\$ 250,000
Total OPEB liability	2,025,827	308,961	-	2,334,788	-
Net pension liability	7,952,497	1,694,949	-	9,647,446	-
Landfill closure costs	16,697,065	-	(1,094,377)	15,602,688	-
Landfill postclosure care costs	5,153,219	-	(337,758)	4,815,461	-
Total Long-term liabilities	<u>\$ 32,218,251</u>	<u>\$ 2,297,623</u>	<u>\$ (1,691,094)</u>	<u>\$ 32,824,780</u>	<u>\$ 250,000</u>

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

MYR has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 5 passenger airlines. The Signatory Airline Agreements were signed as of July 1, 2020, with Spirit Airlines, American Airlines, Delta Air Lines, Allegiant Air, and Southwest Airlines. Southwest Airlines began service in May 2021. 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 the balance owed by the airlines for rates and charges. For fiscal year 2021, MYR estimates the Settlement due to the Signatory Airlines is \$427,424. This amount is included in amounts due to tenants on the accompanying Statement of Net Position.

The Signatory Airline Agreement effective July 1, 2020 includes a revenue sharing component for Terminal Concession Revenues (Article 1.64) of fees received by the Airport from the operation of food, beverage, news, gifts, and specialty retail outlets in the Terminal Building. The share of Terminal Concession Revenues is 50% for FY2021 and FY2022, and 25% for the remaining three years of the agreement (Article 1.52). For fiscal year 2021, MYR estimates the Settlement due to the Signatory Airlines is \$577,234. This amount is included in amounts due to tenants on the accompanying Statement of Net Position.

MYR has also entered into operating agreements with airlines that serve the Airport and are not party to Signatory Airline Agreements (the Non-signatory Airlines). MYR 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, 2021, the Non-Signatory Airlines operating at the Airport were United Airlines, Frontier Airlines, Porter Airlines, and Sun Country Airlines.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these closure and postclosure care costs as operating expenses in each period based on landfill capacity used as of each balance sheet date. For purposes of closure and postclosure care, the Class 2 and Class 3 landfills are considered a single site. At June 30, 2021, the percentage utilization of the estimated total capacity of the landfills was 49.9%.

The closure and postclosure care liabilities at June 30, 2021 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites and totaled \$15,602,688 and \$4,815,461, respectively. The HCSWA will recognize the remaining estimated closure and postclosure care costs totaling \$15,665,224 and \$4,834,762, 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, 2043. 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, 2021, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$10,338,947 and \$11,477,918 of cash, cash equivalents and investments at June 30, 2021 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, 2021:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Units</b>	
			<b>SHBS</b>	<b>HCSWA</b>
<b><u>Net investment in Capital Assets:</u></b>				
Net capital assets:				
Primary Government	\$ 955,494,053	\$ 311,051,027	\$ -	\$ -
Add, deferred charge on refunding	1,226,123	-	-	-
Less, G.O. bonds, accrued interest, special revenue bonds and capital leases	(56,623,536)	(46,160,350)	-	-
Less, Non-debt capital related liabilities, (i.e., retainage payable and accounts payable)	(9,954,193)	-	-	-
Add, unspent proceeds GO Bonds 2020A	11,526,630	-	-	-
Add, unspent proceeds GO Bonds 2020B	1,180,522	-	-	-
Add, unspent proceeds GO Bonds 2021A	3,450,000	-	-	-
Component units	-	-	880,482	55,240,063
Total net investment in capital assets	<u>\$ 906,299,599</u>	<u>\$ 264,890,677</u>	<u>\$ 880,482</u>	<u>\$55,240,063</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 12. Net Position and Fund Balances, continued**

As required by the County's Financial Policies Ordinance, a fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, the Stormwater Management Fund and the Waste Management Recycling Fund. The fiscal reserves are to be maintained at an amount equal to 18% cash management reserve, 5% disaster reserve, and 5% revenue stabilization reserve (2% revenue stabilization for the Stormwater fund) of the fund's next year's budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. This policy was approved by County Council Ordinance 68-10 on October 10, 2010 and amended by Ordinance 58-13, Ordinance 23-16 and Ordinance 95-20, 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.

On April 17, 2020 County Council approved by Resolution 39-2020 to commit \$10,000,000 of unassigned General Fund balance for the purpose of designating funds as a debris reserve in order to reduce the amount of debt needed for debris expenditures occurring as a result of a disaster.

The adopted budget for fiscal year 2022 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 2022 Operating budget	18% cash management reserve at June 30, 2021	5% disaster reserve at June 30, 2021	Revenue stabilization reserve at June 30, 2021
General Fund	\$ 200,554,722	\$ 36,099,850	\$ 10,027,736	\$ 10,027,736
Fire Fund	28,951,498	5,211,270	1,447,575	1,447,575
Stormwater Management	16,293,263	2,932,787	814,663	325,865
Recreation Fund	7,471,876	1,344,938	373,594	373,594
Waste Management Recycling	14,550,126	2,619,023	727,506	727,506
General Debt Service Fund	n/a	n/a	n/a	n/a

	FY 2022 Debris reserve	FY 2022 Debt Service	Related restricted fund balance at June 30, 2021	Total Reserves at June 30, 2021
General Fund	\$ 10,000,000	\$ n/a	\$ n/a	\$ 66,155,322
Fire Fund	n/a	1,174,673	587,337	8,693,756
Stormwater Management Fund	n/a	n/a	n/a	4,073,316
Recreation Fund	n/a	n/a	n/a	2,092,125
Waste Management Recycling	n/a	n/a	n/a	4,074,035
General Debt Service Fund	n/a	13,138,757	6,569,379	6,569,379

At June 30, 2021 the Community Development Block Grant Funds had a deficit fund balance of \$654,610. This deficit fund balance will be repaid from future grant revenues.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 12. Net Position and Fund Balances, continued**

The County's governmental funds maintain various types of restricted and committed fund balances which are reported in compliance with GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Restricted net position and fund balance consist of restricted financial assets reduced by liabilities and deferred inflows of resources related to those assets. The County's restricted net position, restricted fund balance, and committed fund balance for governmental activities/funds at June 30, 2021 is as follows:

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
<b>Restricted or Committed for Capital projects</b>			
RIDE II Road Infrastructure	\$ 68,237,842	\$ 68,195,335	\$ -
RIDE III Road Infrastructure	279,737,937	250,201,046	-
1.5% Hospitality	-	-	27,131,312
Vehicle Fleet Replacement	29,825,250	-	-
Communications Equipment Replacement	4,713,670	-	-
County Road Paving Plan	12,784,832	16,132,465	-
Fire Apparatus	2,017,580	1,961,993	-
General Capital Projects	19,334,301	29,682,736	26,537,912
Total Restricted or Committed for Capital	416,651,412	366,173,574	53,669,224
<b>Restricted or Committed for Bond Debt Service</b>			
General Obligation	6,994,695	6,728,868	-
Total Restricted or Committed for Debt Service	6,994,695	6,728,868	-
<b>Restricted for Other Purposes</b>			
<b>Special Tax Districts</b>			
Fire District	-	13,193,906	-
E911 Emergency Telephone System	3,170,153	4,072,173	-
County Road Paving Plan	-	-	18,937,535
Recreation Programs	3,667,074	5,989,487	-
Waste Management Collection System	6,433,375	5,665,814	-
Stormwater System Maintenance	3,114,341	6,584,052	-
Watersheds Maintenance	992,408	989,813	-
Mt Gilead Road Maintenance	216,616	215,466	-
Arcadian Shores	72,837	72,604	-
Senior Citizens Programs	97,276	74,654	-
Admissions Tax	406,627	406,627	-
<b>Special Purpose Districts</b>			
Higher Education Commission	250,874	211,192	-
Horry Georgetown Technical College	1,617,831	1,521,617	-
<b>Funding for Non-capital Infrastructure Improvements</b>			
Beach Renourishment	-	-	4,331,304
<b>Intergovernmental Funding</b>			
Victim Witness	-	129,249	-
Solicitor	-	1,214,441	-
Public Defender	-	1,891,258	-
Tourism & Promotion	-	523,904	-
Grants	-	-	2,241,503

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 12. Net Position and Fund Balances, continued**

	Net Position	Fund Balance	
	Restricted	Restricted	Committed
<b>Contractual Restrictions</b>			
Voluntary Developer Contributions	1,112,336	1,112,336	-
Economic Development	839,054	1,353,224	3,491,418
B&C MCBP	1,446,096	1,442,676	-
Baseball Stadium Maintenance	390,258	390,258	-
Conway Library Endowment	4,681,954	4,681,954	-
<b>Commitments by Ordinance</b>			
Fiscal Reserves	-	-	66,155,322
Other Post Employment Benefits	-	-	7,862,374
Budget carryforwards to next year	-	-	14,808,845
Total Restricted or Committed for Other Purposes	28,509,110	51,736,705	117,828,300
Totals	<u>\$ 452,155,217</u>	<u>\$ 424,639,147</u>	<u>\$ 171,497,524</u>
Unrestricted (deficit)	<u>\$ (24,125,392)</u>		
Total Net Position	<u>\$ 1,334,329,424</u>		

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

**SBHS (Negative Net Position)**

SBHS management is aware that SBHS's financial statements for year ending June 30, 2021 reflect a negative net position of (\$1,311,320). The primary cause of the negative net position is due to the pension liability and annual expense required by accounting standard GASB 68. The expense, equal to the change in net pension liability from year to year, does not result in additional cash outlay. Shoreline is in the process of determining how to eliminate the negative net position.

**Note 13. Capital Contributions** (amounts shown in thousands)

Capital, grants and other cash contributions during the fiscal year ended June 30, 2021, are as follows:

	Governmental Activities	Business-Type Activities	SBHS	HCSWA
Donated capital-infrastructure	\$ 22,637	\$ 20,003	\$ -	\$ -
Donated capital-grants	363	-	500	166
Total	<u>\$ 23,000</u>	<u>\$ 20,003</u>	<u>\$ 500</u>	<u>\$ 166</u>

During the fiscal year 2019, 2020 and 2021 Shoreline received a capital grant of \$650,000, \$1,228,000 and \$500,000 from the State of South Carolina, respectively. These grants are to be used towards either the expansion of the administrative and treatment building located in Conway South Carolina or the construction of a new building. During fiscal year 2020 Shoreline acquired land for this purpose costing \$190,000 plus transaction related costs of \$3,788 resulting in a restricted cash total of \$1,684,212. During fiscal year 2021 Shoreline incurred building design costs of \$6,775, recorded as construction in process, resulting in a restricted cash total of \$2,177,437. Management is in the process of finalizing the construction plans and anticipates starting construction in fiscal year 2022.

## 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), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

##### **Plan Descriptions**

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 14. Employee Benefit Plans, continued**

- **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; be a coroner in a full-time permanent position; or be 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.

#### **SBHS**

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

#### **HCSWA**

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

#### ***Benefits***

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

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

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

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



# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Employee Benefit Plans, continued

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

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

#### **Required employee contribution rates<sup>1</sup> for fiscal year 2021 are as follows:**

##### **SCRS**

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

##### **PORS**

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

#### **Required employer contribution rates<sup>1</sup> for fiscal year 2021 are as follows:**

##### **SCRS**

Employer Class Two	15.41% of earnable compensation
Employer Class Three	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

##### **PORS**

Employer Class Two	17.84% of earnable compensation
Employer Class Three	17.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Employee Benefit Plans, continued

#### SBHS

Employee and employer contribution rates are currently 9.00% and 15.56%, respectively, of earnable compensation. The SBHS's contributions to the SCRS for the fiscal year ended June 30, 2021 were approximately \$425,617. The contributions made by the SBHS were equal to the required contributions for the year.

#### HCSWA

Employee and employer contribution rates are currently 9.00% and 15.56%, respectively, of earnable compensation. The HCSWA's contributions to the SCRS for the fiscal year ended June 30, 2020 were \$653,982. The contributions made by the HCSWA were equal to the required contributions for the year.

#### Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

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

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

Assumptions used in the determination of the June 30, 2020, TPL are as follows.

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

#### Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, for the County's SCRS and PORS, are presented on the table on the next page.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

<b>System</b>	<b>Proportional Share of Net Pension Liability</b>
SCRS	\$ 132,367,989
PORS	<u>121,361,340</u>
Total	\$ 253,729,329

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements. For the years ending June 30, 2020 and 2019, the County's percentage of the SCRS NPL were 0.518038% and 0.519678% respectively. For the years ending June 30, 2020 and 2019, the County's percentage of the PORS NPL were 3.659638% and 3.445180%, respectively.

**SBHS**

At June 30, 2021, SBHS reported a liability of \$6,524,674 for its proportionate share of the net pension liability for the SCRS. The net pension liability was measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined based on the most recent actuarial valuation that was projected forward to the measurement date. SBHS's proportion of the net pension liability was based on a projection of SBHS's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2020, SBHS's SCRS proportion was 0.025511% as compared to its June 30, 2019 proportion of 0.024548%.

For the year ended June 30, 2020, SBHS recognized pension expense of \$542,543 for the SCRS.

**HCSWA**

At June 30, 2021, the HCSWA reported a liability of \$9,647,446 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The HCSWA's proportion of the net pension liability was based on a projection of the HCSWA's long-term share of contributions to the SCRS relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the HCSWA's proportion was 0.037756%, which is a decrease 0.034827% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the HCSWA recognized pension expense of \$891,593.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Return	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

**Discount Rate**

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

**Sensitivity Analysis**

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

<b>Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.00% Increase (8.25%)</b>
SCRS	\$ 164,053,748	\$ 132,367,874	\$ 105,909,786
PORS	\$ 160,662,002	\$ 121,361,354	\$ 89,805,461
Total	\$ 324,715,750	\$ 253,729,228	\$ 195,715,247

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

SBHS & HCSWA

<b>Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate</b>			
<b>SCRS System</b>	<b>1.00% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.00% Increase (8.25%)</b>
SBHS	\$ 8,078,840	\$ 6,524,674	\$ 5,215,536
HCSWA	\$ 11,956,827	\$ 9,647,446	\$ 7,719,086

**Deferred Outflows (Inflows) of Resources**

For the year ended June 30, 2021, the County recognized pension expense of \$34,201,004 (SCRS portion is \$14,992,192 plus PORS portion is \$19,208,812). At June 30, 2021, the County reported deferred outflows (inflows) of resources related to SCRS pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to the measurement date	\$ 8,580,861	\$ -
Differences in actual and expected retirement plan experience	1,527,350	500,537
Net difference between projected and actual investment earnings	9,736,766	-
Assumption Changes	162,172	-
Change in proportionate share of net pension liability	1,134,981	15,972
<b>Total SCRS</b>	<b>\$ 21,142,130</b>	<b>\$ 516,509</b>

At June 30, 2021, the County reported deferred outflows (inflows) of resources related to PORS pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to the measurement date	\$ 10,009,866	\$ -
Differences in actual and expected retirement plan experience	2,579,178	534,205
Net difference between projected and actual investment earnings	12,427,125	-
Assumption Changes	1,481,008	-
Change in proportionate share of net pension liability	5,705,667	-
<b>Total PORS</b>	<b>\$ 32,202,844</b>	<b>\$ 534,205</b>

For the year ended June 30, 2020, total deferred outflows of resources are \$53,344,974 and total deferred inflows of resources are \$1,050,714.

The County reported \$18,590,727 (net of PEBA credit) as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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, 2021. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2021 was 3.984 years for SCRS and 4.176 years for PORS and at June 30, 2020 was 4.026 years for SCRS and 4.217 years for PORS.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
2021	2022	\$ (2,821,278)	\$ (6,394,611)
2022	2023	(3,431,022)	(6,209,639)
2023	2024	(3,307,830)	(5,602,789)
2024	2025	(2,484,613)	(3,451,724)
Net Balance of Deferred Outflows / (Inflows) of Resources		\$(12,044,743)	\$(21,658,763)

**SBHS**

At June 30, 2021, SBHS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,346	\$ 24,676
Assumption Changes	8,062	-
Net difference between projected and actual earnings on pension plan investments	480,123	-
Change in allocated proportion	348,918	24,923
Contributions after the measurement date	425,616	-
Total	\$ 1,338,065	\$ 49,599

The \$425,616 reported as a deferred outflows of resources related to SBHS's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2022	\$ 224,489
2023	292,052
2024	223,578
2025	122,730
Total	<u>\$ 862,849</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

HCSWA

At June 30, 2021, the SWA reported deferred outflows of resources and deferred inflows of resources related to pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual pension liability experience	\$ 111,319	\$ 36,481
Assumption Changes	11,820	-
Differences between projected and actual earnings on plan investments	709,650	-
Changes in proportion and differences between HCSWA contributions and proportionate share of contributions	559,828	580,777
HCSWA contribution subsequent to the measurement date	653,982	-
Total	\$ 2,046,599	\$ 617,258

The \$653,982 amount reported as deferred outflows of resources related to pension plan resulting from HCSWA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension plan will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>SCRS</u>
2022	\$ 81,169
2023	112,020
2024	401,083
2025	181,087
Total	<u>\$ 775,359</u>

**B. Post-Employment Healthcare Benefits**

**Plan Description**

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

**Retirement Eligibilities**

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

Early (reduced) Retirement Requirements

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

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

**Deferred Retirement Benefits**

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

**Premium Sharing**

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

**County Subsidy – SCRS**

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

**County Subsidy – PORS**

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

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

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

1. The County subsidy of retiree health insurance will begin at age 62. Employees can still retire before that age if they are eligible, but the County will not pay the health insurance premiums until age 62. The retiree can stay on the County plan and pay the total premiums personally, or opt-out of the plan and obtain coverage elsewhere, then opt-back in to the plan at age 62 to receive the County funded benefit.
2. The 75% tier is eliminated. Employees are eligible for the County payment of 50% of the premiums, at 15 years of County service, and 100% coverage at 28 or 25 years of service.
3. The amount of the County subsidy will not increase by more than 3% over the amount paid by the County in the prior calendar year. Any increase in cost above 3% will be absorbed by the retiree. The maximum employer subsidy for non-grandfathered retirees was \$464.66/mo. in 2021 and \$464.66/mo. in 2021.



## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 14. Employee Benefit Plans, continued**

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

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

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

#### **Duty and Non-Duty Disability Retirement Benefits**

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

#### **Duty and Non-Duty Death in Service Retirement Benefits**

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

#### **Benefits for Spouses of Retired Employees**

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

#### **Dental Coverage**

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

#### **Retiree Opt-Out**

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

#### **Medicare – Eligible Provisions**

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

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

In line with CPI-U changes, the original \$150/mo. subsidy for Medicare retirees increased to \$168.94 for 2021 and \$166.61 for 2020.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 14. Employee Benefit Plans, continued**

##### **Funding Policy**

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. The cost of these benefits is recognized as an expenditure of the governmental, internal service, or enterprise fund in which the employee accrued the benefit as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2021, the County contributed \$983,101 for existing retirees, net of the implicit rate subsidy.

##### **Implicit Subsidy**

Horry County participates in the State of South Carolina's health plan which utilizes a "blended premium" structure. Said another way, the overall health care premiums for active employees and retirees are stated in terms of a single "blended premium". The difference between the underlying retiree claims and the blended overall health care premium is referred to as an "implicit" or "hidden" subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees. For fiscal year 2021, the County recognized a \$469,051 Implicit Subsidy for existing retirees.

##### **Total OPEB Liability**

The County's total OPEB liability of \$49,315,864 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

##### **Actuarial assumptions and other inputs.**

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date of June 30, 2019, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.45% as of June 30, 2020
Inflation	2.25%
Salary Increases	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation.
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS).
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for females SCRS members, 125% for male PORS members, and 111% for female PORS members.
Health Care Trend Rates	Initial rate of 6.40% declining to an ultimate rate of 4.00% after 15 years. The County's post-65 HRA contributions are assumed to increase at 2.25% per year.
Participation Rates	Participation rates are assumed to vary based on service and Grandfathered status: 80% to 100% for Group A (Grandfathered) retirees with over 15 years at retirement; 20% to 100% for Group B (Non-Grandfathered) retirees with over 15 years at retirement; 20% for retirees hired after June 30, 2011 or with less than 15 years at retirement.
<b>Other Information:</b>	Notes: The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020. Additionally, the health care trend rates were updated to reflect the repeal of the excise tax on high-cost employer health plans.

##### **Discount Rate**

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.13% as of the prior measurement date.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

**Plan Assets**

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

**Summary of Membership Information**

The following table provides a summary of the number of participants in the plan as of June 30, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	376
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>2,188</u>
Total Plan Members	<u>2,564</u>

**Changes in the Total OPEB Liability**

Total OPEB liability – June 30, 2020	\$ 43,649,664
Service Cost	1,320,800
Interest on the total OPEB liability	1,364,883
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(49,644)
Changes of assumptions	4,437,313
Benefit payments	<u>(1,407,152)</u>
Net changes	<u>5,666,200</u>
Total OPEB Liability – June 30, 2021	<u>\$ 49,315,864</u>
Covered - employee payroll	\$113,620,201

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

a. Explicit benefit payments	\$ 938,101	
b. Implicit benefit payments	<u>469,051</u>	(explicit benefit payments * 0.500)
c. Total Benefit payments	\$ 1,407,152	

The 0.500 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

**Sensitivity of Total OPEB Liability to the Discount Rate Assumption**

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.45%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease 1.45%	Current Discount Rate Assumption 2.45%	1% Increase 3.45%
<u>\$ 57,187,877</u>	<u>\$ 49,315,864</u>	<u>\$ 42,888,654</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

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

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

1% Decrease	Current Healthcare Cost Trend Assumption	1% Increase
\$ 41,173,598	\$ 49,315,864	\$ 59,750,306

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

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

The expected remaining service lives of all active employees in the plan was approximately 21,768 years. Additionally, the total plan membership (active employees and inactive employees) was 2,504. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.6933 years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,471,093
Changes in assumptions	3,766,992	-
Contributions subsequent to the measurement date	1,377,030	-
Total	<u>\$ 5,144,022</u>	<u>\$ 1,471,093</u>

The deferred outflow for contributions made after the measurement date of \$1,377,030 consists of \$918,020 in explicit subsidies and \$459,010 in implicit subsidies. The implicit subsidy was estimated by multiplying the explicit costs by 0.500. The 0.500 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

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

Year Ending June 30	Net Deferred Outflows/Inflows
2022	\$ 141,121
2023	141,121
2024	141,121
2025	141,121
2026	242,712
Thereafter	1,488,703
Total	<u>\$ 2,295,899</u>

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Employee Benefit Plans, continued

#### SBHS:

#### Plan Description

Prior to July 1, 2012 SBHS 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 SBHS discontinued all payments toward the cost of retiree health insurance premiums for employees. The plan however is subject to amendment from time to time at the discretion of the Board of Directors. At the time of the policy change, there were two employees with more than twenty years of consecutive service with the agency who were grandfathered into the plan. As a result, the following exceptions were made for those two grandfathered staff upon retirement:

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

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

#### Funding Policies

The plan is not administered thru a trust, rather, SBHS administers the plan. SBHS has not separately set aside assets to fund this obligation. Rather, SBHS pays for post-employment health care benefits on a pay-as-you-go basis as a single-employer plan. During the year ended June 30, 2021 SBHS contributed approximately \$12,405 towards the cost of retiree health insurance coverage. SBHS has measured the liability using the alternative valuation method rather than an actuarial valuation as allowed for under GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* which SBHS adopted for the fiscal year ended June 30, 2018. SBHS has recorded a post-employment benefit obligation in the amount of \$92,205 at June 30, 2021 for this liability. This liability was measured as of June 30, 2021 based upon the expected life expectancy of the participants, through internet research, and the expected future payments. Plan participants were born in 1962 and 1963 and have a life expectancy of age 79. A discount rate of 4.5% was used to measure the net present value of the liability along with a 3.0% rate of inflation for premium increases.

#### Sensitivity Analysis

The following table presents the sensitivity of the SBHS OPEB liability as of June 30, 2021 to changes in the discount rate, calculated using the discount rate of 5.5 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (4.5 percent) or 1% point higher (6.5 percent) than the current rate, this is a significant estimate:

	1.0% Decrease (4.50%)	Current Discount Rate (5.50%)	1.0% Increase (6.50%)
Total OPEB Liability	<u>\$ 99,337</u>	<u>\$ 92,205</u>	<u>\$ 85,860</u>

The following table represents the components of the net OPEB liability using a June 30, 2021 measurement date:

OPEB beginning balance at June 30, 2020	\$ 101,165
Changes for the Year:	
Service cost	-
Interest	3,445
Benefit payments	<u>(12,405)</u>
Net change in OPEB liability	<u>(8,960)</u>
OPEB ending balance at June 30, 2021	<u>\$ 92,205</u>

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Employee Benefit Plans, continued

#### HCSWA:

#### **Plan Description**

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

#### **Benefits Provided**

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

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

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

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

#### **Employees Covered by Benefit Terms**

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	15
Active Employees	<u>83</u>
	<u>98</u>

#### **Total OPEB Liability**

The HCSWA's total OPEB liability of \$2,334,788 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

#### **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.00% to 7.00%, including inflation
Healthcare Cost Trend Rates	6.40% decreasing to 4.15% over 15 years
Retirees' Share of Benefit-Related Costs	
Group 1 Employees	25.00%
Group 2 Employees	50.00%
Group 3 Employees	100.00%

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 14. Employee Benefit Plans, continued

#### HCSWA:

The discount rate used to measure the total OPEB liability was 2.45%. The discount rate was based on fixed-income municipal bonds with twenty years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020.

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

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study covering the five year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems.

#### **Changes in the Total OPEB Liability**

Changes in the total OPEB liability during the year ended June 30, 2021 were as follows:

Balance at June 30, 2020	\$ 2,025,827
Changes for the Year	
Service Cost	106,826
Interest	64,170
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	11,550
Changes of Assumptions	184,580
Benefit Payments	(58,165)
Balance at June 30, 2021	<u>\$ 2,334,788</u>

Changes of assumptions reflect a change in the discount rate from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020.

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

The following presents the total OPEB liability of the HCSWA, as well as what the HCSWA's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	1.0% Decrease <u>(1.45%)</u>	Discount Rate <u>(2.45%)</u>	1.0% Increase <u>(3.45%)</u>
Total OPEB Liability	<u>\$ 2,656,199</u>	<u>\$ 2,334,788</u>	<u>\$ 2,066,109</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans, continued**

HCSWA:

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

The following presents the total OPEB liability of the HCSWA, as well as what the HCSWA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.40% decreasing to 3.0%) or one percentage point higher (7.40% decreasing to 5.0%) than the current healthcare cost trend rates:

	1.0% Decrease (5.40% Decreasing to 3.0%)	Healthcare Cost Trend Rates (6.40% Decreasing to 4.0%)	1.0% Increase (7.40% Decreasing to 5.0%)
Total OPEB Liability	<u>\$ 1,974.431</u>	<u>\$ 2,334.788</u>	<u>\$ 2,788.673</u>

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

For the year ended June 30, 2021, the HCSWA recognized OPEB expense of \$132.042. At June 30, 2021, the HCSWA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SWA Contributions Subsequent to the Measurement Date	\$ 72,257	\$ -
Difference Between Expected and Actual Experience	9,946	311,566
Changes of Assumptions	<u>250,420</u>	<u>83,869</u>
	<u>\$ 332,623</u>	<u>\$ 395,435</u>

The amount reported as deferred outflows of resources related to OPEB resulting from SWA contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. The amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30, 2022	\$ (38,954)
2023	(38,954)
2024	(38,954)
2025	(27,073)
2026	(15,552)
Thereafter	<u>24,418</u>
	<u>\$ (135,069)</u>

**Note 15. Segment Information**

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

The Department of Airports Enterprise Fund is responsible for operation, maintenance and development of the County's Airport System - including Myrtle Beach Aviation (FBO), Grand Strand Airport (CRE), Conway – Horry County Airport (HYW), and Twin City Airport (5J9) general aviation airports and Myrtle Beach International Airport (MYR). The County's discretely presented component units HCSWA and SBHS were created by the County to develop and implement a solid waste disposal and resource recovery/recycling system and to provide services to reduce the negative health, social and economic consequences resulting from the use of alcohol and other drugs, for the County, respectively. Disaggregated information of the component units is presented in the basic financial statements.



## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 15. Segment Information, continued**

##### Major Customers and Economic Condition - Department of Airports

Airline revenues, leases, concessions, and rental car activities, generate approximately 64% of the Airport's revenues or just over \$19.4 million of the \$28.4 million total operating revenue. Signatory Airlines generate \$9.1 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 30.0% of the total operating revenues reported for MYR in fiscal 2021. Of the leading Signatory Airline carriers, Spirit Airlines represents 49.0% of the airline traffic, American Airlines 24.5%, Delta Air Lines 9.9% and Allegiant Air 7.4% and Southwest Airlines 3.1%.

For the year ended June 30, 2021, there are three customers whose balance represents approximately 42.0% of the net 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.

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, 2021. 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**

On February 15, 2019, the County utilized \$80.1 million from restricted funds which were placed in an irrevocable trust. The restricted funds, along with earnings, are sufficient to pay off in entirety the RIDE I Program IGA Loan #2 debt. As a result, the RIDE I Program IGA Loan #2 debt is defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. This defeasance did not result in a refunding nor was an economic gain or loss recognized. The defeasance escrow balance at June 30, 2021 is \$23,575,264.

##### Agreements related to RIDE III

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

#### **Note 18. Commitments and Contingencies**

##### Litigation

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

The County enacted a Road Maintenance Fee during fiscal year 1987 which prevailed in subsequent litigation as a valid uniform service charge in the 1992 South Carolina Supreme Court decision *Brown vs. Horry County*. This landmark case, along with the subsequent *Campbell vs. the City of Charleston*, established the four-part test for uniform service charges in South Carolina. A recent South Carolina Supreme Court Opinion in *Burns vs. Greenville County* indicates a departure from the prior four-part test. In an abundance of precaution, Horry County is acting to affirm our imposition and collection of the Road Maintenance Fee based on the prior ruling of validity by the Supreme Court.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 18. Commitments and Contingencies, continued**

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

The County settled a lawsuit asserting municipal consent required to collect the 1.5% Hospitality Fee within the municipalities. On September 4, 2020 the County and each participating municipality ratified a settlement agreement in principle to end the lawsuit initiated by the City of Myrtle Beach (City), for itself and a class of similarly situated plaintiffs. In October 2020, the South Carolina Circuit Court (Court) provided its order approving the settlement agreement. The settlement agreement provides for Horry County to collect the 1.5% Hospitality Fee within the municipalities and provides for distribution of the fees collected within a municipality to that municipality. The court order also distributes the balance of the \$19.0 million in municipal collections through June 30, 2019 to the municipalities after provision of class claims and administrative expense. During fiscal year 2019, an estimated expenditure of \$19.0 million was accrued in anticipation of this outcome.

During the year ended June 30, 2020, the County was named as a defendant in two currently pending cases resulting in the loss of life from a drowning incident occurring in the fiscal year ended 2019. A claim loss of \$6.3 million per case was settled amongst all parties in August 2021. The total claim loss of \$12.6 million was accrued and expensed in these financial statements for the fiscal year ended June 30, 2021.

#### **Federal and State Assisted Programs**

In the normal course of operations, the County and Department of Airports 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**

Horry County Council approved the construction of a building for an Emergency Operations Center (EOC) at an estimated cost of \$26 million. The funding is provided primarily from the following sources: \$16.0 million from 2020 (Series A) GO Bonds, \$5.0 million from the Horry County General Fund, and \$2.3 million from the E911 Fund. The EOC will house departments such as Emergency Management, E911, Communications and serve as the Headquarters for the County during disasters and emergencies. Construction started November 2020 and is expected to be completed in two years from groundbreaking. Total construction in progress actual costs through June 30, 2021 is \$6.8M.

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

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

Major projects in RIDE II are the Conway Bypass (Highway 22), a six-lane controlled access highway between Aynor and Conway at Highway 501 to U.S. 17 near the Myrtle Beach Mall (formerly known as the Colonial Mall); and Carolina Bays Parkway (Highway 31); a six-lane limited access highway between S.C. Highway 9 in the North and S.C. Highway 544 in the South; a four-lane bridge spanning the Intercoastal Waterway at Fantasy Harbour; and the North Myrtle Beach Connector, a four-lane road connecting S.C. Highway 90 and U.S. 17 to the Carolina Bays Parkway. Other projects resulted in improvements to S.C. Highway 544, S.C. Highway 501 and U.S. 17. In fiscal year 2007, the County received approval of a \$40 million grant from the South Carolina Transportation Infrastructure Bank Board for engineering and environmental work and right of way acquisitions for extension of

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 18. Commitments and Contingencies, continued**

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. South Carolina Department of Transportation (SCDOT), as manager of the Highway 31 Southern Extension, is negotiating a vendor contract dispute related to the liquidated damages for the late delivery of Intercoastal Waterway bridge, along with counterclaims from the vendor. As this project was permitted and contracted with the widening of SC 707, the County has potential liability for cost overruns of the joint projects. While no estimate of potential liability can be determined at this time, sufficient balances remain in the RIDE II program to cover any potential amount due.

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

Governmental activities have a total of \$107.5 million in encumbrances at June 30, 2021. Encumbrances for the major governmental funds are as follows: \$0.59 million is encumbered in the General Fund primarily related to public works maintenance and countywide annual service and professional services contracts; \$20.7 million is encumbered in the General Capital Improvements Project Fund primarily related to construction of the new EOC/ECC building and the new Longs fire station and various capital projects; \$1.5 million is encumbered in the Capital Project Sales Tax Fund- RIDE II primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax; \$58.3 million is encumbered in the Capital Project Sales Tax Fund- RIDE III primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax. Other significant encumbrances from non-major funds at June 30, 2021 are: the Road Maintenance & CTC Fund had \$6.9 million in encumbrances primarily related to multiple road paving projects; the Economic Development Fund had \$2.9 million in encumbrances primarily for performance agreements incentives; \$9.8 million in encumbrances for the Grant Fund primarily related to ECHO rental assistance program, Ascott Valley industrial park and TIGER Grant rail project; and the CDBG Grant Program Special Revenue Fund had \$2.4 million of encumbrances. Encumbrances for the Internal Service Funds are \$3.3 million for replacement of light vehicles and heavy equipment. Encumbrances for business-type activities are \$9.9 million for various capital projects.

Prior to June 30, 2021, the discretely presented component unit HCSWA entered into contracts for the landfill gas and piggyback construction projects. The cost of the contracts totals \$15,930,372 of which \$8,702,563 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, 2021, 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 19. Risk Management, continued**

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.

During the year ended June 30, 2021, there were no significant reductions in insurance coverage from the prior year for the discretely presented component unit HCSWA.

**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, 2021 were \$7,418,539. In addition, the County made capital contributions to the HCSWA in the amount of \$166,022 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 \$936,974 for the year ended June 30, 2021.

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	\$ 603,521,775
--	----------------

*Capital assets (exclusive of Internal Service Fund Capital Assets) in governmental activities are not financial resources and therefore are not reported in the fund financial statements.*

Capital assets	1,147,332,097
Less, accumulated depreciation	<u>(223,817,533)</u>
Net amount reported	<u>923,514,564</u>

*Some of the property taxes and other fees will be collected after year end, but are not available soon enough to pay for current period expenditures and are, therefore, reported as unavailable revenue in the fund financial statements.*

Property taxes, net of allowance for uncollectible	4,186,184
Grant reimbursements	4,487,373
Accommodations tax	1,077,166
Fees and fines	6,817,046
Capital project sales tax	<u>22,402,396</u>
Net amount reported	<u>38,970,165</u>

*Internal service funds are used by management to charge the costs of fleet and communication services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.*

68,147,701

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

General obligation bonds	(47,464,000)
Capital leases payable	(5,462,500)
Deferred charges on refunding	1,226,123
Bond premium	(3,373,951)
Compensated absences and leave	(14,399,663)
Net OPEB liability	(43,569,883)
Net pension liability	(186,332,795)
Accrued interest	<u>(448,112)</u>
Net amount reported	<u>(299,824,781)</u>

Total net position, end of year - governmental activities	<u><u>\$ 1,334,329,424</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	\$ 110,562,208
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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	39,693,497
Assets disposals	(3,440,949)
Depreciation expense	(16,641,536)
Net amount reported	<u>19,611,012</u>

*Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.*

Property taxes & accommodations tax	(4,948)
Grants reimbursements	(9,446,557)
Fees and fines	2,783,227
Capital project sales tax	5,686,946
Net amount reported	<u>(981,332)</u>

*Contributed property is not reported as revenue in governmental funds. However, in the Statement of Activities, the cost of property contributed is reported in the current period. In the current period, these amounts are:*

Donation of capital assets	<u>22,999,721</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 OPEB liability	(1,268,710)
Compensated absences and leave	619,550
Net pension liability	(13,812,469)
Net amount reported	<u>(14,461,629)</u>

*The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.*

Repayments of GO bond principal	13,992,000
Repayments of capital leases	1,325,000
Change in accrued interest expense & amortization of bond premiums	123,144
Net amount reported	<u>15,440,144</u>

*The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities. (Expenses for pension liability, OPEB liability, and compensated absences for the internal service funds are not reported above)*

	<u>4,751,678</u>
Change in net position-governmental activities	<u>\$ 157,921,802</u>

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 22. Tax Abatements

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

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

For the fiscal year ended June 30, 2021, the County abated property tax revenues of \$219,761 under agreements entered into by the County. The table below summarizes the tax abatements by program:

<u>Tax Abatement Program</u>	<u>Abatement</u>
Fee in lieu of tax (FILOT)	\$ 196,274
Special Source Revenue Credit (SSRC)	23,487
	<hr/>
	\$ 219,761

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### Note 22. Tax Abatements, continued

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

- A FILOT agreement with a medical facility located in the unincorporated area of Horry County. This agreement was completed in 2018. The abatement amounted to \$78,320.
- A FILOT agreement with manufacturer for relocation of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2013. The abatement amounted to \$42,675.
- A FILOT agreement with a manufacturer for expansion of their existing facility located in the Atlantic Center Industrial Park. This agreement was completed in 2009. The abatement amounted to \$25,925.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to \$19,957.

The County may provide a Performance Agreement in addition to tax abatement incentives or serve as a pass-through recipient of grants from other governmental entities to incent entities to locate or expand operations and jobs within the County. The amount of incentive will vary based on the size of capital investment and/or number of jobs created. No Performance Agreement or grant payments were made to entities receiving tax abatement incentives in fiscal year 2021.

#### Note 23. Service Concession Arrangement

In August 2016, Horry County and its agent, Horry County Department of Airports, entered into a contract with Republic Parking System, Inc. to provide a paid parking concession for passengers of the Myrtle Beach International Airport for a term of 60 months. Per the agreement, Republic Parking System, Inc. is to provide parking services to airport customers, using airport-owned parking lots and airport-owned parking revenue-management equipment. In January 2020, Horry County Department of Airports extended the Republic Parking contract for 24 months, ending July 2023. Due to the pandemic and low parking volumes, it would be difficult to undertake a successful Request for Proposal (RFP) process. Due to the nature of this agreement, whereas Republic Parking System, Inc. is the operator and Horry County Department of Airports is the transferor, it has been classified as a Service Concession Arrangement defined in GASB Statement No. 60. The parking lots and the parking revenue-management equipment have been classified as a capital asset of the Horry County Department of Airports. The present value of the guaranteed minimum lease payments for the term of the agreement are classified as an asset of the Horry County Department of Airports, with an offsetting deferred inflow, which will be systematically amortized each year as the minimum annual guaranteed revenue and any auxiliary commissions revenue are recorded.

During fiscal year 2021 parking concessions revenues recorded were \$2,632,555. Revenue of \$2,087,990 recognized in fiscal year 2021 represents amortization of the service concession agreement during the fiscal year. Commissions received on operating results in excess of the minimum annual guarantee were \$1,557,555 for fiscal year 2021. Agreement terms do not specify guarantees or commitments required of Horry County Department of Airports. Accordingly, no liabilities have been recorded in conjunction with this contractual arrangement for either year presented.

For each year presented in this report, the Statement of Net Position reflects the net present value of the service concession arrangement within assets and also within liabilities.

	2021
Opening Service Concession Arrangement and Deferred inflows of resources	\$ 6,362,629
Less: amortization of discounted minimum annual payments	(2,087,990)
Service Concession Arrangement and Deferred inflow of resources at June 30,	<u>\$ 4,274,639</u>



## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 24. Subsequent event**

Management has evaluated all events and transactions occurring subsequent to the balance sheet date of June 30, 2021, for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through December 15, 2021, the date these financial statements were available to be issued, and except as noted below, there were no subsequent events that required disclosure in these financial statements.

On October 21, 2021, the County issued two general obligation bonds:

- Series 2021B with par value amount of \$25 million, interest rate of 1.24% and for the purpose to finance the future construction of the Central Coast Complex, a new county administrative building that will house multiple county departments.
- Series 2021C with par value amount of \$3.63 million, interest rate of 1.48% and for the purpose to finance the future construction of multiple fire, EMS and other public safety facilities.

On September 23, 2021, the County issued a lease purchase agreement with a par value of \$4.3 million, interest rate of 1.16% and for the purpose of acquiring firefighting apparatus. Currently these funds are held in escrow by a third-party bank and the anticipated delivery date of the apparatus is later in 2022.

During fiscal year 2021, the County and Municipalities settled the 1.5% Hospitality fee lawsuit and beginning July 1, 2021, the county re-initiated county-wide collections. The Municipalities consented retroactively to the Hospitality Fee Ordinances. The County will distribute revenues collected within each municipality based on the location of collection, and the parties will work collectively to address road infrastructure needs.

On October 11, 2021, the County began collecting impact fees which will provide a new source of anticipated annual revenue of \$5 million in the first partial year. These funds will be utilized for capital projects for Public Safety, Parks and Recreation, and Waste Management. The County will report this revenue and related expenditures in a new capital projects fund during fiscal year 2022.

On September 9, 2021, the County issued \$27,255,000 in fixed rate Airport Revenue Refunding Bonds. The County completed the refunding to reduce its total debt service payments over a period of 19 years by \$12,023,431 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$9,910,463.

Beginning July 1, 2021, the County will escrow the road maintenance fee revenues, estimated at \$17.0 million annually. Normal revenue distributions to municipalities are being held and Road Fund construction personnel and related expenditure as well as contractual payments to Coast RTA will be temporarily transferred to the General Fund pending clarification of the Burns vs. Greenville County ruling from 2021. (See Note 18 under Litigation for further ruling details.) The County along with numerous other counties in the state are advocating legislative action to clarify the uniform service charge parameters as interpreted by the South Carolina Supreme Court in the Burns vs. Greenville County which differs from the Brown vs. Horry County South Carolina Supreme Court case in 1992 that ruled the Horry County Road Maintenance Fee was a valid uniform service charge. The County has been named as a defendant in a lawsuit seeking the recovery of road maintenance fees paid.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 25. Payroll Protection Program Reported as Debt**

During fiscal year ended June 30, 2020 the component unit SBHS received \$741,300 under the Federal Government Payroll Protection Program. An additional loan was received during fiscal year 2021 in the amount of \$755,037. Amounts received were recorded as a Debt as required by GASB Technical Bulletin No. 2020-1. For the year ended June 30, 2021 both loans were forgiven by the US Small Business Administration and the forgiven debt has been recorded within these financial statements as a special item in the statement of revenue, expenses and changes in net assets in the amount of \$1,496,337.

#### **Note 26. Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. A State of Emergency order was enacted on March 13, 2020 by the President of the United States. On March 15, 2020, the Governor of South Carolina directed the closure of all public schools and on March 17, 2020, the Governor temporarily prohibited restaurants from providing certain food services for on-premises consumption. Hotels in the incorporated areas experienced a significant drop in occupancy due to a Stay-At-Home order enacted on April 6, 2020 and restrictions on overnight stays. The Stay-at-Home order was lifted in May 2020. In response to the novel coronavirus and resulting disease known as COVID-19 ("COVID-19") and in accordance with social-distancing recommendations from state and local governmental authorities, the County closed its facilities to the public on March 18, 2020. Notwithstanding the complete closure of its facilities to the public, the County was able to maintain essential services without interruption and transitioned employees to facilitate the delivery of County services to the public by phone, drive-up window accesses, scheduled appointments, contactless curbside pickup and drop-off, and through the County's website.

County employees maintained their regular work schedules, in-person at the County's facilities with only limited telecommuting staff. Additionally, the County has reopened its facilities, transitioning from access to the public on an appointment-only basis to full access, in accordance with Center for Disease Control guidelines, as of May 18, 2020. Cost control measures including holding nonessential spending and a hiring freeze on non-Public Safety positions were implemented and not lifted until spring 2021.

The County will receive approximately \$69 million from the American Rescue Plan Act of 2021 (\$34.3 million received in fiscal year 2021). The County will use these funds for, among other things, responding to and mitigating the public health emergency caused by COVID-19 and the resulting economic impacts. Additionally, the County has been provided CARES Act funding from various Agencies and State passthroughs totaling \$79.9 million including \$36.2 million for the Department of Airports, \$28.6 million for direct beneficiary assistance through Housing and Urban Development Community Development Block Grants/Emergency Solution Grants/Home Grants and Department of Treasury Emergency Rental Assistance, and \$15.1 million in direct reimbursements including \$4.7 million for fiscal year 2020 expenses.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 27. Restatements

#### Change in Accounting Principle

As previously mentioned, the County implemented GASB 84, Fiduciary Activities in the fiscal year 2021. The County was required to reevaluate the accounting treatment of fiduciary activities. It was determined that one previously reported Agency Fund follows the governmental fund definition and is now reported in the General Fund. All other previously reported Agency Funds are considered Fiduciary in nature and are reported under GASB 84 as custodial funds. The following restatement to beginning net position in the Custodial Funds is necessary in order to properly report the custodial funds as of July 1, 2020.

	Custodial Funds
Fiduciary net position, as previously reported	\$ -
Recognition of the beginning net position of the previously reported Agency Funds now reported as Custodial Funds	297,036,180
Fiduciary net position, as restated	<u>\$297,036,180</u>

### Note 28. New Accounting Pronouncements

GASB has issued the following pronouncements and implementation guides that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. The County is currently in the process of evaluating the impacts of adopting these on the financial statements.

During May 2020, the GASB issued GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first become effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Effective dates were postponed by one year for most pronouncements, including Statement No. 83 and No. 84 and Statement No. 89 through No. 93. Effective dates were postponed by 18 months for Statement No. 87, Leases and Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 - In June 2018, the GASB issued Statement 87, "*Leases*", which provides guidance for lease contracts for nonfinancial assets—including vehicles, heavy equipment, and buildings—but excludes non-exchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). Under the new standard, a lessee entity is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset. A lessor entity is required to recognize a lease receivable and a deferred inflow of resources. A lessor will continue to report the leased asset in its financial statements. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*." The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.

Statement No. 91, "*Conduit Debt Obligations*." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated

**Note 28. New Accounting Pronouncements, continued**

with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022.

Statement 92, "*Omnibus 2020*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement 93, "*Replacement of Interbank Offered Rates*." Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*." The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement No. 96, "*Subscription-Based Information Technology Arrangements*." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87 "*Leases*", as amended. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 28. New Accounting Pronouncements, continued**

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*" The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

Implementation Guide No. 2019-3, "*Leases.*" The requirements of this Implementation Guide will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

## REQUIRED SUPPLEMENTARY INFORMATION

## HORRY COUNTY, SOUTH CAROLINA

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

#### **Basis of Budgeting**

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

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

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

(with comparative actual amounts for for the year ended June 30, 2020)

	2021				2020
	Budget		Actual	Variance	Actual
	Original	Final			
<b>Revenues</b>					
Real property taxes	\$ 87,950,153	\$ 93,634,587	\$ 96,923,736	\$ 3,289,149	\$ 92,383,794
Personal property taxes	5,875,119	5,875,119	6,251,091	375,972	5,403,598
Vehicle taxes	8,475,230	8,475,230	9,240,332	765,102	8,518,486
Fee in lieu of taxes	3,906,000	3,906,000	3,948,428	42,428	3,465,031
Intergovernmental	12,950,019	17,575,970	24,318,046	6,742,076	14,006,573
Fees and fines	29,942,302	29,614,871	31,159,021	1,544,150	29,043,353
Documentary stamps	5,437,163	5,437,163	7,978,625	2,541,462	5,358,858
License and permits	9,782,161	9,782,161	16,052,043	6,269,882	11,254,408
Interest on investments	1,801,333	871,137	345,918	(525,219)	1,645,457
Cost allocation	4,219,450	4,219,450	3,697,033	(522,417)	4,142,879
Other	2,559,057	4,481,462	5,152,954	671,492	5,082,115
Total revenues	172,897,987	183,873,150	205,067,227	21,194,077	180,304,552
<b>Expenditures</b>					
General Government:					
County Council	1,217,987	1,740,243	972,296	767,947	1,154,055
County Administrator	1,594,545	1,470,103	1,187,042	283,061	1,168,952
Finance	1,990,442	2,068,629	1,837,486	231,143	1,905,736
Human Resources	2,006,849	2,278,541	1,613,636	664,905	1,537,010
Procurement	718,380	754,660	764,400	(9,740)	1,067,773
IT/GIS	6,384,914	6,653,638	6,351,566	302,072	6,060,341
Assessor	4,209,533	4,315,971	3,912,323	403,648	4,160,138
Assessor Appeals Board	16,156	16,375	3,509	12,866	3,567
Treasurer	2,447,533	2,664,804	2,646,996	17,808	2,481,224
Business License	715,528	749,959	750,265	(306)	700,278
Auditor	1,924,791	1,865,446	1,679,050	186,396	1,838,397
Registrar of Deeds	1,437,616	1,470,245	1,433,995	36,250	1,322,400
Registration and Election	884,786	1,179,710	852,272	327,438	937,215
Public Information	443,231	502,756	391,187	111,569	374,384
Department Overhead	7,079,594	9,763,147	4,685,258	5,077,889	4,879,862
Probate Judge	1,235,300	1,286,296	1,182,632	103,664	1,149,616
Master in Equity	527,900	576,489	495,350	81,139	514,264
Legal	936,615	1,512,269	1,041,262	471,007	1,175,418
Grants Administration	375,905	182,076	273,367	(91,291)	191,786
Delegation	98,992	101,271	67,387	33,884	77,458
Maintenance	5,557,028	4,360,425	3,490,296	870,129	4,120,198
Total	41,803,625	45,513,053	35,631,575	9,881,478	36,820,072
Less, capital outlay	(25,409)	(100,878)	(79,057)	(21,821)	(29,702)
Net general government	41,778,216	45,412,175	35,552,518	9,859,657	36,790,370

- CONTINUED -



HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2021				2020
	Budget		Actual	Variance	Actual
	Original	Final			
Public Safety:					
Public Safety Division	1,110,805	1,220,947	1,169,031	51,916	1,257,112
Clerk of Court	2,323,481	2,464,922	2,053,102	411,820	2,089,445
Clerk of Court - DSS	699,753	723,047	705,043	18,004	664,102
Clerk of Court - Family Court:	274,728	977,529	264,504	713,025	291,663
Magistrates	3,589,001	3,737,670	3,434,755	302,915	3,479,315
Communications	1,313,350	1,313,350	1,297,719	15,631	1,172,922
Sheriff	8,149,484	8,856,299	8,628,965	227,334	8,227,101
Police	26,738,275	28,803,718	28,010,540	793,178	26,994,617
Emergency Management	562,143	532,877	381,965	150,912	426,503
Emergency 911	3,615,361	3,854,786	3,651,108	203,678	3,412,395
Coroner	1,200,540	1,423,290	1,226,271	197,019	1,236,708
Detention Center	28,388,462	31,276,966	40,141,884	(8,864,918)	28,286,811
Emergency Medical Services	18,966,338	19,601,982	19,482,378	119,604	19,191,591
Animal Care Center	1,341,752	1,566,899	1,304,514	262,385	1,320,297
Parking Program	124,000	330,384	97,158	233,226	150,458
Total	98,397,473	106,684,666	111,848,937	(5,164,271)	98,201,040
Less, capital outlay	(177,500)	(62,448)	(62,417)	(31)	(192,343)
Net public safety	98,219,973	106,622,218	111,786,520	(5,164,302)	98,008,697
Infrastructure and Regulation:					
Infrastructure and Regulation Division	484,806	493,991	494,674	(683)	458,107
County Engineer	1,612,044	1,841,541	1,467,226	374,315	1,403,890
Public Works	9,918,062	11,543,267	9,857,112	1,686,155	9,290,898
Code Enforcement	3,892,706	4,063,071	3,890,797	172,274	3,546,495
Planning	2,284,667	2,395,160	2,193,049	202,111	2,231,171
Railroad	-	80,777	79,424	1,353	64,809
Environmental Services	329,367	335,829	302,360	33,469	294,694
Abatement/Demolition	-	848,008	18,715	829,293	78,875
Total	18,521,652	21,601,644	18,303,357	3,298,287	17,368,939
Less, capital outlay	(43,000)	(54,394)	-	(54,394)	-
Net infrastructure and regulation	18,478,652	21,547,250	18,303,357	3,243,893	17,368,939

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES  
GENERAL FUND  
- CONTINUED -

	2021				2020
	Budget		Actual	Variance	Actual
	Original	Final			
<b>Expenditures (continued)</b>					
Health and Social Services:					
Medically Indigent Assistance Program	909,293	871,005	847,480	23,525	849,017
Health Department	140,000	152,739	119,241	33,498	145,450
Department of Social Services	102,504	123,111	107,686	15,425	132,857
Veteran Affairs	481,155	493,267	470,395	22,872	457,416
Total health and social services	1,632,952	1,640,122	1,544,802	95,320	1,584,740
Culture, Recreation, and Tourism:					
Library	4,947,763	5,239,730	4,692,767	546,963	4,894,269
Museum	840,597	1,007,130	687,126	320,004	763,324
Total culture, recreation and tourism	5,788,360	6,246,860	5,379,893	866,967	5,657,593
Contributions to Agencies:					
Other Agencies	99,308	109,308	109,308	-	289,171
Capital outlay	245,909	217,720	141,474	76,246	222,045
Total expenditures	166,243,370	181,795,653	172,817,872	8,977,781	159,921,555
Excess of revenues over expenditures	6,654,617	2,077,497	32,249,355	30,171,858	20,382,997
<b>Other Financial Sources (Uses)</b>					
Sale of capital assets	50,000	50,000	24,445	(25,555)	14,053
Transfers in	467,404	1,969,346	1,954,581	(14,765)	608,765
Transfers out	(9,703,329)	(18,051,079)	(18,051,079)	-	(20,332,150)
Total other financing sources (uses)	(9,185,925)	(16,031,733)	(16,072,053)	(40,320)	(19,709,332)
Net change in fund balance	(2,531,308)	(13,954,236)	16,177,302	30,131,538	673,665
Fund balance at beginning of year	80,683,282	80,683,282	80,683,282	-	80,009,617
Fund balance at end of year	\$ 78,151,974	\$ 66,729,046	\$ 96,860,584	\$ 30,131,538	\$ 80,683,282

# HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2021

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

Horry County's road system consists of approximately 66% paved roads and 34% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. Horry County implemented a Pavement Management System (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network in the County. The pavement management system uses a measurement scale called a Pavement Condition Index (PCI) to rate road condition and the PCI is correlated to the 1-5 condition ranking. Each road is ranked from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70 percent of its paved road system at fair or better condition level. No more than 30 percent should be in a substandard condition. Condition assessments are completed every year.

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

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

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

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

- 1) Since the end of FY 2004, the County's paved roadway network has more than doubled. Approximately 393 paved miles at the end of FY 2004 compared to 998 paved miles at the end of FY 2021.
- 2) The current economic conditions prompted County Council's increase of the Road Fee in fiscal year 2016 to \$50 annually from \$30 to provide a recurring revenue source to address the growing road maintenance needs.
- 3) In May 2017, a one-cent sales tax was implemented and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 100 miles of County maintained roads over a 8 year period. This is the second successive sales tax program addressing road needs.
- 4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited at least once every three years and rated. Maintenance costs needed at June 30, 2021 to improve all roads with a rating of 1 or 2 to a rating of 3 or better are \$7.9 million.

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

	Percentage of Miles in Fair or Better Condition		
	Condition		
	2021	2020	2019
Arterial	92.3%	91.5%	90.6%
Collector	86.5%	86.1%	86.0%
Access	90.7%	87.7%	87.7%
Overall system	89.8%	88.5%	87.6%

	Percentage of Miles in Substandard Condition		
	Condition		
	2021	2020	2019
Arterial	7.7%	8.5%	9.4%
Collector	13.5%	13.9%	14.0%
Access	9.3%	12.3%	12.3%
Overall System	10.2%	11.5%	12.4%

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2021

- CONTINUED -

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

Comparison of Needed-To-Actual Maintenance/Preservation					
	2021	2020	2019	2018	2017
Arterial:					
Needed	\$ 526,500	\$ 558,000	\$ 396,800	\$ 505,600	\$ 507,212
Actual	193,288	325,445	263,748	257,828	180,797
Collector:					
Needed	2,326,500	2,301,750	1,620,800	1,288,000	1,641,182
Actual	854,101	1,342,460	1,077,326	656,583	585,004
Access:					
Needed	18,585,000	23,748,750	16,345,600	14,374,400	15,271,788
Actual	6,822,895	13,851,086	10,864,724	7,329,820	5,443,673
Overall System:					
Needed	21,438,000	26,608,500	18,363,200	16,168,000	17,420,182
Actual	7,870,284	15,518,991	12,205,798	8,244,231	6,209,474
Difference	\$ 13,567,716	\$ 11,089,509	\$ 6,157,402	\$ 7,923,769	\$ 11,210,708

\* 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 (the Airport) runway, aprons, taxiways, drainage systems, etc. which comprise the "Infrastructure Assets" were obtained in conjunction with the USAF property conveyance described in detail in Note. 1, Summary of Significant Accounting Policies.

**Condition Rating and Actual Maintenance/Preservation of Airport Infrastructures**

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2021

- CONTINUED -

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

Because of safety requirements, all Airport infrastructure is constantly maintained. FAA 14 CFR Part 139 requires the following activities: (3) daily assessments of the airfield, which include but are not limited to inspection of the runway and taxiways pavement for wear or repair needs, painting/stripping, signage, etc. An inspection log is maintained, resulting in a traceable history of maintenance items addressed. The Airport undergoes a rigorous Part 139 audit annually. Management of the Airport believes it is not cost effective to obtain a complete condition assessment every three years and believes that the FAA requirements, together with the additional Airport and state regulatory inspection policies, are sufficient to assess the condition of the Airport infrastructure.

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

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

The following table represents the estimated and actual maintenance costs of the Airport's pavement infrastructure. In fiscal year 2015, the runway at the Airport and approximately 1,700 linear feet of Taxiway "A" were replaced. The runway and the new section of Taxiway "A" have a PCI of 100. Included in the runway project is a maintenance plan for the new pavement infrastructure. In fiscal year 2018, the Airport had a comprehensive Pavement Maintenance & Management study for all operated airports, including MYR, CRE, HYW and 5J9.

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
2021	\$ 212,500	\$ 148,566
2020	201,000	595,230
2019	194,500	236,960
2018	158,500	210,081
2017	97,000	149,700
2016	69,000	125,296
2015	54,000	62,688
2014	75,000	107,525
2013	44,860	60,937
2012	60,400	96,900
2011	44,000	54,600
2010	50,000	43,500
2009	54,000	56,700

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2021

- CONTINUED -

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

- **MYR Ramp Rehabilitation (\$2.8M)** - This project removed all remaining asphalt pavement on the Commercial Ramp at MYR and replaced it with 12 inches of P-501 Concrete over 5 inches of Cement Treated Base.
- **MYR Expansion of Taxiway "A" (\$5.0M)** – In order to expand the existing ramp for the proposed new terminal, taxiway "A" was expanded.
- **MYR Runway Rehabilitation (Budget \$20.5M)** – During fiscal year 2015 the construction work for complete rehabilitation of the MYR runway was completed. Additionally, 1,700 linear feet of taxiway "A" was replaced as part of this project. The full length was milled and replaced with variable depth asphalt. The runway rehabilitation meets the most current FAA design criteria.
- **General Aviation Ramp Rehabilitation (\$3.8M)** – The General Aviation (GA) ramp encompasses all aircraft parking aprons associated with the FBO and GA tenants. The vast majority of the apron is over forty (40) years old and was the primary aircraft parking apron for the United States Air Force (USAF). The PMMS identified future capital requirements based on the functional and structural conditions of the airfield pavement at MYR. Maintenance performed crack repairs and joint sealing over the years. A major rehabilitation and/or reconstruction of the entire GA ramp is recommended.
- MYR is experiencing tremendous growth in aircraft operations and increases in aircraft size from airline and military operators. The growth is bringing heavier aircraft more frequently to MYR, resulting in an increase in pavement deterioration beyond its original design strength when constructed. The Airport needs to rehabilitate its airfield taxiway pavement and lighting infrastructure before the pavement condition exceeds safety limits. A multi-phased approach to reduce stakeholder operational impacts will be used to deliver the project.
  - **Phase I of the project includes Taxiway A – South (\$35.3M)**, which was substantially complete in May 2020.
  - **Phase II of the project includes Taxiway A – North (\$24.5M)**, construction began in January 2020 and is estimated to be completed winter 2021.
  - **Future phases for Taxiway B**, will be designed and bid in 2022.

HORRY COUNTY, SOUTH CAROLINA

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

For Plan Year Ended June 30,  
(amounts expressed in thousands)

<b>Primary Government</b>	2020	2019	2018	2017	2016	2015	2014	2013
<b>SCRS</b>								
County's proportion of the net pension liability	0.5180%	0.5197%	0.5121%	0.5001%	0.5171%	0.5004%	0.4974%	0.4974%
County's proportionate share of the net pension liability	\$ 132,368	\$ 118,664	\$ 114,745	\$ 112,590	\$ 110,460	\$ 94,899	\$ 85,636	\$ 89,217
County's covered payroll	\$ 57,795	\$ 54,861	\$ 53,070	\$ 50,464	\$ 50,092	\$ 46,896	\$ 46,170	\$ 43,201
County's proportionate share of the net pension liability as a percentage of its covered payroll	229.03%	216.30%	216.21%	223.11%	220.51%	202.36%	185.48%	206.52%
Plan fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.33%	52.91%	57.00%	59.90%	NA
<b>Primary Government</b>								
<b>PORS</b>								
County's proportion of the net pension liability	3.6596%	3.4450%	3.2710%	3.3487%	3.4903%	3.3468%	3.3383%	3.3383%
County's proportionate share of the net pension liability	\$ 121,361	\$ 98,737	\$ 92,674	\$ 91,740	\$ 88,530	\$ 72,943	\$ 63,910	\$ 69,202
County's covered payroll	\$ 55,284	\$ 49,987	\$ 45,267	\$ 45,046	\$ 44,471	\$ 41,487	\$ 40,290	\$ 36,939
County's proportionate share of the net pension liability as a percentage of its covered payroll	219.52%	197.53%	204.73%	203.66%	199.07%	175.82%	158.62%	187.34%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.73%	60.94%	60.44%	64.60%	67.50%	NA
<b>Component Units</b>								
<b>Shoreline Behavioral Health Services</b>								
SBHS's proportion of the net pension liability	0.0255%	0.0245%	0.0234%	0.0234%	0.0211%	0.0189%	0.1378%	0.1378%
SBHS's proportionate share of the net pension liability	\$ 6,525	\$ 5,605	\$ 5,131	\$ 5,258	\$ 4,502	\$ 3,599	\$ 2,373	\$ 2,472
SBHS's covered payroll	\$ 2,731	\$ 2,846	\$ 2,592	\$ 2,373	\$ 2,358	\$ 2,041	\$ 1,779	\$ 1,251
SBHS's proportionate share of the net pension liability as a percentage of its covered payroll	238.92%	196.94%	197.96%	221.58%	190.92%	176.34%	133.39%	197.60%
Plan fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.33%	52.91%	57.00%	59.90%	56.4%
<b>Horry County Solid Waste Authority</b>								
HCSWA's proportion of the net pension liability	0.0378%	0.0348%	0.0402%	0.0388%	0.0418%	0.0406%	0.0426%	0.0426%
HCSWA's proportionate share of the net pension liability	\$ 9,647	\$ 7,952	\$ 8,998	\$ 8,748	\$ 8,938	\$ 7,693	\$ 7,332	\$ 7,638
HCSWA's covered payroll	\$ 4,212	\$ 4,069	\$ 4,161	\$ 3,923	\$ 4,052	\$ 3,804	\$ 3,866	\$ 3,854
HCSWA's proportionate share of the net pension liability as a percentage of its covered payroll	229.03%	195.43%	216.25%	222.99%	220.58%	202.23%	189.65%	198.18%
Plan fiduciary net position as a percentage of the total pension liability	50.71%	54.40%	54.10%	53.33%	52.91%	57.00%	59.90%	56.39%

Note for above schedules:

The following inflation rates were used: 2014 through 2017 - 2.75% and 2018 through 2021 - 2.25%.

The following discount rates were used: 2014 through 2017 - 7.50% and 2018 through 2021 - 7.25%.

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

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COUNTY CONTRIBUTIONS TO THE  
SOUTH CAROLINA RETIREMENT SYSTEM  
For fiscal year ended June 30,  
(amounts expressed in thousands)

<b>Primary Government</b>	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>SCRS</u></b>										
Contractually required contribution	\$ 8,581	\$ 8,482	\$ 7,477	\$ 7,196	\$ 5,831	\$ 5,540	\$ 5,112	\$ 4,819	\$ 4,527	\$ 3,977
Contributions in relation to the contractually required contribution	8,581	8,482	7,477	7,196	5,831	5,540	5,112	4,819	4,527	3,977
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
County's covered payroll	58,430	57,795	54,861	53,070	50,464	50,092	46,896	46,170	43,201	39,929
Contributions as a percentage of covered payroll	14.69%	14.68%	13.63%	13.56%	11.55%	11.06%	10.90%	10.44%	10.48%	9.96%
<b><u>PORS</u></b>										
Contractually required contribution	\$ 10,010	\$ 9,626	\$ 8,160	\$ 7,352	\$ 6,415	\$ 6,110	\$ 5,563	\$ 5,019	\$ 4,418	\$ 4,210
Contributions in relation to the contractually required contribution	10,010	9,626	8,160	7,352	6,415	6,110	5,563	5,019	4,418	4,210
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
County's covered payroll	57,387	55,284	49,987	45,267	45,046	44,470	41,487	40,290	36,939	35,440
Contributions as a percentage of covered payroll	17.44%	17.41%	16.32%	16.24%	14.24%	13.74%	13.41%	12.46%	11.96%	11.88%
<b>Component Units</b>										
<b>Shoreline Behavioral Health Services</b>										
Contractually required contribution	421	439	374	318	269	223	191	131	117	124
Contributions in relation to the contractually required contribution	421	439	374	318	269	223	191	131	117	124
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Shoreline's covered payroll	2,731	2,846	2,592	2,373	2,358	2,041	1,779	1,251	1,120	1,316
Contributions as a percentage of covered payroll	15.41%	15.41%	14.41%	13.41%	11.41%	10.93%	10.74%	10.47%	10.45%	9.42%
<b>Horry County Solid Waste Authority</b>										
Contractually required contribution	654	655	593	564	453	448	415	410	409	363
Contributions in relation to the contractually required contribution	654	655	593	564	453	448	415	410	409	363
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Solid Waste Authority's covered payroll	4,203	4,212	4,069	4,161	3,923	4,052	3,804	3,866	3,854	3,807
Contributions as a percentage of covered payroll	15.56%	15.55%	14.57%	13.55%	11.55%	11.06%	10.91%	10.61%	10.61%	9.54%

**Notes to Above Schedules:**

Information is obtained from South Carolina Retirement System Annual Report.



HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Primary Government

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 1,320,800	\$ 1,210,513	\$ 1,274,075	\$ 1,464,093
Interest	1,364,883	1,509,670	1,452,251	1,271,263
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(49,644)	(2,070,047)	253,350	-
Changes of assumptions	4,437,313	2,773,423	(341,030)	(3,808,954)
Benefit payments	(1,407,152)	(1,744,447)	(1,649,244)	(1,499,250)
Net change in total OPEB liability	5,666,200	1,679,112	989,402	(2,572,848)
Total OPEB liability - beginning	43,649,664	41,970,552	40,981,150	43,553,998
Total OPEB liability - ending	<u>\$ 49,315,864</u>	<u>\$ 43,649,664</u>	<u>\$ 41,970,552</u>	<u>\$ 40,981,150</u>
Covered - employee payroll	\$ 113,630,201	\$ 105,583,242	\$ 96,224,491	\$ 86,927,292
Total OPEB liability as a percentage of covered - employee payroll	43.40%	41.34%	43.62%	47.14%

**Notes to Schedule:**

Changes of assumptions reflect changes in the discount rate each period. The following discount rate were used: 2017 - 2.92%; 2018 - 3.56%; 2019 - 3.62%; 2020 - 3.13, and 2021 - 2.45%.

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

No assets are accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

SBHS

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	3,445	(7,175)	4,940	389
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	-	-	-
Changes of assumptions	-	-	-	-
Benefit payments	(12,405)	(12,045)	(12,072)	(11,622)
Net change in total OPEB liability	(8,960)	(19,220)	(7,132)	(11,233)
Total OPEB liability - beginning (2018 as restated)	101,165	120,385	127,517	138,750
Total OPEB liability - ending	<u>\$ 92,205</u>	<u>\$ 101,165</u>	<u>\$ 120,385</u>	<u>\$ 127,517</u>
Covered- employee payroll	\$ -	\$ -	\$ -	\$ -
Total OPEB liability as a percentage of covered - employee payroll	N/A	N/A	N/A	N/A

**Notes to Schedule:**

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

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

No assets are accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN THE COUNTY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

<u>HCSWA</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 106,826	\$ 100,322	\$ 104,433	\$ 116,448
Interest	64,170	80,525	75,760	63,387
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	11,550	(424,612)	(8,214)	-
Changes of assumptions	184,580	126,664	(15,043)	(161,647)
Benefit payments	<u>(58,165)</u>	<u>(62,706)</u>	<u>(54,362)</u>	<u>(55,411)</u>
Net change in total OPEB liability	308,961	(179,807)	102,574	(37,223)
Total OPEB liability - beginning	<u>2,025,827</u>	<u>2,205,634</u>	<u>2,103,060</u>	<u>2,140,283</u>
Total OPEB liability - ending	<u><u>\$ 2,334,788</u></u>	<u><u>\$ 2,025,827</u></u>	<u><u>\$ 2,205,634</u></u>	<u><u>\$ 2,103,060</u></u>
 Covered- employee payroll	 \$ 3,691,914	 \$ 3,886,796	 \$ 3,788,268	 \$ 3,406,157
Total OPEB liability as a percentage of covered - employee payroll	63.24%	52.12%	58.22%	61.74%

**Notes to Schedule:**

Changes of assumptions reflect the effects of changes in the discount rate each period. The following discount rate were used: 2017 - 2.92%; 2018 - 3.56%; 2019 - 3.62%; 2020 - 3.13, and 2021 - 2.45%.

No assets are accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

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

## OTHER FINANCIAL INFORMATION

COMBINING NON-MAJOR  
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major General Debt Service Fund	Total Non- Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 345,457	\$ -	\$ -	\$ 345,457
Pooled cash and investments	95,379,244	28,056,107	6,646,320	130,081,671
Receivables, net:				
Property taxes	1,376,525	67,012	338,427	1,781,964
Accounts and other	272,043	-	-	272,043
Fees	2,214,682	2,138,109	9,948	4,362,739
Lease receivable	1,211,005	-	-	1,211,005
Due from other governments	6,928,946	-	-	6,928,946
Prepaid items	5,825	-	-	5,825
Restricted assets	19,738,502	-	-	19,738,502
Total Assets	<u>\$ 127,472,229</u>	<u>\$ 30,261,228</u>	<u>\$ 6,994,695</u>	<u>\$ 164,728,152</u>
<b>Liabilities</b>				
Accounts payable - trade	\$ 7,175,478	\$ -	\$ -	\$ 7,175,478
Accounts payable - other	143,954	-	-	143,954
Accrued salaries and wages	1,170,860	-	-	1,170,860
Due to other funds	976,488	-	-	976,488
Due to other governments	93,319	-	-	93,319
Unearned revenue	16,048,957	-	-	16,048,957
Total liabilities	<u>25,609,056</u>	<u>-</u>	<u>-</u>	<u>25,609,056</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-fees and other	5,625,262	-	-	5,625,262
Unavailable revenue-property taxes	1,128,471	55,587	265,827	1,449,885
Total deferred inflows of resources	<u>6,753,733</u>	<u>55,587</u>	<u>265,827</u>	<u>7,075,147</u>
<b>Fund Balances</b>				
Nonspendable	5,825	-	-	5,825
Restricted for capital projects	16,132,465	1,961,993	-	18,094,458
Restricted for public safety	20,501,027	-	-	20,501,027
Restricted for culture, recreation and tourism	13,318,412	-	-	13,318,412
Restricted for infrastructure and regulation	15,377,052	1,112,336	-	16,489,388
Restricted for economic development	1,353,224	-	-	1,353,224
Restricted for health and social services	74,654	-	-	74,654
Restricted for debt service	-	-	6,728,868	6,728,868
Committed to other capital projects	-	27,131,312	-	27,131,312
Committed to culture, recreation and tourism	4,331,304	-	-	4,331,304
Committed to infrastructure and regulation	18,937,535	-	-	18,937,535
Committed to economic development	3,491,418	-	-	3,491,418
Committed to other purposes	2,241,503	-	-	2,241,503
Unassigned (deficit)	(654,979)	-	-	(654,979)
Total fund balances	<u>95,109,440</u>	<u>30,205,641</u>	<u>6,728,868</u>	<u>132,043,949</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,472,229</u>	<u>\$ 30,261,228</u>	<u>\$ 6,994,695</u>	<u>\$ 164,728,152</u>

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major General Debt Service Fund	Total Non- Major Governmental Funds
<b>Revenues</b>				
Real property taxes	\$ 39,290,493	\$ 1,802,088	\$ 10,846,126	\$ 51,938,707
Personal property taxes	2,911,848	142,686	708,051	3,762,585
Vehicle taxes	4,793,583	241,801	1,044,942	6,080,326
Fee in lieu of tax	1,734,679	9,971	76,833	1,821,483
Intergovernmental	25,797,999	-	46,853	25,844,852
Accommodations tax	4,167,191	-	-	4,167,191
Fees and fines	29,300,934	-	-	29,300,934
Hospitality fees	625,500	12,863,943	-	13,489,443
Local accommodations tax	1,000,000	-	-	1,000,000
Licenses and permits	2,815,941	-	-	2,815,941
Interest on investments	427,482	96,709	75,378	599,569
Other	2,385,724	359,564	272,350	3,017,638
Total revenues	<u>115,251,374</u>	<u>15,516,762</u>	<u>13,070,533</u>	<u>143,838,669</u>
<b>Expenditures</b>				
Current:				
General government	1,607,482	-	-	1,607,482
Public safety	42,682,376	33,147	-	42,715,523
Infrastructure and regulation	27,785,258	-	-	27,785,258
Health and social services	1,077,776	-	-	1,077,776
Culture, recreation and tourism	7,687,121	-	-	7,687,121
Economic development	5,101,910	-	-	5,101,910
HGTC and Higher Education Commission	5,282,803	-	-	5,282,803
Debt service	-	1,453,181	15,613,185	17,066,366
Capital outlay	8,073,125	2,190,989	-	10,264,114
Total expenditures	<u>99,297,851</u>	<u>3,677,317</u>	<u>15,613,185</u>	<u>118,588,353</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,953,523</u>	<u>11,839,445</u>	<u>(2,542,652)</u>	<u>25,250,316</u>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	40,837	-	-	40,837
Lease financing proceeds	279,558	-	-	279,558
Transfers in	9,322,539	9,959,849	1,362,489	20,644,877
Transfers out	(5,577,432)	(7,478,292)	(13,459,849)	(26,515,573)
Total other financing sources (uses)	<u>4,065,502</u>	<u>2,481,557</u>	<u>(12,097,360)</u>	<u>(5,550,301)</u>
Net change in fund balance	20,019,025	14,321,002	(14,640,012)	19,700,015
Fund balances at beginning of year	<u>75,090,415</u>	<u>15,884,639</u>	<u>21,368,880</u>	<u>112,343,934</u>
Fund balances at end of year	<u>\$ 95,109,440</u>	<u>\$ 30,205,641</u>	<u>\$ 6,728,868</u>	<u>\$ 132,043,949</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. Revenue is collected from 41.6 mills levied on property tax on real and personal property along with general revenues from fees and fines, licenses and permits, miscellaneous, and intergovernmental funding.



GENERAL FUND  
BALANCE SHEETS

As of June 30, 2021

(with comparative amounts as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,397,625	\$ 1,893,732
Pooled cash and investments	154,695,998	96,191,936
Receivables, net:		
Property taxes and other taxes	2,424,999	2,814,464
Accounts and other	6,153,319	4,404,702
Fees	2,663,366	1,887,064
Due from other funds	2,084,076	1,381,061
Due from other governments	6,267,434	10,917,509
Inventory	238,264	353,656
Prepaid items	832,684	672,938
Total Assets	<u>\$ 176,757,765</u>	<u>\$ 120,517,062</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ 15,731,069	\$ 3,410,275
Accrued salaries and wages	5,707,889	5,219,622
Due to other governments	2,993,021	2,093,419
Due to component unit	356,701	228,339
Due to taxpayers for overpayment	244,312	244,312
Funds associated with delinquent taxes	10,185,954	10,476,873
Unearned revenue	16,181	-
Construction performance bonds	33,117,593	2,983,306
Other accrued liabilities	2,091,244	2,111,327
Total Liabilities	<u>70,443,964</u>	<u>26,767,473</u>
<b>Deferred inflows of resources</b>		
Unavailable revenues - fees and other	6,716,918	10,360,344
Unavailable revenues - property taxes	2,736,299	2,705,962
Total deferred inflows of resources	<u>9,453,217</u>	<u>13,066,306</u>
<b>Fund balances</b>		
Nonspendable	1,070,948	1,026,594
Committed to public safety	2,763,078	2,312,862
Committed to culture, recreation & tourism	130,499	110,410
Committed to infrastructure & regulation	1,448,332	1,877,586
Committed to capital	-	5,000,000
Committed to reserves/stabilization	66,155,322	53,954,198
Committed to other purposes	9,637,642	2,778,776
Committed to OPEB	7,862,374	5,455,498
Committed to abatement/demolition	829,293	832,487
Unassigned	6,963,096	7,334,871
Total fund balances	<u>96,860,584</u>	<u>80,683,282</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 176,757,765</u>	<u>\$ 120,517,061</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD ENDED JUNE 30, 2021  
(with comparative actual amounts for the period ended June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Revenues</b>				
<u>Property taxes:</u>				
Real property taxes	\$ 93,634,587	\$ 96,923,736	\$ 3,289,149	\$ 92,383,794
Personal property taxes	5,875,119	6,251,091	375,972	5,403,598
Vehicle taxes	8,475,230	9,240,332	765,102	8,518,486
Fee in lieu of tax	3,906,000	3,948,428	42,428	3,465,031
Total property taxes	111,890,936	116,363,587	4,472,651	109,770,909
<u>Intergovernmental:</u>				
Federal grants	4,440,039	10,375,776	5,935,737	947,638
Inventory tax	306,286	357,148	50,862	285,317
State salary supplements	7,875	7,875	-	7,875
Board of registration & elections	364,500	488,287	123,787	111,508
Veteran affairs	6,708	6,843	135	6,843
State shared	11,528,765	11,871,058	342,293	11,721,990
State - library	538,582	538,582	-	538,582
Accommodations tax	237,503	229,701	(7,802)	209,466
Other - state	145,712	442,776	297,064	177,354
Total intergovernmental	17,575,970	24,318,046	6,742,076	14,006,573
<u>Fees and Fines:</u>				
Planning fees	222,000	377,972	155,972	307,369
EMS	9,703,000	10,033,047	330,047	9,639,041
RMC fees	3,062,200	3,802,645	740,445	3,159,111
Clerk of Court fees and fines	604,060	575,187	(28,873)	618,865
Library	92,354	58,393	(33,961)	65,244
Sheriff fines	45,000	42,958	(2,042)	46,210
Family court fees	461,000	399,014	(61,986)	393,420
Probate court fees	631,200	621,356	(9,844)	645,312
Magistrates' fees and fines	1,473,440	1,655,710	182,270	1,765,594
Master in Equity fees	650,000	182,023	(467,977)	370,783
CATV fees	4,321,500	4,485,355	163,855	4,382,873
Beach franchise fees	52,000	52,776	776	36,606
Hospitality fees	7,517,816	7,935,175	417,359	6,507,040
Local accommodations tax	281,158	331,706	50,548	427,589
Other	498,143	605,704	107,561	678,296
Total fees and fines	29,614,871	31,159,021	1,544,150	29,043,353

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Revenue (continued)</b>				
<u>RMC Documentary Stamps:</u>	<u>5,437,163</u>	<u>7,978,625</u>	<u>2,541,462</u>	5,358,858
<u>Licenses and Permits:</u>				
Business licenses	3,401,724	6,195,557	2,793,833	3,944,866
Building inspection permits	6,100,437	9,671,689	3,571,252	7,116,044
Other permits	70,000	57,410	(12,590)	76,525
Marriage licenses	210,000	127,387	(82,613)	116,973
Total licenses and permits	<u>9,782,161</u>	<u>16,052,043</u>	<u>6,269,882</u>	11,254,408
<u>Interest on investments:</u>	<u>871,137</u>	<u>345,918</u>	<u>(525,219)</u>	1,645,457
<u>Cost allocation:</u>	<u>4,219,450</u>	<u>3,697,033</u>	<u>(522,417)</u>	4,142,879
<u>Other:</u>				
Casino Boat	850,000	413,110	(436,890)	539,068
Rent	173,872	299,335	125,463	247,567
Other	3,457,590	4,440,509	982,919	4,295,480
Total other	<u>4,481,462</u>	<u>5,152,954</u>	<u>671,492</u>	5,082,115
Total revenue	<u>183,873,150</u>	<u>205,067,227</u>	<u>21,194,077</u>	180,304,552
<b>Expenditures</b>				
<b>Current:</b>				
<u>General Government:</u>				
County Council:				
Personnel costs	596,117	595,675	442	588,007
Contractual services	236,129	197,786	38,343	235,762
Supplies and material	626,420	127,535	498,885	262,243
Business and transportation	271,577	47,349	224,228	66,923
Capital outlay	10,000	-	10,000	-
Disaster	-	3,951	(3,951)	1,120
Total	<u>1,740,243</u>	<u>972,296</u>	<u>767,947</u>	1,154,055
County Administrator:				
Personnel costs	607,106	573,315	33,791	470,633
Contractual services	612,231	585,161	27,070	618,144
Supplies and material	19,212	8,227	10,985	9,104
Business and transportation	16,427	3,875	12,552	6,986
Other	65,127	-	65,127	-
Disaster	-	16,464	(16,464)	64,085
Programs	150,000	-	150,000	-
Total	<u>1,470,103</u>	<u>1,187,042</u>	<u>283,061</u>	1,168,952

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - General Government (continued)</b>				
Finance:				
Personnel costs	1,860,969	1,724,329	136,640	1,807,858
Contractual services	84,253	41,971	42,282	59,908
Supplies and material	28,430	19,620	8,810	14,019
Business and transportation	16,950	16,293	657	19,383
Other	78,027	-	78,027	-
Disaster	-	35,273	(35,273)	4,568
Total	2,068,629	1,837,486	231,143	1,905,736
Human Resources/Risk Management:				
Personnel costs	682,631	431,996	250,635	518,216
Contractual services	1,116,076	945,433	170,643	854,324
Supplies and material	56,533	43,763	12,770	33,329
Business and transportation	211,400	82,594	128,806	59,509
Capital outlay	23,595	23,595	-	-
Programs	188,306	62,779	125,527	67,383
Disaster	-	23,476	(23,476)	4,249
Total	2,278,541	1,613,636	664,905	1,537,010
Procurement:				
Personnel costs	653,345	573,305	80,040	460,089
Contractual services	61,837	53,514	8,323	53,760
Supplies and material	22,982	2,946	20,036	28,380
Business and transportation	4,021	3,480	541	13,316
Capital outlay	-	-	-	1,545
Disaster	-	127,235	(127,235)	507,763
Other	12,475	3,920	8,555	2,920
Total	754,660	764,400	(9,740)	1,067,773
IT/GIS:				
Personnel costs	3,752,299	3,603,951	148,348	3,539,295
Contractual services	2,302,909	2,297,231	5,678	1,839,282
Supplies and material	387,749	274,268	113,481	387,890
Business and transportation	18,296	17,226	1,070	98,962
Capital outlay	36,769	32,590	4,179	20,151
Disaster	-	126,300	(126,300)	169,761
Other	155,616	-	155,616	5,000
Total	6,653,638	6,351,566	302,072	6,060,341

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - General Government (continued)</b>				
Assessor:				
Personnel costs	3,791,750	3,684,742	107,008	3,672,620
Contractual services	224,474	42,387	182,087	225,857
Supplies and material	82,563	40,885	41,678	152,680
Business and transportation	50,410	40,570	9,840	50,485
Disaster	-	63,869	(63,869)	25,284
Other	166,774	39,870	126,904	33,212
Total	4,315,971	3,912,323	403,648	4,160,138
Assessor Appeals Board:				
Personnel costs	15,375	3,509	11,866	3,015
Supplies and material	1,000	-	1,000	552
Total	16,375	3,509	12,866	3,567
Treasurer:				
Personnel costs	2,321,259	2,258,186	63,073	2,088,105
Contractual services	69,273	67,913	1,360	58,136
Supplies and material	249,707	249,466	241	211,646
Business and transportation	9,160	9,160	-	10,990
Disaster	-	51,824	(51,824)	22,576
Other	15,405	10,447	4,958	89,771
Total	2,664,804	2,646,996	17,808	2,481,224
Business License:				
Personnel costs	670,153	659,265	10,888	649,431
Contractual services	38,746	34,929	3,817	27,769
Supplies and material	26,924	24,885	2,039	16,788
Business and transportation	11,035	8,269	2,766	6,027
Disaster	-	19,818	(19,818)	-
Other	3,101	3,099	2	263
Total	749,959	750,265	(306)	700,278
Auditor:				
Personnel costs	1,623,493	1,488,579	134,914	1,672,293
Contractual services	61,949	41,266	20,683	42,665
Supplies and material	143,984	102,868	41,116	87,706
Business and transportation	21,020	6,526	14,494	11,513
Disaster	-	24,811	(24,811)	7,220
Other	15,000	15,000	-	17,000
Total	1,865,446	1,679,050	186,396	1,838,397

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - General Government (continued)</b>				
Registrar of Deeds:				
Personnel costs	1,166,403	1,124,575	41,828	1,059,948
Contractual services	173,212	166,394	6,818	137,853
Supplies and material	113,926	108,108	5,818	111,286
Business and transportation	1,700	535	1,165	4,879
Capital outlay	15,004	15,004	-	-
Disaster	-	19,379	(19,379)	8,434
Total	1,470,245	1,433,995	36,250	1,322,400
Registration and Election:				
Personnel costs	857,421	590,828	266,593	653,145
Contractual services	162,864	89,824	73,040	50,479
Supplies and material	131,785	60,227	71,558	196,743
Business and transportation	21,640	5,865	15,775	16,910
Disaster	-	99,528	(99,528)	13,938
Other	6,000	6,000	-	6,000
Total	1,179,710	852,272	327,438	937,215
Public Information:				
Personnel costs	402,161	360,737	41,424	276,425
Contractual services	8,723	6,366	2,357	7,083
Supplies and material	70,622	8,662	61,960	13,236
Business and transportation	7,250	5,451	1,799	9,053
Other	14,000	-	14,000	-
Disaster	-	9,971	(9,971)	68,587
Total	502,756	391,187	111,569	374,384
Department Overhead:				
Personnel costs	3,211,993	853,285	2,358,708	800,441
Contractual services	2,018,900	1,785,663	233,237	1,509,078
Supplies and material	2,068,277	1,933,818	134,459	1,414,158
Programs	2,463,977	-	2,463,977	-
Disaster	-	112,492	(112,492)	248,040
Other	-	-	-	908,145
Total	9,763,147	4,685,258	5,077,889	4,879,862
Probate Judge:				
Personnel costs	1,223,462	1,108,780	114,682	1,100,949
Contractual services	11,260	3,321	7,939	6,368
Supplies and material	44,983	42,862	2,121	34,172
Business and transportation	6,591	1,576	5,015	4,657
Disaster	-	26,093	(26,093)	3,470
Total	1,286,296	1,182,632	103,664	1,149,616

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - General Government (continued)</b>				
Master-in-Equity:				
Personnel costs	524,707	462,115	62,592	472,681
Contractual services	40,700	15,263	25,437	32,433
Supplies and material	8,282	5,577	2,705	4,453
Business and transportation	2,800	598	2,202	1,083
Disaster	-	11,797	(11,797)	3,614
Total	576,489	495,350	81,139	514,264
Legal:				
Personnel costs	524,874	498,456	26,418	493,817
Contractual services	973,892	521,618	452,274	642,989
Supplies and material	8,203	6,213	1,990	7,840
Business and transportation	5,300	4,523	777	4,916
Disaster	-	10,452	(10,452)	25,856
Total	1,512,269	1,041,262	471,007	1,175,418
Grants Administration:				
Personnel costs	172,134	172,134	-	183,239
Contractual services	3,032	2,531	501	2,774
Supplies and material	5,557	2,334	3,223	2,753
Business and transportation	1,353	81	1,272	2,936
Disaster	-	96,287	(96,287)	84
Total	182,076	273,367	(91,291)	191,786
Delegation:				
Personnel costs	99,199	65,012	34,187	76,114
Contractual services	464	307	157	75
Supplies and material	1,179	980	199	480
Business and transportation	329	-	329	-
Capital outlay	100	-	100	-
Disaster	-	1,088	(1,088)	789
Total	101,271	67,387	33,884	77,458
Maintenance:				
Personnel costs	2,951,715	2,599,202	352,513	3,015,854
Contractual services	518,148	436,256	81,892	426,602
Supplies and material	497,436	144,556	352,880	161,487
Business and transportation	146,063	87,478	58,585	90,720
Capital outlay	15,409	7,868	7,541	8,006
Disaster	-	135,926	(135,926)	205,433
Other	231,654	79,010	152,644	212,096
Total	4,360,425	3,490,296	870,129	4,120,198
Total general government	45,513,053	35,631,575	9,881,478	36,820,072

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures</b>				
<u>Public Safety:</u>				
Public Safety Division:				
Personnel costs	419,047	417,882	1,165	248,569
Contractual services	640,373	634,997	5,376	573,409
Supplies and material	49,557	6,986	42,571	8,264
Business and transportation	9,200	1,328	7,872	1,428
Disaster	-	5,068	(5,068)	4,320
Other	102,770	102,770	-	421,122
Total	1,220,947	1,169,031	51,916	1,257,112
Clerk of Court:				
Personnel costs	1,976,983	1,838,366	138,617	1,862,712
Contractual services	255,239	89,270	165,969	125,026
Supplies and material	145,028	86,761	58,267	81,744
Business and transportation	6,200	3,075	3,125	2,559
Disaster	-	34,924	(34,924)	15,788
Other	81,472	706	80,766	1,616
Total	2,464,922	2,053,102	411,820	2,089,445
Clerk of Court - DSS Family Court:				
Personnel costs	682,977	677,122	5,855	646,049
Contractual services	7,405	1,475	5,930	1,657
Supplies and material	30,165	13,652	16,513	10,069
Business and transportation	2,500	-	2,500	1,085
Disaster	-	12,794	(12,794)	5,242
Total	723,047	705,043	18,004	664,102
Clerk of Court - Family Court:				
Personnel costs	271,641	249,176	22,465	272,679
Contractual services	1,880	1,610	270	1,112
Supplies and material	6,934	6,934	-	7,222
Business and transportation	566	-	566	45
Disaster	-	4,886	(4,886)	3,657
Other	696,508	1,898	694,610	6,948
Total	977,529	264,504	713,025	291,663



HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Public Safety (continued)</b>				
Magistrates:				
Personnel costs	3,301,247	3,196,837	104,410	3,200,009
Contractual services	239,321	79,568	159,753	111,498
Supplies and material	146,867	90,853	56,014	102,305
Business and transportation	50,210	17,582	32,628	48,186
Disaster	-	49,890	(49,890)	17,317
Other	25	25	-	-
Total	3,737,670	3,434,755	302,915	3,479,315
Communications:				
Supplies and material	136,469	120,838	15,631	-
Other	1,176,881	1,176,881	-	1,172,922
Total	1,313,350	1,297,719	15,631	1,172,922
Sheriff:				
Personnel costs	7,390,755	7,204,443	186,312	6,868,101
Contractual services	134,761	131,469	3,292	138,690
Supplies and material	147,588	139,240	8,348	145,173
Business and transportation	335,698	303,016	32,682	357,125
Capital outlay	-	-	-	4,234
Other	641,573	568,838	72,735	571,000
Disaster	-	251,248	(251,248)	116,107
Programs	205,924	30,711	175,213	26,671
Total	8,856,299	8,628,965	227,334	8,227,101
Police:				
Personnel costs	21,758,119	21,140,050	618,069	20,808,289
Contractual services	1,248,353	1,235,766	12,587	907,454
Supplies and material	1,243,163	863,227	379,936	734,062
Business and transportation	1,696,588	1,672,237	24,351	1,475,960
Capital outlay	23,250	23,250	-	8,399
Other	2,568,295	2,468,105	100,190	2,562,627
Disaster	-	451,616	(451,616)	361,409
Programs	265,950	156,289	109,661	136,417
Total	28,803,718	28,010,540	793,178	26,994,617

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Public Safety (continued)</b>				
Emergency Management:				
Personnel costs	420,556	321,644	98,912	353,356
Contractual services	39,037	37,501	1,536	42,377
Supplies and material	33,044	6,435	26,609	9,465
Business and transportation	18,793	4,285	14,508	8,473
Other	21,447	4,582	16,865	8,082
Disaster	-	7,518	(7,518)	4,750
Total	532,877	381,965	150,912	426,503
Emergency 911 Communications:				
Personnel costs	3,705,298	3,424,874	280,424	3,184,932
Contractual services	12,141	9,441	2,700	9,441
Supplies and material	14,592	4,584	10,008	12,897
Business and transportation	10,200	204	9,996	272
Other	112,555	-	112,555	-
Disaster	-	212,005	(212,005)	204,853
Total	3,854,786	3,651,108	203,678	3,412,395
Coroner:				
Personnel costs	806,235	677,976	128,259	654,467
Contractual services	493,995	454,362	39,633	514,251
Supplies and material	56,235	37,137	19,098	23,130
Business and transportation	41,825	20,809	21,016	16,613
Other	25,000	25,000	-	25,000
Disaster	-	10,987	(10,987)	3,247
Total	1,423,290	1,226,271	197,019	1,236,708
Detention Center:				
Personnel costs	22,045,464	19,151,940	2,893,524	20,623,531
Contractual services	4,630,149	4,210,882	419,267	4,067,275
Supplies and material	2,205,494	1,826,451	379,043	2,086,204
Business and transportation	237,226	183,625	53,601	231,031
Capital outlay	-	-	-	42,393
Other	1,518,528	13,200,738	(11,682,210)	663,384
Disaster	-	1,321,406	(1,321,406)	280,133
Programs	640,105	246,842	393,263	292,860
Total	31,276,966	40,141,884	(8,864,918)	28,286,811

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Public Safety (continued)</b>				
Emergency Medical Services:				
Personnel costs	15,927,570	14,686,496	1,241,074	14,774,896
Contractual services	1,013,338	936,317	77,021	946,101
Supplies and material	1,140,043	1,111,709	28,334	933,365
Business and transportation	666,116	598,676	67,440	625,670
Capital outlay	30,287	30,256	31	137,317
Other	753,829	667,749	86,080	668,854
Disaster	-	1,433,926	(1,433,926)	1,085,368
Programs	70,799	17,249	53,550	20,020
Total	19,601,982	19,482,378	119,604	19,191,591
Animal Care Center:				
Personnel costs	1,096,922	933,325	163,597	1,012,530
Contractual services	66,662	66,028	634	82,613
Supplies and material	295,585	248,755	46,830	182,219
Business and transportation	20,124	20,380	(256)	20,974
Capital outlay	8,911	8,911	-	-
Other	78,695	10,140	68,555	10,000
Disaster	-	16,975	(16,975)	11,961
Total	1,566,899	1,304,514	262,385	1,320,297
Parking Program:				
Contractual services	88,455	83,256	5,199	54,602
Supplies and material	17,091	13,902	3,189	95,856
Programs	224,838	-	224,838	-
Total	330,384	97,158	233,226	150,458
Total public safety	106,684,666	111,848,937	(5,164,271)	98,201,040
<b>Infrastructure &amp; Regulation</b>				
Assistant County Administrator:				
Personnel costs	298,266	294,674	3,592	243,382
Contractual services	190,133	189,798	335	186,582
Supplies and material	4,758	4,581	177	3,983
Business and transportation	834	567	267	200
Disaster	-	5,054	(5,054)	23,960
Total	493,991	494,674	(683)	458,107

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Infrastructure &amp; Regulation (continued)</b>				
County Engineer:				
Personnel costs	1,267,119	1,150,798	116,321	1,107,838
Contractual services	439,925	220,131	219,794	216,882
Supplies and material	19,929	16,766	3,163	10,348
Business and transportation	36,207	27,186	9,021	29,687
Other	78,361	30,000	48,361	33,000
Disaster	-	22,345	(22,345)	6,135
Total	1,841,541	1,467,226	374,315	1,403,890
Public Works:				
Personnel costs	5,573,624	5,095,915	477,709	5,253,375
Contractual services	404,592	378,709	25,883	321,505
Supplies and material	2,568,239	1,579,991	988,248	865,249
Business and transportation	1,375,490	1,302,027	73,463	1,271,304
Capital outlay	11,394	-	11,394	-
Other	1,609,928	1,324,356	285,572	1,344,356
Disaster	-	176,114	(176,114)	235,109
Total	11,543,267	9,857,112	1,686,155	9,290,898
Code Enforcement:				
Personnel costs	3,700,127	3,530,617	169,510	3,239,938
Contractual services	63,309	63,368	(59)	63,241
Supplies and material	45,399	39,181	6,218	41,345
Business and transportation	143,112	121,903	21,209	101,205
Capital outlay	43,000	-	43,000	-
Disaster	-	67,604	(67,604)	7,642
Other	68,124	68,124	-	93,124
Total	4,063,071	3,890,797	172,274	3,546,495
Planning:				
Personnel costs	2,208,279	2,028,760	179,519	1,950,200
Contractual services	105,541	59,142	46,399	201,316
Supplies and material	37,119	27,089	10,030	30,877
Business and transportation	18,696	18,497	199	13,979
Disaster	-	34,036	(34,036)	6,774
Other	25,525	25,525	-	28,025
Total	2,395,160	2,193,049	202,111	2,231,171

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Infrastructure &amp; Regulation (continued)</b>				
Railroad:				
Supplies and material	80,777	79,424	1,353	64,809
Total	80,777	79,424	1,353	64,809
Environmental Services:				
Personnel costs	287,964	267,124	20,840	271,481
Contractual services	8,143	1,487	6,656	4,732
Supplies and material	20,885	19,818	1,067	5,891
Business and transportation	9,115	7,910	1,205	5,389
Disaster	-	1,480	(1,480)	2,660
Other	9,722	4,541	5,181	4,541
Total	335,829	302,360	33,469	294,694
Abatement/Demolition:				
Contractual services	848,008	18,715	829,293	78,875
Total	848,008	18,715	829,293	78,875
Total infrastructure & regulation	21,601,644	18,303,357	3,298,287	17,368,939
<b>Health and Social Services:</b>				
Medically Indigent Assistance Program:				
Personnel costs	33,915	10,729	23,186	21,431
Contractual services	485	387	98	387
Supplies and material	750	509	241	371
Other	835,855	835,855	-	826,828
Total	871,005	847,480	23,525	849,017
Health Department:				
Contractual services	148,422	117,009	31,413	119,228
Supplies and material	4,317	2,232	2,085	26,222
Total	152,739	119,241	33,498	145,450
Department of Social Services:				
Contractual services	109,105	98,100	11,005	105,667
Supplies and material	5,722	1,302	4,420	18,906
Other	8,284	8,284	-	8,284
Total	123,111	107,686	15,425	132,857

HORRY COUNTY, SOUTH CAROLINA

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

	2021			2020
	Final Budget	Actual	Variance	Actual
<b>Expenditures - Health and Social Services (continued)</b>				
Veteran Affairs:				
Personnel costs	470,110	452,027	18,083	442,001
Contractual services	3,443	3,442	1	2,544
Supplies and material	8,665	5,241	3,424	4,244
Business and transportation	11,049	3,555	7,494	4,264
Disaster	-	6,130	(6,130)	4,363
Total	493,267	470,395	22,872	457,416
Total health and social services	1,640,122	1,544,802	95,320	1,584,740
<b>Culture, Recreation and Tourism:</b>				
Library:				
Personnel costs	3,270,059	2,757,035	513,024	2,780,616
Contractual services	641,138	590,132	51,006	594,552
Supplies and material	1,167,989	1,058,450	109,539	1,101,283
Business and transportation	24,556	17,309	7,247	32,244
Disaster	-	231,539	(231,539)	342,127
Other	122,721	36,293	86,428	40,293
Programs	13,267	2,009	11,258	3,154
Total	5,239,730	4,692,767	546,963	4,894,269
Museum:				
Personnel costs	494,040	372,992	121,048	456,944
Contractual services	257,684	204,097	53,587	215,729
Supplies and material	99,486	82,754	16,732	54,488
Business and transportation	17,291	3,575	13,716	14,349
Disaster	-	7,370	(7,370)	4,054
Other	138,629	16,338	122,291	17,760
Total	1,007,130	687,126	320,004	763,324
Total culture, recreation and tourism	6,246,860	5,379,893	866,967	5,657,593
<b>Economic Development:</b>				
Other	109,308	109,308	-	289,171
Total other agencies	109,308	109,308	-	289,171
Total expenditures	181,795,653	172,817,872	8,977,781	159,921,555
Excess of revenue over expenditures	2,077,497	32,249,355	30,171,858	20,382,997
<b>Other Financing Sources (Uses)</b>				
Sale of assets	50,000	24,445	(25,555)	14,053
Transfers in	1,969,346	1,954,581	(14,765)	608,765
Transfer out	(18,051,079)	(18,051,079)	-	(20,332,150)
Total other financing sources (uses)	(16,031,733)	(16,072,053)	(40,320)	(19,709,332)
Net change in fund balance	(13,954,236)	16,177,302	30,131,538	673,665
Fund balance at beginning of year	80,683,282	80,683,282	-	80,009,617
Fund balance at end of year	\$ 66,729,046	\$ 96,860,584	\$ 30,131,538	\$ 80,683,282

## 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:

**American Rescue Plan Act of 2021** - accounts for revenue earmarked for additional relief to address the continued impact of COVID-19.

**Fire** – accounts for operations of thirty-three (33) stations throughout unincorporated areas of Horry County. Revenue is collected from 19.0 mills levied on property tax on the unincorporated area of the County.

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

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

**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.

**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.

**Recreation** – accounts for revenue collected from 1.6 mills levied on property taxes and expenditures associated with the County's recreation programs.

**Waste Management Recycling** – accounts for solid waste collection and recycling programs of Horry County. Revenue is collected from 5.7 mills levied on property tax on the unincorporated areas of the County.

**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.

**Watershed** – accounts for revenue collected from property taxes for maintenance of the following watersheds: Cartwheel – 3.0 mills, Crab Tree – 2.9 mills, Todd Swamp – 2.8 mills, Simpson Creek – 2.6 mills, Buck Creek – 3.0 mills, and Gapway – 2.8 mills.

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

## SPECIAL REVENUE FUNDS

### - CONTINUED -

**Socastee Recreation** – in prior years, accounted for revenue collected from taxes earmarked for recreation facilities in the Socastee Community. FY2020 was the final reporting year for the Socastee Recreation Fund.

**Arcadian Shores** – accounts for revenue collected from 30.9 mills levied on property taxes associated with the Arcadian Shores Special Tax District. These funds are designated for infrastructure improvements.

**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 1.7 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.

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

**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.

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

**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.

**Admissions Tax** – accounts for revenue derived from Admissions Tax District established in the Fantasy Harbour area. Revenues are earmarked by state law for infrastructure improvements in that area.

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

**Conway Library Endowment Fund** – accounts for contributions designated to Horry County Library's Conway branch.

**Grants** – accounts for revenue earmarked for all grants.

**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.



HORRY COUNTY, SOUTH CAROLINA  
AMERICAN RESCUE PLAN ACT OF 2021  
BALANCE SHEET  
MAJOR SPECIAL REVENUE FUND

June 30, 2021

	<u>2021</u>
<b>Assets</b>	
Restricted assets	\$ 34,032,347
Total assets	<u>\$ 34,032,347</u>
<b>Liabilities</b>	
Unearned revenue	\$ 34,032,134
Total liabilities	<u>34,032,134</u>
<b>Fund Balance</b>	
Unassigned	<u>213</u>
Total fund balance	<u>213</u>
Total liabilities and fund balance	<u>\$ 34,032,347</u>

*Note: Initial reporting year for American Rescue Plan Act of 2021.*

HORRY COUNTY, SOUTH CAROLINA

AMERICAN RESCUE PLAN ACT OF 2021  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE

MAJOR SPECIAL REVENUE FUND

For the Year ended June 30, 2021

	<u>2021</u>
<b>Revenues</b>	
Intergovernmental	\$ 355,907
Interest	<u>213</u>
Total revenues	<u>356,120</u>
<b>Expenditures</b>	
Current:	
General government	<u>355,907</u>
Total expenditures	<u>355,907</u>
Excess (deficiency) of revenues over expenditures	<u>213</u>
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ 213</u></u>

*Note: Initial reporting year for American Rescue Plan Act of 2021.*

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2021

	Non-Major Funds					
	Fire	E-911	Victim Witness Assistance	Solicitor	Public Defender	Road Maintenance & CTC
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 344,557	\$ -	\$ 100
Pooled cash and investments	14,040,601	3,625,004	108,954	892,645	1,899,780	36,838,651
Receivables, net:						
Property taxes	795,897	-	-	-	-	-
Accounts and other	-	48,564	38,684	182,517	-	-
Fees	647	-	-	-	-	1,424,128
Lease receivable	-	-	-	-	-	-
Due from other governments	21,860	449,378	-	26,982	61,243	-
Prepaid items	-	-	-	-	-	-
Restricted assets	-	-	-	224,912	-	855,800
Total assets	<u>\$ 14,859,005</u>	<u>\$ 4,122,946</u>	<u>\$ 147,638</u>	<u>\$ 1,671,613</u>	<u>\$ 1,961,023</u>	<u>\$ 39,118,679</u>
<b>Liabilities</b>						
Accounts payable - trade	\$ 514,243	\$ 35,542	\$ 733	\$ 30,470	\$ 2,956	\$ 1,750,921
Accounts payable - other	-	-	-	143,954	-	-
Accrued salaries and wages	471,002	15,231	17,656	268,481	66,809	17,830
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	11,778	-	-
Unearned revenue	-	-	-	-	-	855,800
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>985,245</u>	<u>50,773</u>	<u>18,389</u>	<u>454,683</u>	<u>69,765</u>	<u>2,624,551</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-fees and other	21,860	-	-	2,489	-	1,424,128
Unavailable revenue-property taxes	657,994	-	-	-	-	-
Total deferred inflows of resources	<u>679,854</u>	<u>-</u>	<u>-</u>	<u>2,489</u>	<u>-</u>	<u>1,424,128</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	16,132,465
Restricted for public safety	13,193,906	4,072,173	129,249	1,214,441	1,891,258	-
Restricted for culture, recreation and tourism	-	-	-	-	-	-
Restricted for infrastructure and regulation	-	-	-	-	-	-
Restricted for economic development	-	-	-	-	-	-
Restricted for health and social services	-	-	-	-	-	-
Committed to culture, recreation and tourism	-	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-	18,937,535
Committed to economic development	-	-	-	-	-	-
Committed to other purposes	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	-
Total fund balances / (deficits)	<u>13,193,906</u>	<u>4,072,173</u>	<u>129,249</u>	<u>1,214,441</u>	<u>1,891,258</u>	<u>35,070,000</u>
Total liabilities, deferred inflows of resources and fund balance / (deficits)	<u>\$ 14,859,005</u>	<u>\$ 4,122,946</u>	<u>\$ 147,638</u>	<u>\$ 1,671,613</u>	<u>\$ 1,961,023</u>	<u>\$ 39,118,679</u>

**Non-Major Funds**

Beach Renourishment	Recreation	Waste Management Recycling	Stormwater Management	Watershed	Mt Gilead
\$ -	\$ 800	\$ -	\$ -	\$ -	\$ -
4,133,081	6,147,092	6,699,490	6,772,131	989,044	216,517
-	114,326	259,460	-	3,364	1,150
-	400	-	-	-	-
240,000	3,387	199	154,296	-	-
-	-	-	-	-	-
-	192,384	552,605	24,578	-	-
-	5,455	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,373,081</u>	<u>\$ 6,463,844</u>	<u>\$ 7,511,754</u>	<u>\$ 6,951,005</u>	<u>\$ 992,408</u>	<u>\$ 217,667</u>
\$ 41,777	\$ 97,937	\$ 1,078,379	\$ 170,721	\$ -	\$ 1,051
-	-	-	-	-	-
-	65,406	-	75,577	-	-
-	-	-	-	-	-
-	1,242	-	-	-	-
-	22,328	-	-	-	-
-	-	-	-	-	-
<u>41,777</u>	<u>186,913</u>	<u>1,078,379</u>	<u>246,298</u>	<u>-</u>	<u>1,051</u>
-	192,384	552,605	120,655	-	-
-	89,605	214,956	-	2,595	1,150
-	281,989	767,561	120,655	2,595	1,150
-	5,455	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,989,487	-	-	-	-
-	-	5,665,814	6,584,052	989,813	215,466
-	-	-	-	-	-
-	-	-	-	-	-
4,331,304	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,331,304</u>	<u>5,994,942</u>	<u>5,665,814</u>	<u>6,584,052</u>	<u>989,813</u>	<u>215,466</u>
<u>\$ 4,373,081</u>	<u>\$ 6,463,844</u>	<u>\$ 7,511,754</u>	<u>\$ 6,951,005</u>	<u>\$ 992,408</u>	<u>\$ 217,667</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2021

	Non-Major Funds					
	Arcadian Shores	Higher Education	Horry Georgetown Tech	Senior Citizen	Economic Development	Multi-County Business Park Rollback
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	74,859	198,923	1,491,765	439,987	4,673,682	1,442,676
Receivables, net:						
Property taxes	607	50,470	122,468	28,783	-	-
Accounts and other	-	-	-	-	-	-
Fees	-	1,481	3,598	846	382,680	3,420
Lease receivable	-	-	-	-	1,211,005	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total assets	<u>\$ 75,466</u>	<u>\$ 250,874</u>	<u>\$ 1,617,831</u>	<u>\$ 469,616</u>	<u>\$ 6,267,367</u>	<u>\$ 1,446,096</u>
<b>Liabilities</b>						
Accounts payable - trade	\$ 2,629	\$ -	\$ -	\$ 372,340	\$ 116,524	\$ -
Accounts payable - other	-	-	-	-	-	-
Accrued salaries and wages	-	-	-	-	9,916	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>2,629</u>	<u>-</u>	<u>-</u>	<u>372,340</u>	<u>126,440</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-fees and other	-	-	-	-	1,296,285	-
Unavailable revenue-property taxes	233	39,682	96,214	22,622	-	3,420
Total deferred inflows of resources	<u>233</u>	<u>39,682</u>	<u>96,214</u>	<u>22,622</u>	<u>1,296,285</u>	<u>3,420</u>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Restricted for public safety	-	-	-	-	-	-
Restricted for culture, recreation and tourism	-	211,192	1,521,617	-	-	-
Restricted for infrastructure and regulation	72,604	-	-	-	-	1,442,676
Restricted for economic development	-	-	-	-	1,353,224	-
Restricted for health and social services	-	-	-	74,654	-	-
Committed to culture, recreation and tourism	-	-	-	-	-	-
Committed to infrastructure and regulation	-	-	-	-	-	-
Committed to economic development	-	-	-	-	3,491,418	-
Committed to other purposes	-	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-	-
Total fund balances / (deficits)	<u>72,604</u>	<u>211,192</u>	<u>1,521,617</u>	<u>74,654</u>	<u>4,844,642</u>	<u>1,442,676</u>
Total liabilities, deferred inflows of resources and fund balance / (deficits)	<u>\$ 75,466</u>	<u>\$ 250,874</u>	<u>\$ 1,617,831</u>	<u>\$ 469,616</u>	<u>\$ 6,267,367</u>	<u>\$ 1,446,096</u>

**Non-Major Funds**

Tourism & Promotion	Admissions Tax	Baseball Stadium	Conway Library Endowment	Grants	CDBG Grant Program	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,457
-	406,627	368,580	229,298	3,689,857	-	95,379,244
-	-	-	-	-	-	1,376,525
1,878	-	-	-	-	-	272,043
-	-	-	-	-	-	2,214,682
-	-	-	-	-	-	1,211,005
2,821,555	-	-	-	1,971,442	806,919	6,928,946
-	-	-	-	-	370	5,825
-	-	101,977	4,452,656	14,103,157	-	19,738,502
<u>\$ 2,823,433</u>	<u>\$ 406,627</u>	<u>\$ 470,557</u>	<u>\$ 4,681,954</u>	<u>\$ 19,764,456</u>	<u>\$ 807,289</u>	<u>\$ 127,472,229</u>
\$ 641,537	\$ -	\$ -	\$ -	\$ 1,744,707	\$ 573,011	\$ 7,175,478
-	-	-	-	-	-	143,954
58,377	-	-	-	93,363	11,212	1,170,860
522,195	-	-	-	-	454,293	976,488
-	-	80,299	-	-	-	93,319
-	-	-	-	15,170,829	-	16,048,957
-	-	-	-	-	-	-
<u>1,222,109</u>	<u>-</u>	<u>80,299</u>	<u>-</u>	<u>17,008,899</u>	<u>1,038,516</u>	<u>25,609,056</u>
1,077,420	-	-	-	514,054	423,382	5,625,262
-	-	-	-	-	-	1,128,471
<u>1,077,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,054</u>	<u>423,382</u>	<u>6,753,733</u>
-	-	-	-	-	370	5,825
-	-	-	-	-	-	16,132,465
-	-	-	-	-	-	20,501,027
523,904	-	390,258	4,681,954	-	-	13,318,412
-	406,627	-	-	-	-	15,377,052
-	-	-	-	-	-	1,353,224
-	-	-	-	-	-	74,654
-	-	-	-	-	-	4,331,304
-	-	-	-	-	-	18,937,535
-	-	-	-	-	-	3,491,418
-	-	-	-	2,241,503	-	2,241,503
-	-	-	-	-	(654,979)	(654,979)
<u>523,904</u>	<u>406,627</u>	<u>390,258</u>	<u>4,681,954</u>	<u>2,241,503</u>	<u>(654,609)</u>	<u>95,109,440</u>
<u>\$ 2,823,433</u>	<u>\$ 406,627</u>	<u>\$ 470,557</u>	<u>\$ 4,681,954</u>	<u>\$ 19,764,456</u>	<u>\$ 807,289</u>	<u>\$ 127,472,229</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, 2021

	<b>Non-Major Funds</b>					
	Fire	E-911	Victim Witness Assistance	Solicitor	Public Defender	Road Maintenance & CTC
<b>Revenues</b>						
Real property taxes	\$ 21,398,691	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	1,700,592	-	-	-	-	-
Vehicle taxes	2,870,362	-	-	-	-	-
Fee in lieu of tax	116,770	-	-	-	-	-
Intergovernmental	1,829,884	1,810,330	10,645	2,199,875	1,330,492	630,209
Accommodations tax	-	-	-	-	-	-
Fees and fines	-	608,436	443,278	1,881,896	126,100	17,813,445
Hospitality fees	-	-	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest	44,378	13,879	1,023	23,884	10,958	144,288
Other	49,841	-	1,832	14,376	-	-
Total revenues	<u>28,010,518</u>	<u>2,432,645</u>	<u>456,778</u>	<u>4,120,031</u>	<u>1,467,550</u>	<u>18,587,942</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	23,036,331	1,558,079	736,625	8,532,310	2,581,622	-
Health and social services	-	-	-	-	-	-
Infrastructure and regulation	-	-	-	-	-	7,535,000
Culture, recreation and tourism	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
HGTC and Higher Education Commission	-	-	-	-	-	-
Capital outlay	155,319	-	-	-	-	6,498,373
Total expenditures	<u>23,191,650</u>	<u>1,558,079</u>	<u>736,625</u>	<u>8,532,310</u>	<u>2,581,622</u>	<u>14,033,373</u>
Excess (deficiency) of revenues over expenditures	<u>4,818,868</u>	<u>874,566</u>	<u>(279,847)</u>	<u>(4,412,279)</u>	<u>(1,114,072)</u>	<u>4,554,569</u>
<b>Other Financing Sources (Uses)</b>						
Sale of assets	5,097	-	-	-	-	-
Lease financing proceeds	-	-	-	-	-	-
Transfers in	650,702	-	362,095	4,862,077	1,331,872	-
Transfers out	(2,139,102)	(250,000)	-	(9,144)	-	(790,000)
Total other financing sources (uses)	<u>(1,483,303)</u>	<u>(250,000)</u>	<u>362,095</u>	<u>4,852,933</u>	<u>1,331,872</u>	<u>(790,000)</u>
Net change in fund balance	3,335,565	624,566	82,248	440,654	217,800	3,764,569
Fund balances (deficits), at beginning of year	<u>9,858,341</u>	<u>3,447,607</u>	<u>47,001</u>	<u>773,787</u>	<u>1,673,458</u>	<u>31,305,431</u>
Fund balances (deficits), at end of year	<u>\$ 13,193,906</u>	<u>\$ 4,072,173</u>	<u>\$ 129,249</u>	<u>\$ 1,214,441</u>	<u>\$ 1,891,258</u>	<u>\$ 35,070,000</u>

Non-Major Funds					
Beach Renourishment	Recreation	Waste Management Recycling	Stormwater Management	Watershed	Mt Gilead
\$ -	\$ 3,691,820	\$ 7,381,634	\$ -	\$ 121,030	\$ 162,251
-	241,579	545,776	-	404	1,468
-	353,172	946,841	-	-	-
-	26,161	39,478	-	6	-
-	270,203	1,824,085	2,435,131	-	-
-	-	-	-	-	-
-	-	-	8,427,779	-	-
-	158,000	-	-	-	-
1,000,000	-	-	-	-	-
-	1,736,539	1,079,402	-	-	-
17,152	20,778	23,175	19,698	4,117	841
-	639,612	-	-	-	253
1,017,152	7,137,864	11,840,391	10,882,608	125,557	164,813
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,557,931	6,881,334	24,344	200,795
52,780	4,924,106	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,855	213,812	193,453	-	-
52,780	4,933,961	9,771,743	7,074,787	24,344	200,795
964,372	2,203,903	2,068,648	3,807,821	101,213	(35,982)
-	-	-	-	-	-
-	-	-	-	-	-
-	16,333	-	-	-	-
(304,240)	(1,181,953)	-	(306,259)	-	-
(304,240)	(1,165,620)	-	(306,259)	-	-
660,132	1,038,283	2,068,648	3,501,562	101,213	(35,982)
3,671,172	4,956,659	3,597,166	3,082,490	888,600	251,448
\$ 4,331,304	\$ 5,994,942	\$ 5,665,814	\$ 6,584,052	\$ 989,813	\$ 215,466



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, 2021

	<b>Non-Major Funds</b>					
	Arcadian Shores	Higher Education	Horry Georgetown Tech	Senior Citizen	Economic Development	Multi-County Business Park Rollback
<b>Revenues</b>						
Real property taxes	\$ 65,470	\$ 1,615,227	\$ 3,923,092	\$ 922,918	\$ 8,360	\$ -
Personal property taxes	517	105,300	256,085	60,127	-	-
Vehicle taxes	-	156,050	378,316	88,842	-	-
Fee in lieu of tax	-	11,442	27,790	6,538	1,257,897	248,597
Intergovernmental	-	6,680	16,890	460	6,777	-
Accommodations tax	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-
Hospitality fees	-	-	-	-	-	-
Local accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest	308	1,885	7,732	970	38,993	5,585
Other	500	-	-	-	70,643	-
Total revenues	<u>66,795</u>	<u>1,896,584</u>	<u>4,609,905</u>	<u>1,079,855</u>	<u>1,382,670</u>	<u>254,182</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and social services	-	-	-	1,077,776	-	-
Infrastructure and regulation	64,604	-	-	-	-	-
Culture, recreation and tourism	-	-	-	-	-	-
Economic development	-	-	-	-	781,574	-
HGTC and Higher Education Commission	-	1,582,803	3,700,000	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>64,604</u>	<u>1,582,803</u>	<u>3,700,000</u>	<u>1,077,776</u>	<u>781,574</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,191</u>	<u>313,781</u>	<u>909,905</u>	<u>2,079</u>	<u>601,096</u>	<u>254,182</u>
<b>Other Financing Sources (Uses)</b>						
Sale of assets	-	-	-	-	35,740	-
Lease financing proceeds	-	-	-	-	279,558	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(223,600)	(253,352)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(223,600)</u>	<u>(253,352)</u>	<u>-</u>	<u>315,298</u>	<u>-</u>
Net change in fund balance	2,191	90,181	656,553	2,079	916,394	254,182
Fund balances (deficits), at beginning of year	<u>70,413</u>	<u>121,011</u>	<u>865,064</u>	<u>72,575</u>	<u>3,928,248</u>	<u>1,188,494</u>
Fund balances (deficits), at end of year	<u>\$ 72,604</u>	<u>\$ 211,192</u>	<u>\$ 1,521,617</u>	<u>\$ 74,654</u>	<u>\$ 4,844,642</u>	<u>\$ 1,442,676</u>

Non-Major Funds						
Tourism & Promotion	Admissions Tax	Baseball Stadium	Conway Library Endowment	Grants	CDBG Grant Program	Total Non-Major Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,290,493
-	-	-	-	-	-	2,911,848
-	-	-	-	-	-	4,793,583
-	-	-	-	-	-	1,734,679
386,625	-	-	-	9,006,369	4,033,344	25,797,999
4,167,191	-	-	-	-	-	4,167,191
-	-	-	-	-	-	29,300,934
270,000	-	197,500	-	-	-	625,500
-	-	-	-	-	-	1,000,000
-	-	-	-	-	-	2,815,941
245	1,813	1,717	24,112	19,945	6	427,482
39,631	-	984	230,151	1,337,901	-	2,385,724
4,863,692	1,813	200,201	254,263	10,364,215	4,033,350	115,251,374
-	-	-	-	1,607,482	-	1,607,482
1,881,169	-	-	-	4,356,240	-	42,682,376
-	-	-	-	-	-	1,077,776
-	-	-	-	3,521,250	-	27,785,258
2,625,730	-	81,505	-	3,000	-	7,687,121
-	-	-	-	32,898	4,287,438	5,101,910
-	-	-	-	-	-	5,282,803
14,553	-	-	-	987,760	-	8,073,125
4,521,452	-	81,505	-	10,508,630	4,287,438	99,297,851
342,240	1,813	118,696	254,263	(144,415)	(254,088)	15,953,523
-	-	-	-	-	-	40,837
-	-	-	-	-	-	279,558
18,606	-	-	-	2,076,104	4,750	9,322,539
(31,779)	-	-	(88,003)	-	-	(5,577,432)
(13,173)	-	-	(88,003)	2,076,104	4,750	4,065,502
329,067	1,813	118,696	166,260	1,931,689	(249,338)	20,019,025
194,837	404,814	271,562	4,515,694	309,814	(405,271)	75,090,415
\$ 523,904	\$ 406,627	\$ 390,258	\$ 4,681,954	\$ 2,241,503	\$ (654,609)	\$ 95,109,440

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 14,040,601	\$ 10,258,361
Receivables, net:		
Property taxes	795,897	824,170
Accounts and other	-	3,882
Fees	647	293
Due from other governments	21,860	643,674
Total assets	<u>\$ 14,859,005</u>	<u>\$ 11,730,380</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 514,243	\$ 136,434
Accrued salaries and wages	471,002	426,058
Total liabilities	<u>985,245</u>	<u>562,492</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	21,860	648,745
Unavailable revenue-property taxes	657,994	660,802
Total deferred inflows of resources	<u>679,854</u>	<u>1,309,547</u>
<b>Fund Balances</b>		
Restricted for public safety	13,193,906	9,858,341
Total fund balance	<u>13,193,906</u>	<u>9,858,341</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 14,859,005</u>	<u>\$ 11,730,380</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 20,562,474	\$ 21,398,691	\$ 836,217	\$ 20,180,166
Personal property taxes	1,520,716	1,700,592	179,876	1,447,208
Vehicle taxes	2,499,647	2,870,362	370,715	2,565,054
Fee in lieu of tax	116,000	116,770	770	41,658
Intergovernmental	454,080	1,829,884	1,375,804	2,202,317
Interest	50,000	44,378	(5,622)	121,306
Other	97,470	49,841	(47,629)	41,991
Total revenues	25,300,387	28,010,518	2,710,131	26,599,700
<b>Expenditures</b>				
Current:				
Public safety:				
Personnel costs	17,369,369	16,809,116	560,253	16,775,854
Contractual services	1,357,862	1,354,611	3,251	1,233,062
Supplies and materials	1,461,375	1,283,252	178,123	1,144,632
Business and transportation	1,196,330	1,152,868	43,462	943,051
Capital outlay	174,582	155,319	19,263	115,467
Programs	694,365	-	694,365	-
Indirect cost allocation	1,251,523	1,077,332	174,191	1,389,040
Other	727,047	364,313	362,734	371,313
Disaster	-	994,839	(994,839)	689,721
Total expenditures	24,232,453	23,191,650	1,040,803	22,662,140
Excess of revenues over expenditures	1,067,934	4,818,868	3,750,934	3,937,560
<b>Other Financing Sources (Uses)</b>				
Sale of assets	-	5,097	5,097	4,718
Transfers in	650,702	650,702	-	-
Transfers out	(2,151,705)	(2,139,102)	12,603	(2,231,372)
Total other financing sources (uses)	(1,501,003)	(1,483,303)	17,700	(2,226,654)
Net change in fund balance	(433,069)	3,335,565	3,768,634	1,710,906
Fund balance at beginning of year	9,858,341	9,858,341	-	8,147,435
Fund balance at end of year	\$ 9,425,272	\$ 13,193,906	\$ 3,768,634	\$ 9,858,341

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 3,625,004	\$ 3,065,314
Receivables, net:		
Accounts and other	48,564	28,635
Due from other governments	449,378	482,125
Total assets	<u>\$ 4,122,946</u>	<u>\$ 3,576,074</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 35,542	\$ 13,852
Accrued salaries and wages	15,231	14,681
Total liabilities	<u>50,773</u>	<u>28,533</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	-	99,934
Total deferred inflows of resources	<u>-</u>	<u>99,934</u>
<b>Fund Balances</b>		
Restricted for public safety	4,072,173	3,447,607
Total fund balance	<u>4,072,173</u>	<u>3,447,607</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,122,946</u>	<u>\$ 3,576,074</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 1,898,878	\$ 1,810,330	\$ (88,548)	\$ 1,452,059
Fees and fines	705,000	608,436	(96,564)	647,542
Interest	15,000	13,879	(1,121)	57,947
Total revenues	2,618,878	2,432,645	(186,233)	2,157,548
<b>Expenditures</b>				
Current:				
Public safety:				
Personnel costs	753,153	751,691	1,462	813,930
Contractual services	1,442,375	725,192	717,183	778,883
Supplies and materials	83,913	32,482	51,431	49,569
Business and transportation	74,060	29,178	44,882	91,004
Programs	10,377	-	10,377	-
Other	5,000	5,000	-	5,000
Disaster	-	14,536	(14,536)	60,038
Total expenditures	2,368,878	1,558,079	810,799	1,798,424
Excess of revenues over expenditures	250,000	874,566	624,566	359,124
<b>Other Financing Sources (Uses)</b>				
Transfers out	(250,000)	(250,000)	-	(2,250,000)
Total other financing sources (uses)	(250,000)	(250,000)	-	(2,250,000)
Net change in fund balance	-	624,566	624,566	(1,890,876)
<b>Fund balance at beginning of year</b>	3,447,607	3,447,607	-	5,338,483
<b>Fund balance at end of year</b>	\$ 3,447,607	\$ 4,072,173	\$ 624,566	\$ 3,447,607

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 108,954	\$ 37,402
Receivables, net:		
Accounts and other	38,684	29,048
Due from other governments	-	3,612
Total assets	<u>\$ 147,638</u>	<u>\$ 70,062</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 733	\$ 4,091
Accrued salaries and wages	17,656	15,358
Total liabilities	<u>18,389</u>	<u>19,449</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	-	3,612
Total deferred inflows of resources	<u>-</u>	<u>3,612</u>
<b>Fund Balances</b>		
Restricted for public safety	129,249	47,001
Total fund balance	<u>129,249</u>	<u>47,001</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 147,638</u>	<u>\$ 70,062</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 3,612	\$ 10,645	\$ 7,033	\$ -
Fees & fines	363,440	443,278	79,838	356,173
Interest	-	1,023	1,023	5,191
Other	1,832	1,832	-	1,926
Total revenues	368,884	456,778	87,894	363,290
<b>Expenditures</b>				
Current:				
Public safety				
Detention:				
Personnel costs	278,708	267,083	11,625	271,218
Contractual services	4,152	1,010	3,142	851
Supplies and materials	13,276	8,465	4,811	9,826
Business and transportation	4,000	2,987	1,013	6,703
Disaster	-	4,913	(4,913)	-
Other	6,443	559	5,884	80
Total Detention	306,579	285,017	21,562	288,678
Solicitor - Georgetown:				
Personnel costs	75,149	74,804	345	83,176
Contractual services	496	-	496	-
Disaster	-	659	(659)	1,122
Business and transportation	153	153	-	2,308
Total Solicitor - Georgetown	75,798	75,616	182	86,606
Solicitor:				
Personnel costs	319,710	317,199	2,511	323,517
Contractual services	57,064	42,858	14,206	41,623
Supplies and materials	6,645	5,644	1,001	2,396
Business and transportation	1,733	1,510	223	3,566
Disaster	-	8,781	(8,781)	2,354
Total Solicitor	385,152	375,992	9,160	373,456
Total expenditures	767,529	736,625	30,904	748,740
Excess (deficiency) of revenues over expenditures	(398,645)	(279,847)	118,798	(385,450)
<b>Other Financing Sources (Uses)</b>				
Transfers in	362,095	362,095	-	344,899
Total other financing sources (uses)	362,095	362,095	-	344,899
Net change in fund balance	(36,550)	82,248	118,798	(40,551)
Fund balance at beginning of year	47,001	47,001	-	87,552
Fund balance at end of year	\$ 10,451	\$ 129,249	\$ 118,798	\$ 47,001



HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 344,557	\$ 257,341
Pooled cash and investments	892,645	432,889
Receivables, net:		
Accounts and other	182,517	269,893
Due from other governments	26,982	156,499
Restricted assets	224,912	284,395
Total assets	<u>\$ 1,671,613</u>	<u>\$ 1,401,017</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 30,470	\$ 77,949
Accounts payable - other	143,954	155,400
Accrued salaries and wages	268,481	360,557
Due to other governments	11,778	11,778
Total liabilities	<u>454,683</u>	<u>605,684</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	2,489	21,546
Total deferred inflows of resources	<u>2,489</u>	<u>21,546</u>
<b>Fund Balances</b>		
Restricted for public safety	1,214,441	773,787
Total fund balance	<u>1,214,441</u>	<u>773,787</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,671,613</u>	<u>\$ 1,401,017</u>

HORRY COUNTY, SOUTH CAROLINA  
SOLICITOR SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 2,482,207	\$ 2,199,875	\$ (282,332)	\$ 2,179,660
Fees and fines	1,948,430	1,881,896	(66,534)	2,071,245
Interest	-	23,884	23,884	80,032
Other	14,376	14,376	-	-
Total revenues	4,445,013	4,120,031	(324,982)	4,330,937
<b>Expenditures</b>				
Public safety:				
Victim Witness:				
Personnel costs	60,168	37,475	22,693	82,406
Contractual services	75	75	-	22,763
Supplies and materials	117	21	96	1,246
Business and transportation	-	-	-	400
Disaster	(8,386)	9,049	(17,435)	8,610
Total Victim Witness	51,974	46,620	5,354	115,425
State Appropriations:				
Personnel costs	1,910,775	1,369,184	541,591	1,730,535
Contractual services	41,500	39,544	1,956	82,580
Supplies and materials	850	839	11	-
Business and transportation	8,396	8,313	83	3,685
Other	276,795	80,973	195,822	103,692
Disaster	-	29,155	(29,155)	4,837
Total State Appropriations	2,238,316	1,528,008	710,308	1,925,329
Solicitor Georgetown:				
Personnel costs	1,138,017	1,089,711	48,306	1,069,481
Contractual services	51,829	43,052	8,777	82,740
Supplies and materials	26,677	25,508	1,169	29,583
Business and transportation	10,070	10,070	-	13,205
Other	2,833	2,833	-	2,833
Disaster	-	18,183	(18,183)	4,350
Total Solicitor Georgetown	1,229,426	1,189,357	40,069	1,202,192

CONTINUED

HORRY COUNTY, SOUTH CAROLINA  
SOLICITOR SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Expenditures (continued)</b>				
Public safety:				
Solicitor Horry County:				
Personnel costs	3,653,732	3,617,419	36,313	3,722,455
Contractual services	360,234	344,725	15,509	378,300
Supplies and materials	143,091	128,601	14,490	118,129
Business and transportation	57,107	56,529	578	41,292
Other	98,803	12,060	86,743	12,060
Disaster	(1,075)	68,021	(69,096)	12,157
Total Solicitor Horry County	4,311,892	4,227,355	84,537	4,284,393
Pre-Trial Intervention:				
Personnel costs	709,327	422,966	286,361	602,491
Contractual services	5,472	2,549	2,923	4,580
Supplies and materials	4,251	4,251	-	1,242
Business and transportation	608	294,879	(294,271)	287,257
Disaster	-	4,068	(4,068)	5,213
Other	8,650	5,640	3,010	60,014
Total Pre-Trial Intervention	728,308	734,353	(6,045)	960,797
Drug Enforcement Unit:				
Personnel costs	265,874	264,655	1,219	262,709
Contractual services	63,609	62,102	1,507	58,767
Supplies and materials	43,265	38,093	5,172	61,246
Business and transportation	8,710	8,710	-	8,347
Other	28,927	19,646	9,281	19,646
Disaster	-	4,510	(4,510)	-
Total Drug Enforcement Unit	410,385	397,716	12,669	410,715
Drug Court:				
Personnel costs	317,394	305,448	11,946	350,506
Contractual services	24,870	13,460	11,410	45,896
Supplies and materials	55,170	31,732	23,438	42,632
Business and transportation	24,474	5,715	18,759	12,011
Other	53,010	4,605	48,405	4,605
Disaster	-	4,995	(4,995)	-
Total Drug Court	474,918	365,955	108,963	455,650
Worthless Check:				
Personnel costs	73,127	32,881	40,246	88,031
Contractual services	39	37	2	8,009
Total Worthless Check	73,166	32,918	40,248	96,040

CONTINUED

HORRY COUNTY, SOUTH CAROLINA  
SOLICITOR SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Expenditures (continued)</b>				
Public safety:				
Georgetown Drug Enforcement Units:				
Personnel costs	92,745	9,939	82,806	93,788
Contractual services	89	89	-	4,900
Supplies and materials	-	-	-	1,440
Disaster	-	-	-	702
Total GT DEU	92,834	10,028	82,806	100,830
Total public safety expenditures	9,611,219	8,532,310	1,078,909	9,551,371
Excess (deficiency) of revenues over expenditures	(5,166,206)	(4,412,279)	753,927	(5,220,434)
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,862,077	4,862,077	-	4,770,296
Transfers out	(9,144)	(9,144)	-	(9,744)
Total other financing sources (uses)	4,852,933	4,852,933	-	4,760,552
Net change in fund balance	(313,273)	440,654	753,927	(459,882)
<b>Fund balance at beginning of year</b>	773,787	773,787	-	1,233,669
<b>Fund balance at end of year</b>	<b>\$ 460,514</b>	<b>\$ 1,214,441</b>	<b>\$ 753,927</b>	<b>\$ 773,787</b>

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 1,899,780	\$ 1,695,799
Due from other governments	61,243	41,789
Total assets	<u>\$ 1,961,023</u>	<u>\$ 1,737,588</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 2,956	\$ 1,731
Accrued salaries and wages	66,809	62,399
Total liabilities	<u>69,765</u>	<u>64,130</u>
<b>Fund Balances</b>		
Restricted for public safety	<u>1,891,258</u>	<u>1,673,458</u>
Total fund balance	<u>1,891,258</u>	<u>1,673,458</u>
Total liabilities and fund balance	<u>\$ 1,961,023</u>	<u>\$ 1,737,588</u>

HORRY COUNTY, SOUTH CAROLINA  
PUBLIC DEFENDER SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 1,260,021	\$ 1,330,492	\$ 70,471	\$ 1,234,492
Fees and fines	126,100	126,100	-	126,100
Interest	-	10,958	10,958	48,944
Total revenues	<u>1,386,121</u>	<u>1,467,550</u>	<u>81,429</u>	<u>1,409,536</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Horry County:				
Personnel costs	2,065,865	1,970,895	94,970	1,892,731
Contractual services	141,225	126,420	14,805	166,307
Supplies and materials	64,600	58,759	5,841	58,373
Business and transportation	65,700	32,212	33,488	36,506
Programs	1,506,198	-	1,506,198	-
Other	2,500	2,500	-	2,500
Disaster	-	35,476	(35,476)	-
Total Horry County operations	<u>3,846,088</u>	<u>2,226,262</u>	<u>1,619,826</u>	<u>2,156,417</u>
Georgetown:				
Personnel costs	296,732	266,293	30,439	303,941
Contractual services	84,000	77,323	6,677	64,179
Supplies and materials	8,800	2,617	6,183	18,230
Business and transportation	6,900	4,363	2,537	7,460
Programs	148,931	-	148,931	-
Disaster	-	4,764	(4,764)	155
Total Georgetown County operations	<u>545,363</u>	<u>355,360</u>	<u>190,003</u>	<u>393,965</u>
Total expenditures	<u>4,391,451</u>	<u>2,581,622</u>	<u>1,809,829</u>	<u>2,550,382</u>
Excess (deficiency) of revenues over expenditures	<u>(3,005,330)</u>	<u>(1,114,072)</u>	<u>1,891,258</u>	<u>(1,140,846)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>1,331,872</u>	<u>1,331,872</u>	<u>-</u>	<u>1,268,800</u>
Total other financing sources (uses)	<u>1,331,872</u>	<u>1,331,872</u>	<u>-</u>	<u>1,268,800</u>
Net change in fund balance	<u>(1,673,458)</u>	<u>217,800</u>	<u>1,891,258</u>	<u>127,954</u>
<b>Fund balance at beginning of year</b>	<u>1,673,458</u>	<u>1,673,458</u>	<u>-</u>	<u>1,545,504</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 1,891,258</u>	<u>\$ 1,891,258</u>	<u>\$ 1,673,458</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 100	\$ 100
Pooled cash and investments	36,838,651	33,501,438
Receivables, net:		
Fees	1,424,128	1,761,177
Due from other governments	-	110,565
Restricted assets	855,800	-
Total assets	<u>\$ 39,118,679</u>	<u>\$ 35,373,280</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 1,750,921	\$ 2,148,349
Accrued salaries and wages	17,830	24,795
Unearned revenue	855,800	-
Total liabilities	<u>2,624,551</u>	<u>2,173,144</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	1,424,128	1,894,705
Total deferred inflows of resources	<u>1,424,128</u>	<u>1,894,705</u>
<b>Fund Balances</b>		
Restricted for capital projects	16,132,515	12,454,828
Committed to infrastructure and regulation	18,937,485	18,850,603
Total fund balance	<u>35,070,000</u>	<u>31,305,431</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 39,118,679</u>	<u>\$ 35,373,280</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 2,461,407	\$ 630,209	\$ (1,831,198)	\$ 1,361,447
Fees	15,832,625	17,813,445	1,980,820	16,375,492
Interest	187,500	144,288	(43,212)	751,988
Other	855,800	-	(855,800)	30,225
Total revenues	19,337,332	18,587,942	(749,390)	18,519,152
<b>Expenditures</b>				
Current:				
Engineer:				
Construction Contracts	2,458,525	434,934	2,023,591	381,216
Capital outlay - infrastructure	23,171,426	4,968,459	18,202,967	13,163,417
Indirect cost allocation	552,480	552,480	-	528,142
Total Engineer	26,182,431	5,955,873	20,226,558	14,072,775
Operations:				
Personnel costs	759,556	677,617	81,939	759,562
Contractual services	16,304	11,338	4,966	11,930
Supplies and materials	29,206	25,154	4,052	8,819
Business and transportation	98,724	56,743	41,981	29,159
Capital outlay - infrastructure	12,000,477	1,094,980	10,905,497	1,256,610
Indirect cost allocation	124,731	124,731	-	91,616
Other	785,056	625,615	159,441	735,617
Disaster	-	8,632	(8,632)	7,446
Distribution to municipalities	2,749,657	3,146,009	(396,352)	2,914,236
Contributions to agencies	2,079,626	2,306,681	(227,055)	2,121,191
Total operations	18,643,337	8,077,500	10,565,837	7,936,186
Total expenditures	44,825,768	14,033,373	30,792,395	22,008,961
Excess (deficiency) of revenues over expenditures	(25,488,436)	4,554,569	30,043,005	(3,489,809)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(790,000)	(790,000)	-	(42,111)
Total other financing sources (uses)	(790,000)	(790,000)	-	(42,111)
Net change in fund balance	(26,278,436)	3,764,569	30,043,005	(3,531,920)
Fund balance at beginning of year	31,305,431	31,305,431	-	34,837,351
Fund balance at end of year	\$ 5,026,995	\$ 35,070,000	\$ 30,043,005	\$ 31,305,431



HORRY COUNTY, SOUTH CAROLINA  
BEACH RENOURISHMENT SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 4,133,081	\$ 3,666,983
Receivables, net:		
Fees	<u>240,000</u>	<u>41,608</u>
Total assets	<u><u>\$ 4,373,081</u></u>	<u><u>\$ 3,708,591</u></u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 41,777	\$ 37,419
Total liabilities	<u>41,777</u>	<u>37,419</u>
<b>Fund Balances</b>		
Committed to culture, recreation and tourism	<u>4,331,304</u>	<u>3,671,172</u>
Total fund balance	<u><u>4,331,304</u></u>	<u><u>3,671,172</u></u>
Total liabilities and fund balance	<u><u>\$ 4,373,081</u></u>	<u><u>\$ 3,708,591</u></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, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Revenues</b>				
Local accommodations tax	\$ 760,000	\$ 1,000,000	\$ 240,000	\$ 303,267
Interest	10,000	17,152	7,152	80,241
Total revenues	<u>770,000</u>	<u>1,017,152</u>	<u>247,152</u>	<u>383,508</u>
<b>Expenditures</b>				
Current:				
Culture, recreation and tourism:				
Contractual services	913,908	52,280	861,628	119,197
Business and transportation	500	500	-	500
Capital outlay	1,339,536	-	1,339,536	-
Total expenditures	<u>2,253,944</u>	<u>52,780</u>	<u>2,201,164</u>	<u>119,697</u>
Excess (deficiency) of revenues over expenditures	<u>(1,483,944)</u>	<u>964,372</u>	<u>2,448,316</u>	<u>263,811</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(304,240)	(304,240)	-	-
Total other financing sources (uses)	<u>(304,240)</u>	<u>(304,240)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,788,184)	660,132	2,448,316	263,811
<b>Fund balance at beginning of year</b>	<u>3,671,172</u>	<u>3,671,172</u>	<u>-</u>	<u>3,407,361</u>
<b>Fund balance at end of year</b>	<u>\$ 1,882,988</u>	<u>\$ 4,331,304</u>	<u>\$ 2,448,316</u>	<u>\$ 3,671,172</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 800	\$ 800
Pooled cash and investments	6,147,092	5,049,632
Receivables, net:		
Property taxes	114,326	123,826
Accounts and other	400	2,046
Fees	3,387	24,985
Due from other governments	192,384	244,054
Prepaid items	5,455	5,195
Total assets	<u>\$ 6,463,844</u>	<u>\$ 5,450,538</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 97,937	\$ 85,286
Accrued salaries and wages	65,406	42,519
Unearned revenue	22,328	26,400
Due to other governments	1,242	1,242
Total liabilities	<u>186,913</u>	<u>155,447</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	192,384	244,049
Unavailable revenue-property taxes	89,605	94,383
Total deferred inflows of resources	<u>281,989</u>	<u>338,432</u>
<b>Fund Balances</b>		
Nonspendable	5,455	5,195
Restricted for culture, recreation and tourism	5,989,487	4,951,464
Total fund balance	<u>5,994,942</u>	<u>4,956,659</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,463,844</u>	<u>\$ 5,450,538</u>

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

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 3,580,201	\$ 3,691,820	\$ 111,619	\$ 3,523,927
Personal property taxes	226,663	241,579	14,916	208,447
Vehicle taxes	331,897	353,172	21,275	332,269
Fee in lieu of tax	28,210	26,161	(2,049)	14,589
Intergovernmental	154,516	270,203	115,687	164,230
Hospitality fees	158,000	158,000	-	174,821
Licenses and permits	1,736,539	1,736,539	-	2,469,086
Interest	9,000	20,778	11,778	63,576
Other	498,393	639,612	141,219	547,273
Total revenues	6,723,419	7,137,864	414,445	7,498,218
<b>Expenditures</b>				
Current:				
Culture, recreation and tourism:				
Personnel costs	2,343,755	1,920,402	423,353	2,005,842
Contractual services	701,248	684,645	16,603	572,514
Supplies and materials	757,436	744,608	12,828	403,800
Business and transportation	155,768	155,768	-	138,974
Capital outlay	9,855	9,855	-	61,254
Indirect cost allocation	525,000	512,525	12,475	634,341
Other	587,392	362,933	224,459	339,752
Disaster	-	58,205	(58,205)	272,775
Contributions to agencies	200,000	200,000	-	200,000
Distribution to municipalities	46,000	46,000	-	16,000
Contingency	305,018	-	305,018	-
Programs	267,585	164,824	102,761	171,225
Athletics	170,602	74,196	96,406	89,278
Total expenditures	6,069,659	4,933,961	1,135,698	4,905,755
Excess of revenues over expenditures	653,760	2,203,903	1,550,143	2,592,463
<b>Other Financing Sources (Uses)</b>				
Sale of assets	-	-	-	805
Transfers in	16,333	16,333	-	123,956
Transfers out	(1,181,953)	(1,181,953)	-	(885,309)
Total other financing sources (uses)	(1,165,620)	(1,165,620)	-	(760,548)
Net change in fund balance	(511,860)	1,038,283	1,550,143	1,831,915
<b>Fund balance at beginning of year</b>	4,956,659	4,956,659	-	3,124,744
<b>Fund balance at end of year</b>	\$ 4,444,799	\$ 5,994,942	\$ 1,550,143	\$ 4,956,659

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 6,699,490	\$ 4,464,879
Receivables, net:		
Property taxes	259,460	268,294
Fees	199	90
Due from other governments	552,605	2,174,372
Total assets	<u>\$ 7,511,754</u>	<u>\$ 6,907,635</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 1,078,379	\$ 920,999
Total liabilities	<u>1,078,379</u>	<u>920,999</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	552,605	2,174,372
Unavailable revenue-property taxes	214,956	215,098
Total deferred inflows of resources	<u>767,561</u>	<u>2,389,470</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	<u>5,665,814</u>	<u>3,597,166</u>
Total fund balance	<u>5,665,814</u>	<u>3,597,166</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 7,511,754</u>	<u>\$ 6,907,635</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 7,044,574	\$ 7,381,634	\$ 337,060	\$ 6,983,278
Personal property taxes	484,000	545,776	61,776	464,678
Vehicle taxes	832,000	946,841	114,841	860,602
Fee in lieu of tax	42,000	39,478	(2,522)	14,041
Intergovernmental	573,081	1,824,085	1,251,004	3,441,153
Licenses and permits	1,079,402	1,079,402	-	1,534,738
Interest	8,750	23,175	14,425	73,137
Total revenues	10,063,807	11,840,391	1,776,584	13,371,627
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Contractual services	10,727,370	9,261,546	1,465,824	9,076,123
Capital outlay	1,173,600	213,812	959,788	-
Indirect cost allocation	15,000	5,190	9,810	11,178
Disaster	-	291,195	(291,195)	573,081
Total expenditures	11,915,970	9,771,743	2,144,227	9,660,382
Excess (deficiency) of revenues over expenditures	(1,852,163)	2,068,648	3,920,811	3,711,245
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	(1,571,236)
Total other financing sources (uses)	-	-	-	(1,571,236)
Net change in fund balance	(1,852,163)	2,068,648	3,920,811	2,140,009
Fund balance at beginning of year	3,597,166	3,597,166	-	1,457,157
Fund balance at end of year	\$ 1,745,003	\$ 5,665,814	\$ 3,920,811	\$ 3,597,166

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 6,772,131	\$ 4,316,293
Receivables, net:		
Fees	154,296	195,583
Due from other governments	24,578	1,324,958
Total assets	<u>\$ 6,951,005</u>	<u>\$ 5,836,834</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 170,721	\$ 1,327,474
Accrued salaries and wages	75,577	57,337
Total liabilities	<u>246,298</u>	<u>1,384,811</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	120,655	1,369,533
Total deferred inflows of resources	<u>120,655</u>	<u>1,369,533</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	6,584,052	3,082,490
Total fund balance	<u>6,584,052</u>	<u>3,082,490</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,951,005</u>	<u>\$ 5,836,834</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 608,620	\$ 2,435,131	\$ 1,826,511	\$ 2,640,217
Fees and fines	7,900,754	8,427,779	527,025	8,074,989
Interest	4,500	19,698	15,198	63,611
Total revenues	8,513,874	10,882,608	2,368,734	10,778,817
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Personnel costs	3,046,354	2,715,634	330,720	2,708,478
Contractual services	1,376,987	1,170,806	206,181	1,391,650
Supplies and materials	526,653	497,009	29,644	494,186
Business and transportation	296,325	295,515	810	291,115
Non-capital infrastructure	933,228	182,059	751,169	-
Construction contracts	1,272,360	760,604	511,756	695,993
Capital outlay	11,394	11,394	-	6,458
Contingency	206,870	-	206,870	-
Indirect cost allocation	350,000	343,841	6,159	332,596
Other	721,437	700,750	20,687	804,820
Disaster	606,025	397,175	208,850	2,786,508
Total expenditures	9,347,633	7,074,787	2,272,846	9,511,804
Excess (deficiency) of revenues over expenditures	(833,759)	3,807,821	4,641,580	1,267,013
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	561,160
Transfers out	(306,259)	(306,259)	-	(765,654)
Total other financing sources (uses)	(306,259)	(306,259)	-	(204,494)
Net change in fund balance	(1,140,018)	3,501,562	4,641,580	1,062,519
Fund balance at beginning of year	3,082,490	3,082,490	-	2,019,971
Fund balance at end of year	\$ 1,942,472	\$ 6,584,052	\$ 4,641,580	\$ 3,082,490



HORRY COUNTY, SOUTH CAROLINA  
WATERSHED SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 989,044	\$ 895,511
Receivables, net:		
Property taxes	3,364	3,401
Total assets	<u>\$ 992,408</u>	<u>\$ 898,912</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ -	\$ 8,337
Total liabilities	<u>-</u>	<u>8,337</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	2,595	1,975
Total deferred inflows of resources	<u>2,595</u>	<u>1,975</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	989,813	888,600
Total fund balance	<u>989,813</u>	<u>888,600</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 992,408</u>	<u>\$ 898,912</u>

HORRY COUNTY, SOUTH CAROLINA  
WATERSHED SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 103,637	\$ 121,030	\$ 17,393	\$ 116,613
Personal property taxes	-	404	404	577
Fee in lieu of tax	-	6	6	-
Interest	-	4,117	4,117	18,139
Total revenues	<u>103,637</u>	<u>125,557</u>	<u>21,920</u>	<u>135,329</u>
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Contractual services	77,933	20,828	57,105	51,516
Indirect cost allocation	27,972	3,516	24,456	3,404
Total expenditures	<u>105,905</u>	<u>24,344</u>	<u>81,561</u>	<u>54,920</u>
Excess (deficiency) of revenues over expenditures	<u>(2,268)</u>	<u>101,213</u>	<u>103,481</u>	<u>80,409</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	567,828
Transfers out	-	-	-	(561,160)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,668</u>
Net change in fund balance	<u>(2,268)</u>	<u>101,213</u>	<u>103,481</u>	<u>87,077</u>
Fund balance at beginning of year	888,600	888,600	-	801,523
Fund balance at end of year	<u>\$ 886,332</u>	<u>\$ 989,813</u>	<u>\$ 103,481</u>	<u>\$ 888,600</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 216,517	\$ 250,074
Receivables, net:		
Property taxes	1,150	2,483
Total assets	<u>\$ 217,667</u>	<u>\$ 252,557</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 1,051	\$ 1,069
Total liabilities	<u>1,051</u>	<u>1,069</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	1,150	40
Total deferred inflows of resources	<u>1,150</u>	<u>40</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	215,466	251,448
Total fund balance	<u>215,466</u>	<u>251,448</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 217,667</u>	<u>\$ 252,557</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Revenues</b>				
Real property taxes	\$ 126,186	\$ 162,251	\$ 36,065	\$ 160,320
Personal property taxes	423	1,468	1,045	3,443
Interest	-	841	841	4,100
Other	-	253	253	-
Total revenues	<u>126,609</u>	<u>164,813</u>	<u>38,204</u>	<u>167,863</u>
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Personnel costs	4,405	4,405	-	3,670
Contractual services	15,605	12,832	2,773	11,508
Supplies and materials	259,008	179,662	79,346	37,535
Indirect cost allocation	4,264	3,896	368	3,921
Total expenditures	<u>283,282</u>	<u>200,795</u>	<u>82,487</u>	<u>56,634</u>
Excess (deficiency) of revenues over expenditures	<u>(156,673)</u>	<u>(35,982)</u>	<u>120,691</u>	<u>111,229</u>
Net change in fund balance	(156,673)	(35,982)	120,691	111,229
<b>Fund balance at beginning of year</b>	<b>251,448</b>	<b>251,448</b>	<b>-</b>	<b>140,219</b>
<b>Fund balance at end of year</b>	<u><b>\$ 94,775</b></u>	<u><b>\$ 215,466</b></u>	<u><b>\$ 120,691</b></u>	<u><b>\$ 251,448</b></u>

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

June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ -	\$ -
Receivables, net:		
Property taxes	-	-
Restricted assets	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ -	\$ -
Accrued salaries and wages	-	-
Total liabilities	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	-	-
Unavailable revenue-property taxes	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>
<b>Fund Balances</b>		
Restricted for public safety	-	-
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ -</u>	<u>\$ -</u>

*Note: FY2020 was final reporting year for fund.*

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, 2021

	<b>2021</b>			2020
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>	<b><u>Actual</u></b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	-	(113,357)
Total other financing sources (uses)	-	-	-	(113,357)
Net change in fund balance	-	-	-	(113,357)
<b>Fund balance at beginning of year</b>	-	-	-	113,357
<b>Fund balance at end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*Note: FY2020 was final reporting year for fund.*

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Pooled cash and investments	\$ 74,859	\$ 71,591
Receivables, net:		
Property taxes	607	720
Total assets	<u>\$ 75,466</u>	<u>\$ 72,311</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 2,629	\$ 1,178
Total liabilities	<u>2,629</u>	<u>1,178</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	233	720
Total deferred inflows of resources	<u>233</u>	<u>720</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	72,604	70,413
Total fund balance	<u>72,604</u>	<u>70,413</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 75,466</u>	<u>\$ 72,311</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, 2021  
 (with comparative actual amounts for the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 62,586	\$ 65,470	\$ 2,884	\$ 61,534
Personal property taxes	-	517	517	165
Interest	-	308	308	1,054
Other	-	500	500	500
Total revenues	<u>62,586</u>	<u>66,795</u>	<u>4,209</u>	<u>63,253</u>
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Personnel costs	4,405	4,405	-	3,670
Contractual services	2,000	249	1,751	2,926
Supplies and materials	58,567	58,098	469	15,733
Programs	20,892	-	20,892	-
Indirect cost allocation	4,264	1,852	2,412	1,870
Other	-	-	-	1,333
Total expenditures	<u>90,128</u>	<u>64,604</u>	<u>25,524</u>	<u>25,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,542)</u>	<u>2,191</u>	<u>29,733</u>	<u>37,721</u>
<b>Fund balance at beginning of year</b>	<u>70,413</u>	<u>70,413</u>	<u>-</u>	<u>32,692</u>
<b>Fund balance at end of year</b>	<u>\$ 42,871</u>	<u>\$ 72,604</u>	<u>\$ 29,733</u>	<u>\$ 70,413</u>



HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 198,923	\$ 106,574
Receivables, net:		
Property taxes	50,470	54,644
Fees	1,481	2,783
Due from other governments	-	2
Total assets	<u>\$ 250,874</u>	<u>\$ 164,003</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	\$ -	\$ 1,166
Unavailable revenue-property taxes	39,682	41,826
Total deferred inflows of resources	<u>39,682</u>	<u>42,992</u>
 <b>Fund Balances</b>		
Restricted for culture, recreation and tourism	211,192	121,011
Total fund balance	<u>211,192</u>	<u>121,011</u>
 Total deferred inflows of resources and fund balance	<u>\$ 250,874</u>	<u>\$ 164,003</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Real property taxes	\$ 1,525,474	\$ 1,615,227	\$ 89,753	\$ 1,539,084
Personal property taxes	93,316	105,300	11,984	91,018
Vehicle taxes	137,623	156,050	18,427	141,540
Fee in lieu of tax	9,543	11,442	1,899	6,303
Intergovernmental	-	6,680	6,680	5,498
Interest	-	1,885	1,885	5,469
Total revenues	<u>1,765,956</u>	<u>1,896,584</u>	<u>130,628</u>	<u>1,788,912</u>
<b>Expenditures</b>				
Current:				
Higher Education Commission	<u>1,542,356</u>	<u>1,582,803</u>	<u>(40,447)</u>	<u>1,532,204</u>
Total expenditures	<u>1,542,356</u>	<u>1,582,803</u>	<u>(40,447)</u>	<u>1,532,204</u>
Excess of revenues over expenditures	<u>223,600</u>	<u>313,781</u>	<u>90,181</u>	<u>256,708</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(223,600)</u>	<u>(223,600)</u>	<u>-</u>	<u>(222,400)</u>
Total other financing sources (uses)	<u>(223,600)</u>	<u>(223,600)</u>	<u>-</u>	<u>(222,400)</u>
Net change in fund balance	-	90,181	90,181	34,308
<b>Fund balance at beginning of year</b>	<u>121,011</u>	<u>121,011</u>	<u>-</u>	<u>86,703</u>
<b>Fund balance at end of year</b>	<u>\$ 121,011</u>	<u>\$ 211,192</u>	<u>\$ 90,181</u>	<u>\$ 121,011</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 1,491,765	\$ 829,866
Receivables, net:		
Property taxes	122,468	132,588
Fees	3,598	3,927
Due from other governments	-	3,005
Total assets	<u>\$ 1,617,831</u>	<u>\$ 969,386</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	\$ -	\$ 3,000
Unavailable revenue-property taxes	96,214	101,322
Total deferred inflows of resources	<u>96,214</u>	<u>104,322</u>
<b>Fund Balances</b>		
Restricted for culture, recreation and tourism	1,521,617	865,064
Total fund balance	<u>1,521,617</u>	<u>865,064</u>
Total deferred inflows of resources and fund balance	<u>\$ 1,617,831</u>	<u>\$ 969,386</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, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Real property taxes	\$ 3,797,921	\$ 3,923,092	\$ 125,171	\$ 3,742,516
Personal property taxes	239,890	256,085	16,195	221,472
Vehicle taxes	352,615	378,316	25,701	354,313
Fee in lieu of tax	29,876	27,790	(2,086)	15,487
Intergovernmental	-	16,890	16,890	14,084
Interest	-	7,732	7,732	36,934
Total revenues	<u>4,420,302</u>	<u>4,609,905</u>	<u>189,603</u>	<u>4,384,806</u>
<b>Expenditures</b>				
Current:				
Horry-Georgetown Tech	<u>4,166,652</u>	<u>3,700,000</u>	<u>466,652</u>	<u>3,700,000</u>
Total expenditures	<u>4,166,652</u>	<u>3,700,000</u>	<u>466,652</u>	<u>3,700,000</u>
Excess of revenues over expenditures	<u>253,650</u>	<u>909,905</u>	<u>656,255</u>	<u>684,806</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(253,650)</u>	<u>(253,352)</u>	<u>298</u>	<u>(242,850)</u>
Total other financing sources (uses)	<u>(253,650)</u>	<u>(253,352)</u>	<u>298</u>	<u>(242,850)</u>
Net change in fund balance	-	656,553	656,553	441,956
<b>Fund balance at beginning of year</b>	<u>865,064</u>	<u>865,064</u>	<u>-</u>	<u>423,108</u>
<b>Fund balance at end of year</b>	<u>\$ 865,064</u>	<u>\$ 1,521,617</u>	<u>\$ 656,553</u>	<u>\$ 865,064</u>

HORRY COUNTY, SOUTH CAROLINA

SENIOR CITIZEN SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 439,987	\$ 377,066
Receivables, net:		
Property taxes	28,783	31,165
Fees	846	925
Total assets	<u>\$ 469,616</u>	<u>\$ 409,156</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 372,340	\$ 312,738
Total liabilities	<u>372,340</u>	<u>312,738</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes	22,622	23,843
Total deferred inflows of resources	<u>22,622</u>	<u>23,843</u>
<b>Fund Balances</b>		
Restricted for health and social services	74,654	72,575
Total fund balance	<u>74,654</u>	<u>72,575</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 469,616</u>	<u>\$ 409,156</u>

HORRY COUNTY, SOUTH CAROLINA  
 SENIOR CITIZEN SPECIAL REVENUE FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Real property taxes	\$ 871,632	\$ 922,918	\$ 51,286	\$ 879,419
Personal property taxes	53,283	60,127	6,844	51,972
Vehicle taxes	78,365	88,842	10,477	80,584
Fee in lieu of tax	6,680	6,538	(142)	3,601
Intergovernmental	-	460	460	475
Interest	150	970	820	3,682
Total revenues	<u>1,010,110</u>	<u>1,079,855</u>	<u>69,745</u>	<u>1,019,733</u>
<b>Expenditures</b>				
Current:				
Health and social services:				
Indirect cost allocation	9,000	13,928	(4,928)	7,636
Contributions to agencies	1,001,110	1,063,848	(62,738)	1,004,247
Total expenditures	<u>1,010,110</u>	<u>1,077,776</u>	<u>(67,666)</u>	<u>1,011,883</u>
Excess of revenues over expenditures	<u>-</u>	<u>2,079</u>	<u>2,079</u>	<u>7,850</u>
<b>Fund balance at beginning of year</b>	<u>72,575</u>	<u>72,575</u>	<u>-</u>	<u>64,725</u>
<b>Fund balance at end of year</b>	<u>\$ 72,575</u>	<u>\$ 74,654</u>	<u>\$ 2,079</u>	<u>\$ 72,575</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021

(with comparative actual amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Pooled cash and investments	\$ 4,673,682	\$ 4,067,398
Receivables, net:		
Fees	382,680	-
Lease receivable	1,211,005	-
Due from other governments	-	855
Total assets	<u>\$ 6,267,367</u>	<u>\$ 4,068,253</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 116,524	\$ 130,472
Accrued salaries and wages	9,916	8,678
Total liabilities	<u>126,440</u>	<u>139,150</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	1,296,285	855
Unavailable revenue-property taxes	-	-
Total deferred inflows of resources	<u>1,296,285</u>	<u>855</u>
<b>Fund Balances</b>		
Restricted for economic development	1,353,224	1,827,631
Committed to economic development	3,491,418	2,100,617
Total fund balance	<u>4,844,642</u>	<u>3,928,248</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 6,267,367</u>	<u>\$ 4,068,253</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ -	\$ 8,360	\$ 8,360	\$ -
Fee in lieu of tax	799,920	1,257,897	457,977	1,101,340
Intergovernmental	855	6,777	5,922	-
Fees - Rents	369,182	70,643	(298,539)	370,682
Interest	8,750	38,993	30,243	75,371
Total revenues	1,178,707	1,382,670	203,963	1,547,393
<b>Expenditures</b>				
Current:				
Economic development:				
Personnel costs	349,607	343,675	5,932	336,861
Contractual services	3,314,115	372,224	2,941,891	420,662
Supplies and materials	97,092	625	96,467	806
Other	(10,630)	-	(10,630)	-
Indirect cost allocation	70,000	59,120	10,880	80,763
Disaster	-	5,930	(5,930)	846
Total expenditures	3,820,184	781,574	3,038,610	839,938
Excess (deficiency) of revenues over expenditures	(2,641,477)	601,096	3,242,573	707,455
<b>Other Financing Sources (Uses)</b>				
Sale of assets	-	35,740	35,740	-
Lease financing proceeds	-	279,558	279,558	-
Transfers in	-	-	-	42,111
Transfers out	-	-	-	(15,000)
Total other financing sources (uses)	-	315,298	315,298	27,111
Net change in fund balance	(2,641,477)	916,394	3,557,871	734,566
<b>Fund balance at beginning of year</b>	3,928,248	3,928,248	-	3,193,682
<b>Fund balance at end of year</b>	<u>\$ 1,286,771</u>	<u>\$ 4,844,642</u>	<u>\$ 3,557,871</u>	<u>\$ 3,928,248</u>



HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 1,442,676	\$ 1,188,494
Receivables, net:		
Fees	3,420	9,467
Total assets	<u>\$ 1,446,096</u>	<u>\$ 1,197,961</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	\$ 3,420	\$ 9,467
Total deferred inflows of resources	<u>3,420</u>	<u>9,467</u>
<b>Fund Balances</b>		
Restricted for infrastructure and regulation	1,442,676	1,188,494
Total fund balance	<u>1,442,676</u>	<u>1,188,494</u>
Total deferred inflows of resources and fund balance	<u>\$ 1,446,096</u>	<u>\$ 1,197,961</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Revenues</b>				
Fee in lieu of tax	\$ -	\$ 248,597	\$ 248,597	\$ 632,986
Interest	-	5,585	5,585	11,791
Total revenues	-	254,182	254,182	644,777
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Contractual services	241,400	-	241,400	-
Total expenditures	241,400	-	241,400	-
Excess of revenues over expenditures	(241,400)	254,182	495,582	644,777
Net change in fund balance	(241,400)	254,182	495,582	644,777
<b>Fund balance at beginning of year</b>	1,188,494	1,188,494	-	543,717
<b>Fund balance at end of year</b>	<u>\$ 947,094</u>	<u>\$ 1,442,676</u>	<u>\$ 495,582</u>	<u>\$ 1,188,494</u>

HORRY COUNTY, SOUTH CAROLINA

TOURISM & PROMOTION SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Receivables, net:		
Accounts and other	\$ 1,878	\$ 21,756
Fees	-	28,740
Due from other governments	<u>2,821,555</u>	<u>1,063,597</u>
Total assets	<u><u>\$ 2,823,433</u></u>	<u><u>\$ 1,114,093</u></u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 641,537	\$ 436,776
Accrued salaries and wages	58,377	52,218
Due to other funds	<u>522,195</u>	<u>140,343</u>
Total liabilities	<u><u>1,222,109</u></u>	<u><u>629,337</u></u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	<u>1,077,420</u>	289,919
Total deferred inflows of resources	<u><u>1,077,420</u></u>	<u><u>289,919</u></u>
<b>Fund Balances</b>		
Restricted for culture, recreation and tourism	<u>523,904</u>	194,837
Total fund balance	<u><u>523,904</u></u>	<u><u>194,837</u></u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 2,823,433</u></u>	<u><u>\$ 1,114,093</u></u>

HORRY COUNTY, SOUTH CAROLINA  
TOURISM & PROMOTION SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 277,837	\$ 386,625	\$ 108,788	\$ 85,323
Accommodations tax	4,315,425	4,167,191	(148,234)	3,595,637
Hospitality fees	442,348	270,000	(172,348)	236,008
Local accommodations tax	-	-	-	300,000
Interest	-	245	245	2,206
Other	20,623	39,631	19,008	49,849
Total revenues	<u>5,056,233</u>	<u>4,863,692</u>	<u>(192,541)</u>	<u>4,269,023</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Personnel costs	1,588,629	1,583,496	5,133	1,093,517
Contractual services	35,092	34,914	178	34,278
Supplies and materials	44,894	44,791	103	56,123
Business and transportation	98,634	97,914	720	105,640
Capital outlay	14,553	14,553	-	36,681
Other	97,474	97,474	-	173,633
Disaster	-	22,580	(22,580)	212,801
Total public safety	<u>1,879,276</u>	<u>1,895,722</u>	<u>(16,446)</u>	<u>1,712,673</u>
Culture, recreation and tourism:				
Personnel costs	905,424	808,330	97,094	707,338
Contractual services	108,363	99,339	9,024	95,110
Supplies and materials	66,871	63,085	3,786	34,249
Business and transportation	176,799	176,799	-	144,965
Programs	648,351	-	648,351	-
Other	47,478	45,825	1,653	166,175
Disaster	-	668	(668)	11,853
Contributions to other agencies	1,522,948	1,431,684	91,264	1,365,201
Total culture, recreation and tourism	<u>3,476,234</u>	<u>2,625,730</u>	<u>850,504</u>	<u>2,524,891</u>
Total expenditures	<u>5,355,510</u>	<u>4,521,452</u>	<u>834,058</u>	<u>4,237,564</u>
Excess (deficiency) of revenues over expenditures	<u>(299,277)</u>	<u>342,240</u>	<u>641,517</u>	<u>31,459</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	18,606	18,606	-	-
Transfers out	(31,779)	(31,779)	-	(211,403)
Total other financing sources (uses)	<u>(13,173)</u>	<u>(13,173)</u>	<u>-</u>	<u>(211,403)</u>
Net change in fund balance	<u>(312,450)</u>	<u>329,067</u>	<u>641,517</u>	<u>(179,944)</u>
Fund balance at beginning of year	194,837	194,837	-	374,781
Fund balance at end of year	<u>\$ (117,613)</u>	<u>\$ 523,904</u>	<u>\$ 641,517</u>	<u>\$ 194,837</u>

HORRY COUNTY, SOUTH CAROLINA

ADMISSIONS TAX SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ <b>406,627</b>	\$ 404,814
Total assets	<u><u>\$ <b>406,627</b></u></u>	<u><u>\$ 404,814</u></u>
 <b>Fund Balances</b>		
Restricted for infrastructure and regulation	\$ <b>406,627</b>	\$ 404,814
Total fund balance	<u><u>\$ <b>406,627</b></u></u>	<u><u>\$ 404,814</u></u>

HORRY COUNTY, SOUTH CAROLINA  
 ADMISSIONS TAX SPECIAL REVENUE FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Revenues</b>				
Interest	\$ -	\$ 1,813	\$ 1,813	\$ 8,592
Total revenues	-	1,813	1,813	8,592
<b>Expenditures</b>				
Current:				
Infrastructure and regulation:				
Other	380,510	-	380,510	-
Total expenditures	380,510	-	380,510	-
Excess (deficiency) of revenues over expenditures	(380,510)	1,813	382,323	8,592
<b>Fund balance at beginning of year</b>	<b>404,814</b>	<b>404,814</b>	<b>-</b>	<b>396,222</b>
<b>Fund balance at end of year</b>	<b>\$ 24,304</b>	<b>\$ 406,627</b>	<b>\$ 382,323</b>	<b>\$ 404,814</b>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Pooled cash and investments	\$ 368,580	\$ 257,012
Receivables, net:		
Fees	-	26,611
Restricted assets	101,977	101,977
Total assets	<u>\$ 470,557</u>	<u>\$ 385,600</u>
<b>Liabilities</b>		
Due to other governments	\$ 80,299	\$ 114,038
Total liabilities	<u>80,299</u>	<u>114,038</u>
<b>Fund Balances</b>		
Restricted for culture, recreation and tourism	390,258	271,562
Total fund balance	<u>390,258</u>	<u>271,562</u>
Total liabilities and fund balance	<u>\$ 470,557</u>	<u>\$ 385,600</u>

HORRY COUNTY, SOUTH CAROLINA  
 BASEBALL STADIUM SPECIAL REVENUE FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Hospitality fees	\$ 197,500	\$ 197,500	\$ -	\$ 218,526
Interest	-	1,717	1,717	6,641
Other	25,900	984	(24,916)	7,128
Total revenues	<u>223,400</u>	<u>200,201</u>	<u>(23,199)</u>	<u>232,295</u>
<b>Expenditures</b>				
Current:				
Culture, recreation and tourism:				
Contractual services	46,322	46,322	-	42,575
Supplies and materials	61,000	34,416	26,584	61,505
Capital outlay	240,556	-	240,556	16,730
Contingency	2,811	-	2,811	-
Other	767	767	-	2,301
Total expenditures	<u>351,456</u>	<u>81,505</u>	<u>269,951</u>	<u>123,111</u>
Excess (deficiency) of revenues over expenditures	<u>(128,056)</u>	<u>118,696</u>	<u>246,752</u>	<u>109,184</u>
Net change in fund balance	(128,056)	118,696	246,752	109,184
Fund balance at beginning of year	271,562	271,562	-	162,378
Fund balance at end of year	<u>\$ 143,506</u>	<u>\$ 390,258</u>	<u>\$ 246,752</u>	<u>\$ 271,562</u>



HORRY COUNTY, SOUTH CAROLINA

CONWAY LIBRARY ENDOWMENT SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 229,298	\$ -
Restricted assets	4,452,656	4,515,694
Total assets	<u>\$ 4,681,954</u>	<u>\$ 4,515,694</u>
<b>Fund Balances</b>		
Restricted for culture, recreation and tourism	\$ 4,681,954	\$ 4,515,694
Total fund balance	<u>\$ 4,681,954</u>	<u>\$ 4,515,694</u>

HORRY COUNTY, SOUTH CAROLINA  
 CONWAY LIBRARY ENDOWMENT SPECIAL REVENUE FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
 (with comparative actual amounts For the Year ended June 30, 2020)

	<b>2021</b>			2020
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	Actual
<b>Revenues</b>				
Donations	\$ -	\$ 230,151	\$ 230,151	\$ -
Interest	-	24,112	24,112	78,616
Total revenues	-	254,263	254,263	78,616
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,860,000)	(88,003)	(1,771,997)	-
Total other financing sources (uses)	(1,860,000)	(88,003)	(1,771,997)	-
Net change in fund balance	(1,860,000)	166,260	(1,517,734)	78,616
<b>Fund balance at beginning of year</b>	<b>4,515,694</b>	<b>4,515,694</b>	<b>-</b>	<b>4,437,078</b>
<b>Fund balance at end of year</b>	<b>\$ 2,655,694</b>	<b>\$ 4,681,954</b>	<b>\$ (1,517,734)</b>	<b>\$ 4,515,694</b>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 3,689,857	\$ 778,521
Due from other governments	1,971,442	2,582,595
Restricted assets	14,103,157	-
Total assets	<u>\$ 19,764,456</u>	<u>\$ 3,361,116</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 1,744,707	\$ 735,588
Accrued salaries and wages	93,363	71,760
Unearned revenue	15,170,829	-
Other liabilities	-	557,811
Total liabilities	<u>17,008,899</u>	<u>1,365,159</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	514,054	1,686,143
Total deferred inflows of resources	<u>514,054</u>	<u>1,686,143</u>
<b>Fund Balances</b>		
Committed to other purposes	2,241,503	309,814
Total fund balance	<u>2,241,503</u>	<u>309,814</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 19,764,456</u>	<u>\$ 3,361,116</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, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 29,359,971	\$ 9,006,369	\$ (20,353,602)	\$ 6,344,149
Interest	-	19,945	19,945	18,242
Other	1,140,092	1,337,901	197,809	1,835,237
Total revenues	30,500,063	10,364,215	(20,135,848)	8,197,628
<b>Expenditures</b>				
General government:				
Personnel costs	86,692	7,881	78,811	1,644
Contractual services	214,434	38,535	175,899	186,651
Supplies and materials	139,104	181,798	(42,694)	-
Construction contracts	2,824,220	862,682	1,961,538	-
Disaster	-	15,135	(15,135)	2,718
Other	697,000	501,451	195,549	589
Total general government	3,961,450	1,607,482	2,353,968	191,602
Public safety:				
Personnel costs	7,713,017	3,223,852	4,489,165	1,824,984
Supplies and materials	1,142,824	740,719	402,105	112,510
Business and transportation	71,882	1,000	70,882	20,394
Capital outlay	2,257,699	816,696	1,441,003	220,266
Other	625,710	390,669	235,041	459,428
Total public safety	11,811,132	5,172,936	6,638,196	2,637,582
Infrastructure and regulation:				
Contractual services	6,152,777	3,475,951	2,676,826	6,253,792
Capital outlay	131,736	90,665	41,071	113,962
Other	18,718	45,299	(26,581)	108,009
Total Infrastructure and regulation	6,303,231	3,611,915	2,691,316	6,475,763
Economic development				
Personnel costs	321,248	2,603	318,645	-
Contractual services	10,387,009	30,295	10,356,714	-
Total economic development	10,708,257	32,898	10,675,359	-
Culture, recreation and tourism:				
Supplies and materials	1,000	1,000	-	-
Business and transportation	-	-	-	2,950
Capital outlay	80,399	80,399	-	436,246
Other	2,000	2,000	-	12,699
Total culture, recreation and tourism	83,399	83,399	-	451,895
Total expenditures	32,867,469	10,508,630	22,358,839	9,756,842
Excess (deficiency) of revenues over expenditures	(2,367,406)	(144,415)	2,222,991	(1,559,214)
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,000,368	2,076,104	(75,736)	887,602
Total other financing sources (uses)	2,000,368	2,076,104	(75,736)	887,602
Net change in fund balance	(367,038)	1,931,689	2,147,255	(671,612)
Fund balance at beginning of year	309,814	309,814	-	981,426
Fund balance at end of year	\$ (57,224)	\$ 2,241,503	\$ 2,147,255	\$ 309,814

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

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Due from other governments	\$ 806,919	\$ 190,231
Prepaid items	370	-
Total assets	<u>\$ 807,289</u>	<u>\$ 190,231</u>
<b>Liabilities</b>		
Accounts payable - trade	\$ 573,011	\$ 99,633
Accrued salaries and wages	11,212	10,291
Due to other funds	454,293	327,654
Total liabilities	<u>1,038,516</u>	<u>437,578</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	423,382	157,924
Total deferred inflows of resources	<u>423,382</u>	<u>157,924</u>
<b>Fund Balance (Deficit)</b>		
Nonspendable	370	-
Unassigned	(654,979)	(405,271)
Total fund balance (deficit)	<u>(654,609)</u>	<u>(405,271)</u>
 Total liabilities, deferred inflows of resources and fund balance (deficit)	 <u>\$ 807,289</u>	 <u>\$ 190,231</u>

HORRY COUNTY, SOUTH CAROLINA  
CDBG GRANT PROGRAM SPECIAL REVENUE FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts For the Year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 13,050,917	\$ 4,033,344	\$ (9,017,573)	\$ 2,056,473
Interest	-	6	6	-
Total revenues	13,050,917	4,033,350	(9,017,567)	2,056,473
<b>Expenditures</b>				
Current:				
Economic development:				
Personnel costs	879,996	395,626	484,370	322,939
Contractual services	202,690	71,799	130,891	162,412
Supplies and materials	25,610	9,279	16,331	5,208
Business and transportation	20,090	3,860	16,230	8,792
Programs	2,932,174	-	2,932,174	-
Indirect cost allocation	8,500	8,500	-	38,000
Disaster	-	1,882	(1,882)	2,876
Contributions to agencies	8,986,607	3,796,492	5,190,115	1,663,260
Total expenditures	13,055,667	4,287,438	8,768,229	2,203,487
Excess (deficiency) of revenues over expenditures	(4,750)	(254,088)	(249,338)	(147,014)
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,750	4,750	-	-
Total other financing sources (uses)	4,750	4,750	-	-
Net change in fund balance	-	(249,338)	(249,338)	(147,014)
<b>Fund balance (deficit) at beginning of year</b>	(405,271)	(405,271)	-	(258,257)
<b>Fund balance (deficit) at end of year</b>	<u>\$ (405,271)</u>	<u>\$ (654,609)</u>	<u>\$ (249,338)</u>	<u>\$ (405,271)</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, State and Local Option Sales Tax, Federal and State grants and interest earnings.

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

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

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

**Fire Apparatus Replacement** – accounts for property tax revenue collected from 1.6 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.

**1.5% Hospitality** – accounts for the 1.5% hospitality fee for the continued development of roads and other major capital projects within the County.



HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET

June 30, 2021

	<b>Major Funds</b>			
	General Improvement Capital Projects	Capital Projects Sales Tax - Ride II	Capital Projects Sales Tax - Ride III	Total Major Funds
<b>Assets</b>				
Pooled cash and investments	\$ 42,112,541	\$ 68,198,438	\$ 232,950,957	\$ 343,261,936
Due from other governments	309,672	39,403	47,253,688	47,602,763
Restricted assets	16,157,152	-	-	16,157,152
Total assets	<u>\$ 58,579,365</u>	<u>\$ 68,237,841</u>	<u>\$ 280,204,645</u>	<u>\$ 407,021,851</u>
<b>Liabilities</b>				
Liabilities				
Accounts payable-trade	\$ 2,358,717	\$ 3,103	\$ 7,592,372	\$ 9,954,192
Accrued salaries and wages	-	-	8,830	8,830
Total liabilities	<u>2,358,717</u>	<u>3,103</u>	<u>7,601,202</u>	<u>9,963,022</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-fees and other	-	39,403	22,402,397	22,441,800
Total deferred inflows of resources	<u>-</u>	<u>39,403</u>	<u>22,402,397</u>	<u>22,441,800</u>
<b>Fund Balances</b>				
Restricted for capital projects	29,682,736	68,195,335	250,201,046	348,079,117
Committed to other capital projects	26,537,912	-	-	26,537,912
Total fund balance	<u>56,220,648</u>	<u>68,195,335</u>	<u>250,201,046</u>	<u>374,617,029</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 58,579,365</u>	<u>\$ 68,237,841</u>	<u>\$ 280,204,645</u>	<u>\$ 407,021,851</u>

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year ended June 30, 2021

	<b>Major Funds</b>			
	General Improvement Capital Projects	Capital Projects Sales Tax - Ride II	Capital Projects Sales Tax - Ride III	Total Major Funds
<b>Revenues</b>				
Intergovernmental	\$ 938,116	\$ 14,930	\$ 9,016	\$ 962,062
Sales tax	-	-	92,200,894	92,200,894
Interest	333,903	10,967	403,512	748,382
Total revenues	<u>1,272,019</u>	<u>25,897</u>	<u>92,613,422</u>	<u>93,911,338</u>
<b>Expenditures</b>				
Current:				
General government	1,112,364	-	-	1,112,364
Public safety	139,156	-	-	139,156
Infrastructure and regulation	12,402	41,140	436,454	489,996
Improvements to state and other roadways	-	753,460	7,073,271	7,826,731
Culture, recreation and tourism	134,041	-	-	134,041
Capital outlay	12,190,177	162,024	16,901,133	29,253,334
Total expenditures	<u>13,588,140</u>	<u>956,624</u>	<u>24,410,858</u>	<u>38,955,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,316,121)</u>	<u>(930,727)</u>	<u>68,202,564</u>	<u>54,955,716</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	18,955,692	-	785,250	19,740,942
Transfers out	(11,980)	-	-	(11,980)
Total other financing sources (uses)	<u>18,943,712</u>	<u>-</u>	<u>785,250</u>	<u>19,728,962</u>
Net change in fund balance	6,627,591	(930,727)	68,987,814	74,684,678
Fund balance at beginning of year	49,593,057	69,126,062	181,213,232	299,932,351
Fund balance at end of year	<u>\$ 56,220,648</u>	<u>\$ 68,195,335</u>	<u>\$ 250,201,046</u>	<u>\$ 374,617,029</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET

June 30, 2021

	<b>Non-Major Funds</b>			
	Fire Apparatus Replacement	Voluntary Developer Contributions	1.5% Hospitality	Total Non-Major Funds
<b>Assets</b>				
Pooled cash and investments	\$ 1,950,512	\$ 1,112,336	\$ 24,993,259	\$ 28,056,107
Receivables, net:				
Property taxes	67,012	-	-	67,012
Fees	56	-	2,138,053	2,138,109
Total assets	<u>\$ 2,017,580</u>	<u>\$ 1,112,336</u>	<u>\$ 27,131,312</u>	<u>\$ 30,261,228</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	\$ 55,587	\$ -	\$ -	\$ 55,587
Total deferred inflows of resources	<u>55,587</u>	<u>-</u>	<u>-</u>	<u>55,587</u>
<b>Fund Balances</b>				
Restricted for capital projects	1,961,993	-	-	1,961,993
Restricted for infrastructure and regulation	-	1,112,336	-	1,112,336
Committed to other capital projects	-	-	27,131,312	27,131,312
Total fund balance	<u>1,961,993</u>	<u>1,112,336</u>	<u>27,131,312</u>	<u>30,205,641</u>
Total deferred inflows of resources and fund balance	<u>\$ 2,017,580</u>	<u>\$ 1,112,336</u>	<u>\$ 27,131,312</u>	<u>\$ 30,261,228</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year ended June 30, 2021

	<b>Non-Major Funds</b>			
	Fire Apparatus Replacement	Voluntary Developer Contributions	1.5% Hospitality	Total Non-Major Funds
<b>Revenues</b>				
Real property taxes	\$ 1,802,088	\$ -	\$ -	\$ 1,802,088
Personal property taxes	142,686	-	-	142,686
Vehicle taxes	241,801	-	-	241,801
Fee in lieu of tax	9,971	-	-	9,971
Hospitality Fee	-	-	12,863,943	12,863,943
Interest	15,732	3,965	77,012	96,709
Other	-	359,564	-	359,564
Total revenues	<u>2,212,278</u>	<u>363,529</u>	<u>12,940,955</u>	<u>15,516,762</u>
<b>Expenditures</b>				
Current:				
Public safety	33,147	-	-	33,147
Capital lease payments	1,453,181	-	-	1,453,181
Capital outlay	<u>2,190,989</u>	<u>-</u>	<u>-</u>	<u>2,190,989</u>
Total expenditures	<u>3,677,317</u>	<u>-</u>	<u>-</u>	<u>3,677,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,465,039)</u>	<u>363,529</u>	<u>12,940,955</u>	<u>11,839,445</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	9,959,849	9,959,849
Transfers out	-	(5,236)	(7,473,056)	(7,478,292)
Total other financing sources (uses)	<u>-</u>	<u>(5,236)</u>	<u>2,486,793</u>	<u>2,481,557</u>
Net change in fund balance	(1,465,039)	358,293	15,427,748	14,321,002
Fund balance at beginning of year	<u>3,427,032</u>	<u>754,043</u>	<u>11,703,564</u>	<u>15,884,639</u>
Fund balance at end of year	<u>\$ 1,961,993</u>	<u>\$ 1,112,336</u>	<u>\$ 27,131,312</u>	<u>\$ 30,205,641</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 42,112,541	\$ 49,799,342
Due from other governments	309,672	30,695
Restricted assets	16,157,152	-
Total assets	<u>\$ 58,579,365</u>	<u>\$ 49,830,037</u>
<b>Liabilities</b>		
Liabilities		
Accounts payable - trade	\$ 2,358,717	\$ 236,980
Total liabilities	<u>2,358,717</u>	<u>236,980</u>
<b>Fund Balances</b>		
Restricted for capital projects	29,682,736	32,364,548
Committed to other capital projects	26,537,912	17,228,509
Total fund balance	<u>56,220,648</u>	<u>49,593,057</u>
Total liabilities and fund balance	<u>\$ 58,579,365</u>	<u>\$ 49,830,037</u>

HORRY COUNTY, SOUTH CAROLINA  
GENERAL IMPROVEMENT CAPITAL PROJECTS FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>	2020
	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>		
Intergovernmental	\$ 938,116	\$ 2,223,190
Interest	333,903	679,747
Total revenues	<u>1,272,019</u>	<u>2,902,937</u>
<b>Expenditures</b>		
General government:		
Contractual services	42,265	842,588
Supplies and materials	1,070,100	603,342
Capital outlay	2,576,807	2,470,266
Total general government	<u>3,689,172</u>	<u>3,916,196</u>
Public safety:		
Contractual services	35,394	50,616
Supplies and materials	103,762	108,181
Capital outlay	9,185,214	2,459,443
Total public safety	<u>9,324,370</u>	<u>2,618,240</u>
Infrastructure and regulation:		
Contractual services	12,402	11,846
Capital outlay	-	2,000
Total infrastructure and regulation	<u>12,402</u>	<u>13,846</u>
Culture, recreation and tourism:		
Supplies and materials	37,146	12,629
Capital outlay	428,155	1,827,524
Other	96,895	-
Total culture, recreation and tourism	<u>562,196</u>	<u>1,840,153</u>
Total expenditures	<u>13,588,140</u>	<u>8,388,435</u>
Excess (deficiency) of revenues over expenditures	<u>(12,316,121)</u>	<u>(5,485,498)</u>
<b>Other Financing Sources (Uses)</b>		
Issuance of debt	-	20,900,000
Transfers in	18,955,692	18,841,058
Transfers out	(11,980)	(514,179)
Total other financing sources (uses)	<u>18,943,712</u>	<u>39,226,879</u>
Net change in fund balance	6,627,591	33,741,381
Fund balance at beginning of year	49,593,057	15,851,676
Fund balance at end of year	<u>\$ 56,220,648</u>	<u>\$ 49,593,057</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND - RIDE II  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 68,198,438	\$ 69,205,786
Due from other governments	39,403	39,403
Total assets	<u>\$ 68,237,841</u>	<u>\$ 69,245,189</u>
<b>Liabilities</b>		
Liabilities		
Accounts payable - trade	\$ 3,103	\$ 64,795
Total liabilities	<u>3,103</u>	<u>64,795</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	39,403	54,332
Total deferred inflows of resources	<u>39,403</u>	<u>54,332</u>
<b>Fund Balances</b>		
Restricted for capital projects	68,195,335	69,126,062
Total fund balance	<u>68,195,335</u>	<u>69,126,062</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,237,841</u>	<u>\$ 69,245,189</u>

HORRY COUNTY, SOUTH CAROLINA  
CAPITAL PROJECT SALES TAX FUND - RIDE II  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>		
Intergovernmental	\$ 14,930	\$ 51,317
Investment earnings	10,967	1,481,476
Total revenues	<u>25,897</u>	<u>1,532,793</u>
<b>Expenditures</b>		
Current:		
Infrastructure and regulation:		
Personnel costs	31,172	30,710
Capital outlay	33,162	148,112
Capital outlay - infrastructure	128,862	68,226
Indirect cost allocation	9,968	193,012
Total infrastructure and regulation	<u>203,164</u>	<u>440,060</u>
Improvements to state and other roadways		
Construction contracts - State	633,743	2,318,742
Construction contracts - Other	119,717	-
Total Improvements to state and other roadways	<u>753,460</u>	<u>2,318,742</u>
Total expenditures	<u>956,624</u>	<u>2,758,802</u>
Excess (deficiency) of revenues over expenditures	<u>(930,727)</u>	<u>(1,226,009)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	37,948
Total other financing sources (uses)	<u>-</u>	<u>37,948</u>
Net change in fund balance	<u>(930,727)</u>	<u>(1,188,061)</u>
<b>Fund balance at beginning of year</b>	<u>69,126,062</u>	<u>70,314,123</u>
<b>Fund balance at end of year</b>	<u><u>\$ 68,195,335</u></u>	<u><u>\$ 69,126,062</u></u>



HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECT SALES TAX FUND - RIDE III  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 232,950,957	\$ 171,096,893
Due from other governments	47,253,688	31,488,393
Total assets	<u>\$ 280,204,645</u>	<u>\$ 202,585,286</u>
<b>Liabilities</b>		
Liabilities		
Accounts payable - trade	\$ 7,592,372	\$ 4,649,271
Accrued salaries and wages	8,830	7,331
Total liabilities	<u>7,601,202</u>	<u>4,656,602</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - fees and other	22,402,397	16,715,452
Total deferred inflows of resources	<u>22,402,397</u>	<u>16,715,452</u>
<b>Fund Balances</b>		
Restricted for capital projects	250,201,046	181,213,232
Total fund balance	<u>250,201,046</u>	<u>181,213,232</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 280,204,645</u>	<u>\$ 202,585,286</u>

HORRY COUNTY, SOUTH CAROLINA  
CAPITAL PROJECT SALES TAX FUND - RIDE III  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>	2020
	<b>Actual</b>	Actual
<b>Revenues</b>		
Intergovernmental - federal	\$ 9,016	\$ -
Sales tax	92,200,894	80,074,913
Investment earnings	403,512	2,029,387
Total revenues	<u>92,613,422</u>	<u>82,104,300</u>
<b>Expenditures</b>		
Current:		
Infrastructure and regulation:		
Personnel costs	327,774	327,794
Contractual services	1,627	1,677
Supplies and materials	4,381	7,599
Business and transportation	14	170
Capital outlay - infrastructure	16,901,133	32,798,223
Construction contracts - State	7,073,271	5,219,638
Indirect cost allocation	90,105	94,660
Disaster	9,016	808
Contributions to agencies	3,537	1,688,342
Total expenditures	<u>24,410,858</u>	<u>40,138,911</u>
Excess of revenues over expenditures	<u>68,202,564</u>	<u>41,965,389</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	785,250	-
Transfers out	-	(37,948)
Total other financing sources (uses)	<u>785,250</u>	<u>(37,948)</u>
Net change in fund balance	68,987,814	41,927,441
<b>Fund balance at beginning of year</b>	<u>181,213,232</u>	<u>139,285,791</u>
<b>Fund balance at end of year</b>	<u><u>\$ 250,201,046</u></u>	<u><u>\$ 181,213,232</u></u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 1,950,512	\$ 3,413,378
Receivables, net:		
Property taxes	67,012	69,398
Fees	56	26
Total assets	<u>\$ 2,017,580</u>	<u>\$ 3,482,802</u>
Unavailable revenue - property taxes	\$ 55,587	\$ 55,770
Total deferred inflows of resources	<u>55,587</u>	<u>55,770</u>
<b>Fund Balances</b>		
Restricted for capital projects	<u>1,961,993</u>	<u>3,427,032</u>
Total fund balance	<u>1,961,993</u>	<u>3,427,032</u>
Total deferred inflows of resources and fund balance	<u>\$ 2,017,580</u>	<u>\$ 3,482,802</u>

HORRY COUNTY, SOUTH CAROLINA  
FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>			<b>2020</b>
	<b>Annual Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Real property taxes	\$ 1,742,531	\$ 1,802,088	\$ 59,557	\$ 1,700,829
Personal property taxes	128,200	142,686	14,486	121,505
Vehicle taxes	214,300	241,801	27,501	220,525
Fee in lieu of tax	10,700	9,971	(729)	3,601
Interest	12,500	15,732	3,232	71,480
Total revenues	<u>2,108,231</u>	<u>2,212,278</u>	<u>104,047</u>	<u>2,117,940</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Capital outlay	3,120,933	2,190,989	929,944	46,225
Contingency	61,925	-	61,925	-
Indirect cost allocation	33,147	33,147	-	32,000
Capital lease - principal	1,325,000	1,325,000	-	1,325,000
Capital lease - interest	153,476	128,181	25,295	153,476
Total expenditures	<u>4,694,481</u>	<u>3,677,317</u>	<u>1,017,164</u>	<u>1,556,701</u>
Net change in fund balance	(2,586,250)	(1,465,039)	1,121,211	561,239
Fund balance at beginning of year	<u>3,427,032</u>	<u>3,427,032</u>	-	<u>2,865,793</u>
Fund balance at end of year	<u>\$ 840,782</u>	<u>\$ 1,961,993</u>	<u>\$ 1,121,211</u>	<u>\$ 3,427,032</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 1,112,336	\$ 754,043
Total assets	<u>\$ 1,112,336</u>	<u>\$ 754,043</u>
<b>Fund Balances</b>		
Restricted for culture, recreation and tourism	\$ -	\$ 4,395
Restricted for infrastructure and regulation	1,112,336	749,648
Total fund balance	<u>\$ 1,112,336</u>	<u>\$ 754,043</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, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>	2020
	<u><b>Actual</b></u>	<u>Actual</u>
<b>Revenues</b>		
Interest	\$ 3,965	\$ 14,207
Other	359,564	161,095
Total revenues	<u>363,529</u>	<u>175,302</u>
 <b>Other Financing Sources (Uses)</b>		
Transfers out	<u>(5,236)</u>	-
Total other financing sources (uses)	<u>(5,236)</u>	-
 Net change in fund balance	358,293	175,302
 <b>Fund balance at beginning of year</b>	<u>754,043</u>	<u>578,741</u>
<b>Fund balance at end of year</b>	<u><u>\$ 1,112,336</u></u>	<u><u>\$ 754,043</u></u>

HORRY COUNTY, SOUTH CAROLINA  
1.5% HOSPITALITY CAPITAL PROJECTS FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 24,993,259	\$ 10,413,770
Receivables, net:		
Fees	2,138,053	1,289,794
Total assets	<u>\$ 27,131,312</u>	<u>\$ 11,703,564</u>
 <b>Fund Balance</b>		
Committed to other capital projects	\$ 27,131,312	\$ 11,703,564
Total fund balance	<u>\$ 27,131,312</u>	<u>\$ 11,703,564</u>

HORRY COUNTY, SOUTH CAROLINA  
1.5% HOSPITALITY CAPITAL PROJECTS FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Hospitality fee	\$ 14,340,400	\$ 12,863,943	\$ (1,476,457)	\$ 11,249,889
Interest	430,115	77,012	(353,103)	566,174
Total revenues	<u>14,770,515</u>	<u>12,940,955</u>	<u>(1,829,560)</u>	<u>11,816,063</u>
<b>Expenditures</b>				
Current:				
Culture, recreation and tourism:				
Contingency	<u>23,202,762</u>	-	<u>23,202,762</u>	-
Total expenditures	<u>23,202,762</u>	-	<u>23,202,762</u>	-
Excess of revenues over expenditures	<u>(8,432,247)</u>	<u>12,940,955</u>	<u>(25,032,322)</u>	<u>11,816,063</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	9,959,849	9,959,849	-
Transfers out	<u>(7,487,821)</u>	<u>(7,473,056)</u>	<u>(14,765)</u>	<u>(112,499)</u>
Total other financing sources (uses)	<u>(7,487,821)</u>	<u>2,486,793</u>	<u>9,945,084</u>	<u>(112,499)</u>
Net change in fund balance	<u>(15,920,068)</u>	<u>15,427,748</u>	<u>(15,087,238)</u>	<u>11,703,564</u>
Fund balance at beginning of year	<u>11,703,564</u>	<u>11,703,564</u>	-	-
Fund balance at end of year	<u><u>\$ (4,216,504)</u></u>	<u><u>\$ 27,131,312</u></u>	<u><u>\$ (15,087,238)</u></u>	<u><u>\$ 11,703,564</u></u>



## HORRY COUNTY, SOUTH CAROLINA

## DEBT SERVICE FUNDS

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

**General Debt** – accounts for revenue collected from 4.7 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.

**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. Legal defeasance on February 15, 2019. With the settlement of the municipality lawsuit (see Note 18), all excess funds have been transferred to the 1.5% Hospitality Capital Projects Fund.

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2021

	<b>Non-Major Funds</b>		
	<b>General Debt</b>	<b>RIDE Program Debt</b>	<b>Total Non-Major Funds</b>
<b>Assets</b>			
Pooled cash and investments	\$ 6,646,320	\$ -	\$ 6,646,320
Receivables, net:			
Property taxes	338,427	-	338,427
Fees	9,948	-	9,948
Total assets	<u>\$ 6,994,695</u>	<u>\$ -</u>	<u>\$ 6,994,695</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue-property taxes	265,827	-	265,827
Total deferred inflows of resources	<u>265,827</u>	<u>-</u>	<u>265,827</u>
<b>Fund Balances</b>			
Restricted for debt service	6,728,868	-	6,728,868
Total fund balances	<u>6,728,868</u>	<u>-</u>	<u>6,728,868</u>
Total deferred inflows of resources and fund balances	<u>\$ 6,994,695</u>	<u>\$ -</u>	<u>\$ 6,994,695</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, 2021

	<b>Non-Major Funds</b>		
	General Debt	RIDE Program Debt	Total Non-Major Funds
<b>Revenues</b>			
Real property taxes	\$ 10,846,126	\$ -	\$ 10,846,126
Personal property taxes	708,051	-	708,051
Vehicle taxes	1,044,942	-	1,044,942
Fee in lieu of tax	76,833	-	76,833
Intergovernmental	46,853	-	46,853
Interest	62,545	12,833	75,378
Other	-	272,350	272,350
Total revenues	<u>12,785,350</u>	<u>285,183</u>	<u>13,070,533</u>
<b>Expenditures</b>			
Current:			
Debt Service:			
Principal	13,992,000	-	13,992,000
Interest	1,619,581	-	1,619,581
Agents fees	1,604	-	1,604
Total expenditures	<u>15,613,185</u>	<u>-</u>	<u>15,613,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,827,835)</u>	<u>285,183</u>	<u>(2,542,652)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,362,489	-	1,362,489
Transfers out	(3,500,000)	(9,959,849)	(13,459,849)
Total other financing sources (uses)	<u>(2,137,511)</u>	<u>(9,959,849)</u>	<u>(12,097,360)</u>
Net change in fund balance	(4,965,346)	(9,674,666)	(14,640,012)
Fund balances, at beginning of year	<u>11,694,214</u>	<u>9,674,666</u>	<u>21,368,880</u>
Fund balances, at end of year	<u>\$ 6,728,868</u>	<u>\$ -</u>	<u>\$ 6,728,868</u>

HORRY COUNTY, SOUTH CAROLINA  
GENERAL DEBT SERVICE FUND - NON MAJOR FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ 6,646,320	\$ 11,596,869
Receivables, net:		
Property taxes	338,427	366,396
Fees	9,948	10,858
Due from other governments	-	8,347
Total assets	<u>\$ 6,994,695</u>	<u>\$ 11,982,470</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue-fees and other	\$ -	\$ 8,333
Unavailable revenue-property taxes	265,827	279,923
Total deferred inflows of resources	<u>265,827</u>	<u>288,256</u>
 <b>Fund Balance</b>		
Restricted for debt service	6,728,868	11,694,214
Total fund balance	<u>6,728,868</u>	<u>11,694,214</u>
 Total deferred inflows of resources and fund balance	<u>\$ 6,994,695</u>	<u>\$ 11,982,470</u>

HORRY COUNTY, SOUTH CAROLINA  
GENERAL DEBT SERVICE FUND - NON MAJOR FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Real property taxes	\$ 10,710,355	\$ 10,846,126	\$ 135,771	\$ 10,347,922
Personal property taxes	676,832	708,051	31,219	612,385
Vehicle taxes	995,791	1,044,942	49,151	981,865
Fee in lieu of tax	59,179	76,833	17,654	42,857
Intergovernmental	35,026	46,853	11,827	39,111
Interest	60,000	62,545	2,545	259,960
Total revenues	12,537,183	12,785,350	248,167	12,284,100
<b>Expenditures</b>				
Current:				
Debt Service:				
Principal	17,492,000	13,992,000	3,500,000	11,660,000
Interest	1,620,855	1,619,581	1,274	1,050,675
Agents fees	4,402	1,604	2,798	1,410
Total expenditures	19,117,257	15,613,185	3,504,072	12,712,085
Excess (deficiency) of revenues over (under) expenditures	(6,580,074)	(2,827,835)	3,752,239	(427,985)
<b>Other Financing Sources (Uses)</b>				
Issuance of debt premium	-	-	-	3,081,312
Transfers in	1,375,390	1,362,489	(12,901)	1,218,840
Transfers out	-	(3,500,000)	(3,500,000)	-
Total other financing sources (uses)	1,375,390	(2,137,511)	(3,512,901)	4,300,152
Net change in fund balance	(5,204,684)	(4,965,346)	239,338	3,872,167
Fund balance at beginning of year	11,694,214	11,694,214	-	7,822,047
Fund balance at end of year	\$ 6,489,530	\$ 6,728,868	\$ 239,338	\$ 11,694,214

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - NON MAJOR FUND  
BALANCE SHEETS

June 30, 2021  
(with comparative actual amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Pooled cash and investments	\$ -	\$ 28,697,015
Total assets	<u>\$ -</u>	<u>\$ 28,697,015</u>
<b>Liabilities</b>		
Due to other governments	\$ -	\$ 19,022,349
Total liabilities	<u>-</u>	<u>19,022,349</u>
<b>Fund Balance</b>		
Restricted for debt service	-	9,674,666
Total fund balance	<u>-</u>	<u>9,674,666</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 28,697,015</u>

*Note: Final reporting year for RIDE Program Debt.*

HORRY COUNTY, SOUTH CAROLINA  
RIDE PROGRAM DEBT SERVICE FUND - NON MAJOR FUND  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	<b>2021</b>			<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues</b>				
Interest	\$ -	\$ 12,833	\$ 12,833	\$ -
Other	-	272,350	272,350	-
Total revenues	-	285,183	285,183	-
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(9,959,849)	\$ (9,959,849)	-
Total other financing sources (uses)	-	(9,959,849)	(9,959,849)	-
Net change in fund balance	-	(9,674,666)	(9,674,666)	-
<b>Fund balance at beginning of year</b>	<b>9,674,666</b>	<b>9,674,666</b>	<b>-</b>	<b>9,674,666</b>
<b>Fund balance at end of year</b>	<b>\$ 9,674,666</b>	<b>\$ -</b>	<b>\$ (9,674,666)</b>	<b>\$ 9,674,666</b>

*Note: Final reporting year for RIDE Program Debt.*



## 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, 2021

(with comparative amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 45,565,923	\$ 8,121,643
Pooled cash and investments	12,070,221	39,664,632
Accounts receivable (net of allowance of \$183,342 in 2021 and \$178,682 in 2020)	4,961,007	2,226,750
Due from other governments	2,747,622	3,972,812
Inventory	1,279,984	1,124,034
Prepaid items	255,587	97,812
Total current assets	66,880,344	55,207,683
Restricted assets:		
Cash and cash equivalents	46,841,391	48,149,953
Pooled cash and investments	10,696,836	10,433,248
Receivables - PFC and CFC	1,763,396	588,220
Total restricted assets	59,301,623	59,171,421
Noncurrent assets:		
Capital assets:		
Land, easements and infrastructure	37,015,705	37,015,705
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, and land improvements, net	241,556,811	253,234,125
Construction-in-progress	32,478,511	6,652,750
Total capital assets, net	311,051,027	296,902,580
Service concession arrangement (SCA)	4,274,639	2,266,456
Total non-current assets	315,325,666	299,169,036
Total assets	441,507,633	413,548,140
<b>Deferred outflows of resources</b>		
Deferred outflows-pension	2,945,475	2,203,894
Deferred outflows-OPEB	386,657	131,323
Total deferred outflows of resources	3,332,132	2,335,217
Total assets and deferred outflows of resources	\$ 444,839,765	\$ 415,883,357

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENTS OF NET POSITION

- CONTINUED -

	2021	2020
<b>Liabilities</b>		
Current liabilities payable from non-restricted assets:		
Accounts payable	\$ 4,284,130	\$ 3,343,298
Construction accounts and retainage payable	2,536,131	1,637,547
Accrued salaries, wages and compensated absences	562,220	506,430
Other accrued liabilities	322,503	373,902
Unearned revenue from operating agreements	188,343	195,338
Due to other funds	1,107,588	913,064
Due to other governments	50,500	50,500
Capital lease payable - current portion	58,226	57,564
Amounts due to tenants, airlines and car rentals	2,098,346	1,180,109
Total current liabilities payable from non-restricted assets	11,207,987	8,257,752
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	-	1,540,000
Accrued interest payable	1,312,622	1,381,472
Total current liabilities payable from restricted assets	1,312,622	2,921,472
Total current liabilities	12,520,609	11,179,224
Non-current liabilities:		
Revenue bonds payable, net	43,516,961	50,835,059
Compensated absences - long term	830,944	796,359
Net other post-employment benefits obligations (NOO)	1,989,790	1,565,546
Net pension liability	16,426,560	14,468,434
Capital lease payable, net of current portion	49,032	107,258
Total non-current liabilities	62,813,287	67,772,656
Total liabilities:	75,333,896	78,951,880
<b>Deferred Inflows of Resources</b>		
Deferred inflows - present value of payments under service concession arrangement	4,274,639	2,266,456
Deferred inflows - pension	64,329	445,950
Deferred inflows - OPEB	96,160	106,723
Total deferred inflows of resources	4,435,128	2,819,129
<b>Net position</b>		
Net investment in capital assets	264,890,677	242,725,154
Restricted for:		
Debt service	28,623,768	28,434,526
Capital projects	29,322,915	27,812,455
Unrestricted	42,233,381	35,140,213
Total net position	365,070,741	334,112,348
Total liabilities, deferred inflows of resources and net position	\$ 444,839,765	\$ 415,883,357

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparative amounts for the year ended June 30, 2020)

	2021	2020
<b>Operating Revenues</b>		
Concessions and rentals	\$ 8,434,960	\$ 8,994,760
Fuel sales - FBO	9,371,026	8,069,124
Airline terminal rents	6,574,266	6,228,611
Baggage handling system	873,327	726,807
Landing fees	1,747,330	1,683,291
Leases	1,012,050	933,535
Other airline services	576,841	552,643
Other	1,232,627	818,643
Federal revenue- TSA LEO reimbursement program	125,260	127,778
Security fees	253,683	269,033
Total operating revenues	30,201,370	28,404,225
Less, signatory airline rebate and incentive fee waivers	(1,716,205)	(633,765)
Net operating revenues	28,485,165	27,770,460
<b>Operating Expenses</b>		
Salaries and benefits	11,555,013	11,735,924
Depreciation and amortization	14,797,784	12,965,930
Baggage handling system	895,105	890,010
Fuel cost of sales	5,601,871	5,053,860
Outside and professional services	1,590,461	1,510,271
Utilities	1,747,201	1,713,327
Maintenance and supplies	1,939,017	2,448,486
Indirect cost allocation	400,000	400,000
Vehicle and equipment (non-capital) expense	488,021	543,461
Insurance	532,682	493,380
Memberships, travel, fuels and lubricants	233,649	293,466
Office supplies	40,572	30,836
Bad debt expense	23,299	1,496
Total operating expenses	39,844,675	38,080,447
Operating loss	(11,359,510)	(10,309,987)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<b>2021</b>	<b>2020</b>
<b>Non-Operating Revenues (Expenses)</b>		
Passenger Facility Charges (PFC)	<b>4,924,707</b>	3,667,572
Contract Facility Charges (CFC)	<b>2,037,968</b>	2,443,974
Investment income, net	<b>551,919</b>	1,789,735
Intergovernmental revenues - City of Myrtle Beach	<b>2,738,981</b>	2,407,805
Gain on disposal/sale of assets	-	29,679
Federal grant revenue - CARES Act	<b>14,456,656</b>	4,218,575
Other state grant revenue	<b>63,275</b>	63,275
Other, net	<b>(522)</b>	394,765
Interest subsidy on recovery zone economic bonds	<b>302,257</b>	301,616
Interest expense	<b>(2,760,742)</b>	(2,772,031)
Net non-operating revenues	<b>22,314,499</b>	12,544,965
Income before capital contributions	<b>10,954,989</b>	2,234,978
<b>Capital Contributions</b>		
Federal grant revenue - capital projects	<b>20,002,462</b>	23,694,615
State grant revenue - capital projects	<b>942</b>	310,217
Net capital contributions	<b>20,003,404</b>	24,004,832
Increase in net position	<b>30,958,393</b>	26,239,810
<b>Net Position</b>		
Beginning of year	<b>334,112,348</b>	307,872,538
End of year	<b>\$ 365,070,741</b>	<b>\$ 334,112,348</b>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparative amounts for the year ended June 30, 2020)

	2021	2020
<b>Cash flows provided by (used for) operating activities</b>		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 16,621,572	\$ 18,096,481
FBO fuel sales and airline services	8,933,601	8,787,130
Vending, FBO ramp fees, hanger fees and other	1,083,679	851,465
Cash paid for:		
Personnel costs	(10,471,367)	(10,614,350)
Maintenance, supplies, fuel, utilities and equipment	(12,698,348)	(15,802,991)
Net cash provided by operating activities	<u>3,469,137</u>	<u>1,317,735</u>
<b>Cash flows from non-capital financing activities</b>		
Receipt of Federal CARES Act	13,914,844	4,218,575
Settlement - insurance	63,275	501,384
Building demolition and tree removal	(522)	(43,344)
Net cash provided by non-capital financing activities	<u>13,977,597</u>	<u>4,676,615</u>
<b>Cash flows from capital and related financing activities</b>		
Receipt of Passenger and Contract Facility Charges	5,787,499	6,926,515
Acquisition and construction of capital assets	(28,047,647)	(50,432,362)
Proceeds from sale of capital assets	-	29,679
Interest paid on bonds and notes	(2,822,690)	(2,794,729)
Principal payments on bonds and notes	(8,865,000)	(1,480,000)
Receipt of federal subsidy for "RZEDB" (Series 2010B)	302,257	301,616
Principal payments on capital lease obligation	(57,564)	(56,908)
Receipt of intergovernmental and private grants	2,738,981	2,407,805
Proceeds from Airport Improvement Program, TSA and State grants	21,770,406	24,467,040
Net cash used for capital and related financing activities	<u>(9,193,758)</u>	<u>(20,631,344)</u>
<b>Cash flows from investing activities</b>		
Investment sales	-	10,000,000
Interest on investments	551,919	1,793,615
Net cash provided by investing activities	<u>551,919</u>	<u>11,793,615</u>
Net increase (decrease) in cash and cash equivalents	<u>8,804,895</u>	<u>(2,843,379)</u>
Cash and cash equivalents, beginning of year		
Unrestricted	47,786,275	49,262,187
Restricted	58,583,201	59,950,668
	<u>106,369,476</u>	<u>109,212,855</u>
Cash and cash equivalents, end of year		
Unrestricted	57,636,144	47,786,275
Restricted	57,538,227	58,583,201
	<u>\$ 115,174,371</u>	<u>\$ 106,369,476</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENTS OF CASH FLOWS

- CONTINUED -

	2021	2020
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating loss	\$ (11,359,510)	\$ (10,309,987)
Adjustments to reconciliation of operating loss to net cash provided by operating activities:		
Depreciation and amortization	14,797,784	12,965,930
Bad debt expense	23,299	1,496
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable, net	(2,757,555)	353,972
Prepaid items	(157,776)	(6,859)
Inventory	(155,950)	142,351
(Decrease) increase in liabilities and deferred inflows of resources:		
Accounts payable	940,832	(2,601,117)
Accrued salaries, wages and compensated absences	90,375	135,907
Net OBEP liability	158,347	124,942
Net pension liability	834,924	860,725
Other accrued liabilities	(51,399)	18,601
Due to Horry County - General Fund	194,524	21,130
Unearned revenue	(6,995)	(517,018)
Amounts due to tenants, airlines and car rentals	918,237	127,662
Net cash provided by operating activities	<u>\$ 3,469,137</u>	<u>\$ 1,317,735</u>
<b>Reconciliation of unrestricted and restricted cash and cash equivalents</b>		
Cash and cash equivalents, beginning of year		
Unrestricted - cash and cash equivalents	\$ 8,121,643	\$ 24,437,808
Unrestricted - pooled cash and investments	39,664,632	24,824,379
Total unrestricted cash	<u>47,786,275</u>	<u>49,262,187</u>
Restricted - cash and cash equivalents	48,149,953	16,823,511
Restricted - pooled cash and investments	10,433,248	43,127,157
Total restricted cash	<u>58,583,201</u>	<u>59,950,668</u>
Total cash and cash equivalents, beginning of year	<u>\$ 106,369,476</u>	<u>\$ 109,212,855</u>
Cash and cash equivalents, end of year		
Unrestricted - cash and cash equivalents	\$ 45,565,923	\$ 8,121,643
Unrestricted - pooled cash and investments	12,070,221	39,664,632
Total unrestricted cash	<u>57,636,144</u>	<u>47,786,275</u>
Restricted - cash and cash equivalents	46,841,391	48,149,953
Restricted - pooled cash and investments	10,696,836	10,433,248
Total restricted cash	<u>57,538,227</u>	<u>58,583,201</u>
Total cash and cash equivalents, end of year	<u>\$ 115,174,371</u>	<u>\$ 106,369,476</u>



## HORRY COUNTY, SOUTH CAROLINA

## INTERNAL SERVICE FUNDS

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

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

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

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

June 30, 2021

	Fleet Service	Communications	Total
<b>Assets</b>			
Current assets:			
Pooled cash and investments	\$ 34,726,850	\$ 2,336,340	\$ 37,063,190
Fees receivable	-	95,351	95,351
Inventory	210,308	-	210,308
Prepaid items	-	2,308,123	2,308,123
Total current assets	<u>34,937,158</u>	<u>4,739,814</u>	<u>39,676,972</u>
Non-current assets:			
Capital assets:			
Land improvements	17,750	-	17,750
Buildings and improvements	362,735	-	362,735
Machinery and equipment	52,549,997	16,023,757	68,573,754
Construction-in-progress	446,019	-	446,019
Less, accumulated depreciation	<u>(30,217,237)</u>	<u>(7,203,531)</u>	<u>(37,420,768)</u>
Net capital assets	<u>23,159,264</u>	<u>8,820,226</u>	<u>31,979,490</u>
Total assets	<u>58,096,422</u>	<u>13,560,040</u>	<u>71,656,462</u>
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	314,674	76,767	391,441
Deferred outflows - OPEB	<u>29,202</u>	<u>8,554</u>	<u>37,756</u>
Total deferred outflows of resources	<u>343,876</u>	<u>85,321</u>	<u>429,197</u>
Total assets and deferred outflows of resources	<u>\$ 58,440,298</u>	<u>\$ 13,645,361</u>	<u>\$ 72,085,659</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 784,838	\$ 4,425	\$ 789,263
Accrued salaries and wages	36,503	6,152	42,655
Compensated absences and leave - current portion	101,941	19,016	120,957
Accrued interest payable	-	6,800	6,800
Capital lease payable - current portion	-	578,174	578,174
Total current liabilities	<u>923,282</u>	<u>614,567</u>	<u>1,537,849</u>
Non-current liabilities:			
Compensated absences and leave	26,504	14,313	40,817
Net pension liability	1,862,466	37,438	1,899,904
Total OPEB liability	<u>375,324</u>	<u>23,475</u>	<u>398,799</u>
Total non-current liabilities	<u>2,264,294</u>	<u>75,226</u>	<u>2,339,520</u>
Total Liabilities	<u>3,187,576</u>	<u>689,793</u>	<u>3,877,369</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - pension	42,963	4,909	47,872
Deferred inflows - OPEB	<u>10,980</u>	<u>1,737</u>	<u>12,717</u>
Total deferred inflows of resources	<u>53,943</u>	<u>6,646</u>	<u>60,589</u>
<b>Net position</b>			
Net investment in capital assets	23,159,264	8,235,252	31,394,516
Restricted for capital	29,825,250	4,713,670	34,538,920
Unrestricted	<u>2,214,265</u>	<u>-</u>	<u>2,214,265</u>
Total net position	<u>55,198,779</u>	<u>12,948,922</u>	<u>68,147,701</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 58,440,298</u>	<u>\$ 13,645,361</u>	<u>\$ 72,085,659</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Fleet Service</u>	<u>Communications</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for services	\$ 11,667,696	\$ 1,955,506	\$ 13,623,202
Fees	-	936,974	936,974
Intergovernmental	52,021	123,472	175,493
Total operating revenues	<u>11,719,717</u>	<u>3,015,952</u>	<u>14,735,669</u>
<b>Operating Expenses</b>			
Personnel costs	1,339,444	207,735	1,547,179
Contractual services	43,999	755,503	799,502
Supplies and materials	95,517	67,991	163,508
Business and transportation	2,633,174	4,560	2,637,734
Cost allocation	380,616	75	380,691
Indirect cost allocation	21,244	28,085	49,329
Depreciation	5,725,017	1,806,082	7,531,099
Other	40,000	5,000	45,000
Disaster	23,454	3,453	26,907
Total operating expenses	<u>10,302,465</u>	<u>2,878,484</u>	<u>13,180,949</u>
Operating income (loss)	<u>1,417,252</u>	<u>137,468</u>	<u>1,554,720</u>
<b>Nonoperating revenues (expenses)</b>			
Gain (loss) on disposal of assets	564,944	-	564,944
Other	231,842	10,800	242,642
Interest revenue	165,471	11,855	177,326
Interest expense	-	(26,185)	(26,185)
Net non-operating revenues (expenses)	<u>962,257</u>	<u>(3,530)</u>	<u>958,727</u>
Income before transfers	<u>2,379,509</u>	<u>133,938</u>	<u>2,513,447</u>
Transfers in	2,562,231	-	2,562,231
Transfers out	<u>-</u>	<u>(324,000)</u>	<u>(324,000)</u>
Change in net position	4,941,740	(190,062)	4,751,678
Net position, beginning of year	50,257,039	13,138,984	63,396,023
Net position, end of year	<u>\$ 55,198,779</u>	<u>\$ 12,948,922</u>	<u>\$ 68,147,701</u>

HORRY COUNTY, SOUTH CAROLINA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

	Fleet Service	Communications	Total
<b>Cash flows provided by (used for) operating activities</b>			
Cash received for:			
Services	\$ 11,690,406	\$ 1,955,506	\$ 13,645,912
Fees and other	-	926,138	926,138
Intergovernmental	52,021	123,472	175,493
Cash paid for:			
Personnel costs	(1,329,281)	(197,818)	(1,527,099)
Maintenance, supplies, fuel, utilities and equipment	(2,455,713)	(678,234)	(3,133,947)
Other supplies and miscellaneous costs	(63,454)	(8,453)	(71,907)
Net cash provided by operating activities	<u>7,893,979</u>	<u>2,120,611</u>	<u>10,014,590</u>
<b>Cash flows from non-capital and related financing activities</b>			
Transfers in	2,562,231	-	2,562,231
Transfers out	-	(324,000)	(324,000)
Other non-operating income	-	10,800	10,800
Net cash provided by (used for) non-capital and related financing activities	<u>2,562,231</u>	<u>(313,200)</u>	<u>2,249,031</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets	(9,634,302)	(1,241,958)	(10,876,260)
Proceeds from disposition of capital assets	636,150	-	636,150
Principal paid on capital debt	-	(561,983)	(561,983)
Interest paid on capital debt	-	(32,847)	(32,847)
Miscellaneous proceeds	231,842	-	231,842
Net cash used for capital and other related financing activities	<u>(8,766,310)</u>	<u>(1,836,788)</u>	<u>(10,603,098)</u>
<b>Cash flows from investing activities</b>			
Interest income	165,471	11,855	177,326
Net cash provided by investing activities	<u>165,471</u>	<u>11,855</u>	<u>177,326</u>
Net change in pooled cash and investments	1,855,371	(17,522)	1,837,849
Pooled cash and investments, beginning of year	32,871,479	2,353,862	35,225,341
Pooled cash and investments, end of year	<u>\$ 34,726,850</u>	<u>\$ 2,336,340</u>	<u>\$ 37,063,190</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>			
Operating income	\$ 1,417,252	\$ 137,468	\$ 1,554,720
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	5,725,017	1,806,082	7,531,099
(Increase) decrease in assets and deferred outflows of resources:			
Accounts/fees receivable	22,710	(10,836)	11,874
Prepaid items	-	282,911	282,911
Inventory	16,428	-	16,428
Deferred outflows of resources	(134,032)	(31,807)	(165,839)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	702,409	(104,932)	597,477
Accrued salaries and wages	5,488	1,513	7,001
Compensated absences and leave	(5,246)	1,630	(3,616)
Net pension liability	149,496	33,665	183,161
Total OPEB liability	50,148	8,542	58,690
Deferred inflows of resources	(55,691)	(3,625)	(59,316)
Net cash provided by operating activities	<u>\$ 7,893,979</u>	<u>\$ 2,120,611</u>	<u>\$ 10,014,590</u>

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2021  
(with comparative amounts for June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets:		
Pooled cash and investments	\$ 34,726,850	\$ 32,871,479
Accounts receivable	-	22,710
Due from other governments	-	18,360
Inventory	210,308	226,736
Total current assets	<u>34,937,158</u>	<u>33,139,285</u>
Non-current assets:		
Capital assets:		
Land improvements	17,750	17,750
Buildings and improvements	362,735	362,735
Machinery and equipment	52,549,997	48,396,189
Construction-in-progress	446,019	164,617
Less, accumulated depreciation	<u>(30,217,237)</u>	<u>(29,620,106)</u>
Net capital assets	<u>23,159,264</u>	<u>19,321,185</u>
Total assets	<u>58,096,422</u>	<u>52,460,470</u>
<b>Deferred outflows of resources</b>		
Deferred outflows - pension	314,674	208,727
Deferred outflows - OPEB	29,202	1,117
Total deferred outflows of resources	<u>343,876</u>	<u>209,844</u>
Total assets and deferred outflows of resources	<u>\$ 58,440,298</u>	<u>\$ 52,670,314</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 784,838	\$ 82,429
Accrued salaries and wages	36,503	31,015
Compensated absences and leave - current portion	101,941	110,223
Unearned revenue	-	18,360
Total current liabilities	<u>923,282</u>	<u>242,027</u>
Non-current liabilities:		
Compensated absences and leave	26,504	23,468
Net pension liability	1,862,466	1,712,970
Total OPEB liability	<u>375,324</u>	<u>325,176</u>
Total non-current liabilities	<u>2,264,294</u>	<u>2,061,614</u>
Total Liabilities	<u>3,187,576</u>	<u>2,303,641</u>
<b>Deferred inflows of resources</b>		
Deferred inflows - pension	42,963	96,011
Deferred inflows - OPEB	10,980	13,623
Total deferred inflows of resources	<u>53,943</u>	<u>109,634</u>
<b>Net position</b>		
Net investment in capital assets	23,159,264	19,321,185
Restricted for capital	29,825,250	28,859,087
Unrestricted	<u>2,214,265</u>	<u>2,076,767</u>
Total net position	<u>55,198,779</u>	<u>50,257,039</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 58,440,298</u>	<u>\$ 52,670,314</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, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	2021	2020
<b>Operating Revenues</b>		
Charges for services	\$ 11,667,696	\$ 13,143,933
Intergovernmental	52,021	1,089,720
Total operating revenues	11,719,717	14,233,653
<b>Operating Expenses</b>		
Personnel costs	1,339,444	1,268,786
Contractual services	43,999	42,070
Supplies and materials	95,517	62,459
Business and transportation	2,633,174	2,566,722
Cost allocation	380,616	358,997
Indirect cost allocation	21,244	26,233
Depreciation	5,725,017	5,043,590
Other	40,000	40,000
Disaster	23,454	23,342
Total Operating Expenses	10,302,465	9,432,199
Operating income	1,417,252	4,801,454
<b>Nonoperating revenues (expenses)</b>		
Gain on disposal of assets	564,944	186,559
Other	231,842	80,122
Interest revenue	165,471	731,924
Net non-operating revenues	962,257	998,605
Income before transfers	2,379,509	5,800,059
Transfers in	2,562,231	1,018,704
Change in net position	4,941,740	6,818,763
Net position, beginning of year	50,257,039	43,438,276
Net position, end of year	\$ 55,198,779	\$ 50,257,039



HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND  
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	2021	2020
<b>Cash flows provided by (used for) operating activities</b>		
Cash received for:		
Services	\$ 11,690,406	\$ 13,121,223
Intergovernmental	52,021	278,271
Cash paid for:		
Personnel costs	(1,329,281)	(1,321,003)
Maintenance, supplies, fuel, utilities and equipment	(2,455,713)	(2,239,750)
Other supplies and miscellaneous costs	(63,454)	(40,000)
Net cash provided by operating activities	<u>7,893,979</u>	<u>9,798,741</u>
<b>Cash flows from non-capital and related financing activities</b>		
Transfers in	2,562,231	1,018,704
Net cash provided by non-capital and related financing activities	<u>2,562,231</u>	<u>1,018,704</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(9,634,302)	(8,330,842)
Proceeds from disposition of capital assets	636,150	341,451
Miscellaneous proceeds	231,842	80,122
Net cash used for capital and other related financing activities	<u>(8,766,310)</u>	<u>(7,909,269)</u>
<b>Cash flows from investing activities</b>		
Interest income	165,471	731,924
Net cash provided by investing activities	<u>165,471</u>	<u>731,924</u>
Net change in pooled cash and investments	1,855,371	3,640,100
Pooled cash and investments, beginning of year	32,871,479	29,231,379
Pooled cash and investments, end of year	<u>\$ 34,726,850</u>	<u>\$ 32,871,479</u>
<b>Reconciliation of operating income to net cash provided by (used for) by operating activities</b>		
Operating income	\$ 1,417,252	\$ 4,801,454
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,725,017	5,043,590
(Increase) decrease in assets and deferred outflow of resources		
Accounts receivable - trade	22,710	(17,589)
Inventory	16,428	(38,880)
Due from other governments	18,360	
Deferred outflows of resources	(134,032)	14,396
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	702,409	(42,114)
Accrued salaries and wages	5,488	12,632
Compensated absences and leave	(5,246)	25,363
Unearned revenue	(18,360)	
Net pension liability	149,496	(40,596)
Total OPEB liability	50,148	12,270
Deferred inflows of resources	(55,691)	28,215
Net cash provided by operating activities	<u>\$ 7,893,979</u>	<u>\$ 9,798,741</u>

## HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND  
STATEMENTS OF NET POSITION

June 30, 2021  
(with comparative amounts for June 30, 2020)

	2021	2020
<b>Assets</b>		
Current assets:		
Pooled cash and investments	\$ 2,336,340	\$ 2,353,862
Fees receivable	95,351	84,515
Prepaid items	2,308,123	2,591,034
Total current assets	4,739,814	5,029,411
Non-current assets:		
Capital assets:		
Machinery and equipment	16,023,757	14,781,799
Less, accumulated depreciation	(7,203,531)	(5,397,449)
Net capital assets	8,820,226	9,384,350
Total assets	13,560,040	14,413,761
<b>Deferred outflows of resources</b>		
Deferred outflows - pension	76,767	49,999
Deferred outflows - OPEB	8,554	3,515
Total deferred outflows of resources	85,321	53,514
Total assets and deferred outflows of resources	\$ 13,645,361	\$ 14,467,275
<b>Liabilities</b>		
Current liabilities:		
Accounts payable-trade	\$ 4,425	\$ 109,357
Accrued salaries and wages	6,152	4,639
Compensated absences and leave - current portion	19,016	20,555
Accrued interest payable	6,800	13,462
Capital lease payable - current portion	578,174	561,983
Total current liabilities	614,567	709,996
Non-current liabilities		
Compensated absences and leave	14,313	11,144
Net pension liability	37,438	3,773
Total OPEB liability	23,475	14,933
Capital lease payable	-	578,174
Total non-current liabilities	75,226	608,024
Total Liabilities	689,793	1,318,020
<b>Deferred inflows of resources</b>		
Deferred inflows - pension	4,909	8,330
Deferred inflows - OPEB	1,737	1,941
Total deferred inflows of resources	6,646	10,271
<b>Net position</b>		
Net investment in capital assets	8,235,252	8,230,730
Restricted for capital	4,713,670	4,908,254
Total net position	12,948,922	13,138,984
Total liabilities, deferred inflows of resources and net position	\$ 13,645,361	\$ 14,467,275

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	2021	2020
<b>Operating Revenues</b>		
Charges for services	\$ 1,955,506	\$ 1,806,799
Fees	936,974	885,803
Intergovernmental	123,472	16,966
Total operating revenues	<u>3,015,952</u>	<u>2,709,568</u>
<b>Operating Expenses</b>		
Personnel costs	207,735	205,133
Contractual services	755,503	789,595
Supplies and materials	67,991	45,334
Business and transportation	4,560	7,287
Cost allocation	75	5,104
Indirect cost allocation	28,085	29,564
Depreciation	1,806,082	1,570,708
Other	5,000	5,000
Disaster	3,453	492
Total operating expenses	<u>2,878,484</u>	<u>2,658,217</u>
Operating income	<u>137,468</u>	<u>51,351</u>
<b>Nonoperating revenues (expenses)</b>		
Gain (loss) on disposal of assets	-	(10,036)
Other	10,800	10,800
Interest revenue	11,855	56,571
Interest expense	(26,185)	(42,214)
Net non-operating revenues (expenses)	<u>(3,530)</u>	<u>15,121</u>
Income before transfers	<u>133,938</u>	<u>66,472</u>
Transfers in	-	172,004
Transfers out	<u>(324,000)</u>	<u>(345,599)</u>
Change in net position	<u>(190,062)</u>	<u>(107,123)</u>
Net position, beginning of year	13,138,984	13,246,107
Net position, end of year	<u>\$ 12,948,922</u>	<u>\$ 13,138,984</u>

HORRY COUNTY, SOUTH CAROLINA

COMMUNICATIONS INTERNAL SERVICE FUND  
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparative actual amounts for the year ended June 30, 2020)

	2021	2020
<b>Cash flows provided by (used for) operating activities</b>		
Cash received for:		
Services	\$ 1,955,506	\$ 1,806,799
Fees and Other	926,138	886,227
Intergovernmental	123,472	16,966
Cash paid for:		
Personnel costs	(197,818)	(197,701)
Maintenance, supplies, fuel, utilities and equipment	(678,234)	(491,079)
Other supplies and miscellaneous costs	(8,453)	(5,492)
Net cash provided by (used for) operating activities	<u>2,120,611</u>	<u>2,015,720</u>
<b>Cash flows from non-capital and related financing activities</b>		
Transfers in	-	172,004
Transfers out	(324,000)	(345,599)
Other non-operating income	10,800	10,800
Net cash used for non-capital and related financing activities	<u>(313,200)</u>	<u>(162,795)</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(1,241,958)	(718,633)
Proceeds from disposition of capital assets	-	6,636
Principal paid on capital debt	(561,983)	(546,246)
Interest paid on capital debt	(32,847)	(48,585)
Net cash used for capital and other related financing activities	<u>(1,836,788)</u>	<u>(1,306,828)</u>
<b>Cash flows from investing activities</b>		
Interest income	11,855	56,571
Net cash provided by investing activities	<u>11,855</u>	<u>56,571</u>
Net change in pooled cash and investments	(17,522)	602,668
Pooled cash and investments, beginning of year	2,353,862	1,751,194
Pooled cash and investments, end of year	<u>\$ 2,336,340</u>	<u>\$ 2,353,862</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities</b>		
Operating income	\$ 137,468	\$ 51,351
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,806,082	1,570,708
(Increase) decrease in assets and deferred outflow of resources		
Fees receivable	(10,836)	424
Prepaid items	282,911	282,990
Deferred outflow of resources	(31,807)	(5,373)
Increase (decrease) in liabilities and deferred inflow of resources		
Accounts payable	(104,932)	102,815
Accrued salaries and wages	1,513	1,459
Compensated absences and leave	1,630	3,991
Total pension liability	33,665	849
Net OPEB liability	8,542	4,562
Deferred Inflow of resources	(3,625)	1,944
Net cash provided by operating activities	<u>\$ 2,120,611</u>	<u>\$ 2,015,720</u>

## FIDUCIARY (CUSTODIAL) FUNDS

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

HORRY COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

June 30, 2021

	City of Conway	City of Myrtle Beach	Town of Loris	City of North Myrtle Beach	Town of Surfside Beach
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	96,865	253,947	20,331	169,337	23,274
Receivables, net:					
Property taxes	1,793,339	6,074,793	370,069	1,925,064	427,614
Fees	-	53,435	-	11,160	11,472
Total assets	<u>1,890,204</u>	<u>6,382,175</u>	<u>390,400</u>	<u>2,105,561</u>	<u>462,360</u>
<b>Liabilities</b>					
Accounts payable - trade	-	-	-	-	-
Due to other governments	96,865	253,947	20,331	169,337	23,274
Total liabilities	<u>96,865</u>	<u>253,947</u>	<u>20,331</u>	<u>169,337</u>	<u>23,274</u>
<b>Deferred Inflows of Resources</b>					
Uncollected property taxes	1,793,339	6,074,793	370,069	1,925,064	427,614
Uncollected fees	-	53,435	-	11,160	11,472
Total deferred inflows of resources	<u>1,793,339</u>	<u>6,128,228</u>	<u>370,069</u>	<u>1,936,224</u>	<u>439,086</u>
<b>Net Position</b>					
Restricted for individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of Atlantic Beach	Town of Aynor	Town of Briarcliff Acres	Horry County School District/ Operations / Debt	Murrells Inlet- Garden City Fire District	Fireman's Fund	Police Asset Forfeiture Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,014	\$ 374,773
3,819	4,832	2,387	299,828,856	160,513	-	-
37,796	58,842	28,151	40,736,987	212,918	-	-
-	-	3,048	937,478	-	-	-
<u>41,615</u>	<u>63,674</u>	<u>33,586</u>	<u>341,503,321</u>	<u>373,431</u>	<u>41,014</u>	<u>374,773</u>
-	-	-	-	122,484	-	-
3,819	4,832	2,387	299,828,856	38,029	-	302,072
<u>3,819</u>	<u>4,832</u>	<u>2,387</u>	<u>299,828,856</u>	<u>160,513</u>	<u>-</u>	<u>302,072</u>
37,796	58,842	28,151	40,736,987	212,918	-	-
-	-	3,048	937,478	-	-	-
<u>37,796</u>	<u>58,842</u>	<u>31,199</u>	<u>41,674,465</u>	<u>212,918</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	41,014	72,701
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,014</u>	<u>\$ 72,701</u>



HORRY COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

June 30, 2021

	Sheriff Seizure	Environmental Services	Library Endowment	Inmate Trust
<b>Assets</b>				
Cash and cash equivalents	\$ 49,143	\$ 46,711	\$ 45,193	\$ 130,304
Pooled cash and investments	-	-	14,610	-
Receivables, net:				
Property taxes	-	-	-	-
Fees	-	-	-	-
Total assets	<u>49,143</u>	<u>46,711</u>	<u>59,803</u>	<u>130,304</u>
<b>Liabilities</b>				
Accounts payable - trade	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Uncollected-property taxes	-	-	-	-
Uncollected-fees	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Restricted for individuals, organizations and other governments	<u>49,143</u>	<u>46,711</u>	<u>59,803</u>	<u>130,304</u>
<b>Net Position</b>	<u><u>\$ 49,143</u></u>	<u><u>\$ 46,711</u></u>	<u><u>\$ 59,803</u></u>	<u><u>\$ 130,304</u></u>

Solicitor DEU	Solicitor DEU Asset Forfeiture	B&C MCBP- Infrastructure	Magistrates & Clerk of Court	Total
\$ 81,400	\$ 215,014	\$ 3,119,791	\$ 5,207,285	\$ 9,310,628
-	-	18,358	6,595,249	307,192,378
-	-	-	-	51,665,573
-	-	318,832	-	1,335,425
<u>81,400</u>	<u>215,014</u>	<u>3,456,981</u>	<u>11,802,534</u>	<u>369,504,004</u>
-	-	-	-	122,484
-	-	-	-	300,743,749
-	-	-	-	300,866,233
-	-	-	-	51,665,573
-	-	318,832	-	1,335,425
-	-	318,832	-	53,000,998
<u>81,400</u>	<u>215,014</u>	<u>3,138,149</u>	<u>11,802,534</u>	<u>15,636,773</u>
<u>\$ 81,400</u>	<u>\$ 215,014</u>	<u>\$ 3,138,149</u>	<u>\$ 11,802,534</u>	<u>\$ 15,636,773</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

For the Year ended June 30, 2021

	City of Conway	City of Myrtle Beach	Town of Loris	City of North Myrtle Beach	Town of Surfside Beach
<b>Additions</b>					
Taxes and fees collected for other governments	\$ 7,396,196	\$ 43,711,738	\$ 1,187,284	\$ 21,763,798	\$ 3,834,988
State funding collected for other governments	-	-	-	-	-
Interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Deposits held for others	-	-	-	-	-
	<u>7,396,196</u>	<u>43,711,738</u>	<u>1,187,284</u>	<u>21,763,798</u>	<u>3,834,988</u>
<b>Deductions</b>					
Payment of taxes and fees to other governments	7,511,264	44,250,211	1,210,211	21,951,671	3,915,144
Payment of debt service on behalf of others	-	-	-	-	-
Payments to others	-	-	-	-	-
Total Deductions	<u>7,511,264</u>	<u>44,250,211</u>	<u>1,210,211</u>	<u>21,951,671</u>	<u>3,915,144</u>
Change in net position	<u>(115,068)</u>	<u>(538,473)</u>	<u>(22,927)</u>	<u>(187,873)</u>	<u>(80,156)</u>
Net Position, at beginning of year, as originally reported	-	-	-	-	-
Restatement per GASB 84 Implementation (see note 27)	<u>115,068</u>	<u>538,473</u>	<u>22,927</u>	<u>187,873</u>	<u>80,156</u>
Net Position, at beginning of year, as restated	<u>115,068</u>	<u>538,473</u>	<u>22,927</u>	<u>187,873</u>	<u>80,156</u>
Net Position, at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Town of Atlantic Beach</u>	<u>Town of Aynor</u>	<u>Town of Briarcliff Acres</u>	<u>Horry County School District/ Operations / Debt</u>	<u>Murrells Inlet- Garden City Fire District</u>	<u>Fireman's Fund</u>	<u>Police Asset Forfeiture Fund</u>
\$ 267,321	\$ 278,393	\$ 318,962	\$ 256,362,446	\$ 3,577,740	\$ -	\$ -
-	-	-	385,944,590	-	-	-
-	-	-	355,723	-	-	-
-	-	-	57,128	-	876,599	83,387
-	-	-	-	-	-	-
<u>267,321</u>	<u>278,393</u>	<u>318,962</u>	<u>642,719,887</u>	<u>3,577,740</u>	<u>876,599</u>	<u>83,387</u>
278,291	286,496	323,273	860,177,181	3,605,959	901,500	10,686
-	-	-	63,000,030	-	-	-
-	-	-	-	-	-	-
<u>278,291</u>	<u>286,496</u>	<u>323,273</u>	<u>923,177,211</u>	<u>3,605,959</u>	<u>901,500</u>	<u>10,686</u>
<u>(10,970)</u>	<u>(8,103)</u>	<u>(4,311)</u>	<u>(280,457,324)</u>	<u>(28,219)</u>	<u>(24,901)</u>	<u>72,701</u>
-	-	-	-	-	-	-
<u>10,970</u>	<u>8,103</u>	<u>4,311</u>	<u>280,457,324</u>	<u>28,219</u>	<u>65,915</u>	<u>-</u>
<u>10,970</u>	<u>8,103</u>	<u>4,311</u>	<u>280,457,324</u>	<u>28,219</u>	<u>65,915</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,014</u>	<u>\$ 72,701</u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

For the Year ended June 30, 2021

	<u>Sheriff Seizure</u>	<u>Environmental Services</u>	<u>Library Endowment</u>	<u>Inmate Trust</u>
<b>Additions</b>				
Taxes and fees collected for other governments	\$ -	\$ -	\$ -	\$ -
State funding collected for other governments	-	-	-	-
Interest income	-	-	21	-
Miscellaneous	41,576	50	2,084	-
Deposits held for others	-	-	-	1,812,207
	<u>41,576</u>	<u>50</u>	<u>2,105</u>	<u>1,812,207</u>
<b>Deductions</b>				
Payment of taxes and fees to other governments	36	-	-	-
Payment of debt service on behalf of others	-	-	-	-
Payments to others	-	-	61	1,795,603
Total Deductions	<u>36</u>	<u>-</u>	<u>61</u>	<u>1,795,603</u>
Change in net position	<u>41,540</u>	<u>50</u>	<u>2,044</u>	<u>16,604</u>
Net Position, at beginning of year, as originally reported	-	-	-	-
Restatement per GASB 84 Implementation (see note 27)	<u>7,603</u>	<u>46,661</u>	<u>57,759</u>	<u>113,700</u>
Net Position, at beginning of year, as restated	<u>7,603</u>	<u>46,661</u>	<u>57,759</u>	<u>113,700</u>
Net Position, at end of year	<u>\$ 49,143</u>	<u>\$ 46,711</u>	<u>\$ 59,803</u>	<u>\$ 130,304</u>

Solicitor DEU	Solicitor DEU Asset Forfeiture	B&C MCBP- Infrastructure	Magistrates & Clerk of Court	Total
\$ -	\$ -	\$ 184	\$ -	\$ 338,699,050
-	-	-	-	385,944,590
-	-	174	10,546	366,464
-	-	3,522,649	-	4,583,473
34,149	77,222	-	17,829,328	19,752,906
34,149	77,222	3,523,007	17,839,874	749,346,483
-	-	-	-	944,421,923
-	-	-	-	63,000,030
19,935	3,253	3,481,977	18,023,108	23,323,937
19,935	3,253	3,481,977	18,023,108	1,030,745,890
14,214	73,969	41,030	(183,234)	(281,399,407)
-	-	-	-	-
67,186	141,045	3,097,119	11,985,768	297,036,180
67,186	141,045	3,097,119	11,985,768	297,036,180
\$ 81,400	\$ 215,014	\$ 3,138,149	\$ 11,802,534	\$ 15,636,773

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represent actual costs of construction and/or estimated values of deeded properties by developers.

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2021

(With comparative amounts for June 30, 2020)

<b>Governmental funds - capital assets</b>	<b>2021</b>	<b>2020</b>
Land and easements	\$ 24,856,711	\$ 25,097,033
Land improvements	12,841,165	12,612,303
Buildings and improvements	239,326,653	242,518,823
Machinery, equipment and vehicles	114,903,837	108,135,929
Intangible Assets	552,070	552,070
Infrastructure	655,850,668	628,490,239
Construction-in-progress	99,000,993	73,256,868
Total governmental funds capital assets	<u>\$ 1,147,332,097</u>	<u>\$ 1,090,663,265</u>
<b>Investment in governmental funds capital assets by source</b>		
General Obligations Bonds	\$ 185,894,589	\$ 185,713,571
General Fund Revenue	186,176,691	187,428,997
Special Revenue Fund Revenue	63,549,109	59,971,443
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	701,661,405	647,498,951
Total investment in governmental funds capital assets	<u>\$ 1,147,332,097</u>	<u>\$ 1,090,663,265</u>



HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2021

	Land	Land Improvements	Buildings and Improvements	Machinery Equipment & Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
<b>Function and Activity:</b>								
General government	\$ 14,121,019	\$ 2,335,498	\$ 77,113,417	\$ 38,243,099	\$ 552,070	\$ -	\$ -	\$ 132,365,103
Public safety	2,820,004	144,057	104,010,964	69,377,728	-	-	-	176,352,753
Infrastructure	1,055,331	1,474,314	3,628,448	3,040,402	-	655,850,668	-	665,049,163
Health and social services	90,000	-	8,516,304	20,910	-	-	-	8,627,214
Cultural and recreation	6,770,357	8,887,296	46,057,520	4,221,698	-	-	-	65,936,871
Construction-in-progress	-	-	-	-	-	-	99,000,993	99,000,993
Total governmental funds capital assets	<u>\$ 24,856,711</u>	<u>\$ 12,841,165</u>	<u>\$ 239,326,653</u>	<u>\$ 114,903,837</u>	<u>\$ 552,070</u>	<u>\$ 655,850,668</u>	<u>\$ 99,000,993</u>	<u>\$ 1,147,332,097</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	<b>Balances June 30, 2020</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Balances June 30, 2021</b>
Functions and Activity:				
General government	\$ 133,754,822	\$ 816,753	\$ (2,206,472)	\$ 132,365,103
Public Safety	171,554,805	3,070,049	1,727,899	176,352,753
Infrastructure & Regulation	637,624,024	22,668,624	4,756,515	665,049,163
Health and Social Services	8,627,214	-	-	8,627,214
Cultural and Recreation	65,845,532	204,027	(112,688)	65,936,871
Construction-in-progress	73,256,868	35,933,766	(10,189,641)	99,000,993
Total governmental funds capital assets	<u>\$ 1,090,663,265</u>	<u>\$ 62,693,219</u>	<u>\$ (6,024,387)</u>	<u>\$ 1,147,332,097</u>
Class:				
Land and easements	\$ 25,097,033	\$ 274,945	\$ (515,267)	\$ 24,856,711
Land improvements	12,612,303	85,196	143,666	12,841,165
Buildings and improvements	242,518,823	-	(3,192,170)	239,326,653
Machinery, equipment and vehicles	108,135,929	3,781,711	2,986,197	114,903,837
Intangible Assets	552,070	-	-	552,070
Infrastructure	628,490,239	22,617,600	4,742,829	655,850,668
Construction-in-progress	73,256,868	35,933,767	(10,189,642)	99,000,993
Total governmental funds capital assets	<u>\$ 1,090,663,265</u>	<u>\$ 62,693,219</u>	<u>\$ (6,024,387)</u>	<u>\$ 1,147,332,097</u>

## VICTIM'S RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2021  
(with comparison for the year ended June 30, 2020)

<b><u>County Funds Collected</u></b>	<b><u>Clerk of Court</u></b>	<b><u>Magistrate</u></b>	<b><u>Probate</u></b>	<b><u>Total 2021</u></b>	<b><u>Total 2020</u></b>
<b>Court Fines and Assessments:</b>					
Fines collected	\$ 1,859,609	\$ 2,757,597	\$ 49,160	\$ 4,666,366	\$ 4,723,347
Assessments collected	100,044	572,931	-	672,975	636,475
Surcharges collected	173,935	628,849	-	802,784	707,982
Total collected	<u>2,133,588</u>	<u>3,959,377</u>	<u>49,160</u>	<u>6,142,125</u>	<u>6,067,804</u>
Fines remitted to State Treasurer	1,418,055	1,095,610	49,160	2,562,825	2,463,748
Assessments remitted to State Treasurer	64,680	414,716	-	479,396	455,678
Surcharges remitted to State Treasurer	37,216	569,733	-	606,949	590,598
Total remitted	<u>1,519,951</u>	<u>2,080,059</u>	<u>49,160</u>	<u>3,649,170</u>	<u>3,510,024</u>
<b>Total Court Fines and Assessments Retained:</b>	<b><u>\$ 613,637</u></b>	<b><u>\$ 1,879,318</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,492,955</u></b>	<b><u>\$ 2,557,780</u></b>
<b>Surcharges and Assessments retained for victim services</b>					
Assessments retained	\$ 35,364	\$ 137,639	\$ -	\$ 173,003	\$ 164,348
Surcharges collected and retained	<u>136,719</u>	<u>59,116</u>	<u>-</u>	<u>195,835</u>	<u>117,384</u>
<b>Total Surcharges and Assessments retained for victim services</b>	<b><u>\$ 172,083</u></b>	<b><u>\$ 196,755</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 368,838</u></b>	<b><u>\$ 281,732</u></b>
<b><u>Victim Witness Assistance Special Revenue Fund - Funds Collected</u></b>				<b><u>Total 2021</u></b>	<b><u>Total 2020</u></b>
Carryforward from Previous Year - Beginning Balance				\$ 47,001	\$ 87,552
<b><u>Victim Service Revenue</u></b>					
Victim Service Assessments Retained by County Treasurer				173,003	164,348
Victim Service Surcharges Retained by County Treasurer				195,835	117,384
Interest Earned				1,023	5,191
Intergovernmental - Federal - Cares Act				10,645	-
General Funds Transferred to Victim Service Fund				362,095	344,899
Contribution Received from Victim Service Contracts:					
(1) Town of Atlantic Beach				1,832	1,926
(2) Georgetown County				74,440	74,440
Total Funds Allocated to Victim Service Fund (A)				<u>818,873</u>	<u>708,188</u>
<b><u>Expenditures for Victim Service Program:</u></b>					
Personnel Costs				659,088	677,909
Operating Expenditures				77,537	70,830
<b>Total Expenditures from Victim Service Fund/Program (B)</b>				<u>736,625</u>	<u>748,739</u>
Total Victim Service Funds Retained by County Treasurer (A-B)				<u>82,248</u>	<u>(40,551)</u>
Carryforward Funds - End of Year				<u>\$ 129,249</u>	<u>\$ 47,001</u>

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULES  
CAPITAL PROJECTS SALES TAX - RIDE II  
FOR THE YEAR ENDED JUNE 30, 2021

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Pave 20 miles - DR	\$ 19,600,000	\$ 11,365,330	\$ 11,365,330	\$ -
Project #2	Resurface 12 miles	945,000	839,422	839,422	-
Project #3	Backgate Interchange	49,500,000	123,370,000 <sup>1</sup>	107,292,129	16,077,871
Project #4	Widen 707	132,250,000	103,410,000	90,962,830	12,447,170
Project #5	Pave 25 miles - DR	25,750,000	22,750,988	10,536,367	12,214,621
Project #6	Resurface 12 miles	990,000	1,095,578	1,095,578	-
Project #7	Aynor Overpass	46,000,000	16,193,458	16,192,579	879
Project #8	Resurface 12 miles	1,035,000	1,500,300	1,473,826	26,474
Project #9	Widen Glenns Bay	76,000,000	76,034,044	70,803,050	5,230,994
Project #10	Resurface 12 miles	1,080,000	1,637,224	1,211,332	425,892
Project #11	Pave 25 miles - DR	27,750,000	27,503,530	14,186,615	13,316,915
Project #12	Resurface 12 miles	1,125,000	1,677,880	1,667,768	10,112
Project #13	International Dr	6,500,000	27,000,000	26,715,451	284,549
Project #14	Resurface 7 miles	682,500	1,022,120	1,022,120	-
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>29,576,281</u>	<u>21,250,665</u>	<u>8,325,616</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 444,976,155</u>	<u>\$ 376,615,062</u>	<u>\$ 68,361,093</u>

<sup>1</sup> Includes SCDOT Funding of \$15,000,000 for Project #3.

DR = Dirt Road

Note: From inception through June 30, 2021.

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULES  
CAPITAL PROJECTS SALES TAX - RIDE III  
FOR THE YEAR ENDED JUNE 30, 2021

<u>Projects</u>	<u>Project Title</u>	<u>Original Project Budget</u>	<u>Current Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Hwy 501 & Hwy 31	\$ 50,000,000	\$ 57,000,000	\$ 3,586,754	\$ 53,413,246
Project #2	Pave 25 miles of dirt roads	14,715,398	20,653,872	20,653,869	3
Project #3	Carolina Forest Boulevard Widening	54,700,000	56,056,006	31,579,936	24,476,070
Project #4	Palmetto Pointe Blvd. Ext to SC Hwy 544	7,500,000	7,500,000	3,964,638	3,535,362
Project #5	SC Hwy. 9 East Widening (Loris)	21,700,000	21,700,000	1,311,292	20,388,708
Project #6	Resurface 33.13 miles of City roads	5,000,000	5,000,000	4,519,478	480,522
Project #7	US Hwy. 701 N Widening (North Conway)	65,100,000	65,100,000	2,932,776	62,167,224
Project #8	Fred Nash Boulevard connection to Harrelson	19,300,000	19,300,000	1,827,721	17,472,279
Project #9	US Hwy. 17 Bus Intersection Imp - Garden City	19,800,000	19,800,000	1,435,582	18,364,418
Project #10	Forestbrook Road Widening	89,100,000	89,252,994	2,708,772	86,544,222
Project #11	Pave 25 miles of dirt roads	14,793,289	14,793,289	1,154,258	13,639,031
Project #12	Resurface 33 miles of County roads	5,000,000	5,026,200	1,125,395	3,900,805
Project #13	Hwy 501 Realignment	13,900,000	13,900,000	622,886	13,277,114
Project #14	US Hwy. 701 Widening - North of Loris	7,500,000	7,500,000	1,768,739	5,731,261
Project #15	Conway Perimeter Road Phase II	18,400,000	18,400,000	2,287,702	16,112,298
Project #16	Pave 25 miles of dirt roads	14,697,424	14,301,234	108,387	14,192,847
Project #17	Resurface 33.87 miles County roads	5,000,000	5,000,000	-	5,000,000
Project #18	Southern Evacuation Lifeline (SELL) -	25,000,000	25,000,000	258,503	24,741,497
Project #19	SC Hwy 31 (Carolina Bays Parkway) Ext	125,000,000	118,000,000	732,471	117,267,529
Project #20	Pave 25 miles of dirt roads	<u>15,793,889</u>	<u>10,225,405</u>	<u>-</u>	<u>10,225,405</u>
Total		<u>\$ 592,000,000</u>	<u>\$ 593,509,000</u>	<u>\$ 82,579,159</u>	<u>\$ 510,929,841</u>

DR = Dirt Road

Note: From inception through June 30, 2021.

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES  
GENERAL IMPROVEMENT CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2020

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

	2021				2020
	Budget		Actual	Variance	Actual
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 935,000	\$ 1,540,750	\$ 938,116	\$ (602,634)	\$ 2,223,190
Interest	-	100,000	333,904	233,904	679,747
Total revenues	935,000	1,640,750	1,272,020	(368,730)	2,902,937
<b>Expenditures</b>					
Capital outlay:					
Contractual services	-	239,982	90,061	149,921	905,051
Supplies and materials	-	1,211,687	1,211,008	679	724,151
Capital outlay	7,500,250	68,062,414	12,190,177	55,872,237	6,759,233
Contingency	-	2,293,310	-	2,293,310	-
Programs	-	140,571	96,895	43,676	-
Other	-	1,554	-	1,554	-
Total expenditures	7,500,250	71,949,518	13,588,141	58,361,377	8,388,435
Excess (deficiency) of revenues over (under) expenditures	(6,565,250)	(70,308,768)	(12,316,121)	57,992,647	(5,485,498)
<b>Other Financing Sources (Uses)</b>					
Issuance of bonded debt	-	3,500,000	-	(3,500,000)	20,900,000
Transfers in	4,965,250	17,227,690	18,955,692	1,728,002	18,841,058
Transfers out	-	(11,980)	(11,980)	-	(514,178)
Total other financing sources (uses)	4,965,250	20,715,710	18,943,712	(1,771,998)	39,226,880
Net change in fund balance	(1,600,000)	(49,593,058)	6,627,591	56,220,649	33,741,382
<b>Fund balance at beginning of year</b>	49,593,058	49,593,058	49,593,058	-	15,851,676
<b>Fund balance at end of year</b>	\$ 47,993,058	\$ -	\$ 56,220,649	\$ 56,220,649	\$ 49,593,058

## STATISTICAL SECTION

This part of Horry County's annual comprehensive 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 annual comprehensive 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
		as restated	as restated			as restated				
<b>Governmental activities</b>										
Net investment in capital assets	\$ 576,387	\$ 592,217	\$ 609,438	\$ 619,432	\$ 641,192	\$ 675,266	\$ 743,701	\$ 792,528	\$ 842,463	\$ 906,300
Restricted	348,119	345,339	353,422	311,619	276,761	244,117	257,151	324,942	394,864	452,155
Unrestricted (deficit)	(240,372)	(162,562)	(116,907)	(215,437)	(162,063)	(110,124)	(69,231)	(67,755)	(60,919)	(24,126)
Total governmental activities net position	<u>\$684,134</u>	<u>\$774,994</u>	<u>\$845,953</u>	<u>\$715,614</u>	<u>\$755,890</u>	<u>\$809,259</u>	<u>\$931,621</u>	<u>\$1,049,715</u>	<u>\$1,176,408</u>	<u>\$1,334,329</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 138,123	\$ 168,610	\$ 171,153	\$ 193,870	\$ 188,866	\$ 186,599	\$ 187,510	\$ 205,209	\$ 242,725	\$ 264,891
Restricted	45,038	32,929	33,430	36,532	39,132	43,965	52,277	58,439	56,247	57,947
Unrestricted	42,948	43,095	47,059	33,043	37,298	42,107	42,690	44,225	35,140	42,233
Total business-type activities net position	<u>\$226,109</u>	<u>\$244,634</u>	<u>\$251,642</u>	<u>\$263,445</u>	<u>\$265,296</u>	<u>\$272,671</u>	<u>\$282,477</u>	<u>\$307,873</u>	<u>\$334,112</u>	<u>\$365,071</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 714,510	\$ 760,827	\$ 780,591	\$ 813,302	\$ 830,058	\$ 861,865	\$ 931,211	\$ 997,737	\$ 1,085,188	\$ 1,171,191
Restricted	393,157	378,268	386,852	348,151	315,893	288,082	309,428	383,381	451,111	510,102
Unrestricted (deficit)	(197,424)	(119,467)	(69,848)	(182,394)	(124,765)	(68,017)	(26,541)	(23,530)	(25,779)	18,107
Total primary government net position	<u>\$910,243</u>	<u>\$1,019,628</u>	<u>\$1,097,595</u>	<u>\$979,059</u>	<u>\$1,021,186</u>	<u>\$1,081,930</u>	<u>\$1,214,098</u>	<u>\$1,357,588</u>	<u>\$1,510,520</u>	<u>\$1,699,400</u>

**HORRY COUNTY, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
		as restated	as restated							
<b>Expenses</b>										
Governmental activities:										
General government	\$ 33,091	\$ 33,488	\$ 35,355	\$ 33,225	\$ 36,108	\$ 38,544	\$ 38,814	\$ 42,855	\$ 46,049	\$ 45,964
Public safety	106,451	99,823	108,655	112,844	117,869	125,577	131,400	142,931	157,342	172,527
Infrastructure and regulation	28,236	27,786	27,780	30,247	32,640	39,278	37,123	52,037	50,510	47,520
Health and social services	2,659	2,753	2,852	2,738	2,548	2,562	3,273	2,727	2,878	2,927
Culture, recreation and tourism	10,523	11,376	12,046	13,331	14,388	20,807	14,706	42,500	16,300	16,426
Economic development	3,555	2,882	3,786	3,465	2,307	3,873	4,134	4,174	3,410	6,227
Improvements to state roadways	15,722	25,118	31,821	33,078	32,980	36,039	27,208	26,590	7,538	8,689
Horry-Georgetown Tech	3,347	3,485	3,500	3,423	3,200	3,400	4,059	3,700	3,700	3,700
Higher Education Commission	1,200	1,150	1,236	2,606	1,249	1,133	1,447	1,532	1,532	1,583
Interest	9,652	10,485	9,757	10,060	8,067	6,869	5,413	1,649	1,649	1,652
Total governmental activities expenses	<u>214,436</u>	<u>218,346</u>	<u>236,788</u>	<u>245,017</u>	<u>251,356</u>	<u>278,082</u>	<u>267,577</u>	<u>320,696</u>	<u>290,908</u>	<u>307,215</u>
Business-type activities:										
Airport	19,834	22,482	30,284	31,962	32,065	33,826	38,147	40,596	40,853	42,605
Total business-type activities expenses	<u>19,834</u>	<u>22,482</u>	<u>30,284</u>	<u>31,962</u>	<u>32,065</u>	<u>33,826</u>	<u>38,147</u>	<u>40,596</u>	<u>40,853</u>	<u>42,605</u>
Total primary government expenses	<u>234,270</u>	<u>240,828</u>	<u>267,072</u>	<u>276,979</u>	<u>283,421</u>	<u>311,908</u>	<u>305,724</u>	<u>361,292</u>	<u>331,761</u>	<u>349,820</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	12,595	20,979	19,180	17,360	17,508	19,177	18,467	20,508	22,647	27,585
Public safety	16,787	12,811	12,506	13,849	16,499	17,546	18,038	19,463	18,668	19,215
Health and social services	70	79	-	-	-	-	-	-	-	-
Infrastructure and regulation	12,634	12,261	12,579	17,860	25,784	26,243	27,396	30,532	33,833	37,791
Culture, recreation and tourism	93	88	95	117	115	107	101	1,128	3,094	2,409
Economic Development	-	69	127	141	332	389	404	379	371	145
Operating grants and contributions	2,368	4,864	5,355	10,450	11,445	29,216	12,891	39,648	17,137	29,528
Capital grants and contributions	6,726	4,899	3,015	3,231	7,709	3,428	18,956	10,203	18,557	23,000
Total governmental activities program revenues	<u>51,273</u>	<u>56,050</u>	<u>52,857</u>	<u>63,008</u>	<u>79,392</u>	<u>96,106</u>	<u>96,253</u>	<u>121,861</u>	<u>114,307</u>	<u>139,673</u>
Business-type activities:										
Charges for services:										
Airport	25,841	24,433	28,291	30,215	30,337	34,191	40,707	43,406	33,882	35,448
Operating grants and contributions	4,720	2,424	2,102	2,163	2,169	2,168	2,366	2,416	6,690	17,259
Capital grants and contributions	12,949	14,565	6,415	20,655	694	3,996	3,728	15,832	24,005	20,003
Total business-type activities program revenues	<u>43,510</u>	<u>41,422</u>	<u>36,808</u>	<u>53,033</u>	<u>33,200</u>	<u>40,355</u>	<u>46,801</u>	<u>61,654</u>	<u>64,576</u>	<u>72,710</u>
Total primary government program revenues	<u>94,783</u>	<u>97,472</u>	<u>89,665</u>	<u>116,041</u>	<u>112,592</u>	<u>136,461</u>	<u>143,054</u>	<u>183,515</u>	<u>178,883</u>	<u>212,383</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,									
	<u>2012</u>	<u>2013</u> as restated	<u>2014</u> as restated	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Net (Expense)/Revenues</b>										
Governmental activities	(163,163)	(162,296)	(183,931)	(182,009)	(171,964)	(181,976)	(171,324)	(198,835)	(176,601)	(167,542)
Business-type activities	23,676	18,973	6,524	21,071	1,135	6,529	8,654	21,058	23,723	30,105
Total primary government program net expense	(139,487)	(143,323)	(177,407)	(160,938)	(170,829)	(175,447)	(162,670)	(177,777)	(152,878)	(137,437)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	113,397	116,930	124,897	122,607	140,530	145,777	148,293	157,762	167,130	179,972
Investment earnings	2,014	1,770	1,923	1,334	1,995	2,615	5,251	11,464	9,153	1,871
Other	127,835	134,075	128,070	66,352	69,715	86,953	152,418	150,660	127,011	143,620
Total governmental activities	243,246	252,775	254,890	190,293	212,240	235,345	305,962	319,886	303,294	325,463
Business-type activities:										
Other	282	198	177	66	324	181	344	1,964	726	302
Investment earnings	321	306	307	200	392	665	1,157	2,374	1,790	552
Total business-type activities	603	504	484	266	716	846	1,501	4,338	2,516	854
Total primary government	243,849	253,279	255,374	190,559	212,956	236,191	307,463	324,224	305,810	326,317
<b>Change in Net Position</b>										
Governmental activities:	80,083	90,479	70,959	8,284	40,276	53,369	134,638	121,051	126,693	157,921
Business-type activities:	24,279	19,477	7,008	21,337	1,851	7,375	10,155	25,396	26,239	30,959
Total primary government	\$ 104,362	\$ 109,956	\$ 77,967	\$ 29,621	\$ 42,127	\$ 60,744	\$ 144,793	\$ 146,447	\$ 152,932	\$ 188,880

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
		as restated								
General fund										
Nonspendable	\$ 169	\$ 1,975	\$ 77	\$ 1,319	\$ 338	\$ 255	\$ 329	\$ 362	\$ 1,027	\$ 1,071
Restricted	-	1,000	117	-	-	-	-	-	-	-
Committed	29,082	28,282	31,775	27,273	46,565	53,858	66,003	66,930	72,321	\$ 88,827
Assigned	343	473	-	-	-	427	-	-	-	-
Unassigned	7,108	10,431	9,391	12,194	7,734	9,269	11,798	12,718	7,335	6,963
Total general fund	<u>36,702</u>	<u>42,161</u>	<u>41,360</u>	<u>40,786</u>	<u>54,637</u>	<u>63,809</u>	<u>78,130</u>	<u>80,010</u>	<u>80,683</u>	<u>96,861</u>
All other governmental funds										
Nonspendable	20	19	75	-	210	67	5	56	5	5
Restricted	321,734	353,322	398,696	360,259	331,527	277,979	312,468	281,521	358,812	424,639
Committed	13,420	24,270	26,581	29,857	33,702	37,063	39,114	37,766	53,865	82,671
Unassigned (deficit)	(1,134)	(3,292)	(107)	(469)	(314)	(298)	(596)	(258)	(405)	(654)
Total all other governmental funds	<u>334,040</u>	<u>374,319</u>	<u>425,245</u>	<u>389,647</u>	<u>365,125</u>	<u>314,811</u>	<u>350,991</u>	<u>319,085</u>	<u>412,277</u>	<u>506,661</u>
Total governmental fund balances	<u>\$370,742</u>	<u>\$416,480</u>	<u>\$466,605</u>	<u>\$430,433</u>	<u>\$419,762</u>	<u>\$378,620</u>	<u>\$429,121</u>	<u>\$399,095</u>	<u>\$492,960</u>	<u>\$ 603,522</u>

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,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
as restated										
as restated										
<b>Revenues</b>										
Property Taxes	\$ 114,481	\$ 117,238	\$ 124,996	\$ 123,181	\$ 139,589	\$ 144,912	\$ 149,853	\$ 155,394	\$ 169,643	\$ 179,967
Licenses and permits	6,537	7,344	7,797	8,805	10,217	11,106	11,694	11,882	15,258	18,868
Intergovernmental	34,545	22,391	25,030	22,216	22,572	28,265	28,149	37,736	39,292	51,251
Sales Tax Major Capital Projects	64,802	65,732	69,733	1,139	304	403	75,819	79,839	80,075	92,201
Fees and fines	33,301	36,178	33,491	35,992	44,562	45,354	45,553	48,442	49,760	52,193
Hospitality & Local Accommodations fees	39,452	39,917	42,291	45,280	47,348	49,986	51,165	52,012	19,417	22,755
Documentary Stamps	2,340	2,764	3,200	3,823	4,135	4,523	4,974	5,338	5,359	7,979
Interest on investments	2,015	1,770	1,923	1,310	1,933	2,497	4,926	10,750	8,365	1,694
Accommodations tax (1)	3,677	4,082	4,135	3,890	4,026	4,119	4,252	4,416	3,805	4,397
Cost allocation	3,167	2,787	3,069	3,302	3,570	3,801	3,429	4,437	4,143	3,697
Other	4,448	4,900	4,614	4,529	6,207	6,989	7,269	13,486	8,128	8,171
Total revenues	308,765	305,103	320,279	253,467	284,463	301,955	387,083	423,732	403,245	443,173
<b>Expenditures</b>										
General government	28,210	29,673	30,150	28,222	30,807	32,796	33,353	36,435	38,428	38,628
Public safety	99,887	92,996	101,040	104,798	110,286	114,552	119,628	132,081	139,488	154,641
Infrastructure and regulation	59,689	52,922	60,474	29,994	33,125	40,507	38,405	52,601	52,598	46,579
Health and social services	2,436	2,532	2,624	2,510	2,296	2,332	2,371	2,478	2,597	2,623
Culture and recreation	9,786	10,577	10,833	11,748	12,698	18,155	12,925	21,444	13,281	13,201
Economic development	1,800	1,753	2,737	3,502	2,339	3,934	4,199	4,168	3,333	5,211
Capital outlay	29,302	16,749	19,113	31,983	20,541	36,658	53,299	34,801	55,850	39,659
Improvements to state roadways	-	-	-	33,078	32,980	36,039	27,208	45,612	7,538	7,827
Horry-Georgetown Tech	3,347	3,485	3,500	3,423	3,200	3,400	4,059	3,700	3,700	3,700
Higher Education	1,200	1,150	1,236	1,204	1,249	1,133	1,447	1,431	1,532	1,583
Debt service:										
Principal	33,299	26,305	28,408	28,528	30,983	33,582	20,843	24,202	12,985	15,317
Interest and fees	13,687	21,509	20,890	23,180	21,058	22,182	18,332	10,497	1,206	1,749
Payment to defease IGA loan #2	-	-	-	-	-	-	-	80,142	-	-
Other charges	1,906	1,194	1,119	-	-	-	-	-	-	-
Total expenditures	284,549	260,845	282,124	302,170	301,562	345,270	336,069	449,593	332,536	330,718
Excess of revenues over (under) expenditures	24,216	44,258	38,155	(48,703)	(17,099)	(43,315)	51,014	(25,860)	70,709	112,456

**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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	as restated	as restated								
Transfers in	11,733	9,693	12,709	12,347	30,663	19,217	17,705	24,656	29,273	42,340
Transfers out	(12,759)	(10,981)	(13,166)	(12,445)	(30,920)	(20,149)	(18,923)	(28,933)	(30,118)	(44,579)
Issuance of bonded debt	8,740	-	252	29,500	20,910	3,000	-	-	20,900	-
Proceeds from refunding bonds	-	-	-	-	-	6,985	-	-	-	-
Premium on bonds issued	285	-	-	-	-	-	-	-	3,081	-
Payments to refunded bond escrow agent	(8,881)	-	-	(29,384)	(15,337)	-	-	-	-	-
Debt service - principal	-	-	-	-	-	(6,960)	-	-	-	-
Sale of assets	216	148	95	95	513	80	705	110	20	345
Other	2,603	460	12,082	12,312	600	-	-	-	-	-
Total other financing sources (uses)	1,937	(680)	11,972	12,425	6,429	2,173	(513)	(4,166)	23,156	(1,894)
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 26,153	\$ 43,578	\$ 50,127	\$ (36,278)	\$ (10,670)	\$ (41,142)	\$ 50,501	\$ (30,026)	\$ 93,865	\$ 110,562
Debt service as a percentage of noncapital expenditures	20.0%	19.9%	18.7%	19.1%	18.5%	18.1%	13.9%	8.4%	5.1%	5.9%

(1) Accommodations taxes are considered Special Assessments.

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			
2011	2012	\$ 478,287	\$ 1,283,108	\$ 5,552	\$ 120,615	\$ 157,156	45.2	\$ 36,851,012	5.55%
2012	2013	489,498	1,269,741	5,597	134,214	154,820	45.2	37,099,739	5.54%
2013	2014	499,771	1,274,902	5,558	152,537	151,714	45.2	37,690,344	5.53%
2014	2015	489,077	1,215,768	5,474	173,197	213,486	45.2	37,546,392	5.59%
2015	2016	513,292	1,227,759	5,423	184,997	172,049	52.4	38,152,375	5.51%
2016	2017	545,379	1,243,694	5,462	195,705	185,414	52.4	39,526,858	5.50%
2017	2018	587,152	1,262,197	5,490	195,966	180,288	52.4	40,835,795	5.46%
2018	2019	628,067	1,302,799	5,447	198,354	184,957	52.4	42,618,573	5.44%
2019	2020	737,973	1,462,788	5,910	201,542	181,451	50.7	48,064,002	5.39%
2020	2021	788,448	1,508,936	6,000	222,165	176,263	50.7	50,391,571	5.36%

**Notes:**

- (1) Property in the County is reassessed every five years. The County's last reappraisal date was December 31, 2018 for the Tax Year 2019.
- (2) Tax-exempt property has already been deducted; fee-in-lieu of tax and motor carrier reimbursement assessment are included.
- (3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
- (4) The County assesses the majority of personal property at 6.0% or 10.5% of estimated taxable market value.
- (5) Estimated actual taxable value = appraised value.
- (6) Direct tax rates are per \$1,000 of assessed value.
- (7) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.
- (8) General Note: Taxes for each tax year are due and payable the following fiscal year.

**Source/s:**

Horry County Finance Department  
Horry County Assessor  
Horry County Auditor

**HORRY COUNTY, SOUTH CAROLINA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN AND CURRENT FISCAL YEARS**

	Tax Year (1)									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>County Direct Rates (2)</b>										
General Fund	35.6	35.6	35.6	42.8	42.8	42.8	42.8	41.6	41.6	44.6
Debt Service	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.7	4.7	4.2
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	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7
Higher Education	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6
<b>Total Direct Rate</b>	<b>45.2</b>	<b>45.2</b>	<b>45.2</b>	<b>52.4</b>	<b>52.4</b>	<b>52.4</b>	<b>52.4</b>	<b>50.7</b>	<b>50.7</b>	<b>53.2</b>
<b>Unincorporated County Rates (2)</b>										
Rural Fire	15.2	19.5	19.5	19.5	19.5	19.5	19.5	19.0	19.0	21.1
Rural Fire App. Repl. (Began 2013)		1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6
Waste Management	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.7	5.7	8.7
<b>School District Rates (2)</b>										
Operating	120.2	120.2	123.1	123.1	123.1	123.1	123.1	118.1	118.1	118.1
Debt Service	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<b>Total School Rate</b>	<b>130.2</b>	<b>130.2</b>	<b>133.1</b>	<b>133.1</b>	<b>133.1</b>	<b>133.1</b>	<b>133.1</b>	<b>128.1</b>	<b>128.1</b>	<b>128.1</b>
<b>Other Fire Districts Rates (2)</b>										
Aynor Fire Contract	15.2	21.2	21.2	21.2	21.2	21.2	21.2	20.6	20.6	22.7
Atlantic Beach Fire Contract	15.2	21.2	21.2	21.2	21.2	21.2	21.2	20.6	20.6	22.7
Murrells Inlet /Garden City Fire Contract	10.0	10.0	10.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
<b>City Rates (2)</b>										
Town of Atlantic Beach	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliff Acres	50.8	50.8	50.8	50.8	50.8	50.8	50.8	45.0	45.0	45.0
City of Conway	79.3	79.3	82.4	82.4	82.4	82.4	82.4	76.0	76.0	77.3
City of Loris	111.7	111.7	111.7	115.0	115.0	118.5	118.5	118.5	110.8	110.8
City of Myrtle Beach	66.1	66.1	74.5	74.5	77.5	77.5	80.5	78.9	78.9	78.9
City of Myrtle Beach Tax Credit	58.5	58.5	61.5	61.2	64.0	63.5	64.3	63.0	60.0	60.0
City of N. Myrtle Beach	38.0	38.0	39.3	39.3	41.3	41.3	43.3	37.1	45.0	45.0
City of Surfside Beach	40.0	40.0	46.2	46.2	46.2	46.2	46.2	43.0	43.0	43.0



**HORRY COUNTY, SOUTH CAROLINA  
PROPERTY TAX RATES (Continued)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN AND CURRENT FISCAL YEARS**

	Tax Year (1)									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Special District Rates (2)</b>										
Crabtree	3.2	3.2	3.2	3.2	3.2	3.2	3.2	2.9	2.9	2.9
Todd Swamp	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.8	2.8	2.8
Buck Creek	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0	3.0
Simpson Creek	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.6	2.6	2.6
Mt Gilead	7.0	7.0	7.0	7.0	7.0	7.0	30.0	30.0	30.0	30.0
Socastee Rec	1.8	1.8	1.8	1.8	1.8	0.0	0.0	0.0	0.0	0.0
Cartwheel	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.0	3.0	3.0
Gapway	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.8	2.8	2.8
Arcadian Shores	32.3	32.3	35.0	35.0	35.0	35.0	35.0	30.9	30.9	30.9
Hidden Woods (Began in TY 2012)	84.6	84.6	84.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
River Grande (Began in TY 2012)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Notes:**

(1) Taxes for each tax year are due and payable the following fiscal year.

(2) Rates are per \$1,000 of assessed value.

A property reappraisal was performed for the Tax Year 2010. This reappraisal was delayed by one (1) tax year.

A property reappraisal was performed for the Tax Year 2014.

A property reappraisal was performed for the Tax Year 2019.

A reappraisal is scheduled to be performed every five years. The County's next reappraisal date will be December 31, 2023 for the Tax Year 2024.

Source: Horry County Assessor and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	Fiscal Year 2021 (Tax Year 2020)			Fiscal Year 2012 (Tax Year 2011)		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)
Horry Electric Coop Inc	\$ 21,012,150	1	0.78%	\$ 16,287,780	2	0.80%
Burroughs & Chapin Company, Inc (2)	20,521,750	2	0.76%	22,974,299	1	1.12%
Kingston Resort Owner LLC	6,521,603	3	0.24%			0.00%
Bluegreen Vacations Unlimited Inc	5,651,220	4	0.21%	5,097,448	5	0.25%
Lawyers Title Insurance Corp	5,646,590	5	0.21%			0.00%
Dominion Energy South Carolina	5,409,370	6	0.20%			
Spectrum Southeast LLC	4,874,070	7	0.18%			0.00%
Wal-Mart Real Estate Business Trust	4,687,410	8	0.17%	3,281,946	9	
Mariott Ownership Resorts Inc	4,677,650	9	0.17%	4,610,160	6	0.23%
D R Horton Inc	4,248,330	10	0.16%			
HTC Communications Inc				8,434,690	3	0.41%
Winchester North Beach Towers LLC				6,189,106	4	0.30%
Frontier Communications of the Carolinas				3,871,350	7	0.19%
HRP Myrtle Beach Operations LLC				3,318,490	8	
Westgate Myrtle Beach LLC				3,209,458	10	
Totals	<u>\$ 83,250,143</u>		<u>3.08%</u>	<u>\$ 77,274,727</u>		<u>3.30%</u>

**Notes:**

- (1) Property that is exempt from the County portion of taxes has been subtracted from Total Assessed Value.  
(2) TY 2020 and FY2011 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms, Broadway at the Beach, and Grande Dunes Development Co.

Source: Horry County Treasurer

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

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2011	2012	\$ 115,734	\$ 108,294	93.57%	\$ 3,797	\$ 112,091	96.85%
2012	2013	116,221	109,743	94.43%	3,419	113,161	97.37%
2013	2014	123,735	117,524	94.98%	2,717	120,241	97.18%
2014	2015	123,477	117,081	94.82%	1,967	119,048	96.41%
2015	2016	141,353	134,090	94.86%	2,405	136,495	96.56%
2016	2017	146,307	139,192	95.14%	2,362	141,554	96.75%
2017	2018	149,757	143,104	95.56%	2,379	145,483	97.15%
2018	2019	155,156	148,606	95.78%	2,049	150,655	97.10%
2019	2020	169,317	162,163	95.77%	2,515	164,678	97.26%
2020	2021	177,739	171,496	96.49%			

**Notes:**

- (1) Taxes for each tax year are due and payable the following fiscal year.  
(2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years

**Sources:**

Horry County property tax database

**HORRY COUNTY, SOUTH CAROLINA**  
**PROPERTY TAX LEVIES AND COLLECTIONS - FIRE DISTRICT**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS EXCEPT MILLAGE AND PERCENTAGES)**

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	MILLAGE	ASSESSED VALUE	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
					AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2011	2012	15.2	\$ 1,012,745	\$ 15,394	\$ 14,373	93.37%	\$ 512	\$ 14,885	96.69%
2012	2013	15.2	1,022,851	15,547	14,617	94.02%	492	15,109	97.18%
2013	2014	19.5	1,029,536	20,076	18,977	94.53%	451	19,428	96.77%
2014	2015	19.5	1,040,920	20,298	19,172	94.45%	338	19,511	96.12%
2015	2016	19.5	1,077,735	21,016	19,824	94.33%	357	20,181	96.03%
2016	2017	19.5	1,092,901	21,312	20,171	94.65%	368	20,539	96.38%
2017	2018	19.5	1,120,059	21,841	20,846	95.44%	390	21,236	97.23%
2018	2019	19.5	1,165,610	22,729	21,729	95.60%	326	22,055	97.03%
2019	2020	19.0	1,301,301	24,725	23,707	95.88%	367	24,074	97.37%
2020	2021	19.0	1,391,037	26,430	25,465	96.35%			
2021	2022 (3)	21.1	not available						

**Notes:**

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years
- (3) Current Year value and collection data are not available until completion of the fiscal year.

**Sources:**

Horry County property tax database

**HORRY COUNTY, SOUTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT )**

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES		PRIMARY GOVERNMENT		PERCENTAGE OF PERSONAL INCOME (1) (2)	DEBT PER CAPITA (1) (2)	
	GENERAL		SPECIAL		RIDE		BASEBALL		REVENUE BONDS	CAPITAL LEASES			TOTAL OUTSTANDING DEBT
	OBLIGATION BONDS	ASSESSMENT BONDS	IGA	LOANS	STADIUM	COPS BONDS							
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 (3)	60,590	685	409,092	4.58%	1,415			
2014	101,054	-	203,700	14,224	1,051	60,404	586	381,019	3.99%	1,277			
2015	93,099	-	175,172	24,134	861	59,196	484	352,946	3.48%	1,141			
2016	83,625	-	144,190	26,944	661	57,933	389	313,742	2.88%	973			
2017	76,518	-	110,608	21,104	451	56,619	334	265,634	2.44%	797			
2018	65,144	-	89,765	18,912	231	55,256	278	229,586	1.81%	666			
2019	53,209	-	- (5)	9,799	-	53,848	222	117,078	0.88%	329			
2020	65,279	-	-	7,927	-	52,375	165	125,746	0.98%	345			
2021	50,838	-	-	6,040	-	43,517	107	100,502	0.63%	266 (4)			

**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) Baseball Stadium COP bonds were restated to correct a prior period error.  
(4) Estimated 3.21% growth rate for 2021  
(5) Ride IGA Loan was defeased in FY2019

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT )**

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS (4)	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
2012	\$ 104,999	\$ 10,647	\$ 94,352	0.26%	\$ 343
2013	97,711	8,978	88,733	0.24%	315
2014	89,552	7,586	81,966	0.22%	284
2015	84,064	6,080	77,984	0.21%	261
2016	75,775	5,820	69,955	0.18%	226
2017	67,233	6,391	60,842	0.15%	189
2018	57,429	5,745	51,684	0.13%	155
2019	46,959	7,779	39,180	0.09%	114
2020	50,709	11,281	39,428	0.08%	111
2021	45,013	6,449	38,564	0.08%	106

**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 \$5,115 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 \$710 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, 2021**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

ENTITY	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (1)	ESTIMATED SHARE OF OVERLAPPING DEBT (1)
School District	\$ 327,134	100.00%	\$ 327,134
City of Myrtle Beach	146,155	100.00%	146,155
City of Conway	3,622	100.00%	3,622
City of Loris	1,002	100.00%	1,002
Town of Surfside	4,000	100.00%	4,000
Higher Education Commission	2,520	100.00%	2,520
Subtotal, overlapping debt			484,433
Horry County direct debt (2)	56,878	100.00%	56,878
Total direct and overlapping debt		100.00%	\$ 541,311

Notes:

- (1) Overlapping Debt is computed by determining the percentage of property for each governing body that lies within Horry County, then multiplying that percentage to the total debt outstanding of each entity.
- (2) Horry County direct debt outstanding includes all general obligation long-term bonds as noted below:
  - (a) Fire District G.O. Bonds have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection, added beginning in FY 2013)
  - (b) Special Purpose/Tax District G.O. Bonds have their own designated millage (Special Purpose Districts, added beginning in FY 2013)
  - (c) All general obligation long-term bonds (excluding items a and b above)
  - (d) Capitalized Leases (added beginning in FY 2012)
  - (e) Debt Outstanding includes the unamortized premiums (beginning in FY 2012)

Amounts
\$ 5,115
710
41,639
6,040
3,374
\$ 56,878

Total Horry County Direct Debt \$ 56,878

Source: Finance Department of each entity.

**HORRY COUNTY, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 164,423	\$ 165,155	\$ 167,604	\$ 173,555	\$ 182,646	\$ 169,590	\$ 176,936	\$ 183,154	\$ 208,941	\$ 216,145
Total net debt applicable to limit	104,999	95,845	87,853	82,275	74,185	65,842	56,237	45,966	54,171	41,639
Legal debt margin	<u>\$ 59,424</u>	<u>\$ 69,310</u>	<u>\$ 79,751</u>	<u>\$ 91,280</u>	<u>\$ 108,461</u>	<u>\$ 103,748</u>	<u>\$ 120,699</u>	<u>\$ 137,188</u>	<u>\$ 154,770</u>	<u>\$ 174,506</u>
Total net debt applicable to the limit as a percentage of debt limit	63.86%	58.03%	52.42%	47.41%	40.62%	38.82%	31.78%	25.10%	25.93%	19.26%

**Legal Debt Margin Calculation for Fiscal Year 2021:**

Assessed value	\$ 2,691,240
Plus: Assessed value - Merchant's inventory	10,572
Total assessed value	<u>\$ 2,701,812</u>
Debt limit (8% of total assessed value)	216,145
Debt application to limit:	
General obligation bonds (1a) (1b)	41,639
Legal debt margin	<u>\$ 174,506</u>

**Notes:**

- (1) General obligation bonds includes all general obligation bonds other than:  
(a) Fire District G.O. Bonds as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)  
(b) Higher Education G.O. Bonds (beginning in FY 2012) as they have their own designated millage (Special Purpose Districts)

**Source/s:**

Horry County Finance Department  
Horry County Auditor



**HORRY COUNTY, SOUTH CAROLINA  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS					SPECIAL OBLIGATION DEBT SERVICE BONDS & CERTIFICATES OF PARTICIPATION						
	(AMOUNTS EXPRESSED IN THOUSANDS )					(AMOUNTS EXPRESSED IN THOUSANDS )						
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	AVAILABLE REVENUE	NET		ASSESSMENT COLLECTIONS (1) (3)	HOSPITALITY FEE 1%	DEBT SERVICE		PRINCIPAL	INTEREST	COVERAGE
				\$	\$			PRINCIPAL	INTEREST			
2012	\$ 17,937	\$ 11,163	\$ 6,774	\$ -	\$ 228	\$ 6,036	\$ 29.64	\$ 1,910	\$ 244	\$ 244	\$ 2.80	
2013	18,531	13,788	4,743	-	1,013	6,139	4.68	1,978	181	181	2.84	
2014	21,974	17,167	4,807	-	2,805	6,569	1.71	2,042	115	115	3.05	
2015	23,687	18,578	5,109	1,215	2,755	6,977	1.29	191	48	48	29.19	
2016	23,346	17,685	5,661	1,270	2,700	7,290	1.43	199	38	38	30.76	
2017	26,490	19,131	7,359	1,320	2,647	7,626	1.86	210	28	28	32.04	
2018	31,882	23,247	8,635	1,370	2,604	7,869	2.17	221	17	17	33.06	
2019	34,528	25,378	9,150	1,415	2,531	7,977	2.32	231	6	6	33.66	
2020 (2)	27,770	25,115	2,655	1,480	2,470	-	0.67	-	-	-	-	
2021	28,485	25,047	3,438	1,540	2,458	-	0.86	-	-	-	-	

**Notes:**

- (1) Does not include interest, fund balance usage or transfers in.
- (2) Certificates of Participation were fully repaid in FY 2019.
- (3) Supporting schedule is attached.

Source: Horry County Department of Airports and Horry County Finance Department

**HOSPITALITY FEES COLLECTED (PLEDGED REVENUE)  
LAST TEN FISCAL YEARS**

<b>AMOUNT COLLECTED (BY REVENUE TYPE AND YEAR)</b>				
<b>FOOD AND</b>				
<b>YEAR</b>	<b>BEVERAGE</b>	<b>ACCOMMO-</b>		
	<b>SALES</b>	<b>DATIONS</b>	<b>ADMISSIONS</b>	<b>TOTAL</b>
<b>2012</b>	\$ 3,382,665	\$ 1,893,112	\$ 759,779	\$ 6,035,556
<b>2013</b>	3,458,757	1,957,193	722,753	6,138,703
<b>2014</b>	3,704,542	2,169,882	694,996	6,569,420
<b>2015</b>	3,969,148	2,309,399	698,853	6,977,400
<b>2016</b>	4,132,087	2,428,310	720,435	7,280,832
<b>2017</b>	4,381,295	2,517,352	727,555	7,626,202
<b>2018</b>	4,579,933	2,542,344	747,022	7,869,299
<b>2019</b>	4,714,247	2,511,743	750,985	7,976,975
<b>2020</b>	4,332,246	2,061,712	570,751	6,964,709
<b>2021</b>	5,101,316	2,663,412	630,369	8,395,097

MONTH	AMOUNT COLLECTED (BY MONTH AND YEAR)									
	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
July	\$ 897,837	\$ 1,164,806	\$ 1,169,091	\$ 1,144,359	\$ 1,143,039	\$ 1,108,955	\$ 1,048,404	\$ 985,038	\$ 955,275	\$ 955,598
August	703,761	954,582	907,239	887,910	827,716	844,871	871,787	826,709	684,783	720,899
September	715,969	646,902	590,716	692,321	736,540	706,315	599,513	574,377	591,767	504,896
October	600,371	584,801	556,726	549,633	453,098	465,121	479,206	434,471	404,677	423,102
November	409,546	459,755	439,833	423,598	421,354	374,974	360,434	326,990	313,625	308,316
December	406,874	427,941	419,685	403,956	418,325	378,790	341,751	333,666	299,958	286,391
January	402,245	403,411	377,762	323,491	331,905	318,345	293,480	269,513	251,675	240,108
February	420,350	372,489	396,198	396,045	372,770	352,143	335,571	307,125	285,636	278,637
March	643,554	316,627	599,423	587,687	536,419	568,190	485,630	456,963	458,199	433,268
April	841,457	230,482	705,072	684,139	705,706	578,077	591,915	573,483	511,823	542,321
May	966,768	554,796	736,815	691,693	663,000	631,869	614,746	586,581	549,655	517,418
June	1,386,364	848,118	1,078,415	1,084,467	1,016,330	953,182	954,963	894,504	831,630	824,602
	\$ 8,395,097	\$ 6,964,709	\$ 7,976,975	\$ 7,869,299	\$ 7,626,202	\$ 7,280,832	\$ 6,977,400	\$ 6,569,420	\$ 6,138,703	\$ 6,035,556

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA  
STATE APPROPRIATIONS  
SUBJECT TO WITHHOLDING UNDER ARTICLE X SECTION 14**

<b>YEAR</b>	<b>AMOUNT RECEIVED**</b>
<b>2012</b>	\$ 8,719,185
<b>2013</b>	\$10,173,480
<b>2014</b>	\$10,173,470
<b>2015</b>	\$10,174,161
<b>2016</b>	\$10,174,161
<b>2017</b>	\$10,466,931
<b>2018</b>	\$10,688,118
<b>2019</b>	\$10,659,027
<b>2020</b>	\$11,198,241
<b>2021</b>	\$11,198,241
<b>2022*</b>	\$12,067,133

Source: S.C. Revenue and Fiscal Affairs Office

\*Actual disbursement amounts are determined by the State Treasurer's Office. Population figures are based upon the most recent U.S. Census as prescribed by statute. If the 2020 U. S. Census population figures are released during the fiscal year, the distribution may vary from these estimates.

\*\*Figures are inclusive of the money county is required to pay for alcohol and drug abuse rehabilitation programs as indicated by the State Treasurer's Office.

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

YEAR	COUNTY POPULATION (3A) (1B)	PERSONAL INCOME (AMOUNTS EXPRESSED IN THOUSANDS) (2A) (3 A & B)	PER CAPITA PERSONAL INCOME (2A) (3 A & B)	SCHOOL ENROLLMENT (1A) (4B)	LABOR FORCE (3 A & B)	EMPLOYMENT (3 A & B)	COUNTY % UNEMP. (3 A & B)	STATE % UNEMP. (3 A & B)
2012	281,567	\$ 8,605,885	\$ 30,564	38,464	140,676	127,054	9.7	9.8
2013	289,055	9,048,471	31,304	39,321	141,602	129,817	8.3	8.3
2014	297,963	9,751,748	32,728	40,256	142,110	132,726	6.6	6.6
2015	309,205	10,605,009	34,298	41,195	145,261	135,700	6.6	6.3
2016	321,440	11,185,785	34,799	42,174	148,091	139,954	5.5	5.4
2017	333,268	11,837,728	35,520	42,912	152,355	145,360	4.6	4.4
2018	344,147	12,716,232	36,950	43,706	154,280	148,000	4.1	3.7
2019	354,081	13,363,017	37,740	43,854	155,817	150,374	3.5	3.1
2020	365,449	12,808,257	35,048	44,665	157,102	139,208	11.4	8.9
2021	377,180 (4A)	15,827,982	41,964	43,398	154,864	146,567	5.4	4.5

**Notes (A):**

- (1) Enrollment is as of the 135th day of school and reflects grades Child Development through 12.
- (2) Per Capita Personal Income = Personal Income / County Population.
- (3) Data has been revised to incorporate updated information and is not seasonally adjusted.
- (4) County population used an estimated 3.21% growth rate.

**Sources (B):**

- (1) U.S. Census Bureau
- (2) S.C. Department of Employment and Workforce, SC Works Online Services
- (3) U.S. Bureau of Labor Statistics
- (4) Horry County Schools CAFR

**HORRY COUNTY, SOUTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2021 (1)			2012 (4)		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
EMPLOYER (3)						
Horry County School District (6)	5,976	1	3.86%	5,400	1	4.18%
Wal-Mart/Sam's Club (6)	3,575	2	2.31%	2,276	2	1.76%
Horry County Government (5)	2,325	3	1.50%	2,003	3	1.55%
Conway Medical Center (6)	1,591	4	1.03%	1,325	5	1.03%
Grand Strand Regional Medical Center (6)	1,543	5	1.00%	1,134	6	0.88%
Coastal Carolina University (6)	1,517	6	0.98%	1,382	4	1.07%
McLeod Health (Loris & Seacoast) (6)	1,308	7	0.84%	900	9	0.70%
City of Myrtle Beach (6)	1,133	8	0.73%			
Food Lion (6)	1,039	9	0.67%	929	7	0.72%
Lowes Home Centers, LLC (6)	822	10	0.53%			
Myrtle Beach National				829	10	0.64%
Blue Cross Blue Shield				900	8	0.70%
Totals	20,829		13.45%	17,078		13.23%

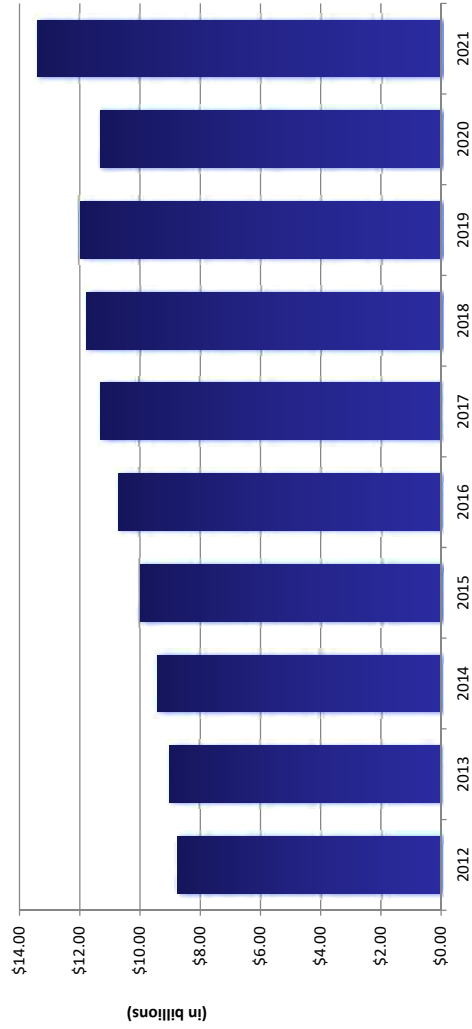
**Notes (A):**

- (1) The Total Employment is as of June of that year
- (2) Percentage of Total Employment = Total Employees (above) / prior year's Total Labor Force on an annual basis per U.S. Bureau of Labor Statistics  
(see Demographic and Economic Statistics)

**Sources (B):**

- (3) SC Department of Employment and Workforce
- (4) 2012 Horry County Annual Comprehensive Financial Report
- (5) Horry County Finance Department
- (6) Employer Human Resources Department

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



YEAR	GROSS SALES	PERCENTAGE CHANGE
2012	\$ 8,751,960,729	5.6
2013	9,011,131,130	3.0
2014	9,430,513,440	4.7
2015	9,999,531,153	6.0
2016	10,685,625,039	6.9
2017	11,297,018,127	5.7
2018	11,794,717,963	4.4
2019	11,957,865,054	1.4
2020	11,325,889,328	(5.3)
2021	13,393,078,043	18.3

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 (1) as of June 30,										
	2012	2013	2014 (2)	2015	2016	2017	2018	2019	2020	2021
<b>Functions and Programs</b>										
<b><u>Governmental Activities:</u></b>										
<b>General government</b>										
<b>Public safety</b>										
Police	307	309	362	367	284	287	297	305	316	314
Fire	226	236	248	238	242	254	241	251	248	259
EMS	150	147	177	184	173	165	171	186	209	214
Sheriff & Detention Center	179	179	179	167	158	150	174	174	183	188
Courts	346	348	346	343	362	374	372	364	376	336
Other	205	211	215	211	211	231 (3)	232	231	223	219
<b>Health and social services</b>	143	155	113	113	109	113	108	113	108	116
<b>Infrastructure and regulation</b>	6	6	7	7	7	6	7	7	7	8
Public Works	79	84	83	85	83	84	66	76	73	81
Code Enforcement	41	39	39	38	43	43	44	48	51	51
Fleet	16	17	17	16	20	20	20	19	21	21
Other	61	59	64	67	148	150	153	152	162	172
<b>Culture, recreation and tourism</b>										
Libraries	65	79	69	67	59	58	60	60	60	58
Parks	62	62	68 (3)	67 (3)	60	63	65	57	54	48
Other	5	5	8	10	8	8	8	8	4	7
<b>Economic development</b>										
CDBG	3	3	3	3	3	3	5	6	5	5
Myrtle Beach Reg. Economic Dev. (4)	-	-	-	-	2	3	4	3	3	3
<b><u>Business-type Activities:</u></b>										
<b>Airports</b>	109	130	140	137	133	140	141	141	140	145
<b>Total Primary Government</b>	<u>2,003</u>	<u>2,069</u>	<u>2,138</u>	<u>2,120</u>	<u>2,105</u>	<u>2,152</u>	<u>2,168</u>	<u>2,201</u>	<u>2,243</u>	<u>2,245</u>

Source: Horry County Human Resources Department

(1) Regular Part-time employees are defined as working 20 hours or less or less than 6 months and are calculated at 0.5 of Full-time employee.

(2) Horry County Human Resources provided additional clarification as to their methodology in calculating "Full-time Equivalent Employees". This additional clarification resulted in a recalculation of 2014. 2014 has been restated to reflect this recalculation.

(3) An error in calculation method was discovered. This total has been restated to reflect this recalculation.

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

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

For the Fiscal Year Ended June 30,										
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Functions and Programs</b>										
<b><u>Governmental Activities:</u></b>										
<b>General government</b>										
Information Technology/GIS:										
# of GIS Parcels Maintained	234,576	236,046	238,132	240,510	243,318	246,647	250,929	254,168	260,782	265,405
# of Servers Maintained (2) (4)	75	55	78	72	75	115	226	286	292	307
# of Desktops/Laptops Supported (6)	1,800	1,800	1,800	1,800	1,800	2,250	2,450	2,650	3,370	3,390
Register of Deeds:										
Total Documents Filed	142,085	153,410	153,019	163,657	158,370	153,432	151,273	143,239	145,226	163,184
Assessor:										
Assessments of Building Permits	8,506	7,269	4,997	4,073	6,034	7,573	8,592	10,136	10,230	12,801
Special Assessments	10,255	8,143	9,169	10,008	13,264	12,345	13,730	13,350	13,602	15,385
Real Property Parcels	248,050	246,240	246,960	247,948	250,597	253,315	262,740	266,715	272,317	277,231
Human Resources:										
# of Applications Taken	14,701	15,170	21,164	18,080	19,826	16,691	15,445	12,505	9,160	9,410
<b>Public safety</b>										
Police:										
# of Calls for Service	129,109	120,796	120,771	123,458	119,816	122,645	121,979	117,504	117,373	125,986
# of Index Crimes	9,174	9,559	9,086	9,207	9,431	8,855	7,454	10,311	7,660	9,277
Index Crime Clearance Rate	18.15%	23.98%	24.51%	17.81%	15.76%	22.92%	27.97%	17.58%	16.73%	17.34%
# of Call Responsive Officers Per Shift	18	23	25	21	25	25	25	21	24	21
Fire/Rescue:										
# of Calls for Service	46,468	48,454	52,278	52,501	57,791	59,315	62,462	62,355	61,987	69,418
# of Structure Fires	586	436	540	287	542	508	577	563	539	517
# of Ambulance Transports	23,831	23,967	24,805	26,922	28,909	29,797	30,432	29,984	30,009	33,497
# of Career Fire Fighters Per Shift	93	96	107	107	107	107	107	106	116	116
Emergency 911:										
# of 911 Calls (3)	249,786	233,032	210,310	250,681	268,417	272,254	242,684	270,532	256,323	283,379
# of Radio Dispatches (3)	224,520	223,386	223,241	234,841	235,399	235,087	238,803	243,140	238,406	252,465
# of Telecommunicators Per Shift	11	11	11	11	11	8	10	10	9	9
Sheriff's Office/Jail:										
# of Bookings	13,013	13,290	13,308	13,069	12,693	12,193	12,881	12,078	9,861	9,856
Average Daily Population	635	629	659	608	624	716	773	745	707	569
<b>Infrastructure and regulation</b>										
Code Enforcement:										
# Building Permits	7,250	8,082	8,997	10,217	11,149	11,935	12,493	12,988	13,396	15,894
Public Works:										
Miles of Dirt Road Scraped	682	667	647	639	617	600	578	551	521	509
Dirt Roads Paved	5,74	4,03	7,23	4,70	6,47	5,51	2,99	4,44	1,84	1,68
Signage Replaced/Installed	1,324	1,186	898	1,018	1,075	761	1,047	589	1,145	580
Miles of Ditches Cleaned	240	219	694	679	403	599	578	551	521	1,018



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

For the Fiscal Year Ended June 30,										
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Functions and Programs</b>										
<b><u>Governmental Activities (Continued):</u></b>										
Engineering:										
Dirt Roads Paved	6.01	9.23	11.50	3.92	17.57	13.64	19.22	6.38	17.05	6.30
Fleet:										
# Vehicles Maintained	822	830	828	832	838	845	867	891	884	877
# Heavy Equipment Vehicles Maintained	272	310	311	320	325	330	334	343	366	434
# Vehicles Repaired or Work Orders	7,835	7,592	8,386	8,042	8,456	8,171	6,606	5,994	6,701	5,835
<b>Culture, recreation and tourism</b>										
Library:										
Circulation	939,393	973,605	1,013,753	1,040,622	1,045,682	980,413	1,028,881	1,071,981	1,055,570	1,033,619
Patron Traffic Count	656,379	785,768	733,530	726,015	702,067	596,470	625,657	592,912	469,736	325,399
New Patrons Registered	12,290	15,318	12,238	11,404	11,603	12,116	12,375	11,785	8,799	6,785
Parks & Recreation:										
# Programs	216	223	227	245	248	319	414	519	372	372
Baseball Stadium:										
Paid Tickets (1) (5)	160,062	154,633	176,218	182,450	170,606	173,670	164,260	173,263	-	153,834
<b><u>Business-type Activities:</u></b>										
<b>Airports</b>										
Deplanements	818,477	777,998	863,393	886,345	942,948	1,029,014	1,207,696	1,282,736	903,635	980,079

**Notes:**

- (1) Fiscal Year is January through December. Revenue months are April through September. Source: Myrtle Beach Pelicans Finance Department
- (2) The FY2012 reduction of the "# of Servers maintained" is a direct result of the use of virtual technology; which is the configuration of one physical server into multiple "virtual" servers. This reduction in the number of physical servers has resulted in improved efficiencies in heating and cooling, electricity, and a greater utilization of the actual physical servers themselves.
- (3) The increase in 911 calls for FY2012 is due primarily to the implementation of a new system that replaced an old system with less accuracy. This new system utilizes a different reporting mechanism thereby increasing the accuracy of tracking 911 calls. The County implemented this new system in March 2012.
- (4) The FY2018 increase in the number of servers is due to the implementation of the new Disaster Recovery Center at ML Brown for redundancy should the Elm Street Data Center go down.
- (5) FY2020 baseball season was cancelled due to impacts from COVID-19.
- (6) Physical desktop count to FY2016; laptop count added in FY2017; virtual laptop count added in FY2020.

Source: Various Horry County Departments

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

For the Fiscal Year Ended June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Functions and Programs</b>										
<b><u>Governmental Activities:</u></b>										
<b>General government</b>										
Building Complexes	4	4	4	4	4	4	5	5	6	6
<b>Public safety</b>										
Police (1):										
Patrol units	279	285	229	194	207	211	185	184	200	210
Sheriff/Detention Center:										
Transport Vehicles	97	106	107	110	111	116	126	135	136	136
Fire/Rescue:										
Stations	39	35	39	39	39	39	39	39	39	39
Trucks(Fire/Pumpers)	68	66	66	66	66	72	64	64	64	56
Ambulances	29	29	28	28	28	28	28	32	32	32
<b>Health and social services</b>										
Health Departments (bldg) (2)	3	3	3	3	3	3	3	3	3	3
Social Services (bldg)	1	1	1	1	1	1	1	1	1	1
<b>Infrastructure and regulation</b>										
Highways and streets:										
Roads (miles)	1429	1436	1440	1442	1456	1462	1478	1479	1485	1507
Heavy equipment:										
Motorgraders	15	17	16	14	14	14	11	11	11	11
Dump trucks	23	19	20	20	20	23	23	23	26	24
Other	109	148	152	157	163	167	172	183	195	198
<b>Culture, recreation and tourism</b>										
Museums	2	2	2	2	2	2	2	2	2	2
Libraries	9	10	10	10	10	10	10	10	10	10
Bookmobile	1	1	1	1	1	1	1	1	1	1

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

For the Fiscal Year Ended June 30,

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Functions and Programs</b>										
<b><u>Governmental Activities:</u></b>										
<b>Culture, recreation and tourism (Continued):</b>										
Parks:										
Parks	35	35	35	35	35	34	34	34	34	34
Tennis Courts	13	13	13	13	17	14	14	14	14	14
Ball Fields	38	38	38	38	38	39	39	39	39	39
Soccer Fields	21	21	21	21	21	30	30	31	31	31
Recreation Centers/Headquarters	6	6	6	6	6	6	6	6	6	6
<b>Conservation/Natural resources</b>										
Off Site Facilities:										
Boat Landings	27	28	28	28	28	29	29	29	29	29
Watersheds	6	6	6	6	6	6	6	6	6	6
<b><u>Business-type Activities:</u></b>										
<b>Airports</b>										
Locations	4	4	4	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4	4	4	4
<b>Industrial parks</b>										
Locations	4	4	4	4	4	4	4	5	5	5
<b>Baseball stadium</b>										
Baseball field (30% ownership)	1	1	1	1	1	1	1	1	1	1

Notes:

(1) As of FY 2014 count is police patrol units only.

(2) Two standalone health dept buildings (Conway & Myrtle Beach) and one within another building (Little River).

Source: Horry County Finance Department

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**APPENDIX C**  
**FIRE DISTRICT**

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## THE FIRE DISTRICT

Pursuant to Ordinance No. 9-84 adopted by the County Council on December 5, 1984 the County established the Horry County Fire Protection District (the “**Fire District**”), which was created for the purpose of providing fire protections services throughout the unincorporated area of the County. The Fire District is a special taxing district of the County and is not a political subdivision of the State or the County separate and distinct from the County. All matters with respect to the Fire District are under the control of the County Council and administered by the County, as are other County matters.

The Fire District includes all of the unincorporated areas of the County, except for a section served by the Murrells Inlet-Garden City Fire Department (a special purpose district established in 1966). By separate agreements, the incorporated areas of the Towns of Aynor and Atlantic Beach are taxed for and receive fire protection from the Fire District.

The Fire District has an estimated land area of 1,051 square miles.

### Assessed Values of the Fire District

The assessed value of all real and personal property in the Fire District for each of the last five fiscal years is set forth below:

<u>Fiscal Year</u>	<u>Assessed Value</u>
2017-18	\$1,120,059,000
2018-19	1,165,610,000
2019-20	1,301,301,000
2020-21	1,391,037,000
2021-22 <sup>†</sup>	1,454,644,000

---

<sup>†</sup> Unaudited

Source: Horry County 2021 Annual Report (as defined herein); County Assessor, County Auditor, Horry County Finance

### Tax Rates of the Fire District

The assessed value of all real and personal property in the Fire District for each of the five fiscal years as set forth below:

<u>Fiscal Year</u>	<u>Mills</u>
2018-19	19.5
2019-20	19.0
2020-21	19.0
2021-22	21.1
2022-23	21.1

---

Source: Horry County 2021 Annual Report; Horry County Finance

### Tax Collections of the Fire District

The taxes (in thousands) levied and collected in the Fire District for each of the last five fiscal years is set forth below:

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Total Tax Collections</u>	<u>Percentage of Collections</u>
2017-18	\$21,841	\$21,237	97.24%
2018-19	22,729	22,083	97.16
2019-20	24,725	24,074	97.37
2020-21	26,430	25,749	97.43
2021-22 <sup>†</sup>	30,693	29,926	97.50

<sup>†</sup> Unaudited

Source: Horry County 2021 Annual Report; County Auditor; County Treasurer, Horry County Finance

### Fire District 2022-2023 Budget

	<u>Fiscal Year 2022-2023 Budget</u>
REVENUES	
Property taxes	\$32,746,822
Interest	50,000
Other	<u>133,939</u>
TOTAL REVENUES	\$32,930,760
Other Financial Sources	\$1,848,350
EXPENDITURES	
Personnel Services	\$23,914,076
Contractual Services	1,716,842
Supplies and Materials	2,164,351
Business and Transportation	1,689,208
Capital Outlay	95,500
Indirect Cost Allocation	1,250,000
Other	2,347,126
Transfers Out (Debt Service Payments)	1,217,007
Transfers Out (Capital)	<u>385,000</u>
TOTAL EXPENDITURES AND OTHER USES	\$34,779,110

The following information, except as otherwise expressly stated, relates to the debt structure, tax information, economic characteristics and data, financial information and miscellaneous information of the County and not the Fire District.



**APPENDIX D**  
**FORMS OF BOND COUNSEL OPINIONS**

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# HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counsellors at Law

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106 Broad Street  
Charleston, South Carolina 29401

Concentrating in Municipal Bonds,  
Local Government Law, Economic  
Development Incentives,  
Affordable Housing Development

13 October 2022

Horry County, South Carolina  
c/o County Council of Horry County  
Conway, South Carolina

BNY Mellon Capital Markets, LLC  
Pittsburgh, Pennsylvania

Re: \$35,650,000 Horry County, South Carolina, General Obligation Bonds, Series 2022A

Ladies and Gentlemen:

As bond counsel to Horry County, South Carolina (the “Issuer”), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the Issuer of its \$35,650,000 General Obligation Bonds, Series 2022A (the “Bonds”), which are originally dated October 13, 2022, are in fully-registered form, are in denominations of \$5,000, or any integral multiple thereof, and mature, in annual series or instalments, on March 1 in the years and amounts, and bear interest as follows:

<u>Due</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Due</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2023	\$4,500,000	5.00%	2029	\$2,800,000	5.00%
2024	2,195,000	5.00	2030	2,940,000	5.00
2025	2,300,000	5.00	2031	3,085,000	5.00
2026	2,415,000	5.00	2032	3,240,000	5.00
2027	2,540,000	5.00	2033	3,400,000	5.00
2028	2,665,000	5.00	2034	3,570,000	5.00

The Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

Interest on the Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2023. Principal of the Bonds is payable to the registered owners thereof, in legal tender at the corporate trust office of U.S. Bank Trust Company, National Association (the “Paying Agent”). Interest on the Bonds is payable by cheque or draught mailed to the registered owners by the Paying Agent.

The Bonds recite that they are issued pursuant to and for the purposes authorised by Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended and continued by Title 11, Chapter 27 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Act”), and Ordinance 84-2022, duly enacted by the County Council of Horry County on September 6, 2022, the governing body of the Issuer (the “Ordinance”), to provide funds to defray the costs of certain capital improvement projects and (2) costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We express no opinion herein as to the accuracy, completeness, or sufficiency of the Official Statement relating to the Series 2022A Bonds. We refer you to our letter of even date herewith with regard to certain matters regarding the Official Statement.

Based on our examination, including the assumptions and limitations set forth herein, we are of the opinion as of the date hereof and under existing law, as follows:

1. The proceedings are regular and in due form of law and the Bonds constitute valid and binding obligations of the Issuer, secured by an irrevocable pledge of the full faith, credit, and taxing power of the Issuer and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the Issuer, without limit as to rate or amount. Provision has been made for the levy and collection of the tax to meet the payment of principal and interest on the Bonds as the same respectively mature.

2. Interest on the Bonds (a) is excludable from gross income for federal and South Carolina income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds. The opinion set forth in this paragraph is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Bonds to be so included in gross income retroactively to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements.

We have examined executed Bond No. R-1 of the issue and, in our opinion, it is in due form of law.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include [original issue discount,] original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganisation, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Our services as Bond Counsel for purposes of rendering the foregoing opinions have been based on our review of such legal proceedings, documents, and certificates from the Issuer as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds, and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial

Horry County, South Carolina  
BNY Mellon Capital Markets, LLC  
13 October 2022  
Page 3

resources of the Issuer, and we express no opinion herein as to the accuracy or completeness of any information with respect to the Issuer that may have been relied upon by the owners of the Bonds in making their decision to purchase the Bonds.

Very truly yours,

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# HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counsellors at Law

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Concentrating in Municipal Bonds,  
Local Government Law, Economic  
Development Incentives,  
Affordable Housing Development

13 October 2022

Horry County, South Carolina  
c/o County Council of Horry County  
Conway, South Carolina

BofA Securities  
New York, New York

Re: \$1,450,000 Horry County, South Carolina, General Obligation Bonds (Horry County Fire Protection District), Series 2022B

Ladies and Gentlemen:

As bond counsel to Horry County, South Carolina (the “Issuer”), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the Issuer of its \$1,450,000 General Obligation Bonds (Horry County Fire Protection District), Series 2022B (the “Bonds”), which are originally dated October 13, 2022, are in fully-registered form, are in denominations of \$5,000, or any integral multiple thereof, and mature, in annual series or instalments, on March 1 in the years and amounts, and bear interest as follows:

<u>Due March 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Due March 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$50,000	5.00%	2031	\$90,000	5.00%
2024	65,000	5.00	2032	95,000	5.00
2025	70,000	5.00	2033	100,000	5.00
2026	75,000	5.00	2034	105,000	5.00
2027	75,000	5.00	2035	110,000	4.00
2028	80,000	5.00	2036	115,000	4.00
2029	85,000	5.00	2037	120,000	4.00
2030	90,000	5.00	2038	125,000	4.00

The Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

Interest on the Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2023. Principal of the Bonds is payable to the registered owners thereof, in legal tender at the corporate trust office of U.S. Bank Trust Company, National Association (the “Paying Agent”). Interest on the Bonds is payable by cheque or draught mailed to the registered owners by the Paying Agent.

The Bonds recite that they are issued pursuant to and for the purposes authorised by Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended and continued by Title 11, Chapter 27 of the Code of Laws

of South Carolina 1976, as amended (collectively, the “Act”), and Ordinance 84-2022, duly enacted by the County Council of Horry County on September 6, 2022, the governing body of the Issuer (the “Ordinance”), to provide funds to defray the costs of certain capital improvement projects and (2) costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript of Proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We express no opinion herein as to the accuracy, completeness, or sufficiency of the Official Statement relating to the Series 2022B Bonds. We refer you to our letter of even date herewith with regard to certain matters regarding the Official Statement.

Based on our examination, including the assumptions and limitations set forth herein, we are of the opinion as of the date hereof and under existing law, as follows:

1. The proceedings are regular and in due form of law and the Bonds constitute valid and binding obligations of the Issuer, secured by an irrevocable pledge of the full faith, credit, and taxing power of the Issuer and are payable, both principal and interest, from a direct ad valorem tax upon all taxable property in the Issuer, without limit as to rate or amount. Provision has been made for the levy and collection of a special tax on all property in the areas of the County where fire protection service is provided by the County in accordance with the provisions of the Act. The Act requires that this special tax shall be levied annually in an amount sufficient to meet the payment of principal and interest on the Bonds as the same respectively mature.

2. Interest on the Bonds (a) is excludable from gross income for federal and South Carolina income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds. The opinion set forth in this paragraph is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal and South Carolina income tax purposes. Failure to comply with certain of the requirements could cause the interest on the Bonds to be so included in gross income retroactively to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements.

We have examined executed Bond No. R-1 of the issue and, in our opinion, it is in due form of law.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include [original issue discount,] original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganisation, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.



Horry County, South Carolina  
BOA Securities  
13 October 2022  
Page 3

Our services as Bond Counsel for purposes of rendering the foregoing opinions have been based on our review of such legal proceedings, documents, and certificates from the Issuer as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds, and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Issuer, and we express no opinion herein as to the accuracy or completeness of any information with respect to the Issuer that may have been relied upon by the owners of the Bonds in making their decision to purchase the Bonds.

Very truly yours,

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**APPENDIX E**  
**FORMS OF DISCLOSURE COUNSEL OPINIONS**

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Local Government Law, Economic  
Development Incentives,  
Affordable Housing Development

October 13, 2022

Horry County, South Carolina  
c/o County Council of Horry County  
Conway, South Carolina

BNY Mellon Capital Markets, LLC  
Pittsburgh, Pennsylvania

Re: \$35,650,000 Horry County, South Carolina, General Obligation Bonds, Series 2022A

Ladies and Gentlemen:

We have served as disclosure counsel to Horry County, South Carolina (the “Issuer”), and not any other person, with respect to the issuance and sale of the Issuer’s \$35,650,000 General Obligation Bonds, Series 2022A (the “Series 2022A Bonds”) to BNY Mellon Capital Markets, LLC (the “Underwriter”).

In providing the statement of belief set forth in the fourth succeeding paragraph, reference is made to the Preliminary Official Statement prepared with respect to the Series 2022A Bonds, dated September 22, 2022 (the “Preliminary Official Statement”), and the Official Statement prepared with respect to the Series 2022A Bonds, dated September 29, 2022 (the “Official Statement”). As disclosure counsel, we have reviewed the Preliminary Official Statement, the Official Statement, and certain other documents, including (i) the Bond Ordinance enacted by the Issuer on September 6, 2022, (ii) certain closing certificates of the Issuer, and (iii) the opinion letter of even date herewith of the County Attorney. We have also participated in discussions and conferences (which did not extend after the date of the Official Statement), with representatives of the Issuer, the County Attorney, and the Issuer’s financial advisor, in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed.

In requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of the activities performed by us described above were inherently limited and do not encompass all activities that you may be responsible for undertaking in preparing the Preliminary Official Statement and the Official Statement; (ii) such activities relied substantially on representations, warranties, certifications, and opinions made by your representatives and others, and are otherwise subject to the matters set forth in this letter; and (iii) while statements of negative assurance are customarily given to underwriters of municipal securities to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the issuer of such securities under those laws may differ from those of underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as it would an underwriter of the Series 2022A Bonds.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy, and sufficiency of the records, documents, certificates, and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein). We have assumed that all records, documents, certificates, and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, we are of the opinion that:

1. The Series 2022A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that no indenture need be qualified pursuant to the Trust Indenture Act of 1939, as amended.

2. Based upon our review of the Disclosure Dissemination Agent Agreement, Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended (the "Rule"), and Securities Exchange Act Release No. 34-34961, the Disclosure Dissemination Agent Agreement will permit you to comply with clause (b)(5) of the Rule as applicable to the primary offering of the Series 2022A Bonds.

The scope of our engagement with respect to the issuance of the Series 2022A Bonds was not to establish factual matters and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the next paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, any appendices, schedules, and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness, or fairness of such statements. As disclosure counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with representatives of the Issuer (which did not extend after the date of the Official Statement), and the Issuer's financial advisor, in which the contents of the Official Statement and related matters were discussed.

Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you that no facts have come to the attention of our firm that cause us to believe that the Preliminary Official Statement (except for certain permitted omissions therefrom described in paragraph (b)(1) of Securities Exchange Act Rule 15c2-12) as of its date or the Official Statement as of its date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness, or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, nor do we express any belief with respect to (i) any financial and statistical data and forecasts, projections, numbers, estimates, assumptions, and expressions of opinions, (ii) information concerning The Depository Trust Company and the book-entry system for the Series 2022A Bonds, and (iii) information concerning the validity of or tax matters with respect to the Series 2022A Bonds, contained or incorporated by reference in the Preliminary Official Statement or the Official Statement, which we expressly exclude from the scope of this paragraph.

We express no legal opinion or view as to compliance by the Issuer or the Underwriter with federal or state statutes, rulings, or regulations applicable to the initial issuance or any subsequent sale of the Series 2022A Bonds, except as expressly set forth herein. We express no legal opinion herein as to the treatment of the interest on the Series 2022A Bonds for federal income tax purposes. This is to advise you (1) that we have not been engaged to act, and have not acted, as counsel to the Underwriter for any purpose with respect to the offering of the Series 2022A Bonds; (2) that no attorney-client relationship at any time existed between this firm and the Underwriter with respect to this matter; and (3) that the level of inquiry and investigation on which said advice is based has been tailored specifically to the needs of our client, the Issuer.

The advice set forth herein is expressly limited to, and we advise only with respect to, the laws of the State of South Carolina and the federal laws of the United States of America. To the extent that questions of law dealt with in this advice may be affected by the laws other than the laws of the State of South Carolina or the federal laws of the United States of America, we have assumed, with your permission, that such other laws are identical

Horry County, South Carolina  
c/o County Council of Horry County  
BNY Mellon Capital Markets, LLC  
October 13, 2022  
Page 3

with those of the State of South Carolina without regard to choice of law provisions, so that if these questions of law were governed by the internal laws of the State of South Carolina our advice set forth above would not change. The only advice rendered hereby shall be that expressly stated herein, and no opinion or advice shall be implied or inferred as a result of anything contained herein or omitted herefrom.

Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted, or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Series 2022A Bonds or by any other person or entity to whom it is not specifically addressed without prior written consent.

Very truly yours,

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Affordable Housing Development

October 13, 2022

Horry County, South Carolina  
c/o County Council of Horry County  
Conway, South Carolina

BofA Securities  
New York, New York

Re: \$1,450,000 Horry County, South Carolina, General Obligation Bonds (Horry County Fire Protection District), Series 2022B

Ladies and Gentlemen:

We have served as disclosure counsel to Horry County, South Carolina (the “Issuer”), and not any other person, with respect to the issuance and sale of the Issuer’s \$1,450,000 General Obligation Bonds Horry County Fire Protection District, Series 2022B (the “Series 2022B Bonds”) to BofA Securities (the “Underwriter”).

In providing the statement of belief set forth in the fourth succeeding paragraph, reference is made to the Preliminary Official Statement prepared with respect to the Series 2022B Bonds, dated September 22, 2022 (the “Preliminary Official Statement”), and the Official Statement prepared with respect to the Series 2022B Bonds, dated September 29, 2022 (the “Official Statement”). As disclosure counsel, we have reviewed the Preliminary Official Statement, the Official Statement, and certain other documents, including (i) the Bond Ordinance enacted by the Issuer on September 6, 2022, (ii) certain closing certificates of the Issuer, and (iii) the opinion letter of even date herewith of the County Attorney. We have also participated in discussions and conferences (which did not extend after the date of the Official Statement), with representatives of the Issuer, the County Attorney, and the Issuer’s financial advisor, in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed.

In requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of the activities performed by us described above were inherently limited and do not encompass all activities that you may be responsible for undertaking in preparing the Preliminary Official Statement and the Official Statement; (ii) such activities relied substantially on representations, warranties, certifications, and opinions made by your representatives and others, and are otherwise subject to the matters set forth in this letter; and (iii) while statements of negative assurance are customarily given to underwriters of municipal securities to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the issuer of such securities under those laws may differ from those of underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as it would an underwriter of the Series 2022B Bonds.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy, and sufficiency of the records, documents, certificates, and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein). We have assumed that all records, documents, certificates, and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, we are of the opinion that:

1. The Series 2022B Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that no indenture need be qualified pursuant to the Trust Indenture Act of 1939, as amended.

2. Based upon our review of the Disclosure Dissemination Agent Agreement, Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended (the "Rule"), and Securities Exchange Act Release No. 34-34961, the Disclosure Dissemination Agent Agreement will permit you to comply with clause (b)(5) of the Rule as applicable to the primary offering of the Series 2022B Bonds.

The scope of our engagement with respect to the issuance of the Series 2022B Bonds was not to establish factual matters and because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the next paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, any appendices, schedules, and exhibits thereto) and we make no representation that we have independently verified the accuracy, completeness, or fairness of such statements. As disclosure counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with representatives of the Issuer (which did not extend after the date of the Official Statement), and the Issuer's financial advisor, in which the contents of the Official Statement and related matters were discussed.

Subject to the foregoing and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you that no facts have come to the attention of our firm that cause us to believe that the Preliminary Official Statement (except for certain permitted omissions therefrom described in paragraph (b)(1) of Securities Exchange Act Rule 15c2-12) as of its date or the Official Statement as of its date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness, or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, nor do we express any belief with respect to (i) any financial and statistical data and forecasts, projections, numbers, estimates, assumptions, and expressions of opinions, (ii) information concerning The Depository Trust Company and the book-entry system for the Series 2022B Bonds, and (iii) information concerning the validity of or tax matters with respect to the Series 2022B Bonds, contained or incorporated by reference in the Preliminary Official Statement or the Official Statement, which we expressly exclude from the scope of this paragraph.

We express no legal opinion or view as to compliance by the Issuer or the Underwriter with federal or state statutes, rulings, or regulations applicable to the initial issuance or any subsequent sale of the Series 2022B Bonds, except as expressly set forth herein. We express no legal opinion herein as to the treatment of the interest on the Series 2022B Bonds for federal income tax purposes. This is to advise you (1) that we have not been engaged to act, and have not acted, as counsel to the Underwriter for any purpose with respect to the offering of the Series 2022B Bonds; (2) that no attorney-client relationship at any time existed between this firm and the Underwriter with respect to this matter; and (3) that the level of inquiry and investigation on which said advice is based has been tailored specifically to the needs of our client, the Issuer.

The advice set forth herein is expressly limited to, and we advise only with respect to, the laws of the State of South Carolina and the federal laws of the United States of America. To the extent that questions of law dealt with in this advice may be affected by the laws other than the laws of the State of South Carolina or the federal laws of the United States of America, we have assumed, with your permission, that such other laws are identical

Horry County, South Carolina  
c/o County Council of Horry County  
BofA Securities  
October 13, 2022  
Page 3

with those of the State of South Carolina without regard to choice of law provisions, so that if these questions of law were governed by the internal laws of the State of South Carolina our advice set forth above would not change. The only advice rendered hereby shall be that expressly stated herein, and no opinion or advice shall be implied or inferred as a result of anything contained herein or omitted herefrom.

Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted, or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Series 2022B Bonds or by any other person or entity to whom it is not specifically addressed without prior written consent.

Very truly yours,

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**APPENDIX F**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

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## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of October [ ], 2022, is executed and delivered by Horry County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Horry County Finance Director or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the respective issue of Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the respective issue of Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.



## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the 1<sup>st</sup> day of February following the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2022. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  - 1. “Principal and interest payment delinquencies;”
  - 2. “Non-Payment related defaults, if material;”
  - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”

4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
  5. “Substitution of credit or liquidity providers, or their failure to perform;”
  6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  7. “Modifications to rights of securities holders, if material;”
  8. Bond calls, if material, and tender offers;
  9. “Defeasances;”
  10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
  11. “Rating changes;”
  12. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
  13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  14. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
  15. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and
  16. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
  2. “change in obligated person;”

3. “notice to investors pursuant to bond documents;”
  4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
  5. “secondary market purchases;”
  6. “bid for auction rate or other securities;”
  7. “capital or other financing plan;”
  8. “litigation/enforcement action;”
  9. “change of tender agent, remarketing agent, or other on-going party;” and
  10. “other event-based disclosures.”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
  2. “change in fiscal year/timing of annual disclosure;”
  3. “change in accounting standard;”
  4. “interim/additional financial information/operating data;”
  5. “budget;”
  6. “investment/debt/financial policy;”
  7. “information provided to rating agency, credit/liquidity provider or other third party;”
  8. “consultant reports;” and
  9. “other financial/operating data.”
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such

delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the financial and statistical information provided in the Official Statement under the headings:

1. County population for the current fiscal year;
2. Total anticipated state appropriations subject to withholding under Article X, Section 14, South Carolina Constitution for the current fiscal year;
3. Outstanding indebtedness of the County;
4. Market value/assessment summary of taxable property in the County;
5. Tax levy for County for current fiscal year;
6. Tax collection for the County for preceding fiscal year; and
7. Five largest taxpayers (including fee-in-lieu of tax) for County for preceding fiscal year.

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other

material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so

notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(b) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to [an issue of] the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds [of such issue], when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability

and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]



The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as  
Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HORRY COUNTY, SOUTH CAROLINA  
as Issuer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer	Horry County, South Carolina
Obligated Person(s)	Horry County, South Carolina
Name of Bond Issue:	General Obligation Bonds[(Horry County Fire Protection District)], Series 2022[A/B]
Date of Issuance:	October __, 2022
Date of Official Statement	_____, 2022

CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: Horry County, South Carolina

Obligated Person: Horry County, South Carolina

Name(s) of Bond Issue(s): General Obligation Bonds[(Horry County Fire Protection District)], Series 2022[A/B]

Date(s) of Issuance: October \_\_, 2022

Date(s) of Disclosure Agreement: October \_\_, 2022

CUSIP Number: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_].

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as Disclosure  
Dissemination Agent, on behalf of the Issuer

\_\_\_\_\_

cc:

**EXHIBIT C-1  
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Horry County, South Carolina

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;" Tender offers;
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. \_\_\_\_\_ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. \_\_\_\_\_ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street, Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2022 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Horry County, South Carolina

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party; and"
10. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

**EXHIBIT C-3**  
**VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_ between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name:

\_\_\_\_\_

Issuer’s Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ “quarterly/monthly financial information;”
2. \_\_\_\_\_ “change in fiscal year/timing of annual disclosure;”
3. \_\_\_\_\_ “change in accounting standard;”
4. \_\_\_\_\_ “interim/additional financial information/operating data;”
5. \_\_\_\_\_ “budget;”
6. \_\_\_\_\_ “investment/debt/financial policy;”
7. \_\_\_\_\_ “information provided to rating agency, credit/liquidity provider or other third party;”
8. \_\_\_\_\_ “consultant reports;” and
9. \_\_\_\_\_ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

## **APPENDIX G**

### **DTC AND BOOK-ENTRY ONLY SYSTEM**

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THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY (“DTC”) AND DTC’S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT HORRY COUNTY, SOUTH CAROLINA (THE “COUNTY”) BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the General Obligation Bonds, Series 2022A and General Obligation Bonds (Horry County Fire Protection Service), Series 2022B (collectively, the “Bonds”) of the County. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each series of each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organised under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerised book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to any of the resolutions under which any Bonds is issued. For example, the Beneficial Owners of Bonds may wish to

ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption payments and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption payments and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorised representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to any Bonds at any time by giving reasonable notice to the County and the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

NEITHER THE COUNTY NOR THE PAYING AGENT IS RESPONSIBLE OR LIABLE FOR THE FAILURE OF ANY DIRECT PARTICIPANTS OR ANY INDIRECT PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR ANY ERROR OR DELAY RELATING THERETO.

Neither the County nor the Paying Agent gives any assurances that DTC, DTC Participants, or Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal, premium, if any, and interest, with respect to the Bonds, (ii) confirmation of beneficial ownership interests in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, DTC Participants, or Indirect Participants will serve or act in the manner described in this Official Statement.

All capitalized terms not otherwise defined in this Appendix shall have the meaning ascribed to such term in this Official Statement.

## **APPENDIX H**

### **SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCES**

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## SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCES

Following is a summary of certain provisions of the Fire Protection Service Bond Ordinance (for purposes of this Summary, the “Bond Ordinance”) enacted by the County Council of Horry County, South Carolina (the “County”) in connection with the issuance of the Horry County, South Carolina, [General Obligation Bonds] [Horry County Fire Protection District], Series 2022[A/B]. The summary does not purport to be a full statement of the Bond Ordinance and reference is made to the Bond Ordinance for a full and complete statement of such provision. Capitalised terms used herein and not defined herein have the meanings ascribed to them in the Bond Ordinance unless the context hereof otherwise requires.

### Registration and Transfers of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully-registered and no Bond may be transferred except by the registered owner thereof in person or by his attorney duly authorised in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorised attorney. Upon the transfer of any such registered Bond or Bonds, the County shall execute and the Authenticating Agent shall authenticate and deliver, subject to the provisions of Section 12 of Article II of the Bond Ordinance, in the name of the transferee, a new registered Bond or Bonds of the same aggregate principal amount as the unpaid principal amount of the surrendered Bond or Bonds.

(b) Any registered owner requesting any transfer shall pay all taxes or other governmental charges required to be paid with respect thereto. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on such Bonds shall be made only to or upon the order of the registered owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid. No person other than the registered owner shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under any Bond against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in any Bond as against a person (including the registered owner) other than the County, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in any Bond.

(c) The Bond Registrar shall not be required to exchange or transfer any Bond or portion thereof (i) for which notice of redemption has been mailed to the registered owner thereof or (ii) for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date.

### Place of Payments; Selection of Paying Agent.

Principal and premium, if any, of the Bonds, when due, shall be payable at the office of the Paying Agent. Interest on any Bond shall be payable on each Interest Payment Date by cheque or draught mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the Regular Record Date) by the Paying Agent. Principal of, redemption premium, if any, and interest payable to any person holding Bonds in aggregate principal amount of \$1,000,000 or more will be paid, upon the written request of any such registered owner in form and substance satisfactory to the Paying Agent, by wire transfer of immediately available funds to an account within any of the continental United States of America designated by such registered owner on or before the Regular Record Date.

### Mutilated, Lost, or Stolen Bonds.

In the event any Bond is mutilated, lost, stolen, or destroyed, the County may execute and the Authenticating Agent may authenticate a new Bond of like date, maturity, interest rate, and denomination, as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bonds, they shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bonds, there shall be first furnished to the

County and the Paying Agent evidence of their loss, theft, or destruction satisfactory to the County and the Paying Agent, together with indemnity satisfactory to them; provided that in the case of a registered owner which is a bank or insurance company, the agreement of such bank or insurance company to indemnify the County and the Paying Agent shall be sufficient. In the event any such Bonds shall have matured, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County, the Paying Agent, and the Authenticating Agent, may charge the registered owner of such Bond with their reasonable fees and expenses to replace mutilated, lost, stolen, or destroyed Bonds.

#### Exchange of Bonds.

Subject to the provisions of Section 9 of Article II of the Bond Ordinance, the Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorised attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Paying Agent, the Authenticating Agent, or the Bond Registrar may make as provided in Section 12 of Article II of the Bond Ordinance, be exchanged for a principal amount of Bonds or any other authorised denominations equal to the unpaid principal amount of surrendered Bonds.

#### Regulations with Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the County shall execute and the Authenticating Agent shall authenticate and deliver the Bonds in accordance with the provisions of the Bond Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Paying Agent. There shall be no charge for such exchange or transfer of the Bonds except that the Paying Agent, the Bond Registrar, and the Authenticating Agent, may make a charge sufficient to reimburse them, or any of them, for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

#### Release of Bond Ordinance.

(a) If all of the Bonds issued pursuant to the Bond Ordinance shall have been paid and discharged, then the obligations of the County under the Bond Ordinance, and all other rights granted thereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of Article VI of the Bond Ordinance under each of the following circumstances:

(i) If the Paying Agent shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and the Paying Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(iii) If the County shall have deposited with the Paying Agent, or other escrow agent meeting the requirements of a Fiscal Agent under the Bond Ordinance, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity of the Bonds to be defeased, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due or to become due on and prior to the maturity date or dates: or

(iv) If there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal and interest due to become due on the Bonds on the maturity thereof.

(b) In addition to the above requirements of paragraphs (i), (ii), (iii), or (iv), in order for the Bond Ordinance to be discharged, all other fees, expenses, and charges of the Fiscal Agents, have been paid in full at such time.

(c) Notwithstanding the satisfaction and discharge of the Bond Ordinance, the Fiscal Agents shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent for the payment of the principal of, premium, if any, and interest on, the Bonds, to pay to the owners of Bonds the funds so held by the Fiscal Agents as and when such payment becomes due.

(d) Any release under Section 1 of Article VI of the Bond Ordinance shall be without prejudice to the rights of the Fiscal Agents to be paid reasonable compensation for all services rendered under the Bond Ordinance and all reasonable expenses, charges and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the administration of trusts by the Bond Ordinance created and the performance of the powers and duties under the Bond Ordinance of the Fiscal Agents.

#### Deposit of Moneys.

Any moneys which at any time shall be deposited with a Fiscal Agent by or on behalf of the County for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Fiscal Agent in trust for the respective registered owners of such Bonds, and such moneys shall be and are thereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the registered owner of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Fiscal Agent to transfer such funds to the County.

#### Notice of Release of Bond Ordinance.

(a) In the event any of said Bonds are not to be redeemed within the sixty (60) days next succeeding the date the deposit required by Section 1(a)(iii) or (iv) of Article VI of the Bond Ordinance is made, the County shall give the Fiscal Agent irrevocable instructions to mail, as soon as practicable by first class mail, a notice to the registered owners of such Bonds at the addresses shown on the Books of Registry that (i) the deposit required by subparagraph (a)(iii) or (a)(iv) of Section 1 of Article VI of the Bond Ordinance has been made with the Fiscal Agent, and (ii) said Bonds are deemed to have been paid in accordance with Article VI and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, said Bonds.

(b) The County covenants and agrees that any moneys which it shall deposit with the Fiscal Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of Article VI.

#### Amending and Supplementing of Bond Ordinance Without Consent of Registered Owners of Bonds.

(a) The County Council, from time to time and at any time and without the consent or concurrence of any registered owner of any Bond, may enact an ordinance amendatory thereof or supplemental thereto, if the provisions of such supplemental ordinance shall not materially adversely affect the rights of the registered owners of the Bonds then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in the Bond Ordinance as to which the County Council shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing and correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Bond Ordinance, or to insert in the Bond Ordinance such provisions clarifying matters or questions arising under the Bond Ordinance as are necessary or desirable;

2. To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;

3. To surrender any right, power, or privilege reserved to or conferred upon the County by the terms of the Bond Ordinance;

4. To grant or confer upon the registered owners of the Bonds any additional rights, remedies, powers, authority, or security that lawfully may be granted to or conferred upon them; or

5. To make such additions, deletions, or modifications as may be necessary to assure compliance with section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(b) The County Council shall not enact any supplemental ordinance authorised by the foregoing provisions of Section VII of the Bond Ordinance unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 4 above) the enactment of such supplemental ordinance is permitted by the foregoing provisions of Section VII of the Bond Ordinance and the provisions of such supplemental ordinance do not adversely affect the rights of the registered owners of the Bonds then outstanding.

#### Amending and Supplementing of Bond Ordinance With Consent of Registered Owners of Bonds.

(a) With the consent of the registered owners of not less than a majority in principal amount of the Bonds then outstanding the County Council from time to time and at any time may enact an ordinance amendatory thereof or supplemental thereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Bond Ordinance, or modifying or amending the rights or obligations of the County under the Bond Ordinance, or modifying or amending in any manner the rights of the registered owners of the Bonds then outstanding; provided, however, that, without the specific consent of the registered owner of each such Bond which would be affected thereby, no supplemental ordinance amending or supplementing the provisions of the Bond Ordinance shall: (i) change the fixed maturity date of any Bond or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Bonds, the registered owners of which are required to consent to any supplemental ordinance amending or supplementing the provisions of the Bond Ordinance; or (iii) give to any Bond or Bonds any preference over any other Bond or Bonds secured thereby. Nothing in this paragraph, however, shall be construed as making necessary the approval of the registered owners of the Bonds of the enactment of any supplemental ordinance authorised by the provisions of Section 1 of Article VII of the Bond Ordinance.

(b) It shall not be necessary that the consents of the registered owners of the Bonds approve the particular form of the wording of the proposed amendment or supplement or of the supplemental ordinance affecting such amending or supplementing of the Bond Ordinance pursuant to Section VII of the Bond Ordinance. The County shall mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement of such amendment or supplement postage prepaid, to each registered owner of Bonds then outstanding at his address appearing upon the Books of Registry and to the Paying Agent, but failure to mail copies of such notice to any of the registered owners shall not affect the validity of the supplemental ordinance effecting such amendments or supplements or the consents thereto. Nothing in this paragraph, however, shall be construed as requiring the giving of notice of any amendment or supplement of the Bond Ordinance authorised by Section 1 of Article VII of the Bond Ordinance. No action or proceeding to set aside or invalidate such supplemental ordinance or any of the proceedings for its enactment shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the mailing of the notice required by this paragraph.

#### Notation Upon Bonds; New Bonds Issued Upon Amendments.

Bonds delivered after the effective date of any action taken as provided in Article VII of the Bond Ordinance may bear a notation as to such action, by endorsement or otherwise and in form approved by the County. In that case, upon demand of the registered owner of any Bond outstanding after such effective date and upon the presentation of the Bond for such purpose at the office of the Paying Agent, and at such additional offices, if any, as the County may select and designate for that purpose, a suitable notation shall be made on such Bond. If the County



shall so determine, new Bonds, so modified as in the opinion of the County upon the advice of counsel to conform to the amendments or supplements made pursuant to Article VII of the Bond Ordinance, shall be prepared, executed, and delivered, and upon demand of the registered owner of any Bond then outstanding shall be exchanged without cost to such registered owner for Bonds then outstanding, upon surrender of such outstanding Bonds.

Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to Article VII of the Bond Ordinance and applicable law) by the County Council of any supplemental ordinance amending or supplementing the provisions of the Bond Ordinance and the delivery to the Paying Agent and the County Council of an opinion of bond counsel that such supplemental ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the County, or upon such later date as may be specified in such supplemental ordinance, (a) the Bond Ordinance and the Bonds shall be modified and amended in accordance with such supplemental ordinance, (b) the respective rights, limitations of rights, obligation, duties, and immunities, under the Bond Ordinance of the County, the Fiscal Agents, and the registered owners of the Bonds, shall thereafter be determined, exercised, and enforced, under the Bond Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental ordinance shall be a part of the terms and conditions of the Bonds and of the Bond Ordinance for any and all purposes.

Supplemental Ordinance Affecting Fiscal Agents.

No supplemental ordinance changing, amending, or modifying any of the rights, duties, and obligations of any Fiscal Agent appointed by or pursuant to the provisions of the Bond Ordinance may be enacted by the County Council or be consented to by the registered owners of the Bonds without written consent of such Fiscal Agent affected thereby.

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