



HORRY COUNTY, SOUTH CAROLINA

Comprehensive Annual Financial Report



for the Fiscal Year Ended June 30, 2014

*City of Myrtle Beach Skywheel
1100 North Ocean Blvd.
Myrtle Beach, SC 29577
Courtesy Of visitmyrtlebeach.com*

*Highway 17 Bypass
& Highway 707–
(Backgate) Interchange
Construction-in-Progress*

*Blackwater Aquarium - New
2,200 gallon fresh water tank.
Featured on TV show “Tanked” on
the Animal Planet channel*

Other photos provided by Horry County Museum, Public Information Office and Infrastructure and Regulation Department.

HORRY COUNTY, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i-xx
Certificate of Achievement for Excellence in Financial Reporting	xxi
List of Principal Officials	xxii - xxiii
Organization Chart	xxiv

FINANCIAL SECTION

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-21
Audited Basic Financial Statements	
Statement of Net Position (Government-Wide)	22-24
Statement of Activities (Government-Wide)	25
Balance Sheet - Governmental Funds	26-28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	29-31
Statement of Net Position - Proprietary Funds	32-33
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	34-35
Statement of Cash Flows - Proprietary Funds	36-37
Statement of Fiduciary Net Position - Fiduciary Funds	38
Notes to Financial Statements	39-99
Required Supplementary Information	
Budgetary Comparison Schedules - General Fund	100-103
Required Supplementary Information for Governments that use the Modified Approach for Infrastructure Assets	104-106
Schedule of Funding Progress for Other Post Employment Benefits Plan	107

-CONTINUED-

Other Financial Information

Combining Non-Major Governmental Financial Statements:

Combining Balance Sheets - Non-Major Governmental Funds	108
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	109

Individual Fund Financial Statements

General Fund:

Balance Sheets	110
Schedules of Revenues, Expenditures and Changes in Fund Balances - GAAP Basis	111-127

Special Revenue Funds:

Combining Balance Sheet - Non-Major Special Revenue Funds	128-129
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Special Revenue Funds	130-131
Balance Sheets - Fire Special Revenue Fund	132
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Fire Special Revenue Fund	133
Balance Sheets - Tourism and Promotion Special Revenue Fund	134
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Tourism and Promotion Special Revenue Fund	135
Balance Sheets - Waste Management Recycling Special Revenue Fund	136
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Waste Management Recycling Special Revenue Fund	137
Balance Sheets - Higher Education Special Revenue Fund	138
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Higher Education Special Revenue Fund	139
Balance Sheets - Horry-Georgetown Tech Special Revenue Fund	140
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Horry-Georgetown Tech Special Revenue Fund	141
Balance Sheets - Watershed Special Revenue Fund	142
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Watershed Special Revenue Fund	143
Balance Sheets - Mt. Gilead Special Revenue Fund	144
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Mt. Gilead Special Revenue Fund	145
Balance Sheets - Socastee Recreation Special Revenue Fund	146
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Socastee Recreation Special Revenue Fund	147
Balance Sheets - Road Maintenance and CTC Special Revenue Fund	148
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Road Maintenance and CTC Special Revenue Fund	149
Balance Sheets - Beach Renourishment Special Revenue Fund	150
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Beach Renourishment Special Revenue Fund	151
Balance Sheets - Grants Special Revenue Fund	152
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Grants Special Revenue Fund	153

-CONTINUED-

Special Revenue Funds (continued):

Balance Sheets - Admissions Tax Special Revenue Fund	154
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Admissions Tax Special Revenue Fund	155
Balance Sheets - Victim Witness Assistance Special Revenue Fund	156
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Victim Witness Assistance Special Revenue Fund	157
Balance Sheets - Senior Citizens Special Revenue Fund	158
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Senior Citizens Special Revenue Fund	159
Balance Sheets - Arcadian Shores Special Revenue Fund	160
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Arcadian Shores Special Revenue Fund	161
Balance Sheets - Baseball Stadium Special Revenue Fund	162
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Baseball Stadium Special Revenue Fund	163
Balance Sheets - Economic Development Special Revenue Fund	164
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Economic Development Special Revenue Fund	165
Balance Sheets - Stormwater Management Special Revenue Fund	166
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Stormwater Management Special Revenue Fund	167
Balance Sheets - Hidden Woods Special Revenue Fund	168
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Hidden Woods Special Revenue Fund	169
Balance Sheets - Solicitor Special Revenue Fund	168
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Solicitor Special Revenue Fund	169
Balance Sheets - Public Defender Special Revenue Fund	168
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Public Defender Special Revenue Fund	169
Balance Sheets - GIS/IT Special Revenue Fund	170
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - GIS/IT Special Revenue Fund	171
Balance Sheets - Multi-County Business Park Rollback Special Revenue Fund	172
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Multi-County Business Park Rollback Special Revenue Fund	173
Balance Sheets - E-911 Special Revenue Fund	174
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - E-911 Special Revenue Fund	175
Balance Sheets - CDBG Grant Program Special Revenue Fund	176
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - CDBG Grant Program Special Revenue Fund	177
Balance Sheets - Recreation Special Revenue Fund	178
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Recreation Special Revenue Fund	179

-CONTINUED-

Capital Projects Funds:

Combining Balance Sheet - Major Capital Projects Funds	180
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Major Capital Projects Funds	181
Combining Balance Sheet – Non-Major Capital Projects Funds	180
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Capital Projects Funds	181
Balance Sheets - General Improvement Capital Projects Fund	182
Schedules of Revenues, Expenditures and Changes in Fund Balance - General Improvement Capital Projects Fund	183
Balance Sheets - Capital Projects Sales Tax Fund	184
Schedules of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Sales Tax Fund	185
Balance Sheets – Fire Apparatus Replacement Capital Projects Fund	186
Schedules of Revenues, Expenditures and Changes in Fund Balance - Fire Apparatus Replacement Capital Projects Fund	187
Balance Sheets - Developer Contributions Capital Projects Fund	186
Schedules of Revenues, Expenditures and Changes in Fund Balance - Developer Contributions Capital Projects Fund	187

Debt Service Funds:

Balance Sheets – RIDE Program Debt Service Fund – Major Fund	188
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual - RIDE Program Debt Service Fund – Major Fund	189
Combining Balance Sheet - Non-Major Debt Service Funds	190
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Debt Service Funds	191
Balance Sheets – General Debt Service Fund	192
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual - General Debt Service Fund	193
Balance Sheets – Special Obligation Debt Service Fund	194
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual - Special Obligation Debt Service Fund	195

Proprietary (Enterprise) Funds:

Statements of Net Position – Department of Airports Enterprise Fund	196-197
Statements of Revenues, Expenses and Changes in Net Position – Department of Airports Enterprise Fund	198-199
Statements of Cash Flows – Department of Airports Enterprise Fund	200-201

Internal Service Fund:

Statements of Net Position – Fleet Service Internal Service Fund	202
Statements of Revenues, Expenses and Changes in Net Position – Fleet Service Internal Service Fund	203
Statements of Cash Flows – Fleet Service Internal Service Fund	204

Fiduciary (Agency) Funds

Combining Statement of Changes in Assets and Liabilities – All Agency Funds	205-209
---	---------

-CONTINUED-

Capital Assets Used in the Operation of Governmental Funds:

Schedules of Capital Assets Used in the Operation of Governmental Funds by Source	210
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity	211
Schedules of Changes in Capital Assets Used in the Operation of Governmental Funds by Function and Activity	212

Victim's Rights:

Schedule of Court Fines, Assessments and Surcharges	213
---	-----

Capital Projects Sales Tax:

Budgetary Comparison Schedules	214
--------------------------------	-----

General Improvements Capital Projects Fund:

Budgetary Comparison Schedules	215
--------------------------------	-----

**STATISTICAL SECTION (UNAUDITED AND NOT COVERED BY THE REPORT
OF INDEPENDENT AUDITORS)**

Net Position by Component	216
Changes in Net Position	217-218
Fund Balances of Governmental Funds	219
Changes in Fund Balances of Governmental Funds	220-221
Assessed Value and Estimated Actual Value of Taxable Property	222
Property Tax Rates	223-224
Principal Property Taxpayers	225
Property Tax Levies and Collections	226
Ratios of Outstanding Debt by Type	227
Ratios of General Bonded Debt Outstanding	228
Direct and Overlapping Governmental Activities Debt	229
Legal Debt Margin Information	230
Pledged-Revenue Coverage	231
Demographic and Economic Statistics	232
Principal Employers	233
Gross Retail Sales Figures	234
Full-Time Equivalent Government Employees by Function	235
Operating Indicators by Function	236-237
Capital Asset Statistics by Function	238

HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA



HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
DECEMBER 4, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Horry (the "County") for the fiscal year ended June 30, 2014. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

The County financial statements have been audited by Elliott Davis LLC. The independent auditors' report is presented as the first component of the Financial Section of the CAFR. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2014, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is designed to complement the Management's Discussion and Analysis and

should be read in conjunction with it. The County's Management Discussion and Analysis can be found immediately following the report of the independent auditors.

Profile of the Government

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

Surrounded on the three sides by ocean, rivers, and swamps, Horry 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 Registrar 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 under an Enterprise Fund concept, with charges set to provide adequate coverage of operating expenses and payments on outstanding debt.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the County's financial planning and control. All department heads present a departmental budget to the Department of Budget and Revenue Management, 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. Formal budgetary integration is employed as a management control device during the year. No department funded by the County shall spend or obligate funds in excess of the amount budgeted in total for each fund under any circumstance.

Factors Affecting Financial Condition

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

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

Local Economy

Most of the County's sixty (60) miles of beaches stretching from Little River to Pawley's Island have been developed residentially or commercially while at least 32 percent of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand". The County leads the state's tourism industry with 31.3 percent of the total domestic traveler spending. Forty percent of the state's second homes are also located within the County.



The Grand Strand is a major U.S. tourist center. According to a Tourism Economic Impact report produced by the U.S. Travel Association, 2013 domestic visitor expenditures in the County exceeded \$3.6 billion, accounting for approximately 31.3 percent of the \$11.5 billion of domestic visitor expenditures in the State of South Carolina. These expenditures supported \$667.8 million in payroll income and 38,400 jobs. The County leads all counties of the State in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism. The natural assets of the Grand Strand are the Atlantic Ocean and the mild climate. Average temperature for both air and sea water range from 80 degrees during the summer to about 50 degrees during the winter.

The Grand Strand area continues to receive numerous accolades from regional and national publications. The Best of Samantha Brown, Travel Channel (2013) ranked Myrtle Beach #1 on the list of Best Travel Spots. FlipKey, the vacation rental company of leading travel website TripAdvisor.com, ranked Myrtle Beach as one of the best family vacation spots (2013) and one of the Top East Coast Beaches (2013). USA Today chose the top 25 boardwalks around the country based on reflection of region, price, and quality of ingredients. Myrtle Beach ranked 12th on the list (2013). To celebrate the re-launch of Which Way USA, its popular puzzle club that delivers a state-by-state adventure though the U.S., Highlights for Children polled kids to discover their most-desired

vacation destinations. Myrtle Beach, SC, ranked no. 3 on the top 10 list (2013). Chosen by millions of travelers, Myrtle Beach was ranked one of the top 25 travel destinations by TripAdvisor.Com (2013). ConventionSouth magazine, a national multimedia resource for planning events that are held within the South, asked readers and Facebook fans to vote for the cities they felt were the best places to hold a meeting or event during the winter months. Voters were directed to a Facebook ballot and were given a selection of 50 destinations across the Southeast and the Caribbean Seas region to select from. Myrtle Beach ranked no. 11 on the list (2013).

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

Golf Digest magazine named three Myrtle Beach area golf courses to its 2013-2014 lists of "America's Top 100 Great Public Golf Courses." *USA Today* named Myrtle Beach as the #1 "Best Golf Destination" in its 2014 Readers Choice Survey. A number of specific golf courses, hotels and attractions have been cited for superlative ratings by magazines and agencies including *Travel and Leisure* magazine, *Travelocity*, *Restaurant Business Magazine* and *EscapeHomes.com*. The area is home to just over 100 golf courses and more than 50 are rated 4 stars or better by *Golf Digest*.



According to the Myrtle Beach Area Chamber of Commerce (the "Chamber"), the Grand Strand currently has 102 eighteen-hole championship golf courses hosting more than 3.4 million paid rounds in 2012.

In its 50th Anniversary year (2004), *Sports Illustrated* named Myrtle Beach a "Sportstown USA" noting that "its leaders recognize that sports are a tremendous force for good in the community."

In 2010, Myrtle Beach opened the 1.2 mile Oceanfront Boardwalk, which was recognized as the nation's number three boardwalk by *National Geographic* magazine and one of the best U.S. boardwalks by *Travel & Leisure* magazine. Budget Travel (2013) picked the Myrtle Beach Boardwalk as one of America's Most Awesome Boardwalks. Nineteen boardwalks across the country were chosen, and Myrtle Beach's 1.2-mile oceanfront staple is nestled alongside the Atlantic City Boardwalk in New Jersey, Coney Island in Brooklyn, N.Y., and the Venice Beach Boardwalk in California. *TopRetirements.com* ranked Myrtle Beach 25 out of 100 on its "2011: Best Places to Retire" listing.

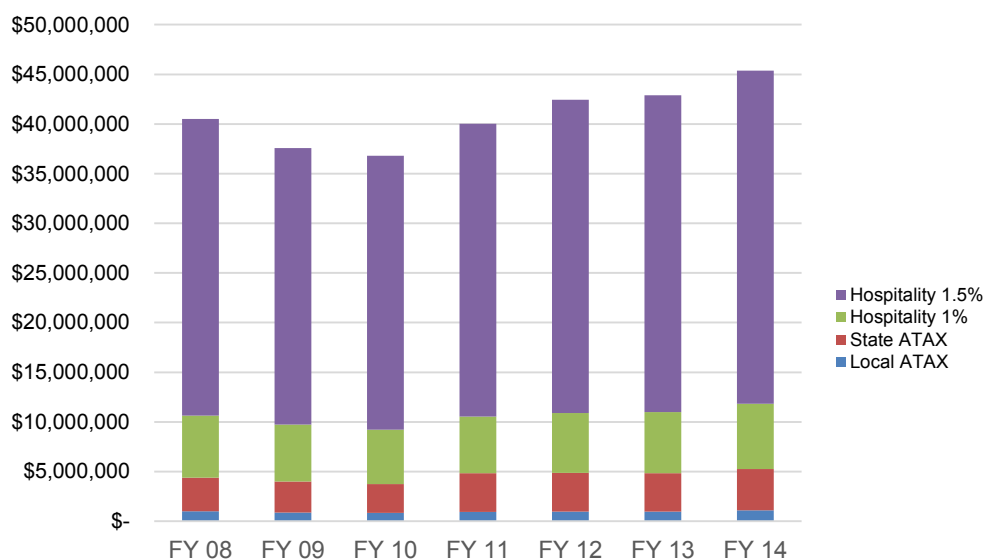
Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 15.2 million people visited the area in 2012. Based upon the Chamber's 2012 conversion study, 15 percent of the area's visitors came from North Carolina and 55 percent from New York, Pennsylvania, Ohio, Virginia and West Virginia. Tennessee, Kentucky, Maryland and Michigan round out the top ten states, outside of South

Carolina, whose residents visit the area. In 2012, the Chamber received nearly 1,300 inquiries from foreign countries. About 98 percent of those came from Canada, with most of the remaining 2 percent coming from England, Germany, France and United Kingdom. Traffic to the VisitMyrtleBeach.com website originated from all 50 states and 476 different countries. The top ten states for web traffic were: North Carolina, South Carolina, New York, Ohio, Pennsylvania, Virginia, California, Illinois, and Texas.

According to the Chamber's 2012 In-Market Visitor Profile Study, the destination continues to attract adults traveling with children in an average party size of five members, consisting of three adults and two children. Of all travel party types, 62 percent are families, 29 percent are couples, 4 percent are groups of three or more adults, 3 percent are single adults and 2 percent is single adults with children. The average length of stay in 2012 was six days for leisure travelers and three days for business travelers. Grand Strand leisure travelers spent an average of \$121 per person per day and group business travelers an average of \$262 per person per day. Most Grand Strand visitors (88 percent) used their own cars as their primary means of transportation. A majority (51 percent) of them stayed in hotels, while 30 percent stayed in condominiums or villas.

There are approximately 98,573 bedrooms available for rent along the Grand Strand including 58 percent in hotels/motels, 22 percent in vacation rentals, 11 percent in timeshares, and 9 percent campgrounds. Annual average hotel and motel occupancy rates on the Grand Strand, as reported by the S.C. Department of Parks, Recreation, & Tourism was 51.6 percent in 2013 vs. 50.2 percent in 2012 and the annual average daily rate was \$96.58 in 2013 vs. \$94.14 in the prior year. Gross retail sales in the County were \$9.43 billion in 2014.

The following graph shows that the County's revenues which are heavily reliant upon the tourism industry have stabilized through these tough economic times and are returning to historic highs. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for FY 2008 – FY 2014.



The following table shows the improving trends, since the economic slow-down in 2008, in retail sales for businesses located in the County for the years shown. 2014 represents a historical high for retail sales.

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

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

Sports Tourism

In the last several years, the Myrtle Beach area has seen a large increase in sports tourism. Many of the tournaments have been held outside the Myrtle Beach area due to a lack of adequate facilities. However, in an effort to meet the needs of this ever growing industry, a number of new facilities have been developed.

The Grand Park Athletic Complex features seven large multipurpose fields and two youth fields. All have synthetic FieldTurf, lights and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football. The complex also has a six-tunnel batting cage, plenty of free parking and three towers with restrooms and concessions. In 2012, the City of Myrtle Beach hosted 2,892 teams on its athletic fields. In all, those teams played 8,628 games during the calendar year.



The Myrtle Beach Sports Center is a planned 100,000 square-foot indoor sports facility scheduled to be completed by February 2015 - just in time for the spring sports season. It will be located adjacent to the Myrtle Beach Convention Center. The facility will include space for eight basketball courts or 16 volleyball courts, a cafe, retail area, an entertainment zone and a 1500-seat telescopic bleacher system.



Opening in March 2014, the North Myrtle Beach Park and Sports Complex is a state-of-the-art sports tourism and recreational facility. The park contains a six-field baseball/softball complex and an eight-field soccer/lacrosse complex. Included in the complexes are amenities such as batting cages, warm-up areas, concessions and restrooms. Over 60 sports tourism events will be held at the park in 2014 including the IQA Quidditch World Cup and the Dixie Softball World Series.



Commercial and Residential Development

The County's economy has reflected stabilization in most of its market segments. However, the real estate market will require more time to fully recover. Fortunately, a fast paced development environment in prior years has generated substantial growth in the County's assessable tax base which is providing a reliable source of revenue to fund the general government activities.

The single family residential market is experiencing resurgence with greater sales volume and higher median sales prices. The Coastal Carolina Association of Realtors reported a 7.1 percent year to date sales growth in its Grand Strand Market Report for the October 2014. A median sales price increase of 4.3 percent year over year was also noted along with a flat sales growth and 2.6 percent sales price increase for condos.

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



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

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

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

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

StarTek has opened a new large call center in Carolina Forest with plans to hire 615 new employees. Additionally, site work is underway for a Gander Mountain Retail store on Hwy 501 in Carolina Forest.



The Coastal North Town Center is under construction in North Myrtle Beach with a completion in calendar year 2014 and it will house the area's first Publix store along with Hobby Lobby, TJ Maxx, Dick's Sporting Goods, Petsmart, and sixteen other retail store. The entire center measures 368,000 square feet.

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



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

future out parcel spaces. The Grande Dunes Marketplace provides an array of fine retailers and restaurants for Myrtle Beach visitors and residents.

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

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

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

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

Foreclosures

As with many areas of the country, the Grand Strand is experiencing a high volume of foreclosures. Tom Maeser, a real estate analyst for the Coastal Carolinas Association of Realtors, indicates that areas with more investor properties, such as Myrtle Beach, tend to have a higher number of foreclosures because as values drop below the mortgage amounts and the owners aren't making enough rental income, the owners will let the property go into foreclosure. Revenue in the Master in Equity office continues to decline. Revenue of \$1.9 million was reported for fiscal year 2014 compared to \$2.1 million for 2013, representing a 9.5% decrease.

Property Assessed Value and Reassessment

While general economic trends are improving, fiscal year 2014 was a reassessment year for the County. The reassessment process resulted in a total assessed value for the County that was slightly below the tax year 2013 assessed value. Because of previously untaxed values excluded in the reassessment formula, County Council elected to maintain existing millage rates. Any shortfall of property tax revenue is anticipated to be minimal. In fiscal year 2014, increased assessed values for personal property and real property resulted in an overall stability and small growth of assessed values and increase in tax revenue.

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

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

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

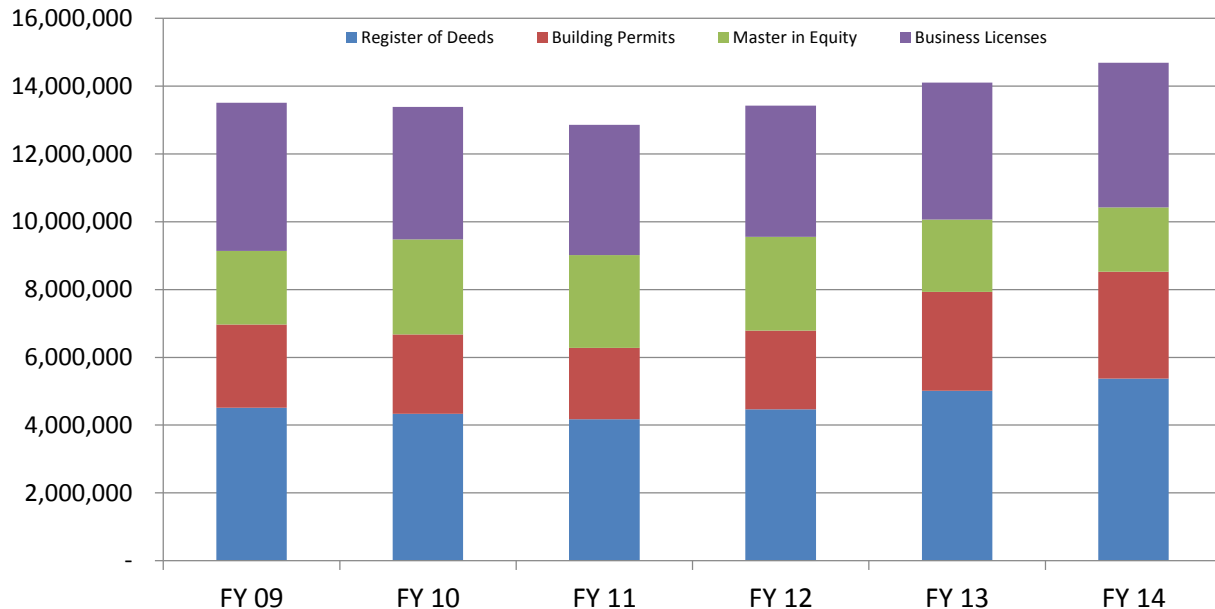
The South Carolina General Assembly, in its 2011 session, modified the annual operating millage limits and roll-back limitations on increases in assessed value through reassessment on a prospective basis. This amendment modifies the roll-back calculation to use taxes billed vs. taxes collected in the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

Building Permits Issued

Horry County experienced a decline in construction beginning in fiscal years 2006 and 2007. As the housing and construction markets continued to slow-down during fiscal year 2007, along with the impact of the challenges in the banking industry during fiscal year 2008, building permits issued dropped to a five year low of 6,679 in fiscal year 2009. The volume of permits and related revenue stabilized in fiscal years 2010, 2011, and 2012. The number of permits issued increased in excess of 11% for 2013 and again in 2014; in 2013 the values increased at a much greater pace resulting in a 31% increase in revenues; in 2014 the values leveled out resulting in a 3.7% increase in revenues.

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

Revenue sources that increased as the commercial and residential development flourished include business license fees, building permit fees, and ROD recording fees and documentary stamps. As the economy made a downward turn during fiscal year 2008, revenues from these sources began to decline, but revenues from the Master in Equity's Office, who handles foreclosures, began to increase. Revenues from these economically sensitive areas appear to have stabilized and are now reflecting a moderate growth. Similar to FY 2014 budget, the FY 2015 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, 2014 of \$41.4 million (31.62 percent of the fiscal year 2015 General Fund expenditure budget) remains within the policy guidelines set by County Council for budgetary and planning purposes (15 percent of the next year's General Fund operating budget).

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

Major Initiatives

Economic Development

Our strong commitment to building and diversifying our economy is evidenced by our support and funding of the Myrtle Beach Regional Economic Development Corporation. Similar to the past few years, there is continued expansions and job openings in 2014 resulting in a decline in the

unemployment rate. According to the Waccamaw Regional Economic Outlook, during the spring of 2014, Horry County's unemployment rate was 5.8% which is a 2.6% decrease from spring of 2013. It also reported that Horry County added 2600 jobs in 2013; an increase of 2.25% from 2012. Pursuant to Talent Tribune and their research through Bureau of Labor Statistics, Myrtle Beach, North Myrtle Beach and Conway, rank #7 on the list of US cities with the highest job growth in 2013. Between August 2013 and August 2014, the coastal area added 5,500 jobs, for a total growth of 4.4%.



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

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



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



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



Connecticut based PTR Industries announced a large relocation of their firearms manufacturing facility to Aynor in Horry County on June 24, 2013. Eventually, the project will consist of 177 new jobs and a capital investment of \$8 million. Renovation of a County owned building was completed in January 2014 and the company began production with about 50 employees. In June 2014, Governor Nikki Haley toured the facility and received a commemorative South Carolina gun made at PTR Industries. Recently with a slight turn

in the market, PTR had a small decrease to staff. But company officials say the layoffs are only temporary and market conditions will improve as new products are planned for the next few months.

Laudisi Distribution Group, an existing Horry County manufacturer and distributor of smoking pipes and tobacco, expansion of its existing operations with the addition of 48 new jobs.

Accent Stainless Steel, a Canadian-based manufacturer of craft or micro-brewing systems and other processing equipment, plans to expand into the US with a new American headquarters in Horry County. The company's \$3.1 million investment will create 65 new, high-skilled manufacturing jobs averaging \$22 per hour, which is approximately 65 percent higher than Horry County's current average wage.

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

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



The County is currently developing an International Technology and Aeronautical Park (the "ITAP") on 460 acres located on the County-owned Myrtle Beach International Airport property. Initial spending for development of the Park is \$3.8 million. Phase two of the development includes a ramp and taxiway from the existing Myrtle Beach International Airport runway with a \$5.2 million budget funded by a \$3.75 million FAA grant, Rural Development Fund contributions and proceeds from airport land sales. Greenwall Construction Co. of Myrtle Beach was chosen as the contractor in November 2013.

The County currently operates three (3) industrial parks (Atlantic Center, Cool Spring Business Park, Pineridge Business Center) and is in the planning stages of two additional parks, which are industry specific. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of two of these parks. Through these contributions, the County has funded the construction of a shell building within the County's "Certified Park" known as Cool Spring Business Park. Another industrial park project being pursued in conjunction with Grand Strand Water & Sewer is a Marine Park in Bucksport.

Airport

The Myrtle Beach International Airport (the "Airport" or "MYR"), located in the City of Myrtle Beach (the "City") 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.

863,393 passengers enplaned at MYR in fiscal year 2014, versus 771,564 enplanements in fiscal year 2013. An increase of 11.9 percent is partially attributable to both increased capacity on existing routes as well as new routes added during the year. Spirit Airlines contributed an added 75,399 enplaned passengers in fiscal year 2014 over fiscal year 2013. Allegiant Air added four new routes during the fourth quarter of fiscal year 2014, increasing Allegiant's enplaned passengers by 9,891 over fiscal year 2013. As of June 30, 2014, the signatory airlines were US Airways, Spirit Airlines and Delta Air Lines. The signatory airlines along with the non-signatory airlines, Allegiant Air, Porter, United Airlines, and WestJet, offer daily, nonstop flights to and from over 25 destinations and connections through hubs in Atlanta, Charlotte, Chicago, New York and Newark, among others.



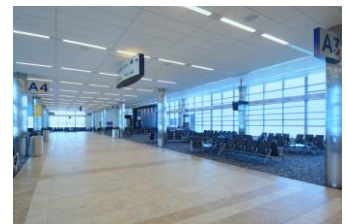
Horry County broke ground on the Terminal Capacity Enhancement Program on May 17, 2010 for the program to involve airside and landside improvements to the current facility plus an addition of a new 240,000 SF passenger terminal and concourse increasing the number of departure gates from seven (7) to thirteen (13) while adding three (3) new ground loading positions. To



support the expansion, a new automated baggage handling system, and new passenger boarding bridges were added while the airport's apron pavement and taxiway were reconstructed and expanded. A new rental car facility with a pedestrian canopy was added to maximize the efficiency of the facility, and a covered exit plaza with employee facilities



were added while the existing parking lot, roadway circulation and access roads were renovated and expanded. In all, the total footprint of the airport terminal has increased from 155,000 SF to 430,000 SF. Concurrently, the Airport expanded Taxiway "A" and extended Harrelson Boulevard, the major traffic artery to and from the Airport, to span the distance between US Highway 17 on the west side of the City and Highway 17 Business running parallel to the coast on the City's east side.



In addition to the commercial airline facilities, complete services are available at the Airport for all size general aviation, corporate and charter aircraft, including helicopters. Several air cargo companies also have flight operations from the Airport. The Airport's General Aviation Terminal ("GAT") annually accommodates over 45,000 passengers arriving in private aircraft. The Airport recently completed and opened for business a new \$4 million GAT facility with 11,000 square feet of space on a single level. The new facility incorporates many state-of-the-art systems to ensure a sustainable "green" design. The old facility is slated for demolition.

The County also owns and operates general aviation airports in North Myrtle Beach, Conway and Loris. Both the Grand Strand Airport located in North Myrtle Beach and the Conway-Horry County Airport located in Conway serve private and corporate aircraft with parking, refueling and

maintenance. Currently, there are no services available on the Loris Airport. In February 2006, the South Carolina Department of Commerce, Division of Aeronautics released an economic impact study of the County's airports. That study, prepared by Wilbur Smith Assoc., estimates the direct and indirect economic impact of the four county airports is over \$776.3 million annually.

Road Improvement and Development Effort (RIDE)

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

The participating parties in the RIDE project are the County, the South Carolina Transportation Infrastructure Bank and the South Carolina Department of Transportation. The role of the South Carolina Transportation Infrastructure Bank is to provide the necessary financing and funding for the RIDE project. More detailed information about the technical aspects of the intergovernmental agreement is provided in Note 17 of the basic financial statements.

Pursuant to the Horry County Road Improvement and Development Effort Program (the "RIDE Program"), the County entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the "SIB") to provide funding for various road construction projects in the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. The County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay loans #1 and #2. Loan #3 has been repaid from Admissions Tax revenue. The County is not obligated to make payments from any other source of funds and the County's full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2014 is \$203.7 million. Future debt service payments for the RIDE project are expected to be \$227 million.

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

Road Projects (RIDE II)

On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law has ended April 30, 2014. The County was slated to receive \$425.3 million over this seven-year period to fund the below listed projects. Actual collections exceeded anticipated amount by \$21.6 million.



Estimated Cost As presented in referendum	Prioritized Road Projects and status as of July 11, 2014
1. \$ 19,600,000	Pave 20 miles of County dirt roads – completed at a cost of approximately \$11.4 million.
2. \$ 945,000	Resurface 12 miles of County roads – completed at a cost of \$839,422.
3. \$ 49,500,000	Construct grade separated interchange at the intersection of U.S. Hwy 17 Bypass and SC Hwy. 707 at the back gate of the Myrtle Beach Air Base – under construction. Revised validated budget is \$120.6 million.
4. \$132,250,000	Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy 544 – environmental permit received May 24, 2013 – right of way acquisition 95% complete – early clearing and grubbing underway, construction to begin in 2014. Revised validated budget is \$101.3 million.
5. \$ 25,750,000	Pave 25 miles of County dirt roads – completed at a cost of approximately \$10.7 million.
6. \$ 990,000	Resurface 12 miles of County roads – completed at a cost of approximately \$1.1 million.
7. \$ 46,000,000	Construct Aynor overpass – completed at a cost of approximately \$15.8 million.
8. \$ 1,035,000	Resurface 12 miles of County roads – construction began in spring 2011 and is currently 99% complete. Estimated total cost is approximately \$1.5 million.
9. \$ 76,000,000	Widen Glenn's Bay Road to 3 lanes and construct a grade separated interchange at US Hwy. 17 Bypass – design, permitting and right of way underway – construction planned to begin 2014 – revised validated budget is \$78.6 million.
10. \$ 1,080,000	Resurface 12 miles of County roads – construction began in 2012 and is currently 80% complete. Estimated total cost is \$1.4 million.
11. \$27,750,000	Pave 25 miles of County dirt roads; construction began in 2012 and is currently 50% complete. Estimated total cost is \$22 million.

12. \$ 1,125,000	Resurface 12 miles of County roads – planned for 2014 – estimated total cost is \$1.1 million.
13. \$ 6,500,000	Pave 2 lanes of International Drive from Carolina Forest to SC Hwy. 90 – design complete, permitting and right-of-way underway. Estimated total cost is \$15.5 million.
14. \$ 682,500	Resurface 7 miles of County roads – planned for 2015. Estimated total cost is \$1.0 million.
15. \$36,100,000	Pave 30 miles of County dirt roads – planned for 2015. Estimated total cost is \$36.0 million.

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

As of June 30, 2014, the capital project sales tax fund had generated \$446.9 million in revenue. Spending totaled \$175.9 million through year end which results in \$290 million balance on hand at year end for use in construction on the above projects.

County Council, understanding the need to address road connector/capacity/safety improvements within the County, tasked staff to develop a list of unimproved connector roads. Following staff's presentation and recommendations at the 2006 budget retreat, County Council approved the following priority list of projects and allocated funding to begin the process of making the needed improvements to six of the eleven projects on the priority list. An additional \$1.3 million phase for interchange improvements on Carolina Forest Boulevard begin in Fiscal Year 2014 and is scheduled to complete in Fiscal Year 2015.

1. Postal Way(1.40 miles) - completed at a cost of \$2,026,728
2. River Oaks Blvd. (5.10 miles) - 2 phases completed at a cost of \$2,009,884.
3. Carolina Forest Boulevard (5.70 mi)- Phase 1 completed at a cost of \$1,897,500. Phase 2 - Intersection improvements under construction with late 2014 completion date planned.
4. Hwy. 17 Frontage Rd @ Indigo Creek (0.24mi) - completed at a cost of \$115,124
5. Glenns Bay Rd widening & interchange(0.43 mi) - funded by RIDE II
6. International Drive (4.70 miles) - funded by RIDE II
7. Hwy 501-90 connector road through Atlantic Center (0.65) - completed by HC Schools and CCU (E. Cox Ferry Rd to University Blvd Ext.)
8. Scipio Lane (1.80 miles) - .02 miles completed to South Strand Complex
9. Tournament Blvd. (1.50 miles) - Turn lanes installed at several intersections in 2008 by Horry County
10. Hwy. 707 to Hwy. 17 and Hwy. 17 to Farrow Blvd. within the old Air Base (4.50 mi) - completed by the City of Myrtle Beach and developer
11. Fries Bay Road (3.40 miles) - 1.86 miles completed with Road Plan and CTC funds; additional .83 miles to be completed in 2014 or early 2015

A recognized need for the County is direct Interstate Highway access. The National I-73 /I-74/I-75 Association is actively promoting the need of I-73 to enhance the economic success and quality of life to our region. Actual construction has begun on the initial phase of the connection of I-95 to our area. Environmental work is complete on both the northern and southern sections and the Federal Highway Administration has signed the Record of Decision for each. South Carolina Department of Transportation (the “SCDOT”) has completed the right-of-way plans for the southern section, and right-of-ways acquisition is underway for the corridor from I-95 to US 501 (approximately 5 miles). TIGER (Transportation Investment Generating Economic Recovery) funds in the amount of \$10 million were received by SCDOT in February 2010 and these funds were used to let a project in August 2011 in Dillon County for a bridge replacement on Catfish Church Road (S-17-63) over I-95 and widening on US 501 and US 301 near Latta. In April 2011, the SCDOT Commission approved a bond package for projects statewide, including \$105 million for construction of an approximate 5.7 mile length of I-73 from I-95 to US 501 in Dillon County, including partial interchanges at I-95 and US 501. The construction plans for this section are complete. Approval of the bond package by the Joint Bond Review Committee and the State Budget and Control Board is needed. SCDOT continues to coordinate with the US Army Corps of Engineers on permit review and approval of the entire I-73 corridor. There is currently no firm timetable for any additional work on the northern section. The total estimated cost of the entire segment in South Carolina is approximately \$2.4 billion.



Road Projects (RIDE III)

With both the success of the RIDE II program and the large continued infrastructure need, County Council commissioned the RIDE III Committee to investigate needs and propose priorities to the Horry County voters through a ballot referendum for a re-imposition of the one-cent Capital Projects Sales Tax in 2016.

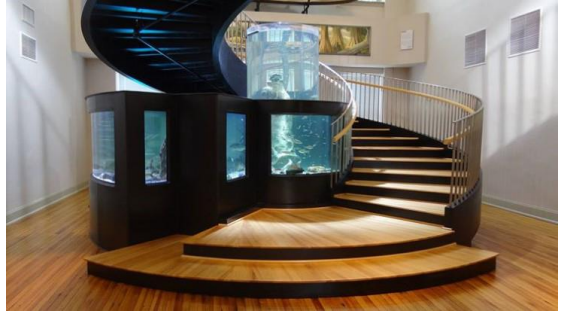
Capital Projects Completed and Projects under Construction

In FY 2014, the County entered into an Energy Performance Savings Contract with Pepco Energy Services Inc., a subsidiary of Pepco Holding. This \$8.1 million contract will impact over 100 of the County’s buildings and will make energy saving improvements for high efficiency lighting, water and sewer conservation, laundry ozone injection, chiller replacements and improvements, variable frequency drives on various cooling tower fans, and system controls. Projects were selected on a basis of return on investment and priority in the County’s lifecycle maintenance program. The savings in utility bills will be utilized to repay the tax-exempt lease purchase financing used to fund the improvements. Pepco Energy Services is providing a guarantee of the energy savings.



The Horry County Museum project to renovate the Burroughs School completed during fiscal year 2013 with \$6.5 million in renovations to external and internal foundations and structural systems, internal finishes, mechanical and environmental systems, and exhibits. The New Museum reopened November 5, 2013.

The Historic Burroughs School, constructed between 1905 and 1909, is listed on the National Register of Historic Places. The newly renovated and larger facility has allowed the Museum to provide bigger exhibits, more nationally recognized traveling exhibits, and public programming in the auditorium. National acclaim was brought to Horry County when a new 2,200-gallon fresh water aquarium opened in September 2014. It includes native species like blue gill, bass, catfish and a fake beaver dam. The national hit TV series “Tanked” was in Conway in April 2014 filming the construction and installation of the Blackwater aquarium at the museum and the show aired on Friday, September 26, on the *Animal Planet* Channel.



Information Technology Projects

An additional strategic initiative for our Public Safety Division is an upgrade in its communication and data systems to a digital platform. Fiscal year 2012 included the purchase of an upgrade in Motorola computer aided dispatch (CAD) software. This upgrade is currently in the installation process. Planning also initiated during FY 2014 for the necessary upgrade of the County's radio communications units and infrastructure to the P25, 800GHz digital platform.

The County has completed the evaluation of the responses of a request for proposals (RFP) for both an Enterprise Resource Planning (ERP) and Property Tax Billing systems. Contracts have been completed for the financial, property tax billing, parks and recreation point of sale, time and attendance, business license and hospitality revenues, fleet management, and eProcurement. This implementation will span three (3) fiscal years and is current planned to complete by December 2015. Key milestones include core financials, time & attendance, and property tax billings in FY 2014 with human resources, payroll, fleet management, and business license and hospitality revenues in FY 2015.

Horry County is contracting with Emergency Communications Network, Inc. of Ormond Beach, Florida, for its “CodeRED” high-speed telephone emergency notification services. The CodeRED system gives county officials the ability to deliver pre-recorded emergency telephone notification/information messages to targeted areas or the entire county at a rate of up to 60,000 calls per hour. Implementation was completed in the fall of 2013.

Funding

The County's Capital Improvement Plan focuses on on-going projects that are to be funded primarily with pay-as-you go funding, or grants. During 2014, the County issued \$252,000 of General Obligation Bonds for the Hidden Woods Special Tax District. Additionally, the County initiated \$3.9 million of new capital leases for the acquisition of tax and financial software plus \$8.2 million for the acquisition of an energy performance project.

Awards and Acknowledgements

National acclaim and honors to Horry County Police Chief Sandra Rhodes as she received the 2014 Woman Law Enforcement Executive of the Year (WoLEEEY). This esteemed award is co-sponsored by the National Association of Women Law Enforcement Executives (NAWLEE) and Motorola, the WoLEEEY award honors an individual who has distinguished herself in the NAWLEE organization, her profession and her community. Rhodes began her career in 1993 as an undercover narcotics agent. Since then Rhodes has held positions of sergeant, lieutenant and captain throughout every division within the Horry County Police Department.

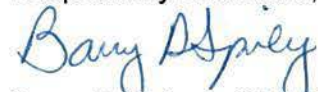
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-seventh consecutive year that Horry County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Horry County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2013 for fiscal year ended June 30, 2014. This was the twenty-fifth consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Barry R. Spivey, CPA-CGMA
Finance Director



Government Finance Officers Association

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

Presented to

**Horry County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Horry County

County Council Districts



W. Paul Prince
District 9



Jody Prince
District 10
Vice Chair



Mark Lazarus
Chairman



Al Allen
District 11



James R. Frazier
District 7



Carl Schwartzkopf
District 8



Gary Loftus
District 4



Paul D. Price Jr.
District 5



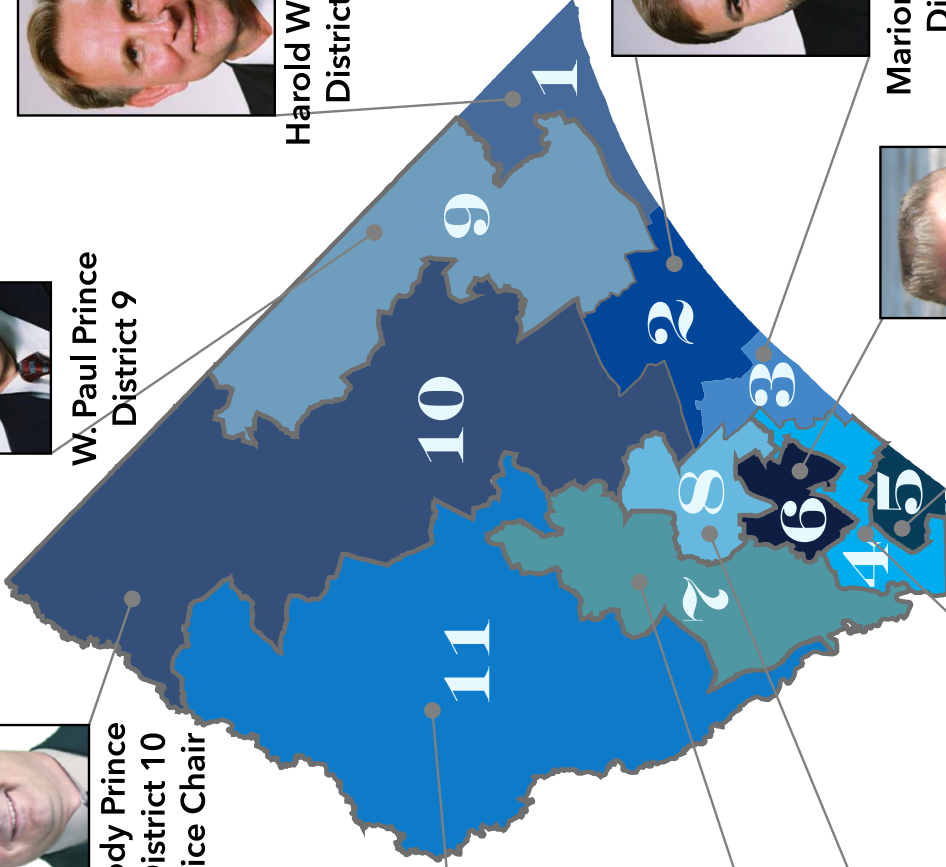
Marion Foxworth
District 3



Brent Schulz
District 2



Bob Grabowski
District 6



MEMBERS OF COUNTY COUNCIL

Mark Lazarus	Chairman
Jody Prince	Member, District 10 and Vice Chairman
Harold G. Worley	Member, District 1
Brent J. Schulz	Member, District 2
Marion D. Foxworth, III	Member, District 3
Gary Loftus	Member, District 4
Paul D. Price, Jr.	Member, District 5
Robert P. Grabowski	Member, District 6
James R. Frazier	Member, District 7
Carl H. Schwartzkopf	Member, District 8
W. Paul Prince	Member, District 9
Al Allen	Member, District 11

ELECTED OFFICIALS

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

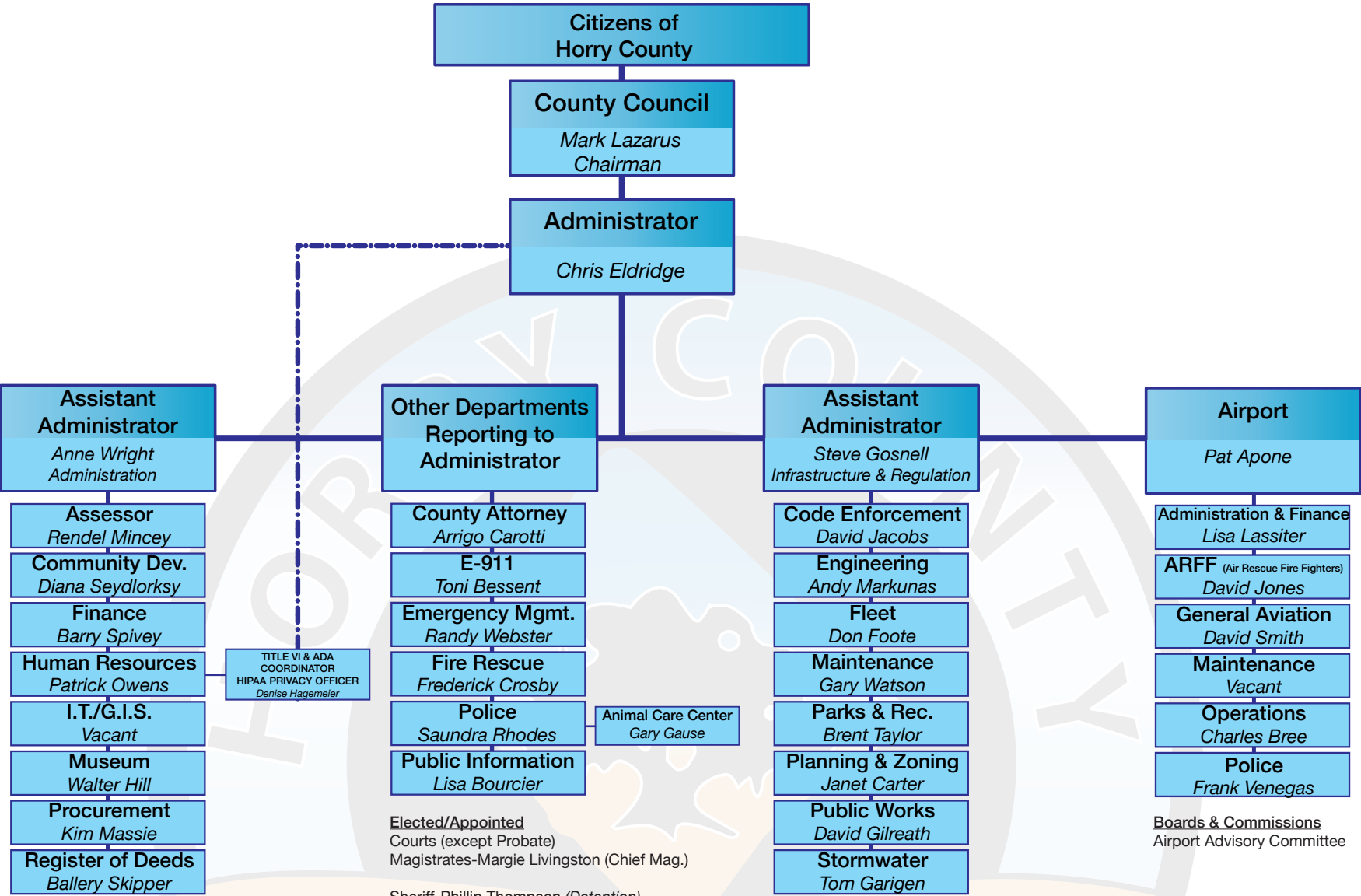
APPOINTED OFFICIALS

Margie Livingston	Chief Magistrate
Pat Hartley	Clerk of Council
Clif Boyer	Library
Cynthia Graham Howe	Master in Equity
Orrie West	Public Defender Fifteenth Circuit
Ballery Skipper	Register of Deeds
Sandy Martin	Registration & Election
Wendell Allen	Veteran's Affairs

ADMINISTRATIVE OFFICIALS

Chris Eldridge	County Administrator
Anne Wright	Assistant County Administrator - Administration
Steve Gosnell	Assistant County Administrator - Infrastructure and Regulation
Pat Apone	Director Department of Airports
Arrigo Carotti	County Attorney
Sandra Rhodes	Chief of Police
Frederick Crosby	Chief of Fire and Rescue
Rendel Mincey	Assessor

As of 11/19/14



Elected/Appointed
Auditor-Lois Eargle
Clerk of Court-Melanie Huggins Ward
Coroner-Robert Edge
Delegation-Connie Turner
Library-Clif Boyer
Master-in-Equity-Cynthia Graham Howe
Probate-Deidre Edmonds
Public Defender-Orrie West
Registration & Election-Sandy Martin
Treasurer-Roddy Dickinson (*Hosp. & Bus. Lic*)
Veteran's Affairs-Wendell Allen

Boards & Commissions
Airport Advisory Committee
Assessment Appeals
Accommodations Tax Advisory
Fee Appeals
Memorial Library
Museum
Registration & Elections

Supplemental Funded Agencies
Council on Aging
Higher Education
Horry-Georgetown Technical College
MB Reg. Economic Dev. Corp.

Supplemental Funded Agencies
SC Dept. of Health & Environmental Control
SC. Dept. of Social Services

Component Unit
Shoreline Behavioral

Elected/Appointed
Courts (except Probate)
Magistrates-Margie Livingston (Chief Mag.)

Sheriff-Phillip Thompson (*Detention*)
Solicitor-Jimmy Richardson

Supplemental Funded Agencies
SC Dept. of Probation & Parole

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

Supplemental Funded Agen.
Clemson Extension
Coast RTA
Waccamaw Regional Planning

Component Unit
Solid Waste Authority

FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2014, 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 Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Horry County Department of Airports' financial statements represent 100 percent of the assets, net position, and revenues of the business-type activities. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net position, and revenues of the 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 enterprise fund and both discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2014, 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.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 22 to the financial statements, in 2014 the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual major and nonmajor fund financial statements, budgetary comparison major and nonmajor fund financial schedules, capital asset schedules, fines, assessments, and surcharges schedule, capital project sales tax budgetary schedule, general improvements capital project budgetary schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 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, based on our audit, the procedures described above, and the report of other auditors, the combining and individual major and nonmajor fund financial statements, budgetary comparison major and nonmajor fund financial schedules, capital asset schedules, fines, assessments, and surcharges schedule, capital project sales tax budgetary schedule, and 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 4, 2014 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Elliott Davis, LLC".

Charleston, South Carolina
December 4, 2014

Management's Discussion and Analysis

Management's Discussion and Analysis provides a narrative overview and analysis of the County's financial activities for fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information furnished in our Letter of Transmittal, which can be found on the pages prior to this report.

FINANCIAL HIGHLIGHTS

- The Statement of Net Position reflects total assets of \$1.57 billion. This represents a \$40.7 million increase from fiscal year 2013. Net capital assets increased \$9.7 million due primarily to spending for new construction including \$7.8 million for runways and taxiways at the airport, \$9.6 million in infrastructure, \$3 million for land improvements, \$3.2 million for buildings and improvements, \$3.5 million for machinery and equipment. The spending for new construction is reduced by depreciation during the year of \$27.6 million and asset disposals of \$0.5 million.
- Total liabilities decreased \$37.9 million from fiscal year 2013. During fiscal year 2014, payments on existing County bond obligations totaled \$38.2 million including \$26.4 million for RIDE debt with the State Infrastructure Bank.
- Net position of the County totaled \$1.1 billion at June 30, 2014 and increased by \$78 million from fiscal year 2013. Net investment in capital assets increased \$17.9 million. Restricted net position increased \$9.4 million. In addition, restricted net position for governmental activities increased \$8.9 million as the reserves for RIDE Debt Service increased \$1.7 million and restricted funding for capital projects increased from growth in revenue accumulated for future construction expenditures offset by a reduction of restrictions in Road Maintenance & CTC Special Revenue Fund. Governmental activities represent \$846 million of net position and the business-type activities represent \$251.6 million.
- At June 30, 2014, fund balance for the General Fund was \$41.4 million or 33.9 percent of total General Fund expenditures, compared to \$42.0 million or 34 percent for the previous year. The fiscal year 2014 budget anticipated using \$12.1 million of fund balance. Actual results reflect a \$0.6 million decrease in fund balance due primarily to a \$9.4 million expenditure savings.
- Property tax revenue for the General Fund for fiscal year 2014 was \$76.0 million compared to \$74.9 million for fiscal year 2013, an increase of 1.6 percent.
- Tourism related revenues, primarily used to fund infrastructure and related debt service, reflected positive growth in fiscal year 2014 as Capital Project Sales Tax increased 6.6 percent to \$70.6 million and Hospitality Fees increased 5.7 percent to \$41.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the County's assets and liabilities, with the difference between the two reported as net position. This statement combines and consolidates governmental funds'

current financial resources (short-term spendable resources) with capital assets and long term obligations. Net position are the difference between the County's assets and its liabilities.

All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. Therefore, this statement includes some items that will impact cash flows in future fiscal periods, such as collections of delinquent taxes and the use of earned leave time. This statement is focused on both the gross and net cost of various functions (including governmental, business-type, and component units), which are supported by the government's general tax and other revenues. This statement presents information showing how the government's net position changed during the most recent fiscal year.

These two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets and liabilities, measure the County's financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

- Governmental activities are functions that are principally supported by taxes and intergovernmental revenues. Most of the County's basic services are included here, such as police, fire, public works, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities are functions that are intended to recover all or a significant portion of the costs through user fees and charges. The County's Department of Airports is reported here.
- 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 component units of the County.

The government-wide financial statements can be found on pages 22 through 25 of this report.

FUND FINANCIAL STATEMENTS

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

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

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

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

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

During fiscal year 2014, the County implemented Government Accounting Standards Board (GASB) Statement No. 65 – Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement require that bond issuance costs be expensed in the year they are incurred. Previously, bond issuance costs had been treated as an asset and amortized over the life of the related debt. Therefore, bond issuance costs were removed from the Statement of Net Position. This resulted in a restatement of beginning net position in the amount of \$1.9 million. Assets were reduced by the same amount. Thus, a prior period adjustment was recorded. GASB Statement No. 65 also revises the treatment of transactions previously reported as either assets or liabilities to deferred outflows/inflows of resources on the statement of net position and balance sheet.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 through 97 of this report.

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition and position. In the case of the County, as reflected in the primary government funds, assets exceeded liabilities and deferred inflows of resources by \$1.1 billion at the close of the fiscal year ended June 30, 2014. At the end of fiscal year 2014, the County reported the following Net Position:

Horry County's Net Position

(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	(as restated)		(as restated)		(as restated)	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 532,969	\$ 494,495	\$ 93,532	\$ 98,231	\$ 626,501	\$ 592,726
Capital Assets, net	711,441	703,547	231,026	229,217	942,467	932,764
Total Assets	1,244,410	1,198,042	324,558	327,448	1,568,968	1,525,490
Deferred Outflows of Resources:						
Deferred charge on refunding	1,452	1,753	-	-	1,452	1,753
Total deferred outflows of resources	1,452	1,753	-	-	1,452	1,753
Current Liabilities	87,104	80,443	8,281	15,453	95,385	95,896
Long-term Liabilities	309,428	340,667	61,350	62,569	370,778	403,236
Total Liabilities	396,532	421,110	69,631	78,022	466,163	499,132
Deferred Inflows of Resources:						
Unearned revenue-						
Service concession arrangement	-	-	3,285	4,792	3,285	4,792
Unearned revenue-fees and other	3,375	-	-	-	3,375	-
Total deferred inflows of resources	3,375	-	3,285	4,792	6,660	4,792
Net Position:						
Net investment in capital assets	609,438	592,217	171,153	168,610	780,591	760,827
Restricted	353,422	345,339	33,430	32,929	386,852	378,268
Unrestricted (deficit)	(116,907)	(162,562)	47,059	43,095	(69,848)	(119,467)
Total Net Position, as restated	\$ 845,953	\$ 774,994	\$ 251,642	\$ 244,634	\$ 1,097,595	\$ 1,019,628

Net Position of the County's governmental activities increased 9.2 percent from \$775.0 million to \$846.0 million. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities increased 2.8 percent to \$963.7 million at year end. Net investment in Capital Assets and Restricted Net Position of the County's governmental activities are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so on). The County continues to invest in needed capital improvements and provides for a large portion of annual capital needs without the use of debt thereby increasing Net Position. Restricted Net Position includes the \$290.4 million excess Capital Project Sales Tax revenues over expenditures. 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 years and utilize this accumulated excess over the next several years.

Unrestricted Net Position reflected a \$117.7 million deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads. In 1996, the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within the County. The RIDE program debt is repaid from a 1.5% county-wide Hospitality Fee enacted locally in 1997. The decrease in the deficit in governmental activities Unrestricted Net Position from June 30, 2014 to June 30, 2013 of \$44.9 million is primarily attributed to the reduction in the RIDE loans payable of \$26.4 million, growth in Unrestricted Fund Balance in Governmental funds of \$19.2 million, and reduced by the increase in long term liability for other post employment benefit obligation of \$1.7 million. Net position does not represent the County's position regarding spending, which is presented in the governmental fund statements.

The Net Position of our business-type activities increased 2.8 percent from \$244.6 million in 2013 to \$251.6 million in 2014. This increase resulted from positive non-operating revenues and federal and state restricted capital project grant revenues.

The total fund balances for governmental funds was \$466.6 million at the end of fiscal year 2014. 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, 2014, which are not included in this fund balance totaled \$711.4 million. Long-term liabilities of \$335.3 million are not due and payable in the current period and therefore are also not reported in these funds. A majority of the long-term liabilities, \$203.7 million, is the long-term portion due on the RIDE Intergovernmental Agreements. Under these agreements, the County partnered with the State in receiving \$550 million in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the 1.5 percent portion of its county-wide Hospitality Fee into a Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank has provided the funding for various road construction projects in the County through these loans, which the County is repaying with the 1.5 percent Hospitality Fee. The constructed roads are State roads and are therefore not reflected in capital assets of the County. In accordance with the RIDE Intergovernmental Agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1.5 percent portion of the Hospitality Fee not meet the debt service requirements. The citizens of the County have benefited from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997. As of June 30, 2014, the County has remitted to the State Transportation Infrastructure Bank approximately \$49.7 million of 1.5 percent Hospitality Fees collected in excess of the amount required to meet the scheduled debt service payments. This amount is held in an interest-bearing reserve account by the State Transportation Infrastructure Bank and equates to over one year's debt service requirement.

Governmental activities

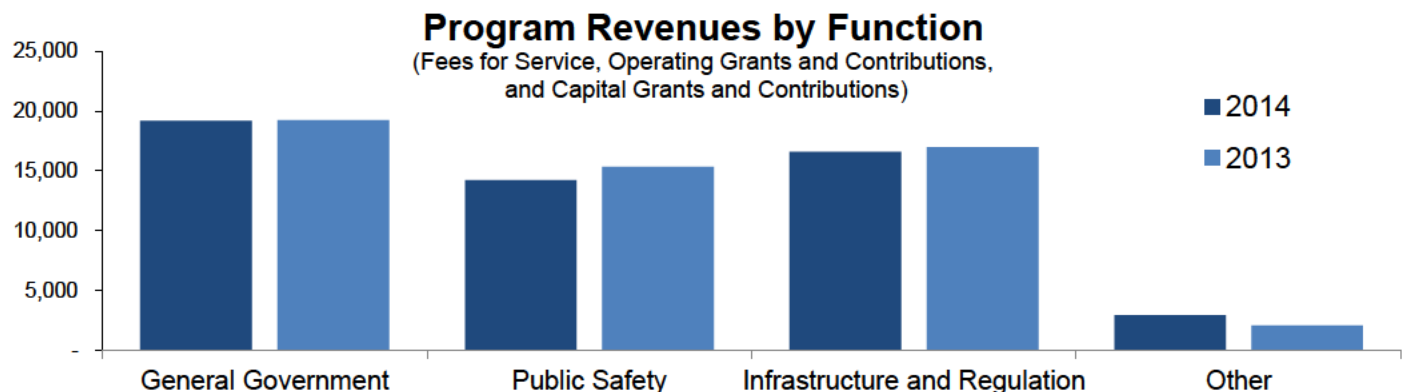
Governmental activities increased the County's Net Position during the year by \$71.0 million. This increase was primarily attributable to revenues from Capital Projects Sales Tax and 1.5 percent Hospitality Fee used in capital projects and debt reduction along with increased revenues in real property and vehicle taxes. Key elements of this increase are as shown below.

Horry County's Changes in Net Position

(amounts expressed in thousands)

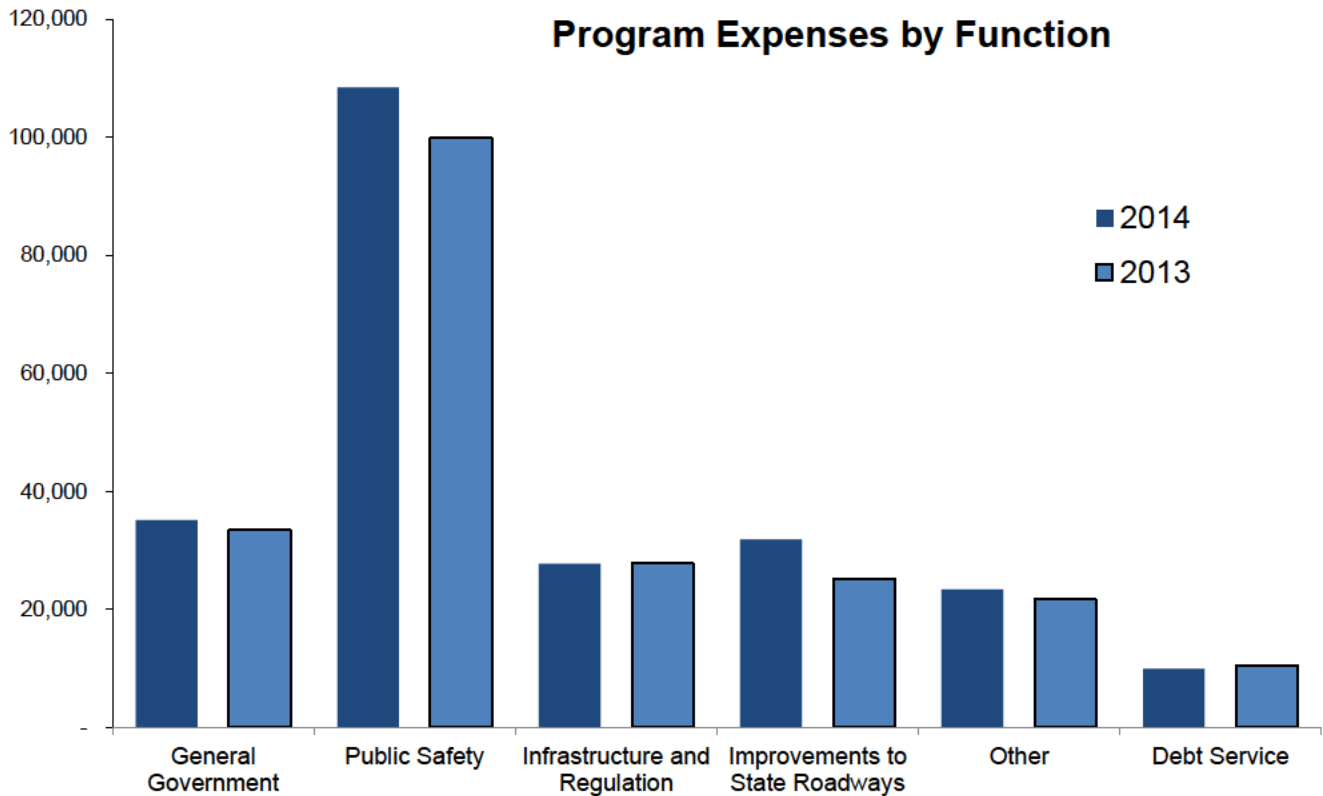
	Governmental		Business-Type Activities		Total	
	Activities					
	(as restated)		(as restated)		(as restated)	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Fees for services	\$ 44,487	\$ 46,287	\$ 28,291	\$ 24,433	\$ 72,778	\$ 70,720
Operating Grants and Contributions	5,355	4,864	2,102	2,424	7,457	7,288
Capital Grants and Contributions	3,015	4,899	6,415	14,565	9,430	19,464
General Revenues: Property Taxes,						
Shared Rev and Unallocated Intergovt	201,532	201,863	-	-	201,532	201,863
Other	53,358	50,912	484	504	53,842	51,416
Total Revenues	307,747	308,825	37,292	41,926	345,039	350,751
Expenses:						
General Government	(35,355)	33,488	-	-	(35,355)	33,488
Public Safety	(108,655)	99,823	-	-	(108,655)	99,823
Infrastructure and Regulation	(27,780)	27,786	-	-	(27,780)	27,786
Improvements to state roadways	(31,821)	25,118	-	-	(31,821)	25,118
Health and Social Services	(2,852)	2,753	-	-	(2,852)	2,753
Culture, recreation and tourism	(12,046)	11,376	-	-	(12,046)	11,376
Economic Development	(3,786)	2,882	-	-	(3,786)	2,882
HGTC and Higher Education Com.	(4,736)	4,635	-	-	(4,736)	4,635
Debt Service	(9,757)	11,607	-	-	(9,757)	11,607
Airports	-	-	(30,284)	22,449	(30,284)	22,449
Total Expenses	(236,788)	219,468	(30,284)	22,449	(267,072)	241,917
Increase in Net Position	544,535	89,357	67,576	19,477	612,111	108,834
Net Position – July 1, as restated	774,994	685,637	244,634	225,157	1,019,628	910,794
Net Position – June 30, as restated	\$1,319,529	\$ 774,994	\$ 312,210	\$ 244,634	\$ 1,631,739	\$ 1,019,628

Program Revenues and Expenses – Governmental Activities



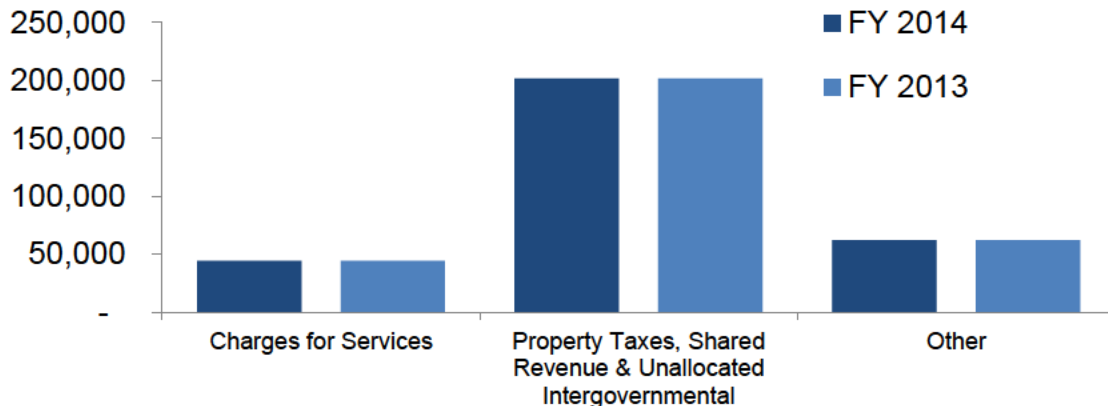
Program revenues in governmental activities decreased \$3.2 million for fiscal year 2014. Program revenues are comprised of Fees for Services, Operating Grants and Contributions, and Capital Grants and Contributions. In 2014, Fees for Services decreased by \$1.8 million due to Cable TV (2013 contained 18

months of revenue due to a change in the collection process), Magistrate and RMC Fees as lower revenues were generated through the Master in Equity and Magistrate Courts. Grants and Contributions of \$8.4 million were declined by \$1.4 million from the prior year.



Program expenses in governmental activities increased \$17.3 million due primarily to \$6.7 million increase for improvements to state roadways funded through the Capital Project Sales Tax and Road Maintenance/CTC funds. Current year spending increased \$8.8 million in public safety expenditures primarily attributable to the 6.0 mil tax increase for operations and capital needs for Fire Rescue. Current year spending general government increased \$1.9 million due to higher economic development expenditures partially offset by decreases in debt service.

Revenues by Source - Governmental Activities



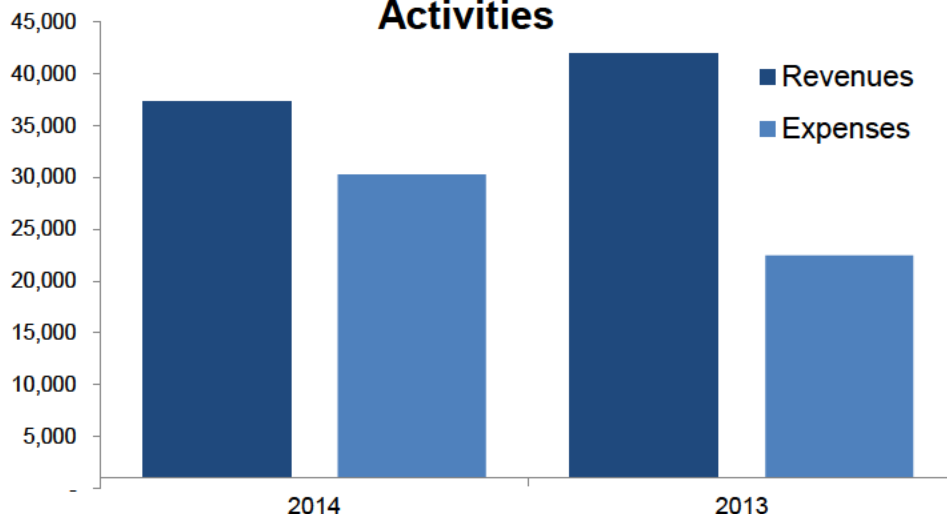
Revenues in the governmental activities decreased \$1.1 million for fiscal year 2014 which include the decreases noted above in Program Revenues of \$3.2 million, Capital Projects Sales Tax of \$4.0 million, increases in property taxes and fees-in-lieu of taxes of \$3.7 million, Intergovernmental-unrestricted of \$3.4

million (LGF and Capital Projects Fund boat landing funding from State) and Other Revenue of \$2.4 million (Hospitality Fees and Accommodations tax).

Business-type activities

Business-type activities increased the County's net position by \$7.0 million, primarily the result of capital grant revenues and other non-operating revenues. Fees for services increased \$3.8 million for terminal rents, concessions and rentals, and fuel sales due to the expanded facility at the Myrtle Beach International Airport. Capital contributions for construction of the terminal declined \$8.2 million as the facility expansion is now complete. Program expenses increased \$7.8 million due primarily to higher operating expenses of \$6.0 million for the expanded facility and increased interest expense of \$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 2014, the County's governmental funds reported combined ending fund balances of \$466.6 million, an increase of \$50.1 million from the prior year. Unassigned Fund Balance which is undesignated in the governmental funds of \$8.5 million is available for spending at the County's discretion. The remainder of the Fund Balance is restricted and nonspendable, to indicate that it is not available for new spending or committed and assigned because it has already been identified for a specific purpose.

Horry County's Governmental Funds Ending Fund Balance

(amounts expressed in thousands)

	(as restated)		
	2014	2013	Variance
Nonspendable			
Inventory and prepaid	\$ 152	\$ 1,994	\$ (1,842)
Restricted			
Debt service	59,595	61,326	(1,731)
Capital	299,940	257,388	42,552
Other	39,278	35,608	3,670
Committed			
Stabilization	19,634	19,327	307
Other purposes	8,533	7,058	1,475
Infrastructure and regulation	20,237	15,285	4,952
Economic development	1,337	1,960	(623)
Capital	1,923	3,663	(1,740)
Public safety, culture, recreation and tourism	5,386	4,363	1,023
OPEB	1,307	896	411
Assigned			
Other purposes	-	474	(474)
Unassigned	9,284	7,138	2,146
Total	<u>\$ 466,607</u>	<u>\$ 416,480</u>	<u>\$ 50,127</u>

The General Fund, General Improvements Capital Projects Fund, Capital Projects Sales Tax Fund, and the RIDE Program Debt Service Fund are reported as major funds.

General Fund

The General Fund is the chief operating fund of the County. At the end of fiscal year 2014, total Fund Balance reached \$41.4 million. Council committed \$31.8 million of fund balance for a fiscal stabilization reserve (\$19.6 million), use in the fiscal year 2015 budget (\$11.0 million) and for OPEB (\$1.3M). Unassigned Fund Balance is \$9.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unrestricted Fund Balance represents 33.7 percent of the total General Fund expenditures, while total fund balance represents 33.9 percent of that same amount.

The Fund Balance of the General Fund decreased by \$0.6 million during the current fiscal year. This decrease is a result of revenues over budget of \$2.0 million coupled with positive expenditure savings to budget of \$9.4 million. Due to deliberate measures to control spending, of the expected use of \$12.1 million from Fund Balance, as anticipated in the budget, \$0.6 was used to fund FY 2014 operations.

Net change in fund balance
(amounts expressed in thousands)

Planned use of fund balance	\$ (12,091)
Revenues over budget	\$ 1,982
Expenditures under budget	9,358
Other Financing Sources (Uses) under budget	146
Net budget savings from the General Fund	<u>\$ 11,486</u>
Net change in Fund Balance from FY 2013	<u>\$ (605)</u>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2014 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2013. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2014 generated a net decrease in Fund Balance of \$0.6 million in the General Fund.

Comparison of FY 2014 General Fund Results to FY 2013
(amounts expressed in thousands)

Increase in Property Taxes , primarily due to increased values, billings & collections	\$ 1,157
Decrease in Intergovernmental Revenue , due to Solicitor & Public Defender revenues reported in separate special revenue funds for FY 2014	(2,719)
Decrease in Fees and Fines , primarily from timing of collections of Cable TV franchise fees	(828)
Increase in Register of Deeds Documentary Stamps , due to increased instruments filed	436
Increase in Licenses and Permits , primarily due to increased residential building permits and business licenses collections	453
Increase in Cost Allocations , increased central service allocations to other funds	282
Decrease in Other Revenues , primarily from decreased casino boat fee collections	(36)
Increase in net Other Financing Sources (Uses) , primarily due to a transfer out to the Solicitor and Public Defender funds.	(4,753)
Decrease in Expenditures , primarily due to Solicitor & Public Defender revenues reported in separate special revenue funds for FY 2014	1,517
Net decrease in General Fund results compared to FY 2013 results	(4,491)
Net increase in fund balance from FY 2013 General Fund results	3,885
Net decrease in the fund balance of the General Fund from FY 2013 results	<u>\$ (606)</u>

RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed county-wide on accommodations, prepared foods, beverages and admissions. The proceeds of this fee, after payment of an administrative fee to the General Fund, are pledged to repay the RIDE debt owed to the State Infrastructure Bank. These fees are recorded as revenue in the RIDE Program Debt Service Fund and used to fund the debt service payments. Due to the growth in tourism in recent years, the Hospitality Fees have exceeded the required debt service and the County has remitted approximately \$41.7 million to the State Infrastructure Bank (SIB) above the amount required for the scheduled debt. That amount, plus the amount collected but not yet remitted at year end and Hospitality Fee collections in July 2014 on sales that occurred during the month of June, make up the fund balance in this fund. Hospitality Fees and investment earnings total \$35.1 million in 2014. This is a \$1.6 million increase over the prior fiscal year. Expenditures of \$33.0 million reflect the RIDE debt service for the year. Debt Service is programmed to increase over the next four years and is projected to utilize a portion of the accumulated Fund Balance.

Horry County's RIDE Program Debt Service Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2013	\$ 47,994
Revenues	35,078
Expenditures	(33,008)
Other Financing Sources (Uses)	<u>(335)</u>
Net change in Fund Balance FY 2014	<u>1,735</u>
Fund Balance, June 30, 2014	<u>\$ 49,729</u>
Deposited with SIB, June 30, 2014	<u>\$ 41,706</u>

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

The General Improvement Capital Projects Fund reflects the funding sources and the expenditures for the County's general government capital improvements, excluding those reported in the Capital Projects Sales Tax and the Grants Fund. Primary funding sources are debt proceeds, transfers in as pay-as-you go funding, and interest earnings. During fiscal year 2014, \$12.1 million in lease financing was initiated to fund various equipment needs along with \$252,000 of bond proceeds for infrastructure. The fund balance of \$17.0 million at June 30, 2014 reflects the resources previously funded and available to complete the capital projects currently in process.

Horry County's General Improvement Capital Project Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2013	\$ 8,753
Revenues	3,352
Expenditures	(10,307)
Other Financing Sources (Uses)	<u>15,220</u>
Net change in Fund Balance FY 2014	<u>8,265</u>
Fund Balance, June 30, 2014	<u>\$ 17,018</u>

The Capital Projects Sales Tax Fund reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. Sales tax and Interest revenue increased \$4.4 million or 6.6 percent in fiscal year 2014 to a total of \$70.6 million. Total receipts life to date of the program through June 30, 2014 are \$446.9 million. The program estimated total receipts and provided for notice to retail licensees within Horry County to suspend collection of the tax when total receipts reached \$425.3 million, which represented the estimated expense to fully fund the approved infrastructure, or the completion of the seven-year period allowed. Due to a delay in the remittance of receipts from the State, the seven-year approved period was reach prior to receipt of the \$425.3 million receipt cap. Additional receipts \$21.6 million were received by the State and remitted to the County. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects. Expenditures for 2014 total \$36.6 million and includes construction of \$31.8 million on State roadways and \$4.8 million on County roadways. The excess of revenues over expenditures of \$34.0 million in 2014 increases the accumulated fund balance to \$290.4 million. The funds are restricted to specific projects and have accumulated due to permitting delays for several major road projects. As projects are

completed, the expenditures will exceed revenue in subsequent periods and utilize this accumulated excess over the next several years.

Horry County's Capital Project Sales Tax Fund

(amounts expressed in thousands)

Fund Balance, July 1, 2013	\$ 256,449
Revenues	70,627
Expenditures	<u>(36,636)</u>
Net change in Fund Balance FY 2014	<u>33,990</u>
Fund Balance, June 30, 2014	<u>\$ 290,438</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 \$251.6 million. The Department of Airports reflects a \$7.0 million or 2.9 percent increase in 2014. This increase resulted from positive operating revenues from the new terminal including concessions, and airline terminal rents. The Internal Service Fund provides for the repair and replacement of the County's light and heavy equipment fleet with the exception of heavy fire apparatus. Net Position includes the undepreciated cost of the covered fleet vehicles in service of \$13.0 million at June 30, 2014. This reflects a \$0.5 million decrease during the year including \$3.4 million of assets purchased, less \$3.6 million for annual depreciation and assets disposals. The remaining Fund Balance of \$19.7 million is restricted for future replacement of the covered equipment.

Horry County's Proprietary Funds Net Position

(amounts expressed in thousands)

	Department of Airports		Internal Service Fund		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net investment in capital assets	\$ 171,153	\$ 168,610	\$ 12,973	\$ 13,448	\$ 184,126	\$ 182,058
Restricted for:						
Debt Service	19,729	16,926	-	-	19,729	16,926
Capital	13,701	16,003	19,683	17,815	33,384	33,818
Unrestricted	<u>47,059</u>	<u>43,095</u>	<u>-</u>	<u>-</u>	<u>47,059</u>	<u>43,095</u>
Total net position	<u>\$ 251,642</u>	<u>\$ 244,634</u>	<u>\$ 32,656</u>	<u>\$ 31,263</u>	<u>\$ 284,298</u>	<u>\$ 275,897</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 a decrease of \$1.5 million from the original budget. These decreases were reflected in intergovernmental revenues by moving Solicitor and Public Defender departments to separate Special Revenue Funds offset by an increase in FEMA Grant Revenue.

The final budgeted expenditures decreased \$2.5 million and transfers out increased by \$6.3 million over the original budget. The primary reason for these expenditure budget adjustments was in the transfer of Solicitor and Public Defender departments to separate Special Revenue Funds, an increase in Public Works fund balance roll forward offset by additional costs incurred during the declared “Severe Winter Storm.”

Considering these budget amendments, General Fund revenues were more than the final budget by \$2.0 million and expenditures were less than the final budget by \$9.3 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 \$1.5 million. Increases were experienced in real property of \$0.7 million, personal property of \$0.1 million and vehicle taxes of \$0.7 million.
- Intergovernmental revenues were lower than the budget by \$0.4 million primarily due to a delay in receipt of a FEMA reimbursement of \$0.6 million.
- Fees and fines were over under by \$0.4 million, primarily due to lower Master in Equity fees of \$0.5 million and lowers Magistrate fine and fees of \$0.3 million offset by higher fees for EMS of \$0.2 million and Cable TV of \$0.2 million.
- RMC Documentary Stamps were over budget by \$0.5 million due to increased values of real estate transactions.
- Licenses and permits were over budget by \$0.7 million, due to higher building inspection permits and business licenses.
- Cost allocation was over budget by \$0.2 due to induced central service costs and changes in basis allocations.
- Various departmental spending was reduced below budgeted amounts as a result of management controls on hiring and spending. The largest departmental savings are detailed in the table below:

Horry County's General Fund Budget to Actual Variance

(amounts expressed in thousands)

	Final Budget	Actual	(Favorable) Variance
Public Works	\$ 9,681	\$ 7,418	\$ (2,263)
Department Overhead	5,183	3,337	(1,846)
Detention Center	22,578	21,647	(931)
County Engineer	1,441	936	(505)
County Council	1,541	1,043	(498)
Maintenance	4,753	4,266	(487)
Codes Enforcement	2,787	2,325	(462)
Library	4,382	4,095	(287)
Police	18,362	18,115	(247)
IT/GIS	6,263	6,032	(231)
Legal	928	740	(188)
Parking Program	207	61	(146)
Human Resources	1,314	1,184	(130)
Finance	1,612	1,504	(108)
Museum	706	602	(104)
Sheriff	5,204	5,101	(103)
Emergency Medical Services	14,039	14,337	298
Total of above			\$ (8,238)
Various other departments (under) budget			(1,120)
Total expenditures (under) budget			\$ (9,358)

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, 2014 amounts to \$942.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), leasehold improvements, equipment, intangible assets, infrastructure, and construction in progress. The total increase of \$9.7 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 1.2 percent change from the prior year (a 1.1 percent increase for governmental activities and a 0.8 percent increase for business-type activities).

Some of the significant capital events that occurred during the current fiscal year which increased capital assets were \$4.5 million increase in construction in progress, \$9.4 million increase in road infrastructure, \$7.8 million increase in runways and taxiways at the County's airports, and \$0.2 million in light and heavy fleet equipment. These addition amounts are reduced by depreciation during the year of \$27.6 million and asset disposals of \$0.5 million.

Horry County's Capital Assets

(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land, Easements, and Improvements	\$ 28,327	\$ 27,331	\$ 49,131	\$ 48,651	\$ 77,458	\$ 75,982
Intangible Assets	552	552	-	-	552	552
Infrastructure	471,566	462,134	9,182	9,182	480,748	471,316
Construction-in-Progress	26,140	22,544	2,603	1,684	28,743	24,228
Buildings and Improvements	158,638	163,927	125,082	128,313	283,720	292,240
Office Furniture	1,377	187	-	-	1,377	187
Vehicles	135	799	-	-	135	799
Machinery and Equipment	11,933	12,758	8,023	9,636	19,956	22,394
Heavy Equipment	10,717	11,075	-	-	10,717	11,075
Runways and Taxiways	-	-	37,005	31,751	37,005	31,751
Other	<u>2,056</u>	<u>2,240</u>	<u>-</u>	<u>-</u>	<u>2,056</u>	<u>2,240</u>
Total	<u>\$ 711,441</u>	<u>\$ 703,547</u>	<u>\$ 231,026</u>	<u>\$ 229,217</u>	<u>\$ 942,467</u>	<u>\$ 932,764</u>

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

Modified Approach for Infrastructure

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

The County's road system consists of approximately 55 percent paved roads and 45 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a new pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads. The following assessment for fiscal year 2014 shows that the County is in compliance with the target condition levels that have been established. The prior year is presented to show the change in measurement through this new pavement management system.

Percentage of Miles in Fair or Better Condition

	<u>2014</u>	<u>2013</u>
Arterial	70.9%	75.9%
Collector	86.5%	81.3%
Access	<u>85.7%</u>	<u>91.8%</u>
Overall system	<u>85.0%</u>	<u>91.0%</u>

The County created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year from fiscal year 2004 through 2008. In fiscal year 2009, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in fiscal year 2010 it was further reduced to 9.7 miles per year. Due to continued revenue shortfalls, it was further reduced to 8.9 miles in fiscal year 2011 and 9.0 miles in fiscal year 2012 (which included 1 mile funded by the County Transportation Committee (CTC)). Funding for the dirt road paving program has stabilized during FY 13 to allow approximately 11 miles of paving per year (including the one mile of CTC-funded improvements). Fiscal year 2014 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). As these roads are paved, they become part of the County's pavement management system.

In November 2006, a one-cent Capital Projects Sales Tax was passed by voter referendum and is dedicated to specific road projects, including resurfacing 67 miles of County maintained roads over a seven year period. During fiscal year 2009, County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

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

Horry County's Improvements to State Roadways

(amounts expressed in thousands)

	<u>Current Year</u>	<u>Project to Date</u>
Backgate interchange	\$ 23,378	\$ 93,621
Widen 707	5,237	20,226
Widen Glenns Bay	3,100	8,890
International	<u>106</u>	<u>656</u>
Total	<u>\$ 31,821</u>	<u>\$ 123,393</u>

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

Debt Administration

At June 30, 2014, the County had total bonded debt outstanding of \$159.5 million. This represents a decrease from the prior year of \$10.7 million which is the normal amortization of prior balances. Of the total bonded debt outstanding, \$99.1 million comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources, such as the 1% Hospitality Fee pledged to repay the Special Obligation Bonds, and the Airport revenues pledged to repay the Revenue Bonds. Under agreements with the City of Myrtle Beach, the County has also pledged a portion of the 1% Hospitality Fee to repay 30 percent of the Certificates of Participation

issued by the City of Myrtle Beach for a baseball stadium. The RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank are being repaid by the county-wide 1.5% Hospitality Fee.

Special Obligation Bonds and Revenue Bonds are limited obligations of the County and do not constitute general obligations, or pledge of the faith, credit or taxing power of the County or any other political subdivision.

The County's bonds with outstanding balances as of June 30, 2014 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	
	(as restated)				(as restated)	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 99,066	\$ 108,600	\$ -	\$ -	\$ 99,066	\$ 108,600
Special Obligation Bonds	-	1,860	-	-	-	1,860
Revenue Bonds	-	-	60,590	60,590	60,590	60,590
Baseball Stadium COPS	1,051	1,233	-	-	1,051	1,233
RIDE IGA Loans	203,700	230,067	-	-	203,700	230,067
Total	\$ 303,817	\$ 341,760	\$ 60,590	\$ 60,590	\$ 364,407	\$ 402,350

The above chart summarizes the outstanding principal balances on the debt issues, and does not include unamortized premium and issuance costs 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, 2014, amounts reserved for debt service totaled \$79.3 million. This represents an increase of \$1.0 million from the prior year. Favorable increases in the 1.5% Hospitality Fee revenue exceeded annual debt service and increased the accumulated excess dedicated to the repayment of the RIDE IGA loans by \$1.7 million. General debt reflected a \$1.6 million decrease and Revenue Bonds reflected a \$2.8 million increase as planned in the current year budget. Special obligation bond reserve decreased by \$1.9 million as the County made its final payment on a series of hospitality fee bonds. 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	
	2014	2013	2014	2013	2014	2013
General Debt	\$ 9,461	\$ 11,021	\$ -	\$ -	\$ 9,461	\$ 11,021
Special Obligation	404	2,310	-	-	404	2,310
Revenue Bonds	-	-	19,729	16,926	19,729	16,926
RIDE IGA Loans	49,729	47,994	-	-	49,729	47,994
Total	\$ 59,594	\$ 61,325	\$ 19,729	\$ 16,926	\$ 79,323	\$ 78,251

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

Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors:

- As of June 2014, the unemployment rate for the County per the Bureau of Labor Statistics (not seasonally adjusted) was 5.5 percent, down from 8.5 percent at June 2013. This rate ranked the County as the 10th lowest unemployment rate of the forty-six counties in the state. The range of unemployment rates for South Carolina counties in June 2014 was a low of 4.7 percent to a high of 10.1 percent. The unemployment rate for the state of South Carolina as of June 2014 was 5.3 percent, down from 7.6 percent at June 2013.
- The fiscal year 2014 County base tax millage is 45.2 mills, equivalent to a tax rate of .0452 percent of assessed value. This was the lowest county base tax rate in South Carolina.

The fiscal year ended June 30, 2014 indicated growth in the tourism market which provided overall financial stability. Economic factors affecting the area's real estate market are improving and having a positive impact on personal and business incomes, and impacted the preparation of the fiscal year 2015 budget compared to fiscal year 2014 as follows:

- increasing revenue – in economically sensitive areas for hospitality fees and ROD;
- Property tax revenues are flat year to year due reassessment and small revenue decline in master in equity foreclosure fees;
- decreasing expenditures overall of \$1.6 million due to solicitor and public defender transferring to separate funds, but minimal increases for additional approved positions, 2% cost of living adjustment for employees, higher cost for employee healthcare and retirement; and
- prior year excess fund balance was appropriated in the amount of \$7.8 million.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2014, unassigned fund balance in the General Fund decreased from \$10.1 million to \$9.4 million primarily due to the negative net change in Fund Balance from excess expenditures over revenues in 2014 of \$0.6 million. Unrestricted fund balance in the General Fund increased from \$ 39.0 million to \$41.2 million. Projections at this time indicate that at the end of fiscal year 2014, the unreserved fund balance for the General Fund will remain above the 15 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 the Barry Spivey, Finance Director, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2014

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 3,266	\$ 50,301	\$ 53,567	\$ 1,080	\$ 13,986
Pooled Cash	155,930	-	155,930	-	-
Investments	279,518	-	279,518	-	24,054
Receivables, net:					
Property taxes	5,504	-	5,504	-	-
Accounts and other	4,561	1,396	5,957	291	1,229
Fees	8,756	-	8,756	-	-
Interest receivable	111	53	164	-	9
Due from primary government	-	-	-	107	1,089
Due from other governments	22,482	1,940	24,422	111	77
Internal balances	758	(758)	-	-	-
Inventories	405	1,033	1,438	-	49
Prepaid items	113	94	207	-	104
Restricted funds held in trust	51,565	-	51,565	-	-
Total current assets	532,969	54,059	587,028	1,589	40,597
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	8,488	8,488	-	-
Investments	-	26,857	26,857	-	-
Receivables - PFC and CFC	-	843	843	266	-
Total restricted assets	-	36,188	36,188	266	-
Capital assets:					
Land, easements, intangible assets and infrastructure	494,634	32,456	527,090	138	7,918
Depreciable capital assets, net	190,667	195,967	386,634	750	28,539
Construction-in-progress	26,140	2,603	28,743	-	661
Total capital assets, net	711,441	231,026	942,467	888	37,118
Service concession arrangement (SCA)	-	3,285	3,285	-	-
Total non-current assets	711,441	270,499	981,940	1,154	37,118
Total assets	1,244,410	324,558	1,568,968	2,743	77,715
Deferred Outflows of Resources					
Deferred charge on refunding	1,452	-	1,452	-	-
Total deferred outflows of resources	1,452	-	1,452	-	-

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority	
Liabilities						
Current liabilities payable from non-restricted assets:						
Accounts payable - trade	8,519	519	9,038	99	1,477	
Accounts payable - other	2,559	-	2,559	-	-	
Accrued salaries, related taxes and compensated absences	12,016	577	12,593	39	390	
Accrued expenses	-	598	598	-	-	
Due to other governments	2,821	-	2,821	-	-	
Due to component units	1,196	-	1,196	-	-	
Construction and retainage payable	82	2,536	2,618	-	72	
Other liabilities	17,569	-	17,569	-	-	
Unearned revenue	-	294	294	8	-	
Accrued interest payable	1,876	-	1,876	-	-	
General and special obligation bonds payable - current portion	10,413	-	10,413	-	-	
IGA #1 payable - current portion	13,779	-	13,779	-	-	
IGA #2 payable - current portion	14,750	-	14,750	-	-	
Capital lease obligations - current portion	1,524	102	1,626	-	-	
Landfill closures costs	-	-	-	-	5,000	
Amounts due to tenants	-	897	897	-	-	
Total current liabilities payable from non-restricted assets	87,104	5,523	92,627	146	6,939	
Current liabilities payable from restricted assets:						
Revenue bonds payable - current portion	-	1,215	1,215	-	-	
Accrued interest payable	-	1,543	1,543	-	-	
Total current liabilities payable from restricted assets	-	2,758	2,758	-	-	
Non-current (long-term) liabilities:						
General and special obligation bonds payable	91,692	-	91,692	-	-	
Revenue bonds payable	-	59,189	59,189	-	-	
IGA loans payable	175,171	-	175,171	-	-	
Capital lease obligations	12,700	484	13,184	-	-	
Compensation for future absences	5,795	927	6,722	33	67	
Net post employment benefit obligation	24,070	750	24,820	67	1,518	
Landfill closures costs	-	-	-	-	15,749	
Landfill post closure care costs	-	-	-	-	7,170	
Total long-term liabilities	309,428	61,350	370,778	100	24,504	
Total liabilities	396,532	69,631	466,163	246	31,443	
Deferred Inflows of Resources						
Unearned revenue-service concession arrangement	-	3,285	3,285	-	-	
Unearned revenue-fees and other	3,375	-	3,375	-	-	
Total deferred inflows of resources	3,375	3,285	6,660	-	-	

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

- CONTINUED -

(amounts expressed in thousands)

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	609,438	171,153	780,591	888
Restricted for capital projects	19,390	13,701	33,091	-
Restricted for public safety	8,797	-	8,797	-
Restricted for culture, recreation and tourism	8,682	-	8,682	-
Restricted for infrastructure and regulation	306,643	-	306,643	-
Restricted for economic development	1,831	-	1,831	-
Restricted for health and social services	90	-	90	1,609
Restricted for debt service	7,989	19,729	27,718	-
Unrestricted (deficit)	(116,907)	47,059	(69,848)	-
Total net position	\$ 845,953	\$ 251,642	\$ 1,097,595	\$ 2,497
				\$ 9,154
				\$ 46,272

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

(amounts expressed in thousands)

Functions and Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees for Services	Operating Grants and Contributions	Primary Governmental		Component Units
				Governmental Activities	Business-type Activities	Shoreline Behavior Solid Waste Authority
Primary government						
Governmental activities:						
General government	\$ 35,355	\$ 19,180	\$ -	\$ (16,175)	\$ -	\$ -
Public safety	108,655	12,506	1,104	(94,445)	-	-
Health and social services	2,852	-	-	(2,852)	-	-
Infrastructure and regulation	27,780	12,579	871	(11,915)	-	-
Improvements to state roadways	31,821	-	-	(31,821)	-	-
Culture, recreation and tourism	12,046	95	793	(11,158)	-	-
Economic development	3,786	127	2,587	(1,072)	-	-
Interest	9,757	-	-	(9,757)	-	-
HGTC and Higher Education Commission	4,736	-	-	(4,736)	-	-
Total governmental activities	236,788	44,487	5,355	(183,931)	-	-
Business-type activities:						
Airports	30,284	28,291	2,102	-	6,524	-
Total business-type activities	30,284	28,291	2,102	-	6,524	-
Total primary government	\$ 267,072	\$ 72,778	\$ 7,457	(183,931)	6,524	-
Component units						
Health services	\$ 2,622	\$ 1,877	\$ 1,501	-	-	756
Landfill	19,688	18,232	148	-	-	(1,130)
Total component units	\$ 22,310	\$ 20,109	\$ 1,649	-	-	756
						(1,130)
General Revenue						
Property taxes				121,606	-	-
Capital Project Sales Tax				55,540	-	-
Fees-in-lieu of taxes				3,291	-	-
Intergovernmental - unrestricted				21,095	-	-
Accommodations tax				4,135	-	-
Local accommodations tax				1,118	-	-
Hospitality tax				41,174	-	-
Unrestricted investment earnings				1,923	177	(3)
Miscellaneous				4,914	297	-
Gain/(loss) on disposal of asset				94	10	141
Total general revenue				254,890	484	244
						(3)
Change in net position				70,959	7,008	753
Net position - beginning of year, restated				774,994	244,634	1,744
Net position - end of year				\$ 845,953	\$ 251,642	\$ 2,497
						\$ 46,272

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

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,251,133	\$ -	\$ -	\$ 14,719	\$ 3,265,852
Pooled cash and investments	58,371,681	277,394,712	3,140,970	68,754,248	415,872,826
Receivables, net:					
Property taxes	3,506,077	-	-	1,998,313	5,504,390
Accounts and other	4,148,682	-	-	286,377	4,561,372
Fees	658,605	-	4,929,859	2,377,990	7,966,454
Interest receivable	36,279	-	1,166	32,230	101,537
Due from other funds	1,552,690	-	-	93,746	1,646,436
Due from other governments	3,165,308	15,915,323	-	3,004,526	22,481,457
Inventories	39,624	-	-	-	39,624
Prepaid items	37,813	-	-	33,961	112,567
Restricted cash and investments	-	-	41,705,554	358,421	51,565,144
Total Assets	\$ 74,767,892	\$ 293,314,680	\$ 49,777,549	\$ 76,954,531	\$ 513,117,659
Liabilities					
Accounts payable - trade	\$ 1,975,662	\$ 2,812,929	\$ -	\$ 2,211,181	\$ 8,284,833
Accounts payable - other	2,558,693	-	-	-	2,558,693
Construction and retainage payable	-	63,326	-	18,696	82,022
Accrued salaries and wages	3,355,300	-	-	1,051,068	4,406,368
Due to other funds	93,746	-	48,356	746,530	888,632
Due to component units	106,794	-	-	1,088,999	1,195,793

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

- CONTINUED -

	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major Governmental Funds	Total Governmental Funds
Liabilities (continued)					
Due to other governments	2,764,484	-	-	56,554	2,821,038
Due to taxpayers for overpayment	1,263,781	-	-	-	1,263,781
Funds held in trust-delinquent taxes	13,475,065	-	-	-	13,475,065
Other liabilities	2,830,022	-	-	97	2,830,119
Total liabilities	28,423,547	2,876,255	48,356	5,173,125	37,806,344

Deferred Inflows of Resources

Unavailable revenue-fees and other	-	-	-	2,070,270	4,246,322
Unavailable revenue-property taxes	2,808,019	-	-	1,650,950	4,458,969
Total deferred inflows of resources	4,984,071	-	-	3,721,220	8,705,291

Fund Balances

Nonspendable	77,437	40,793	-	33,961	152,191
Restricted for capital	-	9,501,169	-	-	9,501,169
Restricted for public safety	116,853	-	-	12,643,143	12,759,996
Restricted for culture, recreation and tourism	-	-	-	8,022,477	8,022,477
Restricted for infrastructure and regulation	-	-	-	16,564,987	307,003,412
Restricted for economic development	-	-	290,438,425	1,866,518	1,866,518
Restricted for health and social services	-	-	-	64,453	64,453
Restricted for debt service	-	-	49,729,193	9,865,864	59,595,057
Committed to public safety	895,421	728,426	-	-	1,623,847
Committed to culture, recreation and tourism	436,099	1,757,064	-	1,568,663	3,761,826
Committed to infrastructure and regulation	1,583,706	3,067,505	-	15,585,784	20,236,995
Committed to economic development	-	-	-	1,336,756	1,336,756
Committed to other capital projects	-	1,922,989	-	-	1,922,989
Committed to stabilization	19,633,681	-	-	-	19,633,681
Committed to other purposes	7,919,047	-	-	614,198	8,533,245
Committed to OPEB	1,307,057	-	-	-	1,307,057
Unassigned (deficit)	9,390,973	-	-	(106,618)	9,284,355
Total fund balances	41,360,274	17,017,946	49,729,193	68,060,186	466,606,024
Total liabilities, deferred inflows of resources, and fund balances	\$ 74,767,892	\$ 18,303,007	\$ 49,777,549	\$ 76,954,531	\$ 513,117,659

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

- CONTINUED -

	<i>(amounts expressed in thousands)</i>
	\$ 466,606
Reconciliation to amounts reported for Governmental Activities in the Statement of Net Position:	
Total fund balances - governmental funds	
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.	698,468
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.	4,458
Fees will be collected after year end, but are not available soon enough to pay for current period's expenditures, and therefore, are reported as unavailable revenue in the funds.	1,661
Deferred charge on refunding is not an available resource and, therefore, is not reported in the funds.	1,452
Internal service funds are used by management to charge the costs of fleet services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	32,656
Net post employment benefit obligation costs reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as a liability in the funds.	(24,070)
Long-term liabilities, including bonds payable and accrued interest that are not due and payable in the current period and, therefore, are not reported in the funds.	(335,278)
Net position end of year - governmental activities	<u>\$ 845,953</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, 2014

	General Fund	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major Governmental Funds	Total Governmental Funds
Revenues						
Real property taxes	\$ 65,687,108	\$ -	\$ -	\$ -	\$ 41,636,896	\$ 107,324,004
Personal property taxes	4,782,202	-	-	-	3,272,177	8,054,379
Vehicle taxes	5,561,887	-	-	-	4,056,044	9,617,931
Intergovernmental	11,549,885	2,424,713	-	-	11,055,420	25,030,018
Sales tax	-	-	69,732,808	-	-	69,732,808
Accommodations tax	230,475	-	-	-	3,904,029	4,134,504
Fees and fines	18,923,813	771,935	-	-	13,794,912	33,490,660
Local Accommodations tax	872,431	-	-	-	245,407	1,117,838
Hospitality fees	3,357,177	-	-	34,426,155	3,390,058	41,173,390
Documentary stamps	3,200,134	-	-	-	-	3,200,134
License and permits	7,797,170	-	-	-	-	7,797,170
Interest on investments	100,410	60,191	894,510	651,895	216,152	1,923,158
Cost allocation	3,068,977	-	-	-	-	3,068,977
Other	3,514,284	95,165	-	-	1,004,685	4,614,134
Total revenues	128,645,953	3,352,004	70,627,318	35,078,050	82,575,780	320,279,105
Expenditures						
Current:						
General government	28,648,605	1,501,588	-	-	-	30,150,193
Public safety	71,711,564	-	-	-	29,328,565	101,040,129
Health and social services	1,819,542	-	-	-	804,833	2,624,375
Infrastructure and regulation	12,525,457	42,500	31,821,366	-	16,084,313	60,473,636
Culture, recreation and tourism	4,670,647	-	-	-	6,162,672	10,833,319
Economic development	-	-	-	-	2,736,686	2,736,686
HGTC & Higher Education Commission	-	-	-	-	4,735,590	4,735,590
Other	1,119,308	-	-	-	-	1,119,308
Debt service	-	-	-	33,007,654	16,290,454	49,298,108
Capital outlay	1,557,758	8,763,356	4,816,086	-	3,975,442	19,112,642
Total expenditures	122,052,881	10,307,444	36,637,452	33,007,654	80,118,555	282,123,986

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	6,593,072	(6,955,440)	33,989,866	2,070,396	2,457,225	38,155,119
Other Financing Sources (Uses)						
Bond proceeds	-	252,000	-	-	-	252,000
Sales of assets	94,474	-	-	-	-	94,474
Lease financing	-	12,081,747	-	-	-	12,081,747
Transfers in	710,445	3,103,040	-	-	8,895,396	12,708,881
Transfers out	(8,003,438)	(216,456)	-	(335,650)	(4,609,982)	(13,165,526)
Total other financing sources (uses)	(7,198,519)	15,220,331	-	(335,650)	4,285,414	11,971,576
Net change in fund balance	(605,447)	8,264,891	33,989,866	1,734,746	6,742,639	50,126,695
Fund balances at beginning of year, as restated	41,965,721	8,753,055	256,448,559	47,994,447	61,317,547	416,479,329
Fund balances at end of year	<u>\$ 41,360,274</u>	<u>\$ 17,017,946</u>	<u>\$ 290,438,425</u>	<u>\$ 49,729,193</u>	<u>\$ 68,060,186</u>	<u>\$ 466,606,024</u>

- CONTINUED -

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:

	(amounts expressed in thousands)
Net change in fund balances - total governmental funds	\$ 50,127
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 in the current period.	7,609
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	770
Revenues in these funds that were recognized in the Statement of Activities in the prior year.	(14,193)
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:	759
Some expenses reported in Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(4,374)
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.	28,868
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities.	1,393
Change in net position - Governmental Activities	\$ 70,959

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, 2014

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
	<hr/>	<hr/>
Assets		
Current assets:		
Cash and cash equivalents	\$ 50,301,421	\$ 100
Pooled cash and investments	-	19,575,101
Investments	-	-
Accounts receivable, net	1,395,702	-
Interest receivable	52,241	9,496
Due from other governments	1,939,526	-
Prepaid items	94,110	-
Inventories	1,033,182	365,700
Total current assets	<hr/> 54,816,182 <hr/>	<hr/> 19,950,397 <hr/>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	8,488,047	-
Investments	26,857,431	-
Accounts receivable	842,441	-
Total restricted assets	<hr/> 36,187,919 <hr/>	<hr/> - <hr/>
Capital assets, net:		
Land, easements and infrastructure	32,455,493	-
Depreciable capital assets, net	195,967,010	12,973,206
Construction-in-progress	2,603,459	-
Total capital assets, net	<hr/> 231,025,962 <hr/>	<hr/> 12,973,206 <hr/>
Service concession arrangement (SCA)	3,285,345	-
Total noncurrent assets	<hr/> 270,499,226 <hr/>	<hr/> 12,973,206 <hr/>
Total assets	<hr/> \$ 325,315,408 <hr/>	<hr/> \$ 32,923,603 <hr/>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2014
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
Liabilities		
Current liabilities:		
Accounts payable-trade	\$ 518,721	\$ 235,340
Construction accounts and retainage payable	2,535,928	-
Accrued salaries, wages and compensated absences	577,339	31,889
Due to other funds	757,804	-
Other accrued expenses	597,036	-
Unearned revenue	293,747	-
Capital leases payable -current portion	101,735	-
Amounts due to tenants, airlines, car rentals	897,517	-
	<u>6,279,827</u>	<u>267,229</u>
Current liabilities payable from		
Revenue bonds payable - current portion	1,215,000	-
Accrued interest payable	1,543,097	-
Total current liabilities payable from restricted assets	<u>2,758,097</u>	<u>-</u>
Total current liabilities	<u>9,037,924</u>	<u>267,229</u>
Non-current liabilities:		
Compensated absences - long term	926,754	-
Revenue bonds payable	59,188,647	-
Net other post-employment benefits obligation	750,669	-
Capital leases	484,244	-
Total non-current liabilities	<u>61,350,314</u>	<u>-</u>
Total liabilities	<u>70,388,238</u>	<u>267,229</u>
Deferred Inflows of Resources		
Unavailable Revenue from Service Concession Arrangement	<u>3,285,345</u>	<u>-</u>
Total deferred inflows of resources	<u>3,285,345</u>	<u>-</u>
Net position		
Net investment in capital assets	171,153,138	12,973,206
Restricted for:		
Debt service	19,728,674	-
Capital	13,701,149	19,683,168
Unrestricted	47,058,864	-
Total net position	<u>251,641,825</u>	<u>32,656,374</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 325,315,408</u>	<u>\$ 32,923,603</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, 2014

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Operating Revenues		
Landing fees	\$ 1,114,193	\$ -
Airline terminal rents	6,090,291	-
Concessions and rentals	7,620,089	-
Baggage handling system	665,812	-
Security fees	178,088	-
Leases	806,146	-
Fuel sales - FBO	5,277,148	-
Other airline services	504,374	-
Federal revenue-		
TSA LEO reimbursement program	120,523	-
Charges for service	-	5,886,271
Other	691,556	-
Total operating revenues	<u>23,068,220</u>	<u>5,886,271</u>
Less, signatory airline rebate and incentive fee waivers	<u>(1,093,770)</u>	<u>-</u>
Net operating revenues	<u>21,974,450</u>	<u>5,886,271</u>
Operating Expenses		
Salaries and benefits	7,513,364	901,515
Utilities	1,625,101	-
Outside and professional services	1,048,645	-
Baggage handling system	665,812	-
Maintenance and supplies	942,983	-
Fuel cost of sales	3,963,111	-
Vehicle and equipment expense	410,899	-
Insurance	408,423	-
Dues, membership and travel	255,784	1,387,892
Office supplies	41,286	-
Supplies and materials	-	34,292
Depreciation and amortization	9,991,636	3,637,057
Indirect cost allocation	291,763	9,366
Contractual services	-	36,426
Other	-	11,072
Total operating expenses	<u>27,158,807</u>	<u>6,017,620</u>
Operating loss	<u>(5,184,357)</u>	<u>(131,349)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014
 - CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Nonoperating Revenues		
(Expenses)		
Passenger Facility Charges (PFC's)	3,587,383	-
Contract Facility Charges (CFC's)	2,728,556	-
Intergovernmental revenues	1,902,245	-
Redevelopment Authority grant revenue	200,001	-
Other	(21,975)	-
Insurance proceeds	-	2,223
Interest income	176,607	27,065
Interest expense	(3,102,876)	-
Interest subsidy on Recovery Zone Economic Bonds	297,449	-
Gain (loss) on disposal/sale of capital assets	10,267	1,038,926
Total non-operating revenues (expenses)	<u>5,777,657</u>	<u>1,068,214</u>
Income before capital contributions and transfers	593,300	936,865
Capital contributions, net	6,414,620	-
Transfers in	<u>-</u>	<u>456,645</u>
Change in net position	7,007,920	1,393,510
Net Position		
Beginning of year, as restated	<u>244,633,905</u>	<u>31,262,864</u>
End of year	<u>\$ 251,641,825</u>	<u>\$ 32,656,374</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, 2014

	Business Type Activities - Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 15,705,043	\$ -
FBO fuel sales and airline services	5,624,845	-
Service and miscellaneous charges	-	5,886,271
Other	703,714	-
Cash paid for:		
Salaries and benefits	(7,410,509)	(897,657)
Maintenance, supplies, fuel, utilities and equipment	(9,640,039)	(2,145,922)
Other supplies and miscellaneous costs	-	(34,292)
Net cash provided by operating activities	<u>4,983,054</u>	<u>2,808,400</u>
Cash Flows From Non-Capital Financing Activities		
Other	(21,975)	-
Transfers in	-	456,645
Net cash provided by (used in) non-capital financing activities	<u>(21,975)</u>	<u>456,645</u>
Cash Flows From Capital and Related Financing Activities		
Receipt of passenger and contract facility charges	6,498,549	-
Acquisition and construction of capital assets	(20,165,890)	(3,414,414)
Interest paid on bonds and notes	(3,095,974)	-
Principal payments on capital lease obligation	(99,499)	-
Receipt of intergovernmental and private grants	2,102,246	-
Proceeds from Airport Improvement Program, TSA and State grants	10,264,240	-
Proceeds from disposition of capital assets	10,267	1,291,143
Proceeds from insurance	-	2,223
Receipt of federal subsidy for "RZEDB" (Series 2010B)	297,449	-
Net cash used in capital and related financing activities	<u>(4,188,612)</u>	<u>(2,121,048)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014
 - CONTINUED -

	Business-Type Activities - Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flow From Investing Activities		
Investment purchases	(26,857,431)	-
Investment sales	46,781,152	-
Interest on investments	198,511	25,100
Net cash provided by investing activities	<u>20,122,232</u>	<u>25,100</u>
Net increase in cash and cash equivalents	20,894,699	1,169,097
Cash and cash equivalents at beginning of year (of which \$6,297,807 is restricted for Airports)	<u>37,894,769</u>	<u>18,406,104</u>
Cash and cash equivalents at end of year (of which \$8,488,047 is restricted for Airports)	<u><u>\$ 58,789,468</u></u>	<u><u>\$ 19,575,201</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (5,184,357)	\$ (131,349)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	9,991,636	3,637,057
Change in certain assets and liabilities:		
Increase in accounts receivable, net	(546,791)	-
(Increase) Decrease in inventories	(75,684)	1,725
Increase in prepaid items	(24,879)	-
Increase (Decrease) in accounts payable	192,330	(702,891)
Increase in accrued salaries, wages and compensated absences	33,341	3,858
Increase in net other post-employment benefit obligation	69,514	-
Decrease in other accrued expenses	(51,409)	-
Decrease in due to other funds	(26,590)	-
Increase in unearned revenue	186,594	-
Increase in amounts due to tenants	419,349	-
Net cash provided by operating activities	<u><u>\$ 4,983,054</u></u>	<u><u>\$ 2,808,400</u></u>

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

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 15,027,593
Pooled cash and investments	210,525,256
Interest Receivable	232
Taxes receivable	164,557,370
Total assets	<u>\$ 390,110,451</u>
Liabilities	
Due to others	\$ 390,110,451
Total liabilities	<u>\$ 390,110,451</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 primary standard-setting body for governmental accounting and financial reporting principles.

These financial statements include the implementation of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as of July 1, 2001. GASB Statement No. 34 established new financial reporting requirements for governments and caused the County to restructure much of the information that it presented in the past. Specifically, the Statement established specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information (RSI) other than the MD&A. In addition, the Statement requires the County to retroactively report its general capital assets, including infrastructure capital assets, in its government-wide statement of net assets (now 'net position' per GASB Statement No. 63), and report depreciation expense on all depreciable capital assets in the statement of activities. The Statement also required the County's general long-term indebtedness to be reported in its government-wide statement of net assets (now 'net position' per GASB Statement No. 63).

These financial statements include the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of July 1, 2012, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2013. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—Management's Discussion and Analysis*—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 65 clarifies the financial reporting standards that properly reclassify items which were previously reported as assets and liabilities to deferred outflows or inflows of resources.

The County's more significant accounting policies are described below:

A. Reporting Entity

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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. A summary of the County's discretely presented component units follows:

Discretely Presented Component Units

The County has two discretely presented component units and both have a June 30 fiscal year end.

The Shoreline Behavioral Health Services (formerly known as Horry County Commission on Alcohol and Drug Abuse) (SBHS) was created by Horry County to coordinate and provide the state mandated substance abuse prevention, intervention, treatment, and educational programs within Horry County. The state provided revenue of \$413,627 during fiscal year 2014. 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.

Complete financial statements for SBHS and HCSWA 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

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 and 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 governmental funds and internal service 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. At June 30, 2014, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

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, less 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. Certain indirect costs are included in the program expense reported for individual functions and activities. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, and thus reducing the net cost of the function to be financed from the government's general revenues. Such revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are general revenues unless they are required to be reported as program revenues.

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

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

A 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 (continued)

A summary of fund financial statement types follows:

Governmental Fund Types

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

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

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

Proprietary Fund Types

Enterprise Funds - Enterprise funds 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 be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Department of Airports Fund, a major Enterprise Fund, accounts for revenue and expenses for the operations of the Conway, Loris, North Myrtle Beach Airport, and Myrtle Beach Aviation general aviation airports, as well as the Myrtle Beach International Airport.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Internal Service Fund - 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 only internal service fund is Fleet Services. The Fleet Service Fund accounts for the maintenance and replacement of all County vehicles including heavy and light equipment.

Fiduciary Fund Type

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

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

C. Measurement Focus and Basis of Accounting

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

Under GASB Statement No. 34, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds, which are the only fiduciary funds of the County, do not have a measurement focus. As a general rule, revenues and expenses are recorded when transactions occur, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effects of interfund activities are eliminated from the government-wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

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

Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation and amortization expense, the allowance for doubtful accounts, signatory airline rebates or surcharges, 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

In March 2003, the GASB issued its Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. The Statement requires specific disclosures for credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. It also modifies GASB Statement No. 3 by limiting the required disclosure of custodial credit risk to "category 3" deposits 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.

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 (Continued)

Cash Equivalents and Pooled Cash and Investments (continued)

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

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

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

Investments

Quoted market prices are used to determine the fair value of investments. Investments are stated at fair value, with accrued interest shown under a separate caption on the financial statements. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts. At June 30, 2014, the fair value of the County's investments approximated cost.

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

Receivables and Allowance for Doubtful Accounts

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

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

Due from Other Governments

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

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 (continued)

Inventories and Prepaid Items

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

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

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

Inventories of the discretely presented component unit, HCSWA, consist of expendable office supplies held for consumption and bags provided to the public for use and separation of recyclable materials.

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

Interfund Receivables and Payables

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

Restricted Assets

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

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

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 (continued)

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 used in the operations of governmental funds and are not specifically related to activities reported in proprietary or fiduciary funds, have been reported as assets in the governmental activities column of 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 capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value or appraised value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) have been capitalized using actual and estimated historical costs of major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements in fiscal years ending after June 30, 1980.

Depreciation of all exhaustible capital assets has been provided using the straight-line method over the estimated useful lives of the respective assets ranging as follows: land improvements and easements (including parking lots), 20-40 years; buildings, 10-40 years; runways, taxiways and rehabilitations, 30-40 years; vehicles, machinery and equipment, 3-15 years.

The County's discretely presented component units' capital assets are stated at cost less accumulated depreciation. Depreciation of HCSWA's Subtitle D landfill is calculated based on the percent of the landfill's capacity used times its cost.

Intangible Assets & Amortization

Intangible assets lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Intangible assets may include easements, internally generated computer software, water rights, timber rights, patents, copyrights and trademarks and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. External and internal expenditures such as development, implementation and testing is included as part of the asset.

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 (continued)

Intangible Assets & Amortization (continued)

Under GASB Statement No. 51, intangible assets not yet placed in service are reported as construction in progress. 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. As of June 30, 2014, the County's value of copyrights was \$20,000 and intangible assets subject to amortization are internally developed software with a net value of \$532,070.

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, effective beginning for Horry County fiscal year 2013, requires that in addition to Assets, Liabilities, and Net Position, the Statement of Financial 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 Statement No. 65, effective beginning for Horry County's fiscal year 2014 clarifies deferred items formerly reported as assets and liabilities. The County has only one deferred outflow that qualifies. It is reported on the government-wide statement of net position as a deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. Unearned Revenue is reported under the full accrual method on the government-wide statement of net position from two sources: service concession arrangements and fees and other. Unavailable revenue is reported under the modified accrual method on the governmental funds balance sheet from two sources: property taxes and 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 (continued)

Deferred Inflows/Outflows of Resources (continued)

The business-type activity of the primary government has deferred inflows associated with unavailable revenue related to a service concession arrangement that is amortized over the life of the arrangement using the straight line method and associated with unavailable revenue from several operating revenue-generating agreements, for which payment has been received in advance of the date due.

Debt Premiums and Discounts

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. 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.

Restatement of Balances Due to a Change in Accounting Principle

Per GASB Statement No. 65, debt issuance costs, formerly reported as assets, net of related amortization, are no longer considered assets. GASB Statement No. 65 requires retrospective application for all financial periods reported. Implementation of the new statement resulted in a restatement of beginning net position in the County's government-wide and proprietary fund financial statements (See Note 22).

Service Concession Arrangement

Horry County adopted GASB Statement No. 60. GASB Statement No. 60 establishes guidance for accounting and financial reporting 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 unavailable revenues on the Statement of Net Position.

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations 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 and 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.

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 (continued)

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

Net Position & Fund Balance - Flow Assumptions & Policies

In accordance with GASB 63, the County is required to use the terminology "net position" instead of "net assets". 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: 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; and the final component is unrestricted net position, which consists of all other net assets not included in the above categories. With the implementation of GASB 54, the County's financial policy (Section 2-7.05) states, the following actions are required for fund balance to be classified as "restricted", "committed" or "assigned":

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

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

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

With the implementation of GASB 54, other fund balance classifications could be non-spendable, which represents an amount that is legally or contractually required and cannot be spent, or unassigned, which represents amounts not included in the other fund balance categories. As of June 30, 2014, nonspendable amounts included \$599 for seminars, \$111,968 for annual service contracts, \$29,119 for tile inventory and \$10,505 for museum inventory.

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 (continued)

Net Position & Fund Balance - Flow Assumptions & Policies (continued)

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

The County's stabilization policy is as follows: A fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Fund. The stabilization funds are shown as a part of the restricted fund balance in the Fire Fund, Recreation Fund and Stormwater Fund. Since this policy is approved by County Council Ordinance, the Council authorizes the fiscal stabilization reserve to be classified as "committed" fund balance in the General Fund. The fiscal stabilization reserve can be spent under extreme exigent circumstances. Extreme exigent circumstances exist only if revenue shortfalls cannot be met through reducing expenditures without impacting the health, safety and/or welfare of the County; or unexpected expenditures are required in excess of the budgeted expenditures in order to provide for the health, safety and/or welfare of the County.

Use of the fiscal stabilization reserve is most likely to occur in the event of a natural disaster or an unexpected significant reduction in revenue sources in excess of 5% of the approved budgeted revenue for that fund. Use of the fiscal stabilization reserve requires approval by Council Resolution.

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

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

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

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.

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 (continued)

Non-exchange Transactions, Contributed Capital and Transfers

Pursuant to GASB Statement No. 33 *Accounting and Financial Reporting for Non-Exchange Transactions*, deeded properties and Federal, state and local government assistance in the form of non-operating grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment have been recorded after non-operating revenue as required by GASB Statement No. 34.

Grants and fees that are considered program-related are recognized as operating revenue. The Department of Airports Enterprise Fund is a recipient of certain Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants. These capital cost-reimbursed grants have been recognized as non-operating capital contributions. The Airport receives TSA Security Operations grants which are recognized as operating revenues. The County & Airport have received grant funds from the South Carolina Department of Transportation ("SCDOT") for road improvements. Per the bond ordinance, the Airport may also receive a federal subsidy equal to 45% of the interest cost for the 2010B Recovery Zone Economic Development Bonds. On March 1, 2013, the federal government implemented sequestration measures that reduced the amount of the subsidy due to the Horry County Department of Airports by 8.7% of the budgeted amount. The reduction remained in place until September 30, 2013. Effective October 1, 2013 the Internal Revenue Service enacted a 7.2% sequestration rate for interest payments due the Airport for the period beginning on October 1, 2013 and extending through the close of the Airport's 2014 fiscal year.

Passenger Facility Charges

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

Contract Facility Charges

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

Lease Accounting

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

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

Leased Property Under Capital Lease

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Property Taxes

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

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable real property within the County is taken from the records of the County Assessor. Taxes are levied by the County Auditor as of January 1, billed in October, and are due by January 15 in the year following their levy. Tax billings are considered delinquent 166 days after the first billing 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.

E. Reclassification

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

F. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 4, 2014, the date the financial statements were available to be issued.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Annual appropriated legal-based budgets are adopted by County Council for governmental fund types including the general, special revenue and debt service funds. General Improvement Capital Projects Fund and Capital Projects Sales Tax Fund adopted project-length budgets. Budgetary comparisons to actual of the general fund are presented as Required Supplementary Information. Capital Projects project-length budget comparisons are presented following individual fund-level schedules. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports and Fleet Services for fiscal year ended June 30, 2014, 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 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, 2014, any funds budgeted for the following purposes which have not been expended shall reflect as a commitment of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2015 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic rebudgeting shall not require a supplemental budget ordinance and shall be limited to the amount available above the required fund balance for the previous fiscal year: funds budgeted for Capital Improvement Projects; funds budgeted for Road Maintenance local road improvements; funds budgeted for Capital Project Sales Tax projects; funds budgeted for County Council expense accounts and recreation funds; funds budgeted for Grants or donations; funds budgeted for Stormwater capital projects, chemicals, and contract spraying; funds budgeted for Maintenance Life Cycle Program; funds budgeted for Recreation capital improvements and programs; funds budgeted for capital items authorized by purchase order but not received; funds budgeted for accommodations tax funds approved by the Accommodations Tax Committee and County Council; funds budgeted for ongoing capital projects at the baseball stadium; funds budgeted for County paid parking program; funds budgeted for Myrtle Beach Regional Economic Development Corporation (MBREDC); funds budgeted for offsite morgue; funds budgeted for infrastructure improvements in admission tax districts; funds budgeted for spoil basin maintenance and legal; funds budgeted for traffic lights; funds budgeted for Public Works asphalt supplies; funds budgeted for infrastructure improvements in the Multi-County Business Park Rollback Fund; funds budgeted for Solicitor and Public Defender Circuit Offices; funds budgeted for Fire Apparatus Replacement; funds budgeted for Prisoner Canteen proceeds; funds budgeted for home detention; and funds budgeted for 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, 2014. Unassigned Fund Balance within the Balance Sheets for Governmental Funds and Unrestricted Net Position in the Statement of Net Assets and Changes in Net Assets have been reclassified to Restricted for Economic Development in an amount equal to the outstanding encumbrance at the report date. Details of significant encumbrances are included in Note 18 Commitments and Contingencies.

Note 3. Deposits and Investments

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

A. Deposits

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2014, reported amount of the County's deposits was \$162.4 million and the bank balance was \$164.4 million. The \$164.4 million bank balance was covered by federal depository insurance or collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

B. Investments

Investment Policy

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

B. Investments (Continued)

At June 30, 2014, 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	\$ 55,005	\$ 14,152	\$ 40,847	\$ 6
Money Market funds	21,795	21,795	-	-
U.S. Government Agencies Securities	349,142	-	319,142	30,000
State of S.C. Treasurer's Investment Pool	213,104	213,104	-	-
Total investments held in the County's name	<u>\$ 639,046</u>	<u>\$ 249,051</u>	<u>\$ 359,989</u>	<u>\$ 30,006</u>

Custodial Credit Risk

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

Credit Risk

As of June 30, 2014, 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 (continued)

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

B. Investments (continued)

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, 2014, the County had 49.9% of its investments invested with First Citizens, 33.4% with the State of S.C. Treasurer's investment pool and 5.2% with Wells Fargo Securities.

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

Component Units

HCSWA:

A. Deposits

At June 30, 2014, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$16,933,960 with corresponding bank balances of \$17,005,615. Of that balance, \$1,000,000 was covered by federal depository insurance and \$16,005,615 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 \$1,700.

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

Investments consisted of the following at June 30, 2014:

<u>Investment Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
US Treasury Notes	1.20	N/A	\$2,529,337	11.98
Federal Home Loan Bank	2.36	AA+	7,504,115	35.56
Federal National Mortgage Assoc.	1.13	AA+	2,398,378	11.36
Federal Home Loan Mortgage Corp.	2.01	AA+	1,906,383	9.03
Chester SC School District Bonds	0.67	Aa1	251,882	1.19
State of S.C. Treasurer's Investment Pool	N/A	Not Rated	<u>6,515,326</u>	<u>30.88</u>
			<u>\$21,105,421</u>	<u>100.00%</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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 3. Deposits and Investments (continued)

B. Investments (continued)

Component Units (continued)

HCSWA:

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, 2014 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$	11,583,687
Landfill Postclosure Care Costs		7,595,801
Equipment Replacement		4,628,718
Construction		8,754,100
MRF Contingency		74,392
OPEB Obligation		1,146,298
Waste Diversion		722,839
	\$	<u>34,505,835</u>

SBHS:

A. Deposits

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

Shoreline is exposed to certain custodial credit risks from the use of local financial institutions for its depository accounts. At June 30, 2014 a total of \$386,346 was on deposit with local institutions in the name of Shoreline. These deposits are covered by the FDIC up to \$250,000 per institution. Any deposits in excess of FDIC limits are collateralized by securities held by the pledging financial institution in Shoreline's name. Shoreline did not recognize any losses due to default by counterparties relating to depository relationships.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

B. Investments

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, 2014, 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>				
	Primary Government	Fiduciary Fund Agency	Total	Discretely Presented Component Units	
				SBHS	HCSWA
Cash on hand	\$ 30	\$ -	\$ 30	\$ -	\$ 2
Carrying amount of deposits	117,412	44,990	162,402	1,080	16,933
Carrying amount of investments	458,483	180,563	639,046	-	21,105
Totals	\$ 575,925	\$ 225,553	\$ 801,478	\$ 1,080	\$ 38,040
Cash and cash equivalents	\$ 53,567	\$ 15,028	\$ 68,595	\$ 1,080	\$ 13,986
Pooled cash and investments	155,930	29,962	185,892	-	-
Investments	279,518	180,563	460,081	-	24,054
Cash and cash equivalents - restricted	8,488	-	8,488	-	-
Investments - restricted	26,857	-	26,857	-	-
Restricted funds held in trust	51,565	-	51,565	-	-
Totals	\$ 575,925	\$ 225,553	\$ 801,478	\$ 1,080	\$ 38,040

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, 2014, are as follows:

	<i>(amounts shown in thousands)</i>		
		Business-type Activity	
	Government Activities	Department of Airports	Totals
Property taxes	\$ 17,150	\$ -	\$ 17,150
Less, allowance for uncollectibles and amounts not available for current period	(11,646)	-	(11,646)
Net property taxes	5,504	-	5,504
Accounts and other			
Other	2,309	1,666	3,975
EMS billings	21,214	-	21,214
Less, allowance for uncollectibles	(18,962)	(270)	(19,232)
Net accounts and other	4,561	1,396	5,957
Fees			
Road fees	1,389	-	1,389
Hospitality fees	6,110	-	6,110
Stormwater Management fees	454	-	454
Other fees	803	-	803
Net fees	8,756	-	8,756
Total receivables, net	\$ 18,821	\$ 1,396	\$ 20,217

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 net of that portion not available for current year budget appropriations as levied.

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

Department of Airports current accounts receivable include airfield landing fees, leased sites, terminal building, FBO sales & airport services.

Receivables at June 30, 2014 for the discretely presented component unit HCSWA totaled \$1,242,721 and included amounts from trade accounts receivable and \$15,000 in allowance for doubtful accounts.

Receivables (current and non-current) at June 30, 2014 for the discretely presented component unit SBHS totaled \$774,794 and included amounts from client accounts receivable, returned checks and employee receivables, and were reported net of \$3,790,000 allowance for uncollectible accounts.

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

1) Debt Setoff - Debt Setoff is a program whereby individual income tax refunds are intercepted and sent to creditors. The SCDOR charges an administrative fee to the debtor of \$25.

2) GEAR - Gear is a program whereby the SCDOR impounds a portion of individuals recurring wages. Amounts impounded are remitted monthly to Shoreline less an administrative fee of 28.5%.

For the fiscal year ended June 30, 2014, SBHS's revenue for Debt Setoff and GEAR was \$76,983.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables

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, 2014 were as follows:

(amounts shown in thousands)

Due To	Due From						Total
	<u>General Fund</u>	<u>Arcadian Shores</u>	<u>Tourism & Promotion</u>	<u>CDBG Grant Program</u>	<u>RIDE Debt Service</u>	<u>Airport</u>	
General Fund	\$ -	\$ 191	\$ 266	\$ 290	\$ 48	\$ 758	\$ 1,553
Beach Renourishment	69	-	-	-	-	-	69
Baseball Stadium	-	-	-	-	-	-	-
Special Obligation Debt	25	-	-	-	-	-	25
Total	<u>\$ 94</u>	<u>\$ 191</u>	<u>\$ 266</u>	<u>\$ 290</u>	<u>\$ 48</u>	<u>\$ 758</u>	<u>\$ 1,647</u>

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government:		
General Fund	\$ -	\$ 107
Waste Management Recycling Fund	-	1,089
Component units:		
SHBS	107	-
HCSWA	1,089	-
	<u>\$ 1,196</u>	<u>\$ 1,196</u>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables (continued)

The following table summarizes interfund transfers during the year ended June 30, 2014:

(amounts shown in thousands)

Transfers to	Transfers from				Total
	General Fund	Capital Projects Fund	RIDE Program Debt Service	Non-major Governmental Funds	
General Fund	\$ -	\$ 216	\$ 336	\$ 158	\$ 710
Fire	-	-	-	-	-
Road Maintenance	-	-	-	150	150
Beach Renourishment	205	-	-	200	405
Grants	39	-	-	150	189
Victim Witness	136	-	-	-	136
Stormwater	1	-	-	-	1
Solicitor	4,617	-	-	-	4,617
Public Defender	1,200	-	-	-	1,200
Recreation	10	-	-	21	31
Capital Projects	1,383	-	-	1,720	3,103
General Debt Service	-	-	-	2,166	2,166
Fleet Internal Service	412	-	-	45	457
Total	<u>\$ 8,003</u>	<u>\$ 216</u>	<u>\$ 336</u>	<u>\$ 4,610</u>	<u>\$ 13,165</u>

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 due from other governments for the primary governments and component units on the Statement of Net Position at June 30, 2014 are as follows:

(amounts shown in thousands)

	Governmental Activities				Business-type Activities	Discretely Presented Component Units	
	General	Special Revenue	Capital Projects	Total	Department of Airports	SBHS	SWA
State	\$ 2,439	\$ 1,973	\$ 16,312	\$ 20,724	\$ -	\$ 111	\$ 77
Federal	726	1,032	-	1,758	1,940	-	-
Total	<u>\$ 3,165</u>	<u>\$ 3,005</u>	<u>\$ 16,312</u>	<u>\$ 22,482</u>	<u>\$ 1,940</u>	<u>\$ 111</u>	<u>\$ 77</u>

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, 2014 are as follows:

	<i>(amounts shown in thousands)</i>				
	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Governmental Activities					
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 22,874	\$ -	\$ (35)	\$ 209	\$ 23,048
Intangible Assets	20	-	-	-	20
Infrastructure	462,134	5,625	(188)	3,995	471,566
	485,028	5,625	(223)	4,204	494,634
Construction-in-progress	22,544	13,757	(12)	(10,149)	26,140
Total capital assets not depreciated	507,572	19,382	(235)	(5,945)	520,774
Subject to depreciation/amortization:					
Land improvements	6,782	175	-	1,114	8,071
Buildings	197,930	-	(70)	2,314	200,174
Building improvements	28,743	23	(55)	25	28,736
Office furniture	10,569	142	(30)	1,376	12,057
Vehicles	19,505	224	(577)	-	19,152
Heavy equipment	5,298	1,455	(521)	22	6,254
Computer equipment	40,409	955	(1,176)	1,079	41,267
Intangible assets	532	-	-	-	532
Other	6,003	321	(104)	15	6,235
Totals	315,771	3,295	(2,533)	5,945	322,478
Total General Capital Assets	823,343	22,677	(2,768)	-	843,252
Less, accumulated depreciation/amortization:					
Land improvements	(2,325)	(467)	-	-	(2,792)
Buildings	(57,401)	(6,534)	70	-	(63,865)
Building improvements	(5,345)	(1,082)	20	-	(6,407)
Office furniture	(10,382)	(328)	30	-	(10,680)
Vehicles	(18,706)	(860)	549	-	(19,017)
Heavy equipment	(2,416)	(325)	521	-	(2,220)
Computer equipment	(32,906)	(3,894)	1,176	-	(35,624)
Other	(3,763)	(520)	104	-	(4,179)
Totals	(133,244)	(14,010)	2,470	-	(144,784)
Net general capital assets	690,099	8,667	(298)	-	698,468
<u>Internal Service Fund Capital Assets</u>					
Subject to depreciation/amortization:					
Machinery and equipment	15,549	3,111	(2,166)	-	16,494
Heavy equipment	14,297	303	(1,484)	-	13,116
Totals	29,846	3,414	(3,650)	-	29,610
Less, accumulated depreciation/amortization:					
Machinery and equipment	(10,294)	(2,020)	2,110	-	(10,204)
Heavy equipment	(6,104)	(1,617)	1,288	-	(6,433)
Totals	(16,398)	(3,637)	3,398	-	(16,637)
Net internal service fund capital assets	13,448	(223)	(252)	-	12,973
Net capital assets - Governmental Activities	\$ 703,547	\$ 8,444	\$ (550)	\$ -	\$ 711,441

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, 2014 was \$31,821.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

<i>(amounts shown in thousands)</i>				
	Balance			Balance
Business-type Activities	June 30, 2013	Additions	Deductions	June 30, 2014
Not subject to depreciation:				
Land and easements	\$ 23,274	\$ -	\$ -	\$ 23,274
Infrastructure	9,182	-	-	9,182
	32,456	-	-	32,456
Construction in progress	1,684	11,525	(10,606)	2,603
Total capital assets not depreciated	34,140	11,525	(10,606)	35,059
Subject to depreciation:				
Buildings and improvements	160,967	893	-	161,860
Runways and taxiways	62,073	7,770	-	69,843
Machinery and equipment	19,549	354	(431)	19,472
Land improvements	32,287	1,864	-	34,151
Totals	274,876	10,881	(431)	285,326
Total Business-Type Assets	309,016	22,406	(11,037)	320,385
Less accumulated depreciation:				
Buildings and improvements	(32,654)	(4,124)	-	(36,778)
Runways and taxiways	(30,322)	(2,516)	-	(32,838)
Machinery and equipment	(9,913)	(1,967)	431	(11,449)
Land improvements	(6,910)	(1,384)	-	(8,294)
Totals	(79,799)	(9,991)	431	(89,359)
Net capital assets -				
Business-type Activities	\$ 229,217	\$ 12,415	\$ (10,606)	\$ 231,026

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2014, are as follows:

Component Units	<i>(amounts shown in thousands)</i>	
	SBHS	HCSWA
Land	\$ 138	\$ 7,918
Subtitle D (Class 3) landfill	-	26,462
Buildings	1,455	12,039
Vehicles, machinery and equipment	143	17,991
Other improvements	-	8,653
Construction-in-progress	-	661
Totals	1,736	73,724
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(21,409)
Buildings	(713)	(3,089)
Vehicles, machinery and equipment	(135)	(10,217)
Other improvements	-	(1,891)
Totals	(848)	(36,606)
Net capital assets - Component Units	\$ 888	\$ 37,118

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

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

Governmental Activities	(amounts shown in thousands)
Road Improvements	\$ 21,940
Energy Performance Contract	2,473
Financial System	1,528
Hidden Woods	103
Carolina Forest Boulevard	69
Recreation	19
Fiber Installation	6
Machinery & Equipment	2
Total	<u>\$ 26,140</u>

The Airport's construction-in-progress at June 30, 2014, is composed of the following:

Business-type Activities: (Department of Airports)	(amounts shown in thousands)
Completion Phase of Terminal Capacity Enhance Program (TCEP)	\$ 1,285
East Side Commerce Park	50
MYR Runway Rehabilitation	914
CRE Hangar Improvements	20
CRE Pavement Phase I	11
Hangar 3232 Renovation	173
Rental Car Improvements	2
HYW T-Hangar/Signage	93
HYW Revitalization	40
Heavy Equipment/Vehicles	3
Information Systems Capital Improvements	12
Total	<u>\$ 2,603</u>

The Terminal Capacity Enhancement Program total construction project budget was established at \$118,748,071. Project expenditures of \$1,599,000 (for parking lot improvements) were capitalized during fiscal year 2014.

Estimated additional costs to complete these projects are estimated at \$16.8 million. As of June 30, 2014, the Airport had outstanding purchase orders relating to the projects above of \$2,944,210.

During the fiscal year, the Department of Airports added a new credit card parking lot at the Myrtle Beach International Airport, a new ramp and taxiway at the International Technology Aerospace Park (ITAP) and completed phase one of pavement rehabilitation work at the Grand Strand airport. The Department of Airports disposed of machinery and equipment valued at \$431,437 during fiscal year 2014. All disposed equipment was fully depreciated, and the realized gain on disposal during the fiscal year was \$10,267.

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 market value at the date of the gift.

Horry County Department of Airports is obligated by the Federal Aviation Administration (FAA) to maintain a current Airport Layout Plan (ALP). In order to maintain a current ALP, the Department reviews and updates its Master Plan whenever strategically necessary. In fiscal year 2010, the Airport completed a PCI study for MYR. The Airport also updated the MYR ALP in fiscal year 2011 and is preparing an update for the 2015 fiscal year. See the required supplemental information for further details on the condition of the Airport's infrastructure.

Depreciation allocation - Governmental

The amount of depreciation charged to each governmental function for the year ended June 30, 2014 is as follows: general government (\$4,215,920); public safety (\$7,319,034); Infrastructure and regulation (\$368,295); culture and recreation (\$1,880,456) and health and social services (\$227,433). Capital assets held by the Internal Service Fund (\$3,637,057).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2014, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, other post employment benefits, and long-term capital leases.

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

Special Obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities and equipment and are secured by the pledge of the Hospitality Fees Special Revenue Fund revenues (Special Fund portion) of the County.

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.

The County has also entered into certain IGA with the State of South Carolina Transportation Infrastructure Bank.

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

On September 1, 2005, the County issued \$30,000,000 of General Obligation Refunding Bonds, Series 2005A (the "2005A Bonds") with interest rates ranging from 3.500% to 4.125%. The net proceeds of the 2005A Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Judicial Center, including payment of the prepayment penalty on the Bonds. The 2005A Bonds are payable through March 2022, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$6,878,384 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$1,379,795. The outstanding principal balance of the 2005A Bonds at June 30, 2014 was \$19.265 million.

On September 1, 2005, the County issued \$5,010,000 of General Obligation Refunding Bonds, Series 2005B (the "2005B Bonds") with interest rates ranging from 3.000% to 3.580%. The net proceeds of the 2005B Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Fire Protection, including payment of the prepayment penalty on the Bonds. The 2005B Bonds are payable through March 2015, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$3,128,855 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$224,618. The outstanding principal balance of the 2005B Bonds at June 30, 2014 was \$865,000.

The 2005B Bonds are not subject to redemption on or prior to March 1, 2016. The 2005B Bonds maturing on or after March 1, 2017, are subject to redemption at the option of the County on or after March 1, 2016, at any time as a whole or in part in such order of maturities as the County may determine, at par, together with the interest accrued thereon to the date fixed for redemption.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

On December 30, 2009, the County issued \$5,040,000 of General Obligation Bonds, Series 2009A and \$6,960,000 of General Obligation Bonds, Series 2009B (Federally Taxable – Build America Bonds – Direct Payment Bonds). The proceeds of the Series 2009A & Series 2009B Bonds will be used to provide funds for constructing and equipping library and various recreation facilities and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof.

Beginning with March 1, 2010, the Series 2009A bonds requires semi-annual interest-only payments until March 1, 2011, when the Series 2009A bonds are payable semiannually in principal installments of \$455,000 to \$570,000 plus interest at 2.0% to 4.0% over ten years. The Series 2009B bonds provide for interest installments only for the first ten years of the life of the bonds. Beginning in fiscal year 2021, the Series 2009B bonds will be payable in principal installments of \$595,000 to \$815,000 plus interest at 4.75% to 5.75% over ten years. The Series 2009B bonds were issued under the guidelines provided in the American Recovery and Reinvestment Act (“ARRA”) as Build American Bonds. The County, under the guidelines set forth in the ARRA, is eligible to apply for an interest subsidy payment from the United States Treasury for Build America Bonds of 35% of the interest payable on the bond. The subsidy payments have not been pledged to the payment of any Bonds and would be part of the County’s general revenues. The County received an interest subsidy of \$129,098 for the year ended June 30, 2014.

The 2009A Bonds are not subject to redemption on or prior to March 1, 2020. The 2009B Bonds maturing on or after March 1, 2021, are subject to redemption at the option of the County on or after March 1, 2020, at any time as a whole or in part in such order of maturities as the County may determine, at par, together with the interest accrued thereon to the date fixed for redemption.

On March 11, 2014, the County issued \$252,000 of General Obligation Bonds (Hidden Woods Special Tax District), Series 2014 with interest at 1.87%. The proceeds of the Series 2014 Bond will be used to provide funds for road improvements, drainage improvements, and other public works improvements within the Hidden Woods Special Tax District. The 2014 bond principal is payable annually, with interest payable semiannually, through March 2019.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt

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

(amounts shown in thousands)

	(as restated) Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Current Portion
General and Special Obligation Bonds:					
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	645	-	(645)	-	-
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - HGTC Bond	140	-	(140)	-	-
G.O. Bonds of 2005 (Series A) dated September 1 for \$30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	21,260	-	(1,995)	19,265	2,075
G.O. Bonds of 2005 (Series B) dated September 1 for \$5.01 million with interest at 3% to 3.8% - Fire Protection Refunding	1,705	-	(840)	865	865
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% -Health Department/Museum	7,370	-	(690)	6,680	715
G.O. Bonds of 2008 dated May 20 for \$12 million with interest at 4% to 5% -Libraries	9,665	-	(490)	9,175	505
G.O. Bonds of 2008 dated May 20 for \$50 million with interest at 4% to 5% -Detention Center	35,725	-	(3,030)	32,695	3,125
Special Hospitality Fee Bonds of 2009 dated May 7 for \$8.155M with interest at 3% to 4%-Hospitality Fee Refunding	1,860	-	(1,860)	-	-
G.O. Bonds of 2009 (Series A) dated December 30 for \$5.04 million with interest at 2% to 3% - Recreation and Library	3,650	-	(480)	3,170	490
G.O. Bonds of 2009 (Series B) dated December 30 for \$6.96 million with interest at 2% to 3% - Recreation and Library	6,960	-	-	6,960	-
G.O. Bonds of 2010 (Series A) dated June 3 for \$12.02 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding - S.S. Complex, Libraries & Court House	11,070	-	(1,235)	9,835	1,265
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 Education (HGTC Bldg. remodeling)	1,525	-	(170)	1,355	175
G.O. Bonds of 2010 (Series A) dated June 15 for \$350,000 with interest at 2.79% - Boat Landing	145	-	(71)	74	73
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	6,640	-	-	6,640	720
G.O. Bonds of 2011 (Series B) dated December 6 for \$2.1M with interest at 2% to 3% - Series 2004B Refunding - HGTC Bond	2,100	-	-	2,100	165
G.O. Bonds of 2014 (Series 2014) dated March 11 for \$252,000 with interest at 1.87% - Hidden Woods Special Tax District	-	252	-	252	49
Certificates of Participation dated September 1, 1998 for \$3.088M with interest at 3% to 5%-Baseball Stadium	1,233	-	(182)	1,051	191
Total general and special obligation bonds	111,693	252	(11,828)	100,117	10,413
Unamortized premiums	2,188	-	(200)	1,988	199
Net general and special obligation bond debt	\$ 113,881	\$ 252	\$ (12,028)	\$ 102,105	\$ 10,612

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt (continued)

Other general long-term obligations of the County's governmental activities at June 30, 2014 are as follows:

	<i>(amounts shown in thousands)</i>				
	(as restated) Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Current Portion
Other general long-term obligations:					
RIDE - IGA Loan #1	\$ 60,000	\$ -	\$ (15,000)	\$ 45,000	\$ 15,000
Less, amounts imputed for interest	(3,950)	-	1,660	(2,290)	(1,221)
Net RIDE - IGA Loan #1	56,050	-	(13,340)	42,710	13,779
 RIDE - IGA Loan #2	 174,017	 -	 (13,027)	 160,990	 14,750
 Net RIDE - IGA Loans payable	 230,067	 -	 (26,367)	 203,700	 29,750
 Capital lease obligation - CAD	 1,822	 -	 (437)	 1,385	 449
Capital lease obligation - fiber ring	863	-	(421)	442	442
Capital lease obligation - toughbooks	116	-	(116)	-	-
Capital lease obligation - fiber relocation	339	-	(339)	-	-
Capital lease obligation - toughbooks	269	-	(88)	181	89
Capital lease obligation - toughbooks	372	-	(92)	280	92
Capital lease obligation - tractors	88	-	(22)	66	22
Capital lease obligation - financial system	-	3,922	(212)	3,710	430
Capital lease obligation - energy performance	-	8,160	-	8,160	-
Net capital leases	3,869	12,082	(1,727)	14,224	1,524
Post employment benefit obligation, net	22,275	1,795	-	24,070	-
Accumulated compensation absences, net	12,484	8,467	(7,578)	13,373	7,578
Total other general long-term obligations	268,695	22,344	(35,672)	255,367	38,852
Total Net Governmental Activities Debt	\$ 382,576	\$ 22,596	\$ (47,700)	\$ 357,472	\$ 49,464

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

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

RIDE Intergovernmental Agreements

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

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

The Series 2010A Bonds were issued to pay a portion of the cost of construction of the TCEP at the Myrtle Beach International Airport (MYR) and to fund the capitalized interest on the Series 2010A Bonds through December 1, 2010, fund the debt service reserve and pay the costs of issuance of the Series 2010A Bonds. The net original issue discount for 2010A Bond was \$211,085. The unamortized discount at June 30, 2014 is \$186,353.

The Series 2010B Bonds were issued to pay the cost of the Harrelson Boulevard Improvements, fund the capitalized interest on the Series 2010B Bonds through December 1, 2011, fund the debt service reserve requirements and pay cost of issuance of the Series 2010B Bonds. The County has elected to treat the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" for the purposes of the Internal Revenue Code of 1986. Subject to the County's compliance with certain requirements of the Code, the County expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Series 2010B Bonds.

On March 1, 2013, the federal government implemented sequestration measures that reduced the amount of the subsidy due to the Horry County Department of Airports by 8.7% of the budgeted amount for the last quarter of the 2013 fiscal year. The 8.7% reduction remained in place for payments made through the end of federal fiscal year 2013 (ending September 30, 2013). For the federal government's new fiscal year, beginning October 1, 2013, the sequestration rate was revised to 7.2%. Consequently, in fiscal year 2014 the Department of Airports received a total interest subsidy of \$297,449.

The revenue bonds are secured by the pledge of revenues derived by MYR. 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.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2014, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Revenue Bonds:				
Revenue bond, 2010A Series				
dated November 17, for \$50.87 million				
with interest at 4.375% to 5% due 2011-2040	\$ 50,870	\$ -	\$ -	\$ 50,870
Revenue bond, 2010B Series				
dated November 17, for \$9.72 million with				
interest at 7.328% due 2011-2040	9,720	-	-	9,720
Total revenue bonded debt	60,590	-	-	60,590
Less, original issue discount	(193)	7	-	(186)
Net Revenue Bonds	\$ 60,397	\$ 7	\$ -	\$ 60,404

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

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

Annual principal requirements to amortize general and special obligation bonds, revenue bonds, certificates of participation (COPS), and RIDE Intergovernmental Agreements (IGA) loans #1 and #2 at their respective present values at June 30, 2014, are summarized as follows:

<i>(amounts shown in thousands)</i>						
Years Ending June 30,	G.O. Bonds		Baseball Stadium COPS		Airport Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 10,222	\$ 3,959	\$ 191	\$ 53	\$ 1,215	\$ 3,086
2016	9,700	3,551	200	43	1,270	3,038
2017	10,035	3,196	210	33	1,320	2,987
2018	11,061	2,866	220	23	1,370	2,934
2019	19,042	4,216	230	11	1,415	2,893
2020-2024	32,325	4,237	-	-	8,060	13,458
2025-2029	5,080	648	-	-	10,020	11,506
2030-2034	1,600	138	-	-	12,595	8,836
2035-2039	-	-	-	-	15,875	4,931
2040	-	-	-	-	7,450	642
Total	\$ 99,065	\$ 22,811	\$ 1,051	\$ 163	\$ 60,590	\$ 54,311

Years Ending June 30,	RIDE IGA Loan #1		RIDE IGA Loan #2		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 13,779	\$ 1,221	\$ 14,750	\$ 4,578	\$ 40,157	\$ 12,897
2016	14,231	768	16,751	4,122	42,152	11,522
2017	14,700	300	18,881	3,606	45,146	10,122
2018	-	-	20,843	3,028	33,494	8,851
2019	-	-	21,464	2,408	42,151	9,528
2020-2024	-	-	68,301	3,312	108,686	21,007
2025-2029	-	-	-	-	15,100	12,154
2030-2034	-	-	-	-	14,195	8,974
2035-2039	-	-	-	-	15,875	4,931
2040	-	-	-	-	7,450	642
Total	\$ 42,710	\$ 2,289	\$ 160,990	\$ 21,054	\$ 364,406	\$ 100,628

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

A. Capital Lease Obligations

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

Governmental Activities:

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

<u>Year Ended June 30,</u>	<i>(amounts shown in thousands)</i>			
	Financial System	Toughbook Computers	Fiber Ring	Energy Performance
2015	\$ 506	\$ 92	\$ 464	\$ -
2016	507	93	-	763
2017	507	-	-	567
2018	506	-	-	579
2019	506	-	-	590
Thereafter	1,520	-	-	8,240
Total lease payments	4,052	185	464	10,739
Less, interest	(342)	(4)	(22)	(2,579)
Present value of future minimum lease payments	3,710	181	442	8,160
Less, current portion	(430)	(89)	(442)	
Total non-current portion	<u>\$ 3,280</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ 8,160</u>

<u>Year Ended June 30,</u>	Toughbook Computers	CAD	Tractors	Total
2015	\$ 97	\$ 487	\$ 23	\$ 1,669
2016	97	488	23	1,971
2017	97	487	23	1,681
2018	-	-	-	1,085
2019	-	-	-	1,096
Thereafter	-	-	-	9,760
Total lease payments	291	1,462	69	17,262
Less, interest	(11)	(77)	(3)	(3,038)
Present value of future minimum lease payments	280	1,385	66	14,224
Less, current portion	(92)	(449)	(22)	(1,524)
Total non-current portion	<u>\$ 188</u>	<u>\$ 936</u>	<u>\$ 44</u>	<u>\$ 12,700</u>

Business-type Activities (Enterprise Funds):

During the year ended June 30, 2006, the Airport entered into a ten year non-cancelable lease for a generator for the Airport. The annual interest rate on the lease is 2.87% per annum. The value of the generator at acquisition was \$425,000 and the net book value of the generator as of June 30, 2014 and June 30, 2013 was \$41,274 and \$89,262, respectively.

The present value of the minimum lease payments follows:

<u>Year Ended June 30,</u>	Total
2015	\$ 50,314
2016	41,928
Total payments	92,242
Less amount representing interest	(2,980)
Present value of future minimum lease payments	89,262
Less, current portion	(47,988)
Total non-current portion	<u>\$ 41,274</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

A. Capital Lease Obligations (continued)

Business-type Activities (Enterprise Funds):

During the year ended June 30, 2013, the Airport entered into a second 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, 2014 was \$442,970.

The present value of the minimum lease payments follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2015	\$ 59,148
2016	59,148
2017	59,148
2018	59,148
2019	59,148
2020-2023	226,734
Total payments	522,474
Less, interest	(25,757)
Present value of future minimum lease payments	496,717
Less, current portion	(53,747)
Total non-current portion	<u>\$ 442,970</u>

In January 2006, the Airport entered into a lease agreement with Atlanta Air Services (lessee) for hangar space at MYR. Under the terms of the agreement, the lessee was permitted to offset its rental obligations for certain capital improvements made to the premises. During 2006, the lessee completed the necessary capital improvements and as such is due rental credits in the sum of \$300,000 to be applied to the rent payments at \$50,000 annually. The remaining balance at June 30, 2013 is a current liability of \$50,000.

The changes in the County's capital leases and other long-term obligations for its business-type activities for the year ended June 30, 2014 are as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Amounts due within one year
Capital leases	<u>\$ 685,478</u>	<u>\$ -</u>	<u>\$ (99,499)</u>	<u>\$ 585,979</u>	<u>\$ 101,735</u>
Compensated absences	<u>\$ 1,207,004</u>	<u>\$ 1,235,672</u>	<u>\$ (1,207,004)</u>	<u>\$ 1,235,672</u>	<u>\$ 308,918</u>
Net OPEB obligation	<u>\$ 681,155</u>	<u>\$ 100,531</u>	<u>\$ (31,017)</u>	<u>\$ 750,669</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

B. Operating Lease Agreements

Lessor (Department of Airports)

The Airport derives a substantial portion of its revenues from charges to air carriers, aeronautical businesses and schools, and concessionaires. Substantially all of the assets classified as fixed assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, and concessionaires on a fixed fee as well as a contingent fee basis. All leases of the Airport are treated as operating leases for accounting purposes. Most of the leases provide for an annual review and redetermination of the rental amounts. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases as of June 30, 2014:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2015	\$ 7,222
2016	7,456
2017	5,535
2018	1,596
2019	1,757
2019-2024	5,264
Total	<u>\$ 28,830</u>

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is \$43,966,884 and \$16,527,129, respectively at June 30, 2014.

Lessor (SBHS)

At June 30, 2014 future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows:

<u>Year Ended June 30,</u>	
2015	\$ 7,778
2016	1,104
2017	1,104
2018	1,104
2019	92
Total	<u>\$ 11,182</u>

Total lease expense for the fiscal year ended June 30, 2014 was approximately \$12,286.

C. Other Long-Term Liabilities

SBHS at June 30, 2014

On December 15, 2011, the Commission entered into a loan agreement with BB&T in the amount of \$85,000 for the purpose of facility repairs/upgrades. Note payable-repairs were due monthly with interest only at 3.4% with a principal balance of \$84,185 due in full December 15, 2014, and was repaid early in June, 2014. Auto loan was payable monthly with payments of \$414 per month at 5.75% with final payment due June 2014.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts due within one year</u>
Compensated absences	\$ 65,361	\$ 76,117	\$ 69,282	\$ 72,196	\$ 38,986
Net OPEB obligation	45,380	21,738	-	67,118	-
Notes payable - Auto	5,176	-	5,176	-	-
Notes payable - repairs	84,185	-	84,185	-	-
Total Long-term liabilities	<u>\$ 200,102</u>	<u>\$ 97,855</u>	<u>\$ 158,643</u>	<u>\$ 139,314</u>	<u>\$ 38,986</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 (continued)

HCSWA at June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated absences	\$ 349,748	\$ 257,096	\$ 289,929	\$ 316,915	\$ 250,000
Net OPEB obligation	1,273,450	279,367	34,939	1,517,878	-
Landfill closure costs	18,200,819	3,561,289	1,013,658	20,748,450	5,000,000
Landfill postclosure care costs	8,081,850	-	911,438	7,170,412	-
Total Long-term liabilities	<u>\$ 27,905,867</u>	<u>\$ 4,097,752</u>	<u>\$ 2,249,964</u>	<u>\$ 29,753,655</u>	<u>\$ 5,250,000</u>

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), has entered into separate, but substantially similar, Signatory Airline Contract and Use Agreements (the Signatory Airline Agreements) with 3 passenger airlines. The previous Signatory Airline Agreements had an original term through June 30, 2007, but remained in effect on a month-to-month holdover basis until the commencement of the new agreement. The Signatory Airline Agreements were signed as of July 1, 2014, with Spirit Airlines, US Airways, and Delta Air Lines. Collectively, these carriers are called "Signatory Airlines". The terms of the Signatory Airline Agreement are generally comparable to those of the previous agreement.

The Signatory Airline Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at the Airport. Interim rates charged during the fiscal year are subject to a retroactive adjustment based upon actual year-end costs and activity levels (the Settlement). Any Settlement owed to the Signatory Airlines is applied to any balance owed by the airlines for rates and charges. For the fiscal year ended June 30, 2014, Horry County estimates the Settlement due to the Signatory Airlines is \$396,541. This amount is included in amounts due to tenants on the accompanying Statements of Net Position.

Horry County has also entered into agreements with airlines that serve the Airport and are not parties to Signatory Airline Agreements (the Non-signatory Airlines). The County assesses fees, rentals, and charges to the Non-Signatory Airlines at 125% of the fees, rentals, and charges charged to the Signatory Airlines. The Non-Signatory Airlines do not participate in the year-end Settlement. As of June 30, 2014, the Non-Signatory Airlines operating at the Airport were Allegiant Air, Porter Airlines, United Airlines, and WestJet.

Horry County's Air Service Development Program that began in 2008 and continued for fiscal year 2014 provided, at the County's sole discretion, for reduced landing fees from \$2.03 to \$0.96 per 1,000 lbs., which reduced landing and apron fee revenue by approximately \$975,624. The airport also waived airline fees of \$697,229 as incentives for new service. The County has agreed to extend the Air Service Development program. For fiscal year 2014, the combined incentive landing fee and apron fee for Signatory airlines will be \$.82 and \$.14 per 1,000 lbs.

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. At June 30, 2014, the percentage utilization of the estimated total capacity of the Class 3 and the construction and demolition landfills was 70.0%, and 72.4%, respectively.

The closure and postclosure care liabilities at June 30, 2014 represent the cumulative amounts reported to date based on utilization of the estimated total capacity of the permitted landfill sites less costs incurred to date and were as follows:

	<i>(amounts shown in thousands)</i>		
	Class 3	Construction & Demolition	Total
Closure Costs	\$ 9,719	\$ 11,030	\$ 20,749
Postclosure Care Costs	5,144	2,026	7,170
Total	<u>\$ 14,863</u>	<u>\$ 13,056</u>	<u>\$ 27,919</u>

The HCSWA will recognize the remaining estimated closure and postclosure care costs, as shown below, as the remaining estimated capacity of the permitted landfills are filled.

	Closure Costs	Postclosure Care Costs
Class 3	\$ 4,165	\$ 2,205
Construction and Demolition	4,591	772
	<u>\$ 8,756</u>	<u>\$ 2,977</u>

The Subtitle D (Class 3) landfill is expected to be closed during the year ending June 30, 2019. The construction and demolition landfill is anticipated to be closed during the year end June 30, 2025. 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, 2014, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$11,583,687 and \$7,595,801 of cash, cash equivalents and investments at June 30, 2014 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, 2014:

	<i>(amounts shown in thousands)</i>			
	Governmental Activities	Business-type Activities	Component Units	
			SHBS	HCSWA
Net investment in Capital Assets:				
Primary Government	\$ 711,441	\$ 231,026	\$ -	\$ -
Component units	-	-	888	37,118
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	(101,921)	(57,337)	-	-
Less, construction and retainage payable for capital items	(82)	(2,536)	-	-
Total net investment in capital assets	<u>\$ 609,438</u>	<u>\$ 171,153</u>	<u>\$ 888</u>	<u>\$ 37,118</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Position and Fund Balances (continued)

As required by the County's Financial Policies Ordinance, a fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Management Fund. The fiscal stabilization reserve is to be maintained at an amount equal to 15% 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, therefore the fiscal stabilization reserve is classified as "committed" or "restricted" fund balance. Ordinance 69-10 also requires all governmental funds responsible for the payment of debt service to maintain an amount in fund balance equal to at least 50% of the next year's debt service amount.

The adopted budget for fiscal year 2015 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 2015 Operating budget	15% Stabilization reserve at June 30, 2014	FY 2015 Debt Service	Related restricted fund balance at June 30, 2014
General Fund	\$ 130,891,207	\$ 19,633,681	n/a	n/a
Fire Fund	\$ 19,704,754	\$ 2,955,713	\$ 1,789,587	\$ 894,794
Stormwater Management Fund	\$ 4,594,100	\$ 689,115	n/a	n/a
Recreation Fund	\$ 4,309,960	\$ 646,494	n/a	n/a
General Debt Service Fund	n/a	n/a	\$ 14,184,420	\$ 9,461,404

At June 30, 2014 the Arcadian Shores Fund had a deficit fund balance of \$106,618. This deficit fund balance will be repaid from future tax revenues and fee increases.

Note 13. Capital Contributions (amounts shown in thousands)

For the governmental activities, capital contributions during the fiscal year ended June 30, 2014, are as follows:

	Governmental Activities
Donated capital assets	\$ 758,607
Total	<u>\$ 758,607</u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2014, are as follows:

	Business -Type Activities
Grants and other cash contributions	\$ 6,415
Total	<u>\$ 6,415</u>

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2014, are as follows:

	HCSWA
Grants and other cash contributions	\$ 178
Totals	<u>\$ 178</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans

A. South Carolina Retirement and Police Officers' Retirement Systems (with amounts expressed thousands)

The following retirement related disclosure is made under the current GASB Statements 25 & 27.

All County employees, except for police department personnel, participate in the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer, public employee retirement system. County police officers participate in the South Carolina Police Officers' Retirement System (SCPORS), a cost-sharing, multiple-employer, public employee retirement system.

The plan is administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. The County and generally all full-time or part-time equivalent County employees in a permanent position are required to participate in and contribute to the SCRS or SCPORS 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). The plans provide a life-time monthly retirement annuity benefits to members as well as disability, survivor options, annual benefit adjustments, death benefits, and incidental benefits to eligible employees and retired members. The County's contributions are actuarially determined, but are communicated to and paid by the County as a percentage of the employees' annual earnings. The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements, required supplementary information and actuarial valuation. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960.

The County's total payroll for the year ended June 30, 2014 was approximately \$86,460 of which \$46,170 and \$40,290 were for employees covered by the SCRS and SCPORS, respectively. The County's total payroll for the year ended June 30, 2013 was approximately \$80,141 of which \$43,201 and \$36,939 were for employees covered by the SCRS and SCPORS, respectively. The County's total payroll for the year ended June 30, 2012 was approximately \$80,003 of which \$39,929 and \$35,440 were for employees covered by the SCRS and SCPORS, respectively.

The County's actual contributions made for the SCRS and SCPORS equaled the required contributions. The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2014 expressed as a dollar amount and as a percentage of covered payroll in 2014 were \$4,819 and 10.45% and \$3,450 and 7.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$5,019 and 12.44% and \$3,163 and 7.84%, respectively. The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2013 expressed as a dollar amount and as a percentage of covered payroll in 2013 were \$4,527 and 10.45% and \$3,032 and 7.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$4,418 and 11.90% and \$2,599 and 7.0%, respectively. The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2012 expressed as a dollar amount and as a percentage of covered payroll in 2012 were \$3,977 and 9.38% and \$2,754 and 6.50%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$4,210 and 11.36% and \$2,408 and 6.50%, respectively.

In addition to the above rates, the County's required contributions to the SCRS to provide a group life insurance benefit for their participants for the year ended June 30, 2014 expressed as a dollar amount and as a percentage of covered payroll were approximately \$69 and 0.15% of annual earnings, and the contributions to the SCPORS to provide a group life insurance benefit and an accidental death benefit for their participants expressed as a dollar amount and as a percentage of covered payroll were approximately \$161 and 0.20%.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

A. South Carolina Retirement and Police Officers' Retirement Systems (continued) ***(with amounts expressed thousands)***

SBHS:

The majority of the employees of Shoreline are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Benefits Division of the South Carolina Public Employee Benefits Authority (PEBA). For the current year ended June 30, 2014, employees participating in the SCRS were required to contribute 7.5% of covered payroll. The required employer base contribution rate was 10.45% and the related contribution amount of \$131. For the years ended June 30, 2013 and 2012, the employer contribution rate and amounts were 10.45% and \$117 and 9.385% and \$124, respectively. The contributions made by SBHS were equal to the required contributions for each year. SBHS paid employer incidental death program contributions of \$2 which represents .15% of covered payroll for their participants for the year ended June 30, 2014.

SWA:

SWA employees participate in the SCRS, a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Benefits Division of the South Carolina Public Employee Benefits Authority (PEBA). For the current year ended June 30, 2014, employees participating in the SCRS were required to contribute at a rate of 7.5% of covered payroll. The required employer base contribution rate was 10.6% and related contribution amount of \$410. For the years ended June 30, 2013 and 2012, the employer rate and amounts were 10.6% and \$409, and 9.535% and \$363, respectively. The contributions made by the SWA were equal to the required contributions for each year.

B. Post-Employment Benefits *(with amounts expressed in thousands)*

Other post employment healthcare benefits –

Plan Description

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees with a hire date prior to July 1, 2011, as per the requirements of a local ordinance. On June 19, 2012 Horry County approved further modifications to the Retiree Health Insurance plan through Resolution R-19-42, wherein post employment healthcare benefit changes were made for two defined groups known as "Grandfathered" and "Non-Grandfathered".

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

B. Post-Employment Benefits (continued)

(with amounts expressed in thousands except for retiree amounts)

Other post employment healthcare benefits –

Plan Description (continued)

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

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

Medicare – Eligible Provisions apply effective January 1, 2013:

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

Retiree Opt-Out

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

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

Deferred Retirement Benefits

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

B. Post-Employment Benefits (*with amounts expressed in thousands*) (continued)

Other post employment healthcare benefits –

Plan Description (continued)

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

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

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. The cost of these benefits is recognized as an expenditure of the general fund as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2014, the County contributed \$578 for existing retirees, net of the implicit rate subsidy. As of year-end, there were 236 employees that were receiving benefits. These financial statements assume that a pay-as-you-go funding policy will continue.

The Airport currently has 123 active employees and 9 retired members are eligible for OPEB as of June 30, 2014. Only one of the retired employees has opted for OPEB from the Airport, and that employee worked for both the Airport and Horry County. The Airport reimburses Horry County for its share of the OPEB expense.

HCSWA:

Plan Description

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

Employees retiring with at least twenty years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage at a cost established by PEBA. Employees retiring with at least ten years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage with fifty percent of the cost of coverage provided by the HCSWA and the remaining fifty percent provided by the retiree. Employees retiring at age sixty five or older with at least five years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage with one hundred percent of the cost of coverage provided by the retiree. If an eligible retiree accepts employment with another organization that provides health care benefits, the HCSWA coverage will no longer be provided. During the year ended June 30, 2014, plan members receiving benefits contributed \$49 (approximately 58% of total premiums) for the cost of retiree health insurance coverage.

Funding Policy

HCSWA pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2014, the HCSWA contributed \$35 (approximately 42% of total premiums) for the cost of retiree health insurance coverage.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

B. Post-Employment Benefits (continued)

Other post employment healthcare benefits –

SBHS:

Plan Description

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

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

*The amount of \$150 will increase by the lower of the CPI-U or 3% per year.

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. See **Special Item – SBHS (below) for the resulting impact to the financial statements.

Funding Policy

SBHS pays for post-employment health care benefits on a pay-as-you-go basis. During the year ended June 30, 2014, SBHS contributed \$0 towards the cost of retiree health insurance coverage. SBHS has recorded a post-employment benefit obligation in the amount of \$67 at June 30, 2014 as SBHS did not meet its contractually required contribution for the fiscal year.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

B. Post-Employment Benefits (continued)

Other post employment healthcare benefits –

Annual OPEB costs and Net OPEB Obligation

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

	Governmental		Business-type		Component Units	
	General	Police	Airport	Total	HCSWA	SBHS
Employer Normal Costs	\$ 654,936	\$ 690,901	\$ 57,575	\$ 1,403,412	\$ 139,523	\$ -
Amortization of UAL*	\$ 661,000	\$ 514,631	\$ 40,703	\$ 1,216,334	\$ 89,407	\$ 19,696
Annual Required Contribution (ARC)	\$ 1,315,936	\$ 1,205,532	\$ 98,278	\$ 2,619,746	\$ 228,930	\$ 19,696
Interest on Net OPEB Obligation	\$ 487,716	\$ 514,656	\$ 30,652	\$ 1,033,024	\$ 57,305	\$ 2,042
Adjustment to ARC	\$ (451,863)	\$ (476,824)	\$ (28,399)	\$ (957,086)	\$ (6,868)	\$ -
Annual OPEB Costs	\$ 1,351,789	\$ 1,243,364	\$ 100,531	\$ 2,695,684	\$ 279,367	\$ 21,738
Contributions made	\$ 552,010	\$ 248,577	\$ 31,017	\$ 831,604	\$ 34,939	\$ -
Increase in net OPEB obligation	\$ 799,779	\$ 994,787	\$ 69,514	\$ 1,864,080	\$ 244,428	\$ 21,738
Net OPEB Obligation-beginning of year	\$ 10,838,126	\$ 11,436,811	\$ 681,155	\$ 22,956,092	\$ 1,273,450	\$ 45,380
Net OPEB Obligation – end of year	\$ 11,637,905	\$ 12,431,598	\$ 750,669	\$ 24,820,172	\$ 1,517,878	\$ 67,118

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$2,413,102	32.30%	\$21,306,441
2013	\$2,488,947	33.72%	\$22,956,092
2014	\$2,695,684	30.85%	\$24,820,172

HCSWA and SBHS's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$323,622	6.66%	\$1,392,603
2013	\$252,133	9.16%	\$1,318,830
2014	\$301,105	11.60%	\$1,584,996

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2014, was as follows:

	Governmental		Business-type	Component Units	
	General	Police	Airport	HCSWA	SBHS
Actuarial accrued liability	\$15,854,358	\$12,343,639	\$ 976,288	\$2,144,481	\$ 335,270
Actuarial value of plan assets	-	-	-	\$ -	\$ -
Unfunded actuarial accrued liability (UAAL)	\$15,854,358	\$12,343,639	\$ 976,288	\$2,144,481	\$ 335,270
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$41,766,782	\$39,330,172	\$ 5,363,094	\$3,522,391	\$ 24,967
Unfunded actuarial accrued liability as a % of covered payroll	37.96%	31.38%	18.20%	60.88%	1342.85%

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

Actuarial Methods and Assumptions

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

In the June 30, 2013, actuarial valuation, the Projected Unit Credit, Level Percent of Payroll actuarial cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period or closed basis. The actuarial assumptions included 4.5% rate of investment return. General inflation is assumed to be 3.0% per year. The valuation assumes a health care trend inflation rate as follows:

Year	Health Care Trend Inflation Rates		
	Medical	Drug	Dental
2014	5.01%	5.01%	3.00
2015	6.00	6.00	3.00
2016	6.00	6.00	3.00
2017	6.00	6.00	3.00
2018	6.00	6.00	3.00
2019	5.75	6.00	3.00
2020	5.50	5.75	3.00
2021	5.25	5.50	3.00
2022	5.00	5.25	3.00
2023	4.75	5.00	3.00
2024	4.75	4.75	3.00
2025 and later	4.50	4.50	3.00

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

SBHS:

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

HCSWA:

In the June 30, 2013, most recent actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included 4.5% rate of investment return and an annual health care cost trend rate of 6.0% initially, reduced to an ultimate rate of 4.5% after ten years. Both rates included a 3.0% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value over a five-year period. The UAAL is being amortized as a level percent of active member payroll over a thirty-year period on a closed basis.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 15. Segment Information

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

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

Major Customers and Economic Condition - Department of Airports

Airline revenues, leases, concessions, and rental car activities, generate approximately 76% of the Airport's revenues or just over \$16.7 million of the \$21.9 million net operating revenue. Signatory Airlines generate \$5.2 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 29% in fiscal year 2014 and 24% in 2013, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 52% of the airline traffic, U.S. Airways 23%, Delta Air Lines 17%.

For the year ended June 30, 2014 there are three customers whose balance represents approximately 58% of the accounts receivable balance.

Note 16. Joint Enterprise - Baseball Stadium

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

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

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

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

As security for its obligation to make payments under the Hospitality Fee Agreement, the County has pledged and granted a security interest in the County Hospitality Fees to the extent of the lesser of \$300,000

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 16. Joint Enterprise - Baseball Stadium (continued)

or the amount due in any bond year pursuant to the Hospitality Fee Agreement. This amount is shown as part of the restricted fund balance in the Special Obligation Debt Service Fund.

While the stadium is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2014. Accordingly, the County has reported activities in the baseball stadium as a special revenue fund. Separate financial statements of the baseball stadium are presently not available.

Note 17. Intergovernmental Agreements - RIDE Projects

During fiscal years 1998 and 2000, and pursuant to the Horry County Road Improvement and Development Effort program (the "RIDE Program"), the County adopted and enacted its Ordinances #105-96 and #7-97 and entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the "SIB") to provide funding for various road construction projects in Horry County. Pursuant to a certain Master Loan Agreement (as amended), SIB agreed to make available financial assistance to Horry County in the amounts totaling up to \$744,415,526 for the RIDE Tables 1 and 3 projects specified in Intergovernmental Agreements (IGA) #1 and #2.

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

These agreements are summarized as follows:

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

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

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

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

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

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

Source of Funds for Repayment - Horry County shall make payments from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County shall not be obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances are

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

not repealed or amended in any way that would reduce or halt the deposit of hospitality fees into the Hospitality 1.5% Special Revenue Fund or abolish that Fund.

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

Pursuant to IGA #3, Exhibit B (dated May 21, 2002) the maintenance contribution liability of \$2.0 million was deleted in its entirety.

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

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

Term of the Agreement and Repayment by Horry - Horry County shall make payments over 20 years as set-forth in an attachment to the agreement. The annual loan repayments, as shown on an attachment to the agreement, are due and payable in equal quarterly installments on March 31, June 30, September 30, and December 31 of each calendar year, beginning March 31, 2000, and ending December 31, 2016, or date final repayments on all loans hereunder have been made. From revenues deposited into the Loan Servicing Account, SIB shall cause the state treasurer to make payments required under IGA Loans # 1 and #2.

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

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

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

Amendment to Master Loan Agreement

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements – RIDE Projects (continued)

Intergovernmental Agreement #3 - dated May 21, 2002

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

Term of Agreement and Contribution by Horry

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

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

Amendments to Previous Agreements

Exhibit B of IGA #3, amended IGA #1 and #2 (and their amendments) to (1) clarify and conform certain provisions in those agreements with each other and to the requirements of lenders, credit rating agencies, or bond insurers involved with the SIB, and (2) to confirm quarterly debt repayment requirements pursuant to a prioritization schedule - which includes IGA Loan #1 totaling \$300 million as first priority due in quarterly installments of \$3.75 million (with zero percent interest) through June 2017, amending IGA Loan #2 repayment amounts (originally totaling \$247,577,644 in loan amounts) to a total repayment amount of \$352,440,172 with \$162,100,000 (known as the "insured portion") to be paid in quarterly installments through the year ended June 30, 2022 and \$190,340,172 (known as the "uninsured portion") to be paid in quarterly installments through the year ended June 30, 2022.

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies

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

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

Federal and State Assisted Programs

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

Commitments

The County has undertaken significant road construction projects to address transportation needs within the County. The construction program known as Road Improvement and Development Effort (RIDE) is being implemented in phases and includes a series of interconnected highway construction and road enhancements that will improve the transportation network in the County.

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

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

The County had a total of \$21,105,710 in encumbrances at June 30, 2014. Encumbrances for the major funds are as follows: \$658,776 is encumbered in the General Fund primarily related to public works maintenance and countywide annual service contracts; \$10,869,856 is encumbered in the General Capital Improvements Project Fund primarily related to the capital projects of the energy performance lease and financial software conversion; \$2,914,451 is encumbered in the Capital Project Sales Tax Fund primarily for the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax. Other significant encumbrances from non-major funds at June 30, 2014 are: the Road Maintenance & CTC Fund had \$3,439,220 in encumbrances primarily related to multiple road paving projects; the Grants Fund had \$513,187 in encumbrances primarily for economic development agreements; and the CDBG Grant Program Special Revenue Fund had \$893,494 of encumbrances. The Internal Service Fund had \$413,358 in encumbrances primarily related to heavy equipment replacement.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies (continued)

Department of Airports

Capital Projects Contingency - As of the audit date aggregate unresolved contract claims for payment made by contractors who performed work on the Terminal Capacity Enhancement Project (TCEP), for services completed on or before June 30, 2014, were asserted at a combined value of \$53,000, which has been accrued to the related assets. Settlement has been addressed and the Airport has paid \$53,000 in the fiscal year 2015. Unresolved claims related to construction-related work on the ITAP Ramp and Taxiway, totaled \$47,309, and this amount has also been accrued to the value of the completed asset.

HCSWA

Prior to June 30, 2014, the HCSWA entered into a contract in conjunction with the construction and demolition landfill closure project. The cost of the contract totals \$6,344.366 of which \$720,825 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, 2014, there were no significant reductions in insurance coverage from the prior year. Insured claims have not exceeded the County's coverage in any of the past five (5) years.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 20. 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	\$ 466,606,024
<i>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.</i>	
Capital assets	843,251,868
Less, accumulated depreciation	<u>(144,783,886)</u>
Net amount reported	<u>698,467,982</u>
<i>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:</i>	
Property taxes, net of allowance for uncollectible	4,457,969
Accommodations tax	789,567
Grant reimbursement	<u>871,107</u>
Net amount reported	<u>6,118,643</u>
<i>Internal service funds are used by management to charge the costs of fleet services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.</i>	
	<u>32,656,374</u>
<i>Net post employment benefit obligation does not require the use of current financial resources and, therefore, is not reported as a liability in the governmental funds.</i>	<u>(24,069,503)</u>
<i>Long-term liabilities, including bonds payable that are not due and payable in the current period and, therefore, are not reported in these funds.</i>	
General & special obligation bonds	(100,116,842)
Capital leases payable	(14,224,021)
Deferred charges on refunding	1,452,236
Bond premium	(1,988,242)
SC Transportation Infrastructure Bank Loan (SIB)	(205,988,838)
Less: Net present value adjustment of SIB loan	2,289,127
Compensated absences	(13,373,283)
Accrued interest	<u>(1,876,381)</u>
Net amount reported	<u>(333,826,244)</u>
Total net position, end of year - governmental activities	<u>\$ 845,953,276</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 20. Reconciliation of Government-Wide and Fund Financial Statements (continued)

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

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

Net change in fund balance - governmental funds	\$ 50,126,695
---	---------------

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 in the current period.

Capital outlay expenditures	21,620,393
Depreciation expense	<u>(14,011,138)</u>
Net amount reported	<u>7,609,255</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.

Property taxes, grants reimbursements, & accommodations tax	770,492
Capital project sales tax recorded in Statement of Activities in the prior year	<u>(14,193,188)</u>
Net amount reported	<u>(13,422,696)</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>758,607</u>
----------------------------	----------------

Some expenditures reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net post employment benefit obligation	(1,794,566)
Accrued compensated absences	(919,646)
Imputed interest on SIB debt	<u>(1,660,000)</u>
Net amount reported	<u>(4,374,212)</u>

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayments of G.O., S.O. bond & Certificates of Participation principal	11,827,851
Repayments of SC Transportation Infrastructure Bank Loan (SIB) principal	28,026,821
Proceeds from bonds	(252,000)
Proceeds from capital leases	(12,081,747)
Repayments of capital leases	1,726,406
Change in accrued interest expense & amortization of bond premiums	<u>(379,738)</u>
Net amount reported	<u>28,867,593</u>

The net revenue and transfer of fund balance of certain activities of internal service funds reported with governmental activities.

<u>1,393,510</u>

Change in net position-governmental activities	<u>\$ 70,958,752</u>
--	----------------------

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. Service Concession Arrangement

In August 2011, Horry County and its agent, Horry County Department of Airports, entered into a contract with Republic Parking System, Inc. to provide a paid parking concession for passengers of the Myrtle Beach International Airport for a term of 59 months. Per agreement, Republic Parking System, Inc. is to provide parking services to airport customers, using airport-owned parking lots and airport-owned parking revenue-management equipment.

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

During fiscal year 2014 parking concessions revenues recorded were \$2,414,973. \$1,506,693 of parking revenue recognized in fiscal year 2014 represents amortization of the service concession agreement during the fiscal year. \$908,280 represents commissions received on operating results in excess of the minimum annual guarantee.

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.

The Statement of Net Position reflects the net present value of the service concession arrangement as an asset and a deferred inflow of resources as follows:

Opening Service Concession Arrangement and Deferred inflow of resources at June 30, 2013	\$ 4,792,038
Amortization of discounted minimum annual payments	<u>(1,506,693)</u>
Service Concession Arrangement and Deferred inflow of resources at June 30, 2014	<u>\$ 3,285,345</u>

Note 22. Restatements and Reclassifications

As mentioned in Note 1 to the financial statements, the County implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. The provisions of this statement require that bond issuance costs be expensed in the year they are incurred. Previously, bond issuance costs had been treated as an asset and amortized over the life of the related debt. Therefore, bond issuance costs were removed from the Statement of Net Position. This resulted in a restatement of beginning net position of the Governmental Activities, decreasing net position by \$940,000. Assets were reduced by the same amount. Thus, a prior period adjustment was recorded. GASB Statement No. 65 also revises the treatment of transactions previously reported as either assets or liabilities to deferred outflows/inflows of resources on the Statement of Net Position and balance sheet.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. Restatements and Reclassifications (continued)

The Business-Type Activity net position for fiscal year 2013 has been adjusted by \$951,755 to remove bond issuance costs of \$918,936 reported on the Statement of Net Position at June 30, 2013 and to reverse \$32,819 of related amortization expense recognized on the Statement of Revenues, Expenses and Changes in Net Position. Adjusted net increase in net position for fiscal year 2013 is \$19,476,528. In the reconciliation of operating income to net cash provided by operating activities in the Statements of Cash Flows, the Operating Loss reported of \$2,622,405 has been adjusted by \$32,819 to \$2,589,586 with an offsetting decrease to depreciation and amortization expense. Thus, a prior period adjustment was recorded.

Note 23. Prior Period Adjustments

A prior period adjustment was made for Governmental Activities in the Statement of Activities for correction of outstanding debt obligation. Net effect of this adjustment is \$181,500 which reduces beginning Net Position. A prior period adjustment was made for Governmental Activities in the Statement of Activities to account for an overstatement of liabilities and understatement of revenues due to an incorrect deferral of revenue. Net effect of this adjustment is \$2,159,426 which increases beginning Net Position.

Note 24. New Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. This Statement is not expected to have an impact on the County's financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 24. New Accounting Pronouncements (continued)

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. This statement will impact financial reporting for the County for fiscal year 2015. As of the date of this report, the impact is unknown.

In January 2013, the GASB issued Statement No. 69, *Summary of Statement No. 69 Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of Statement 69 are effective for fiscal years beginning after December 15, 2013. Earlier application is encouraged. This statement is not expected to have an impact on the County's financial statements.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of Statement 70 are effective for fiscal years beginning after June 15, 2013. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2014

Basis of Budgeting

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

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

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

(with comparative actual amounts for for the year ended June 30, 2013)

	2014				2013
	Budget		Actual Amounts	Variance	Actual (as restated)
	Original	Final			
Revenues					
Real property taxes	\$ 64,995,465	\$ 64,995,467	\$ 65,687,108	\$ 691,641	\$ 65,076,726
Personal property taxes	4,708,500	4,708,500	4,782,202	73,702	4,578,270
Vehicle taxes	4,850,000	4,850,000	5,561,887	711,887	5,219,154
Intergovernmental	13,287,983	12,229,996	11,780,360	(449,636)	14,499,447
Fees and fines	23,690,737	23,573,749	23,153,421	(420,328)	23,981,546
Documentary stamps	2,705,000	2,705,000	3,200,134	495,134	2,763,904
License and permits	7,053,350	7,053,350	7,797,170	743,820	7,343,942
Interest on investments	60,622	60,622	100,410	39,788	103,680
Cost allocation	2,851,125	2,851,125	3,068,977	217,852	2,786,824
Other	4,003,975	3,636,031	3,514,284	(121,747)	3,547,400
Total revenues	128,206,757	126,663,840	128,645,953	1,982,113	129,900,893
Expenditures					
General Government:					
County Council	1,152,472	1,541,207	1,042,994	498,213	939,618
County Administrator	386,399	348,651	296,593	52,058	210,096
Administration Division	170,951	173,989	169,280	4,709	162,195
Finance	1,458,366	1,612,300	1,504,341	107,959	1,243,517
Department Overhead	6,994,965	5,182,769	3,337,455	1,845,314	3,834,814
Human Resources	1,283,613	1,313,988	1,183,852	130,136	1,115,711
Procurement	386,347	393,392	359,820	33,572	305,941
IT/GIS	6,184,339	6,262,551	6,032,139	230,412	5,945,241
Assessor	3,199,744	3,253,543	3,197,865	55,678	2,966,105
Assessor Appeals Board	7,180	7,180	5,203	1,977	4,657
Registrar of Deeds	1,034,370	1,064,227	967,343	96,884	908,958
Maintenance	4,708,535	4,752,697	4,265,989	486,708	4,243,487
Voter Registration and Election	558,509	566,570	497,300	69,270	635,179
Public Information	277,406	282,638	264,913	17,725	270,366
Budget and Revenue Management	187,765	66,642	66,516	126	184,987
Treasurer	1,839,388	1,894,267	1,891,880	2,387	1,842,717
Auditor	1,482,054	1,512,605	1,458,071	54,534	1,424,558
Probate Judge	943,194	990,281	990,282	(1)	900,205
Master in Equity	447,321	454,333	425,332	29,001	429,526
Legal	859,168	928,286	739,687	188,599	734,267
Grant Administration	125,628	127,485	42,808	84,677	37,074
Delegation	102,212	104,548	103,973	575	100,760
Hospitality	333,642	350,105	321,587	28,518	281,316
Business License	227,654	226,036	220,399	5,637	217,874
Total	34,351,222	33,410,290	29,385,622	4,024,668	28,939,169
Less, capital outlay	(790,562)	(790,562)	(737,017)	(53,545)	(302,961)
Net general government	33,560,660	32,619,728	28,648,605	3,971,123	28,636,208

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2014				2013
	Budget		Actual		Actual
	Original	Final	Amounts	Variance	(as restated)
Public Safety:					
Solicitor	5,571,465	-	-	-	5,745,685
Public Defender	1,676,596	-	-	-	1,546,486
Clerk of Court - Circuit DSS Family	2,590,976	2,648,498	2,628,167	20,331	2,592,854
Magistrate No. 1 Conway	274,956	280,873	270,014	10,859	268,406
Magistrate No. 2 Aynor	170,722	175,052	172,148	2,904	162,283
Magistrate No. 4 Mt. Olive	208,576	212,461	214,206	(1,745)	201,887
Magistrate No. 5 Loris	194,643	199,326	199,044	282	181,966
Magistrate No. 6 Myrtle Beach	346,088	350,582	345,551	5,031	338,711
Magistrate No. 7 Steven Cross Road	201,050	204,851	210,596	(5,745)	177,948
Magistrate No. 11 Surfside	182,325	189,026	180,943	8,083	177,828
Magistrate at Large No. 1	116,645	191,310	180,532	10,778	116,715
Magistrate at Large No. 2	372,919	365,917	383,572	(17,655)	371,793
Central Summary Court	351,144	302,635	299,630	3,005	562,183
Central Jury Court	288,488	293,447	277,338	16,109	-
Communications	2,539,444	2,501,368	2,402,393	98,975	2,089,985
Assistant County Administrator	321,302	394,704	364,934	29,770	333,443
Sheriff	4,992,463	5,204,143	5,100,758	103,385	4,839,940
Police	18,067,539	18,361,685	18,115,373	246,312	16,714,613
Central Processing - DSS	66,315	62,578	62,293	285	60,901
Emergency Management	444,918	453,826	425,940	27,886	442,621
Emergency 911 Communications	2,874,101	2,924,118	2,852,255	71,863	2,763,902
Coroner	722,685	760,662	731,282	29,380	679,070
Detention Center	21,153,700	22,577,615	21,646,708	930,907	19,618,561
Emergency Medical Services	13,750,521	14,038,703	14,336,837	(298,134)	13,404,538
Animal Care Center	1,002,903	1,034,625	1,019,533	15,092	936,647
Parking Program	-	206,813	61,341	145,472	-
Pre-trial Intervention	707,478	-	-	-	606,275
Total	79,189,962	73,934,818	72,481,388	1,453,430	74,935,241
Less, capital outlay	(774,195)	(827,595)	(769,824)	(57,771)	(471,185)
Net public safety	78,415,767	73,107,223	71,711,564	1,395,659	74,464,056

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2014				2013
	Budget		Actual		Actual
	Original	Final	Amounts	Variance	(as restated)
Expenditures (continued)					
Infrastructure and Regulation:					
Assistant County Administrator	274,939	280,357	233,917	46,440	228,408
County Engineer	1,400,720	1,441,117	935,783	505,334	981,558
Public Works	7,951,682	9,681,419	7,418,086	2,263,333	7,433,316
Codes Enforcement	2,770,961	2,786,896	2,324,611	462,285	2,353,754
Planning	1,582,434	1,638,236	1,547,673	90,563	1,438,146
Railroad	-	143,572	90,054	53,518	-
Total	13,980,736	15,971,597	12,550,124	3,421,473	12,435,182
Less, capital outlay	-	(24,668)	(24,667)	(1)	(54,485)
Net infrastructure and regulation	13,980,736	15,946,929	12,525,457	3,421,472	12,380,697
Health and Social Services:					
Medically Indigent Assistance Program	1,266,708	1,301,947	1,280,959	20,988	1,266,550
Health Department	140,000	140,000	126,474	13,526	124,335
Department of Social Services	91,046	91,046	84,326	6,720	89,535
Veteran Affairs	348,666	354,387	327,783	26,604	254,880
Total	1,846,420	1,887,380	1,819,542	67,838	1,735,300
Net health and social services	1,846,420	1,887,380	1,819,542	67,838	1,735,300
Culture, Recreation, and Tourism:					
Library	4,306,275	4,381,516	4,094,817	286,699	3,836,084
Museum	642,309	706,077	602,080	103,997	494,679
Total	4,948,584	5,087,593	4,696,897	390,696	4,330,763
Less, capital outlay	(30,000)	(30,000)	(26,250)	(3,750)	-
Net culture, recreation and tourism	4,918,584	5,057,593	4,670,647	386,946	4,330,763
Other:					
Other Agencies:	1,119,308	1,119,308	1,119,308	-	1,194,308
Total other	1,119,308	1,119,308	1,119,308	-	1,194,308
Capital outlay	1,594,757	1,672,825	1,557,758	115,067	828,631
Total expenditures	135,436,232	131,410,986	122,052,881	9,358,105	123,569,963
Excess of revenues over expenditures	(7,229,475)	(4,747,146)	6,593,072	11,340,218	6,330,930
Other Financial Sources (Uses)					
Sale of assets	100,000	100,000	94,474	(5,526)	141,923
Transfers in	539,456	559,792	710,445	150,653	1,780,839
Transfers out	(1,655,341)	(8,003,976)	(8,003,438)	538	(4,368,514)
Total other financing sources (uses)	(1,015,885)	(7,344,184)	(7,198,519)	145,665	(2,445,752)
Net change in fund balance	(8,245,360)	(12,091,330)	(605,447)	11,485,883	3,885,178
Fund balance at beginning of year	41,965,721	41,965,721	41,965,721	-	38,080,543
Fund balance at end of year	\$ 33,720,361	\$ 29,874,391	\$ 41,360,274	\$ 11,485,883	\$ 41,965,721

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2014

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

Horry County's road system consists of approximately 55% paved roads and 45% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. Horry County implemented a Pavement Management System (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network in the County. The pavement management system uses a measurement scale called a Pavement Condition Index (PCI) to rate road condition and the PCI is correlated to the 1-5 condition ranking. Each road is ranked from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70 percent of its paved road system at fair or better condition level. No more than 30 percent should be in a substandard condition. Condition assessments are completed every year.

The County created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year from FY04 through FY08. In FY09, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in FY10 it was further reduced to 9.7 miles per year. Due to continued revenue shortfalls, it was further reduced to 8.9 miles in FY 11 and 9 miles in FY 12 (which included 1 mile funded by the County Transportation Committee (CTC)). Funding for the dirt road paving program has stabilized during FY 13 to allow approximately 11 miles of paving per year (including the one mile of CTC-funded improvements). As the County dirt roads are paved, they become part of the County's paved road network and are added to the MicroPaver pavement management system.

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

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

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

- 1) Since the end of FY 2004, the County's paved roadway network has more than doubled. Approx. 393 paved miles at the end of FY 2004 compared to 792 paved miles at the end of FY 2014.
- 2) The current economic conditions, as well as County Council's shifting \$1,750,000 in revenue out of Road Fund (34) has resulted in a reduction in the road improvement fund. This loss of revenue has reduced the paving and resurfacing programs.
- 3) In May 2007, a one-cent sales tax was passed and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 67 miles of County maintained roads over a 7 year period.
- 4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited annually and rated. Since the new Pavement Management Program utilizes a PCI the figures & condition ratings for FY 11 do not correlate to previous numbers. Maintenance costs needed at June 30, 2014 to improve all roads with a rating of 1 or 2 to a rating of 3 or better are \$10,167,210.
- 5) In FY09 County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

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

	Percentage of Miles in Fair or Better Condition		
	Condition		
	2014	2013	2012
Arterial	70.9%	75.9%	81.1%
Collector	86.5%	81.3%	76.8%
Access	85.7%	91.8%	89.9%
Overall system	85.0%	91.0%	88.5%

	Percentage of Miles in Substandard Condition		
	Condition		
	2014	2013	2012
Arterial	29.1%	24.1%	18.9%
Collector	13.5%	18.7%	23.2%
Access	14.3%	8.2%	10.1%
Overall System	15.0%	9.0%	11.5%

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2014

- CONTINUED -

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

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2014	2013	2012	2011	2010
Arterial:					
Needed	\$ 570,000	\$ 357,000	\$ 387,000	\$ 165,965	\$ 376,530
Actual	68,068	29,540	-	-	10,721
Collector:					
Needed	931,000	1,181,000	1,522,000	779,027	1,050,433
Actual	111,177	335,773	224,373	158,357	6,158
Access:					
Needed	10,045,000	5,663,000	6,669,000	3,253,398	8,039,258
Actual	1,199,545	990,579	2,312,218	1,728,335	1,345,558
Overall System:					
Needed	11,546,000	7,201,000	8,578,000	4,198,390	9,466,221
Actual	1,378,790	1,355,892	2,536,591	1,886,692	1,362,437
Difference	\$ 10,167,210	\$ 5,845,108	\$ 6,041,409	\$ 2,311,698	\$ 8,103,784

* See Note 4 on previous page.

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

Infrastructure Assets

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

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

The Airport developed a Pavement Management and Maintenance Study (PMMS) in 2000 and again in 2010. The basis for the condition measurement of airfield systems using the Pavement Condition Index (PCI) are distresses found in the pavement surfaces. The Airport has a PMMS completed periodically (5-10 years) or as required by the Federal Aviation Administration (FAA). The Airport has had 2 annual FAA Part 139 inspections since the last formal PMMS, and they were passed successfully.

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

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

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

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2014

- CONTINUED -

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

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

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

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

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

The next complete condition assessment is scheduled for fiscal year 2015.

The following table represents the estimated and actual maintenance costs of the MYR pavement infrastructure. During the past five years, maintenance and preservation of the infrastructure have been undertaken to prevent further deterioration of pavement condition while the Airport develops a comprehensive program to raise the average PCI to a level of 71 or greater. HCDA is currently in the preliminary design phase of the proposed rehabilitation of the MYR Runway which will greatly increase the average PCI for MYR in the future.

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
2014	\$75,000	\$107,525
2013	\$44,680	\$60,937
2012	\$60,400	\$96,900
2011	\$44,000	\$54,600
2010	\$50,000	\$43,500

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 general aviation and charter aircraft faster access to and from the runway.
- **MYR Ramp Rehabilitation (\$2.8M)** - This project removed all remaining asphalt pavement on the Commercial Ramp at MYR and replaced it with 12 inches of P-501 Concrete over 5 inches of Cement Treated Base.
- **MYR Expansion of Taxiway "A" (\$5M)** - In order to expand the existing Ramp for the proposed New Terminal, Taxiway "A" was expanded.
- **MYR Runway Rehabilitation (Budget \$20.5M)** - During fiscal year 2014 the design work for complete rehabilitation of the MYR runway was complete. Completion of the runway rehabilitation work is scheduled during fiscal year 2015.

HORRY COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT
SCHEDULE OF FUNDING PROGRESS OTHER
POST EMPLOYMENT BENEFITS PLAN
FOR THE YEAR END JUNE 30, 2014

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 5,510,608	6.71%	\$ 5,140,807
2009	\$ 5,692,932	7.52%	\$ 10,405,564
2010	\$ 5,425,242	14.62%	\$ 15,037,859
2011	\$ 5,602,291	17.27%	\$ 19,672,757
2012	\$ 2,413,102	32.30%	\$ 21,306,441
2013	\$ 2,488,947	33.72%	\$ 22,956,092
2014	\$ 2,695,684	30.85%	\$ 24,820,172

Funded status and Funding Progress

The funded status of the plan as of June 30, 2014 was as follows:

	Actuarial valuation date	Fiscal Year Ended	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAAL as a percentage of covered payroll
General	6/30/2007	6/30/2008	\$0	\$ 30,307,044	\$ 30,307,044	0.00%	\$ 38,989,986	77.73%
Police	6/30/2007	6/30/2008	\$0	\$ 17,983,147	\$ 17,983,147	0.00%	\$ 30,483,561	58.99%
Airport	6/30/2007	6/30/2008	\$0	\$ 1,151,637	\$ 1,151,637	0.00%	\$ 4,349,632	26.48%
General	6/30/2007	6/30/2009	\$0	\$ 33,737,013	\$ 33,737,013	0.00%	\$ 36,659,940	92.03%
Police	6/30/2007	6/30/2009	\$0	\$ 21,214,682	\$ 21,214,682	0.00%	\$ 33,011,365	64.26%
Airport	6/30/2007	6/30/2009	\$0	\$ 1,366,632	\$ 1,366,632	0.00%	\$ 4,352,388	31.40%
General	6/30/2009	6/30/2010	\$0	\$ 28,891,592	\$ 28,891,592	0.00%	\$ 39,413,411	73.30%
Police	6/30/2009	6/30/2010	\$0	\$ 19,629,760	\$ 19,629,760	0.00%	\$ 35,285,743	55.63%
Airport	6/30/2009	6/30/2010	\$0	\$ 1,135,710	\$ 1,135,710	0.00%	\$ 4,202,436	27.03%
General	6/30/2009	6/30/2011	\$0	\$ 31,626,672	\$ 31,626,672	0.00%	\$ 39,864,688	79.34%
Police	6/30/2009	6/30/2011	\$0	\$ 21,695,771	\$ 21,695,771	0.00%	\$ 36,307,295	59.76%
Airport	6/30/2009	6/30/2011	\$0	\$ 1,257,921	\$ 1,257,921	0.00%	\$ 4,465,721	28.17%
General	6/30/2011	6/30/2012 *	\$0	\$ 9,301,650	\$ 9,301,650	0.00%	\$ 39,144,623	23.76%
Police	6/30/2011	6/30/2012 *	\$0	\$ 14,942,445	\$ 14,942,445	0.00%	\$ 36,035,496	41.47%
Airport	6/30/2011	6/30/2012 *	\$0	\$ 571,426	\$ 571,426	0.00%	\$ 4,595,620	12.43%
General	6/30/2011	6/30/2013	\$0	\$ 9,301,650	\$ 9,301,650	0.00%	\$ 39,433,327	23.59%
Police	6/30/2011	6/30/2013	\$0	\$ 14,942,445	\$ 14,942,445	0.00%	\$ 36,155,619	41.33%
Airport	6/30/2011	6/30/2013	\$0	\$ 571,426	\$ 571,426	0.00%	\$ 4,643,862	12.30%
General	6/30/2013	6/30/2014	\$0	\$ 15,854,358	\$ 15,854,358	0.00%	\$ 41,766,782	37.96%
Police	6/30/2013	6/30/2014	\$0	\$ 12,343,639	\$ 12,343,639	0.00%	\$ 39,330,172	31.38%
Airport	6/30/2013	6/30/2014	\$0	\$ 976,288	\$ 976,288	0.00%	\$ 5,363,094	18.20%

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

Schedule of Employer Contributions

	Fiscal Year Ended June 30,	Annual Required Contribution (ARC)	Actual Contribution	Percent of ARC Contributed
General	2008	\$ 2,991,110	\$ 266,149	8.90%
Police	2008	\$ 2,364,135	\$ 103,652	4.38%
Airport	2008	\$ 155,363	\$ -	0.00%
General	2009	\$ 3,080,843	\$ 321,156	10.42%
Police	2009	\$ 2,435,059	\$ 107,019	4.39%
Airport	2009	\$ 155,363	\$ -	0.00%
General	2010	\$ 2,753,742	\$ 555,709	20.18%
Police	2010	\$ 2,497,144	\$ 227,143	9.10%
Airport	2010	\$ 139,935	\$ 10,095	7.21%
General	2011	\$ 2,836,355	\$ 645,482	22.76%
Police	2011	\$ 2,572,058	\$ 304,768	11.85%
Airport	2011	\$ 144,133	\$ 17,143	11.89%
General	2012 *	\$ 1,014,307	\$ 591,395	58.31%
Police	2012 *	\$ 1,269,653	\$ 177,852	14.01%
Airport	2012 *	\$ 64,065	\$ 10,171	15.88%
General	2013	\$ 1,044,736	\$ 622,946	59.63%
Police	2013	\$ 1,307,746	\$ 198,380	15.17%
Airport	2013	\$ 65,987	\$ 17,970	27.23%
General	2014	\$ 1,315,936	\$ 552,010	41.95%
Police	2014	\$ 1,205,532	\$ 248,577	20.62%
Airport	2014	\$ 98,278	\$ 31,017	31.56%

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

OTHER FINANCIAL INFORMATION

COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2014

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 14,719	\$ -	\$ -	\$ 14,719
Pooled cash and investments	57,380,514	1,833,076	9,540,658	68,754,248
Receivables, net:				
Property taxes	1,528,071	51,165	419,077	1,998,313
Accounts and other	286,377	-	-	286,377
Fees	2,377,990	-	-	2,377,990
Interest receivable	26,104	447	5,679	32,230
Due from other funds	68,396	-	25,350	93,746
Due from other governments	3,004,526	-	-	3,004,526
Prepaid items	33,961	-	-	33,961
Restricted assets	141,634	-	216,787	358,421
Total Assets	\$ 64,862,292	\$ 1,884,688	\$ 10,207,551	\$ 76,954,531
Liabilities				
Accounts payable - trade	\$ 2,211,181	\$ -	\$ -	\$ 2,211,181
Retainage payable	18,696	-	-	18,696
Accrued salaries and wages	1,051,068	-	-	1,051,068
Due to other funds	746,530	-	-	746,530
Due to other governments	56,554	-	-	56,554
Due to component units	1,088,999	-	-	1,088,999
Other liabilities	97	-	-	97
Total liabilities	5,173,125	-	-	5,173,125
Deferred Inflows of Resources				
Unavailable revenue-fees and other	2,070,270	-	-	2,070,270
Unavailable revenue-property taxes	1,268,974	40,289	341,687	1,650,950
Total deferred inflows of resources	3,339,244	40,289	341,687	3,721,220
Fund Balances				
Nonspendable	33,961	-	-	33,961
Restricted for public safety	11,041,967	1,601,176	-	12,643,143
Restricted for culture, recreation and tourism	7,987,609	34,868	-	8,022,477
Restricted for infrastructure and regulation	16,356,632	208,355	-	16,564,987
Restricted for economic development	1,866,518	-	-	1,866,518
Restricted for health and social services	64,453	-	-	64,453
Restricted for debt service	-	-	9,865,864	9,865,864
Committed to culture, recreation and tourism	1,568,663	-	-	1,568,663
Committed to infrastructure and regulation	15,585,784	-	-	15,585,784
Committed to economic development	1,336,756	-	-	1,336,756
Committed to other purposes	614,198	-	-	614,198
Unassigned (deficit)	(106,618)	-	-	(106,618)
Total fund balances	56,349,923	1,844,399	9,865,864	68,060,186
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 64,862,292	\$ 1,884,688	\$ 10,207,551	\$ 76,954,531

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Revenues				
Real property taxes	\$ 31,422,247	\$ 1,402,288	\$ 8,812,361	\$ 41,636,896
Personal property taxes	2,508,234	115,874	648,069	3,272,177
Vehicle taxes	3,192,673	82,022	781,349	4,056,044
Intergovernmental	11,020,394	-	35,026	11,055,420
Accommodations tax	3,904,029	-	-	3,904,029
Fees and fines	13,794,912	-	-	13,794,912
Hospitality fees	3,146,983	-	243,075	3,390,058
Local accommodations tax	245,407	-	-	245,407
Interest on investments	76,313	1,331	138,508	216,152
Other	991,810	12,875	-	1,004,685
Total revenues	<u>70,303,002</u>	<u>1,614,390</u>	<u>10,658,388</u>	<u>82,575,780</u>
Expenditures				
Current:				
Public safety	29,328,565	-	-	29,328,565
Infrastructure and regulation	16,084,313	-	-	16,084,313
Health and social services	804,833	-	-	804,833
Culture, recreation and tourism	6,154,672	8,000	-	6,162,672
Economic development	2,736,686	-	-	2,736,686
HGTC and Higher Education Commission	4,735,590	-	-	4,735,590
Capital outlay	3,975,442	-	-	3,975,442
Debt service	-	-	16,290,454	16,290,454
Total expenditures	<u>63,820,101</u>	<u>8,000</u>	<u>16,290,454</u>	<u>80,118,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,482,901</u>	<u>1,606,390</u>	<u>(5,632,066)</u>	<u>2,457,225</u>
Other Financing Sources (Uses)				
Transfers in	6,728,908	-	2,166,488	8,895,396
Transfers out	(4,609,482)	(500)	-	(4,609,982)
Total other financing sources (uses)	<u>2,119,426</u>	<u>(500)</u>	<u>2,166,488</u>	<u>4,285,414</u>
Net change in fund balance	8,602,327	1,605,890	(3,465,578)	6,742,639
Fund balances at beginning of year, as restated	47,747,596	238,509	13,331,442	61,317,547
Fund balances at end of year	<u>\$ 56,349,923</u>	<u>\$ 1,844,399</u>	<u>\$ 9,865,864</u>	<u>\$ 68,060,186</u>

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The General Fund is the major operating fund of the County's governmental activities and is used to account for all financial resources except those required to be accounted for in other funds.

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEETS

As of June 30, 2014
(with comparative amounts as of June 30, 2013)

	2014	2013 (as restated)
Assets		
Cash and cash equivalents	\$ 3,251,133	\$ 2,889,077
Pooled cash and investments	58,371,681	57,983,556
Receivables, net:		
Property taxes	3,506,077	3,700,031
Accounts and other	4,148,682	4,861,251
Fees	658,605	682,397
Interest receivable - investments	36,279	26,775
Due from other funds	1,552,690	1,364,462
Due from other governments	3,165,308	2,450,630
Inventories	39,624	55,655
Prepaid items	37,813	1,919,245
Restricted cash	-	1,000,034
Total Assets	<u>\$ 74,767,892</u>	<u>\$ 76,933,113</u>
Liabilities:		
Accounts payable - trade	\$ 1,975,662	\$ 2,567,919
Accounts payable - other	2,558,693	3,373,981
Accrued salaries and wages	3,355,300	3,198,598
Due to other funds	93,746	278,772
Due to component unit	106,794	102,278
Due to other governments	2,764,484	2,175,236
Due to taxpayers for overpayment	1,263,781	1,322,387
Funds held in trust - proceeds from sale of properties due to delinquent taxes	13,475,065	14,583,249
Other accrued liabilities	2,830,022	2,593,318
Total Liabilities	<u>28,423,547</u>	<u>30,195,738</u>
Deferred Inflows of Resources:		
Unavailable revenues - fees and other	2,176,052	1,740,118
Unavailable revenues - property taxes	2,808,019	3,031,536
Total deferred inflows of resources	<u>4,984,071</u>	<u>4,771,654</u>
Fund balances:		
Nonspendable	77,437	1,974,900
Restricted for other purposes	116,853	1,038,190
Committed to public safety	895,421	31,554
Committed to culture, recreation & tourism	436,099	565,506
Committed to infrastructure & regulation	1,583,706	1,069,618
Committed to stabilization	19,633,681	19,326,932
Committed to other purposes	7,919,047	6,393,248
Committed to OPEB	1,307,057	895,661
Assigned to other purposes	-	473,501
Unassigned	9,390,973	10,196,611
Total fund balances	<u>41,360,274</u>	<u>41,965,721</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,767,892</u>	<u>\$ 76,933,113</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD ENDED JUNE 30, 2014
(with comparative actual amounts for the period ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 64,995,467	\$ 65,687,108	\$ 691,641	\$ 65,076,726
Personal property taxes	4,708,500	4,782,202	73,702	4,578,270
Vehicle taxes	4,850,000	5,561,887	711,887	5,219,154
Total property taxes	<u>74,553,967</u>	<u>76,031,197</u>	<u>1,477,230</u>	<u>74,874,150</u>
<u>Intergovernmental:</u>				
Federal grants	1,115,911	480,806	(635,105)	474,587
Prisoner Housing	250,000	251,849	1,849	436,935
Inventory tax	306,286	306,286	-	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	-	10,000	10,000	8,125
Veteran affairs	6,370	6,370	-	6,370
State shared	9,900,000	9,947,526	47,526	9,906,036
State - Library	269,291	336,614	67,323	269,291
Accommodations tax	230,263	230,475	212	223,670
Other - state	144,000	202,559	58,559	467,738
Solicitor	-	-	-	1,716,355
Public Defender	-	-	-	525,307
Public Defender - Georgetown	-	-	-	150,872
Total intergovernmental	<u>12,229,996</u>	<u>11,780,360</u>	<u>(449,636)</u>	<u>14,499,447</u>
<u>Fees and Fines:</u>				
Planning fees	107,978	142,152	34,174	245,527
EMS	6,507,590	6,711,708	204,118	6,603,705
RMC fees	2,265,800	2,168,485	(97,315)	2,247,656
Clerk of Court fees and fines	732,500	641,801	(90,699)	704,999
Library	82,500	80,585	(1,915)	77,272
Sheriff fines	58,000	55,188	(2,812)	62,339
Family court fees	455,000	442,385	(12,615)	441,867
Probate court fees	629,700	662,456	32,756	602,553
Magistrates' fees and fines	2,431,550	2,094,691	(336,859)	2,323,779
Health department fees	75,000	-	(75,000)	78,781
Master in Equity fees	2,400,000	1,894,734	(505,266)	2,134,950
CATV fees	3,453,869	3,648,161	194,292	5,153,291
Beach franchise fees	52,000	52,000	-	52,000
Georgetown Solicitor fees	-	-	-	860,988
Hospitality Fees	3,250,611	3,357,177	106,566	1,225,346
Local Accommodations Tax	778,480	872,431	93,951	786,415
Other	293,171	329,467	36,296	380,078
Total fees and fines	<u>23,573,749</u>	<u>23,153,421</u>	<u>(420,328)</u>	<u>23,981,546</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	2,705,000	3,200,134	495,134	2,763,904
<u>Licenses and Permits:</u>				
Business licenses	3,892,850	4,272,833	379,983	4,039,609
Building inspection permits	2,800,000	3,159,978	359,978	2,960,873
Other permits	135,500	155,185	19,685	130,090
Marriage licenses	225,000	209,174	(15,826)	213,370
Total licenses and permits	7,053,350	7,797,170	743,820	7,343,942
<u>Interest on investments:</u>	60,622	100,410	39,788	103,680
<u>Cost allocation:</u>	2,851,125	3,068,977	217,852	2,786,824
<u>Other:</u>				
Casino Boat	1,080,000	1,017,459	(62,541)	1,065,050
Rent	264,606	252,003	(12,603)	320,459
Other	2,291,425	2,244,822	(46,603)	1,564,821
Pre-Trial Intervention	-	-	-	597,070
Total other	3,636,031	3,514,284	(121,747)	3,547,400
Total revenue	126,663,840	128,645,953	1,982,113	129,900,893
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	526,748	531,159	(4,411)	498,107
Contractual services	155,000	102,819	52,181	112,857
Supplies and material	594,509	241,004	353,505	160,130
Business and transportation	152,217	55,283	96,934	45,676
Other	112,733	112,729	4	122,848
Total	1,541,207	1,042,994	498,213	939,618
County Administrator:				
Personal services	247,244	242,862	4,382	197,878
Contractual services	42,571	41,968	603	2,991
Supplies and material	2,782	2,623	159	932
Business and transportation	9,994	9,140	854	8,295
Contingency	46,060	-	46,060	-
Total	348,651	296,593	52,058	210,096

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>General Government (cont):</u>				
Assistant County Administrator - Administration:				
Personal services	166,775	164,732	2,043	158,578
Contractual services	2,060	1,086	974	1,053
Supplies and material	2,832	1,757	1,075	2,009
Business and transportation	2,322	1,705	617	555
Total	173,989	169,280	4,709	162,195
Finance:				
Personal services	1,550,450	1,458,352	92,098	1,197,953
Contractual services	27,210	16,166	11,044	21,893
Supplies and material	26,934	22,376	4,558	22,397
Business and transportation	7,706	7,447	259	1,274
Total	1,612,300	1,504,341	107,959	1,243,517
Department Overhead:				
Personal services	1,767,387	642,547	1,124,840	657,373
Contractual services	2,076,527	1,851,227	225,300	2,372,436
Supplies and material	822,814	813,412	9,402	804,930
Business and transportation	485,847	75	485,772	75
Other	30,194	30,194	-	-
Total	5,182,769	3,337,455	1,845,314	3,834,814
Human Resources/Risk Management:				
Personal services	1,186,367	1,097,890	88,477	1,020,540
Contractual services	36,276	26,213	10,063	55,082
Supplies and material	34,564	33,380	1,184	25,763
Business and transportation	13,600	10,315	3,285	8,182
Other	31,331	15,280	16,051	6,144
Contingency	11,850	774	11,076	-
Total	1,313,988	1,183,852	130,136	1,115,711
Procurement:				
Personal services	377,731	348,395	29,336	291,893
Contractual services	7,366	5,088	2,278	6,098
Supplies and material	6,345	4,853	1,492	5,960
Business and transportation	1,950	1,484	466	1,990
Total	393,392	359,820	33,572	305,941

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>General Government (cont):</u>				
IT/GIS:				
Personal services	2,463,260	2,284,686	178,574	2,351,730
Contractual services	2,791,842	2,777,810	14,032	2,859,322
Supplies and material	272,373	265,430	6,943	250,524
Business and transportation	32,088	23,468	8,620	20,956
Capital outlay	590,063	567,820	22,243	182,647
Other	112,925	112,925	-	280,062
Total	6,262,551	6,032,139	230,412	5,945,241
Assessor:				
Personal services	3,099,366	3,096,857	2,509	2,879,001
Contractual services	36,680	23,544	13,136	22,447
Supplies and material	38,073	14,905	23,168	15,048
Business and transportation	30,000	13,236	16,764	11,859
Other	49,424	49,323	101	37,750
Total	3,253,543	3,197,865	55,678	2,966,105
Assessor Appeals Board:				
Personal services	6,000	4,616	1,384	4,307
Contractual services	180	-	180	-
Supplies and material	1,000	587	413	350
Total	7,180	5,203	1,977	4,657
Registrar of Deeds:				
Personal services	939,176	877,197	61,979	823,119
Contractual services	74,731	42,787	31,944	45,356
Supplies and material	40,480	37,828	2,652	35,823
Business and transportation	9,793	9,484	309	4,660
Other	47	47	-	-
Total	1,064,227	967,343	96,884	908,958

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>General Government (cont):</u>				
Maintenance:				
Personal services	3,266,709	2,896,039	370,670	2,864,886
Contractual services	462,445	449,563	12,882	415,574
Supplies and material	551,537	527,025	24,512	589,780
Business and transportation	174,717	127,376	47,341	129,443
Capital outlay	200,499	169,197	31,302	120,314
Other	96,790	96,789	1	123,490
Total	4,752,697	4,265,989	486,708	4,243,487
Voter Registration and Election:				
Personal services	412,232	374,156	38,076	537,328
Contractual services	37,943	26,698	11,245	34,732
Supplies and material	108,579	92,920	15,659	58,589
Business and transportation	7,816	3,526	4,290	4,530
Total	566,570	497,300	69,270	635,179
Public Information:				
Personal services	244,778	243,589	1,189	236,947
Contractual services	20,540	15,837	4,703	14,688
Supplies and material	16,120	4,869	11,251	18,168
Business and transportation	1,200	618	582	563
Total	282,638	264,913	17,725	270,366
Budget and Revenue Management:				
Personal services	63,117	62,992	125	180,329
Contractual services	75	75	-	135
Supplies and material	2,605	2,604	1	3,678
Business and transportation	845	845	-	845
Total	66,642	66,516	126	184,987

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>General Government (cont):</u>				
Treasurer:				
Personal services	1,620,160	1,622,931	(2,771)	1,537,723
Contractual services	62,146	59,935	2,211	106,293
Supplies and material	193,840	192,117	1,723	182,792
Business and transportation	10,069	9,666	403	10,451
Other	8,052	7,231	821	5,458
Total	1,894,267	1,891,880	2,387	1,842,717
Auditor:				
Personal services	1,356,972	1,336,349	20,623	1,300,905
Contractual services	53,670	43,607	10,063	43,069
Supplies and material	78,490	58,359	20,131	62,140
Business and transportation	16,028	12,311	3,717	13,181
Other	7,445	7,445	-	5,263
Total	1,512,605	1,458,071	54,534	1,424,558
Probate Judge:				
Personal services	953,773	954,503	(730)	867,172
Contractual services	9,900	9,309	591	10,066
Supplies and material	23,391	23,275	116	19,426
Business and transportation	3,181	3,179	2	3,541
Other	36	16	20	-
Total	990,281	990,282	(1)	900,205
Master in Equity:				
Personal services	405,069	378,659	26,410	383,197
Contractual services	44,180	42,168	2,012	41,403
Supplies and material	3,459	3,256	203	3,977
Business and transportation	1,625	1,249	376	949
Total	454,333	425,332	29,001	429,526

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>General Government (cont):</u>				
Legal:				
Personal services	461,561	393,557	68,004	382,467
Contractual services	456,710	336,118	120,592	346,252
Supplies and material	4,599	4,597	2	2,444
Business and transportation	5,416	5,415	1	3,104
Total	928,286	739,687	188,599	734,267
Grants Administration:				
Personal services	118,853	39,093	79,760	28,567
Contractual services	4,369	1,200	3,169	3,421
Supplies and material	2,491	1,256	1,235	4,245
Business and transportation	1,772	1,259	513	841
Total	127,485	42,808	84,677	37,074
Delegation:				
Personal services	103,009	103,590	(581)	100,511
Contractual services	840	383	457	115
Supplies and material	400	-	400	-
Business and transportation	299	-	299	134
Total	104,548	103,973	575	100,760
Hospitality:				
Personal services	314,701	296,703	17,998	260,045
Contractual services	10,235	7,067	3,168	5,287
Supplies and material	11,354	6,076	5,278	10,094
Business and transportation	6,415	4,341	2,074	3,345
Other	7,400	7,400	-	2,545
Total	350,105	321,587	28,518	281,316
Business License:				
Personal services	206,152	206,084	68	204,087
Contractual services	4,741	3,443	1,298	3,147
Supplies and material	9,795	6,746	3,049	8,578
Business and transportation	5,348	4,025	1,323	2,062
Other	-	101	(101)	-
Total	226,036	220,399	5,637	217,874
Total General government	33,410,290	29,385,622	4,024,668	28,939,169

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety:</u>				
Solicitor:				
Personal services	-	-	-	2,695,357
Contractual services	-	-	-	123,624
Supplies and material	-	-	-	71,409
Business and transportation	-	-	-	50,399
Other	-	-	-	672,004
Total	-	-	-	3,612,793
Solicitor's Drug Enforcement Unit:				
Personal services	-	-	-	209,393
Contractual services	-	-	-	42,494
Supplies and material	-	-	-	45,884
Business and transportation	-	-	-	808
Other	-	-	-	20,340
Total	-	-	-	318,919
Solicitor's Drug Court:				
Personal services	-	-	-	136,741
Contractual services	-	-	-	20,350
Supplies and material	-	-	-	8,025
Business and transportation	-	-	-	214
Total	-	-	-	165,330
Solicitor's Worthless Check Unit:				
Personal services	-	-	-	128,923
Contractual services	-	-	-	5,582
Supplies and material	-	-	-	2,409
Business and transportation	-	-	-	128
Total	-	-	-	137,042
Public Defender:				
Personal services	-	-	-	1,239,255
Contractual services	-	-	-	34,626
Supplies and material	-	-	-	37,945
Business and transportation	-	-	-	24,755
Other	-	-	-	9,987
Total	-	-	-	1,346,568

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety:</u>				
Public Defender Georgetown:				
Personal services	-	-	-	171,169
Contractual services	-	-	-	2,195
Supplies and material	-	-	-	3,714
Business and transportation	-	-	-	2,968
Other	-	-	-	19,872
Total	-	-	-	199,918
Solicitor Victim Witness Program:				
Personal services	-	-	-	99,380
Total	-	-	-	99,380
Solicitor State Appropriations:				
Personal services	-	-	-	551,233
Total	-	-	-	551,233
Solicitor Georgetown:				
Personal services	-	-	-	803,414
Contractual services	-	-	-	25,529
Supplies and material	-	-	-	16,434
Business and transportation	-	-	-	15,611
Total	-	-	-	860,988
Clerk of Court:				
Personal services	1,453,995	1,453,986	9	1,435,836
Contractual services	194,199	192,758	1,441	197,191
Supplies and material	74,804	73,497	1,307	71,618
Business and transportation	2,500	1,098	1,402	858
Total	1,725,498	1,721,339	4,159	1,705,503

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety:</u>				
Clerk of Court - DSS Family Court:				
Personal services	595,294	595,229	65	578,621
Contractual services	9,825	9,688	137	11,285
Supplies and material	16,295	10,061	6,234	8,061
Business and transportation	4,269	2,882	1,387	136
Total	625,683	617,860	7,823	598,103
Clerk of Court - Family Court:				
Personal services	293,071	286,814	6,257	286,552
Contractual services	1,845	1,067	778	1,317
Supplies and material	2,401	1,087	1,314	1,026
Other	-	-	-	353
Total	297,317	288,968	8,349	289,248
Magistrate No. 1 Conway:				
Personal services	269,092	258,672	10,420	262,116
Contractual services	3,781	3,943	(162)	2,054
Supplies and material	5,702	5,337	365	3,348
Business and transportation	2,298	2,062	236	888
Total	280,873	270,014	10,859	268,406
Magistrate No. 2 Aynor:				
Personal services	157,822	159,269	(1,447)	150,030
Contractual services	11,920	9,005	2,915	7,764
Supplies and material	4,280	2,871	1,409	3,197
Business and transportation	1,030	1,003	27	1,292
Total	175,052	172,148	2,904	162,283
Magistrate No. 4 Mt. Olive:				
Personal services	194,938	198,907	(3,969)	189,782
Contractual services	10,125	9,189	936	8,140
Supplies and material	5,278	4,437	841	1,891
Business and transportation	2,120	1,673	447	2,074
Total	212,461	214,206	(1,745)	201,887

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety (cont):</u>				
Magistrate No. 5 Loris:				
Personal services	190,199	191,889	(1,690)	175,889
Contractual services	1,900	1,732	168	1,380
Supplies and material	5,077	3,773	1,304	2,578
Business and transportation	2,150	1,650	500	2,119
Total	199,326	199,044	282	181,966
Magistrate No. 6 Myrtle Beach:				
Personal services	337,631	332,858	4,773	328,669
Contractual services	2,590	2,589	1	1,957
Supplies and material	9,611	9,431	180	7,451
Business and transportation	750	673	77	634
Total	350,582	345,551	5,031	338,711
Magistrate No. 7 Stevens Cross Road:				
Personal services	192,055	199,808	(7,753)	165,694
Contractual services	4,000	2,651	1,349	2,569
Supplies and material	6,296	6,006	290	8,207
Business and transportation	2,500	2,131	369	1,478
Total	204,851	210,596	(5,745)	177,948
Magistrate No. 11 Surfside:				
Personal services	181,976	174,909	7,067	173,448
Contractual services	2,000	1,782	218	1,665
Supplies and material	3,355	2,777	578	2,287
Business and transportation	1,695	1,475	220	428
Total	189,026	180,943	8,083	177,828
Magistrate at Large No. 1:				
Personal services	177,240	169,085	8,155	112,398
Contractual services	3,287	1,963	1,324	41
Supplies and material	5,283	5,210	73	-
Business and transportation	5,500	4,274	1,226	4,276
Total	191,310	180,532	10,778	116,715

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety (cont):</u>				
Magistrate at Large No. 2 - Detention:				
Personal services	345,011	363,883	(18,872)	354,901
Contractual services	8,110	7,286	824	5,241
Supplies and material	9,046	8,918	128	9,183
Business and transportation	3,750	3,485	265	2,468
Total	365,917	383,572	(17,655)	371,793
Central Summary Court:				
Personal services	282,985	282,661	324	401,941
Contractual services	3,800	3,277	523	136,825
Supplies and material	14,350	13,415	935	21,225
Business and transportation	1,500	277	1,223	2,192
Total	302,635	299,630	3,005	562,183
Central Jury Court:				
Personal services	125,180	129,974	(4,794)	-
Contractual services	160,600	140,672	19,928	-
Supplies and material	5,467	4,701	766	-
Business and transportation	2,200	1,991	209	-
Total	293,447	277,338	16,109	-
Communications:				
Personal services	325,648	278,265	47,383	308,330
Contractual services	1,177,792	1,127,461	50,331	1,122,898
Supplies and material	665,972	664,937	1,035	318,550
Business and transportation	1,356	1,161	195	2,132
Capital outlay	-	-	-	84,010
Other	330,600	330,569	31	254,065
Total	2,501,368	2,402,393	98,975	2,089,985
Assistant County Administrator - Public safety:				
Personal services	337,843	337,435	408	304,559
Contractual services	2,792	2,791	1	8,491
Supplies and material	2,592	2,589	3	4,913
Business and transportation	3,621	3,577	44	3,622
Other	28,447	13,901	14,546	11,858
Contingency	19,409	4,641	14,768	-
Total	394,704	364,934	29,770	333,443

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety (cont):</u>				
Sheriff:				
Personal services	4,424,160	4,419,240	4,920	4,273,576
Contractual services	71,448	67,277	4,171	75,844
Supplies and material	80,997	79,057	1,940	62,587
Business and transportation	307,747	299,815	7,932	295,012
Capital outlay	17,816	17,815	1	40,464
Other	174,074	174,074	-	92,457
Contingency	127,901	43,480	84,421	-
Total	5,204,143	5,100,758	103,385	4,839,940
Police:				
Personal services	14,645,110	14,640,631	4,479	14,035,784
Contractual services	444,664	430,321	14,343	380,373
Supplies and material	406,562	393,807	12,755	426,441
Business and transportation	1,438,380	1,393,053	45,327	1,338,522
Capital outlay	371,653	351,177	20,476	314
Other	815,583	815,582	1	533,179
Contingency	239,733	90,802	148,931	-
Total	18,361,685	18,115,373	246,312	16,714,613
Central Processing:				
Personal services	62,578	62,293	285	60,265
Supplies and material	-	-	-	636
Total	62,578	62,293	285	60,901
Emergency Management:				
Personal services	370,199	343,821	26,378	361,766
Contractual services	19,583	18,590	993	21,582
Supplies and material	32,764	31,766	998	21,823
Business and transportation	19,880	19,064	816	30,445
Other	11,400	12,699	(1,299)	7,005
Total	453,826	425,940	27,886	442,621
Emergency 911 Communications:				
Personal services	2,863,311	2,811,259	52,052	2,708,407
Contractual services	39,700	24,977	14,723	40,939
Supplies and material	15,250	11,672	3,578	10,806
Business and transportation	5,857	4,347	1,510	3,750
Total	2,924,118	2,852,255	71,863	2,763,902

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety (cont):</u>				
Coroner:				
Personal services	390,044	395,691	(5,647)	363,085
Contractual services	299,732	297,613	2,119	281,594
Supplies and material	8,836	8,239	597	8,097
Business and transportation	18,230	15,919	2,311	16,525
Capital outlay	30,000	-	30,000	-
Other	13,820	13,820	-	9,769
Total	760,662	731,282	29,380	679,070
Detention Center:				
Personal services	15,509,123	15,298,028	211,095	14,417,081
Contractual services	3,240,967	3,113,009	127,958	2,923,404
Supplies and material	2,010,086	1,954,711	55,375	1,826,559
Business and transportation	275,835	265,720	10,115	238,739
Capital outlay	229,726	228,135	1,591	133,715
Other	160,661	160,661	-	79,063
Contingency	1,151,217	626,444	524,773	-
Total	22,577,615	21,646,708	930,907	19,618,561
Emergency Medical Services:				
Personal services	11,435,941	11,804,535	(368,594)	11,154,722
Contractual services	459,267	456,252	3,015	478,965
Supplies and material	666,859	659,727	7,132	611,005
Business and transportation	738,993	716,216	22,777	725,977
Capital outlay	125,000	124,810	190	212,682
Other	538,862	538,862	-	221,187
Contingency	73,781	36,435	37,346	-
Total	14,038,703	14,336,837	(298,134)	13,404,538
Animal Care Center:				
Personal services	707,442	732,016	(24,574)	703,321
Contractual services	91,944	84,467	7,477	67,975
Supplies and material	140,495	118,412	22,083	135,968
Business and transportation	28,050	23,457	4,593	21,400
Capital outlay	53,400	47,887	5,513	-
Other	13,294	13,294	-	7,983
Total	1,034,625	1,019,533	15,092	936,647

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Public Safety (cont):</u>				
Parking Program - Garden City:				
Contractual services	20,260	12,232	8,028	-
Supplies and material	1,700	568	1,132	-
Contingency	16,760	-	16,760	-
Total	38,720	12,800	25,920	-
Parking Program - Shore Drive:				
Contractual services	46,456	34,180	12,276	-
Supplies and material	23,829	14,361	9,468	-
Contingency	97,808	-	97,808	-
Total	168,093	48,541	119,552	-
Pre-Trial Intervention:				
Personal services	-	-	-	599,877
Contractual services	-	-	-	585
Business and transportation	-	-	-	143
Other	-	-	-	5,670
Contingency	-	-	-	-
Total	-	-	-	606,275
Total public safety	73,934,818	72,481,388	1,453,430	74,935,241

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Infrastructure & Regulation</u>				
Assistant County Administrator - Infrastructure and regulation:				
Personal services	255,617	222,153	33,464	216,024
Contractual services	18,794	7,563	11,231	7,220
Supplies and material	2,750	2,747	3	2,903
Business and transportation	3,196	1,454	1,742	2,261
Total	280,357	233,917	46,440	228,408
County Engineer:				
Personal services	1,034,876	658,258	376,618	768,935
Contractual services	329,590	218,326	111,264	146,384
Supplies and material	16,951	15,216	1,735	9,708
Business and transportation	41,480	25,763	15,717	35,212
Other	18,220	18,220	-	21,319
Total	1,441,117	935,783	505,334	981,558
Public Works:				
Personal services	4,214,450	3,689,811	524,639	3,404,911
Contractual services	782,623	338,167	444,456	401,774
Supplies and material	2,058,549	1,020,676	1,037,873	652,799
Business and transportation	1,665,921	1,385,208	280,713	1,358,900
Capital outlay	24,668	24,667	1	54,485
Other	935,208	959,557	(24,349)	1,560,447
Total	9,681,419	7,418,086	2,263,333	7,433,316
Code Enforcement:				
Personal services	2,523,540	2,115,091	408,449	2,144,440
Contractual services	36,715	34,931	1,784	34,102
Supplies and material	45,281	28,867	16,414	25,192
Business and transportation	128,637	92,999	35,638	118,412
Other	52,723	52,723	-	31,608
Total	2,786,896	2,324,611	462,285	2,353,754
Planning:				
Personal services	1,563,809	1,480,571	83,238	1,375,179
Contractual services	42,589	37,572	5,017	35,137
Supplies and material	15,560	14,152	1,408	12,664
Business and transportation	16,278	15,378	900	12,456
Other	-	-	-	2,710
Total	1,638,236	1,547,673	90,563	1,438,146

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Infrastructure & Regulation</u>				
Railroad:				
Contractual services	93,722	89,859	3,863	-
Supplies and material	49,850	195	49,655	-
Total	143,572	90,054	53,518	-
Total infrastructure and regulation	15,971,597	12,550,124	3,421,473	12,435,182
 <u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	330,509	309,382	21,127	245,443
Contractual services	5,038	2,484	2,554	2,305
Supplies and material	4,525	3,917	608	3,647
Business and transportation	14,315	12,000	2,315	3,485
Total	354,387	327,783	26,604	254,880
Medically Indigent Assistance Program:				
Personal services	60,050	39,635	20,415	59,054
Contractual services	806	306	500	127
Supplies and material	69	-	69	347
Other	1,241,022	1,241,018	4	1,207,022
Total	1,301,947	1,280,959	20,988	1,266,550
Health Department	140,000	126,474	13,526	124,335
Department of Social Services	91,046	84,326	6,720	89,535
Total health and social services	1,887,380	1,819,542	67,838	1,735,300
 <u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	2,881,849	2,802,860	78,989	2,697,034
Contractual services	595,273	473,328	121,945	446,333
Supplies and material	795,143	750,167	44,976	655,739
Business and transportation	40,650	26,745	13,905	27,826
Capital outlay	30,000	26,250	3,750	-
Other	15,467	15,467	-	9,152
Contingency	23,134	-	23,134	-
Total	4,381,516	4,094,817	286,699	3,836,084

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014			2013
	Final Budget	Actual	Variance	Actual (as restated)
Expenditures (continued)				
<u>Culture, Recreation and Tourism:</u>				
Museum:				
Personal services	425,098	380,374	44,724	314,566
Contractual services	209,267	166,463	42,804	158,211
Supplies and material	48,315	35,941	12,374	15,007
Business and transportation	9,323	7,709	1,614	5,416
Other	-	-	-	1,479
Contingency	14,074	11,593	2,481	-
Total	706,077	602,080	103,997	494,679
Total culture, recreation and tourism	5,087,593	4,696,897	390,696	4,330,763
<u>Other Agencies:</u>				
Total other agencies	1,119,308	1,119,308	-	1,194,308
Total expenditures	131,410,986	122,052,881	9,358,105	123,569,963
Excess of revenue over expenditures	(4,747,146)	6,593,072	11,340,218	6,330,930
Other Financing Sources (Uses)				
Sale of assets	100,000	94,474	(5,526)	141,923
Transfers in	559,792	710,445	150,653	1,780,839
Transfer out	(8,003,976)	(8,003,438)	538	(4,368,514)
Total other financing sources (uses)	(7,344,184)	(7,198,519)	145,665	(2,445,752)
Net change in fund balance	(12,091,330)	(605,447)	11,485,883	3,885,178
Fund balance at beginning of year, as restated	41,965,721	41,965,721	-	38,080,543
Fund balance at end of year, as restated	\$ 29,874,391	\$ 41,360,274	\$ 11,485,883	\$ 41,965,721

SPECIAL REVENUE FUNDS

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

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

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

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

Higher Education – accounts for revenue collected from 0.7 mills levied on real and personal property for debt payment requirements of the Higher Education Commission and for the purpose of providing tuition assistance for students. *Presented as a Debt Service Fund in fiscal year ended 2012.*

Horry-Georgetown Tech – accounts for revenue collected from 1.8 mills levied on real and personal property for debt payment requirements of Horry-Georgetown Technical Education Center and for the purpose of providing maintenance on the grounds & buildings owned by the County. *Presented as a Debt Service Fund in fiscal year ended 2012.*

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

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

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

Road Maintenance & CTC – accounts for revenue derived from a \$30 fee on registered vehicles, intergovernmental revenue, and operating transfers-in earmarked for the maintenance and/or improvements of the County's road system and public works operation.

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

Grants – accounts for revenue earmarked for all grants.

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

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

SPECIAL REVENUE FUNDS

- CONTINUED -

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

Arcadian Shores – accounts for revenue collected from 32.3 mills levied on property taxes associated with the Arcadian Shores Special Tax District. These funds are designated for infrastructure improvements.

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

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

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

Hidden Woods - accounts for revenue collected from 7.0 mills levied on property taxes for road improvements in the Hidden Woods Community.

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. *This fund was included in the General Fund in fiscal year 2013.*

Public Defender – accounts for revenue derived from the State, Horry County, and Georgetown County. *This fund was included in the General Fund in fiscal year 2013.*

GIS/IT – accounts for GIS information sales and intergovernmental mapping revenue and expenditures associated with maintaining and/or updating the GIS technology and data.

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

Horry County, South Carolina
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2014

Non-Major Funds														
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Horry Georgetown Tech	Watershed	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance	
Assets														
Cash and cash equivalents	\$ 5,609,475	-	\$ 9,602,456	\$ 139,009	\$ 81,554	\$ 935,459	\$ 399,403	\$ 423,945	\$ 18,824,820	\$ 5,247,111	\$ 422,480	\$ 641,258	\$ 125,847	
Pooled cash and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables, net:														
Property taxes	829,110	-	296,765	58,042	150,401	3,967	798	5,375	-	-	-	-	-	
Accounts and other	3,438	-	-	-	-	-	-	-	-	-	-	-	-	
Fees	-	2,495	-	-	-	-	-	-	-	-	34,002	-	-	
Interest receivable	2,755	246	4,599	315	554	437	200	186	1,801,228	39,911	-	-	21,273	
Due from other funds	-	-	-	-	-	-	-	-	7,695	2,222	133	324	60	
Due from other governments	3,339	1,299,526	-	-	-	-	-	-	-	68,396	-	-	-	
Prepaid items	33,961	-	164,999	-	-	-	-	-	192,504	-	401,614	-	-	
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 6,482,078	\$ 1,302,267	\$ 10,068,819	\$ 197,366	\$ 232,509	\$ 939,863	\$ 400,401	\$ 429,506	\$ 20,826,347	\$ 5,357,640	\$ 858,229	\$ 641,582	\$ 147,180	
Liabilities														
Liabilities														
Accounts payable-trade	\$ 145,575	\$ 496,599	\$ 62,342	\$ -	\$ -	\$ -	\$ 2,750	1,089	\$ 834,553	\$ 41,301	\$ 21,959	\$ -	\$ 226	
Retainage payable	-	-	-	-	-	-	-	-	18,696	-	-	-	-	
Accrued salaries and wages	506,048	53,722	-	-	-	-	-	-	20,733	-	7,629	-	22,650	
Due to other funds	-	266,273	-	-	-	-	-	-	-	-	-	-	-	
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due to component units	-	-	1,088,999	-	-	-	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total liabilities	651,623	816,594	1,151,341	-	-	-	2,750	1,089	873,982	41,301	29,588	-	22,876	
Deferred Inflows of Resources														
Unavailable revenue-fees and other	3,339	-	164,999	-	-	-	-	-	1,393,945	-	-	-	-	
Unavailable revenue-property taxes	693,417	-	249,292	47,219	122,544	3,197	315	3,609	-	-	-	-	-	
Total deferred inflows of resources	696,756	-	414,291	47,219	122,544	3,197	315	3,609	1,393,945	-	-	-	-	
Fund Balances														
Nonspendable	33,961	-	-	-	-	-	-	-	-	-	-	-	-	
Restricted for public safety	5,099,738	-	-	-	-	-	-	-	-	-	71,063	-	124,304	
Restricted for culture, recreation and tourism	-	485,673	-	150,147	109,965	-	-	424,808	-	3,747,676	8,325	-	-	
Restricted for infrastructure and regulation	-	-	8,503,187	-	-	936,666	397,336	-	2,972,636	-	-	-	-	
Restricted for economic development	-	-	-	-	-	-	-	-	-	-	135,055	641,582	-	
Restricted for health and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	-	-	1,568,663	-	-	-	
Committed to infrastructure and regulation	-	-	-	-	-	-	-	-	15,585,784	-	-	-	-	
Committed to economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	
Committed to other purposes	-	-	-	-	-	-	-	-	-	-	614,198	-	-	
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total fund balances / (deficits)	5,133,699	485,673	8,503,187	150,147	109,965	936,666	397,336	424,808	18,558,420	5,316,339	828,641	641,582	124,304	
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 6,482,078	\$ 1,302,267	\$ 10,068,819	\$ 197,366	\$ 232,509	\$ 939,863	\$ 400,401	\$ 429,506	\$ 20,826,347	\$ 5,357,640	\$ 858,229	\$ 641,582	\$ 147,180	

Horry County, South Carolina
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2014

Non-Major Funds														
	Senior Citizen	Acadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods	Solicitor	Public Defender	GIS/IT	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	Total Non-Major Funds
Assets														
Cash and cash equivalents	\$ 58,222	\$ 83,963	\$ 247,632	\$ 2,366,466	\$ 2,970,220	\$ 164,607	\$ 14,519	\$ 354,495	\$ -	\$ 528,326	\$ 3,629,200	\$ -	\$ 100	\$ 14,719
Pooled cash and investments							\$ 1,452,348						\$ 3,072,218	\$ 57,380,514
Receivables, net:														
Property taxes	33,128	1,869	-	-	-	1,475	-	-	-	302	-	-	146,839	1,528,071
Accounts and other	-	-	-	19,167	4,208	-	186,804	-	-	-	-	-	38,758	286,377
Fees	-	-	-	-	453,660	-	-	-	-	-	59,423	-	-	2,377,990
Interest receivable	48	34	-	1,542	1,471	41	-	-	-	263	1,366	-	1,613	26,104
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	68,396
Due from other governments	-	-	-	-	82,285	-	135,204	53,362	-	-	279,118	388,002	4,573	3,004,526
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-	-	33,961
Restricted assets	-	-	101,977	39,657	-	-	-	-	-	-	-	-	-	141,634
Total assets	\$ 91,398	\$ 85,866	\$ 349,609	\$ 2,426,832	\$ 3,511,844	\$ 166,123	\$ 1,788,875	\$ 407,857	\$ -	\$ 528,891	\$ 3,969,107	\$ 388,002	\$ 3,264,101	\$ 64,862,292
Liabilities														
Liabilities														
Accounts payable-trade	\$ -	\$ 1,090	\$ 124,460	\$ 195	\$ 103,680	\$ -	\$ 60,943	\$ 6,145	\$ -	\$ -	\$ 74,631	\$ 91,249	\$ 142,394	\$ 2,211,181
Retainage payable	-	-	-	-	-	-	-	-	-	-	-	-	-	18,696
Accrued salaries and wages	-	-	-	-	51,692	-	207,676	60,637	-	-	8,945	6,948	104,388	1,051,068
Due to other funds	-	190,452	-	-	-	-	-	-	-	-	-	289,805	-	746,530
Due to other governments	-	-	56,554	-	-	-	-	-	-	-	-	-	-	56,554
Due to component units	-	-	-	-	-	-	-	-	-	-	-	-	-	1,088,999
Other liabilities	-	-	-	-	97	-	-	-	-	-	-	-	-	97
Total liabilities	-	191,542	181,014	195	155,469	-	268,619	66,782	-	-	83,576	388,002	246,782	5,173,125
Deferred Inflows of Resources														
Unavailable revenue-fees and other	-	-	-	-	503,414	-	-	-	-	-	-	-	4,573	2,070,270
Unavailable revenue-property taxes	26,945	942	-	-	-	866	-	-	-	302	-	-	120,326	1,268,974
Total deferred inflows of resources	26,945	942	-	-	503,414	866	-	-	-	302	-	-	124,899	3,339,244
Fund Balances														
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	33,961
Restricted for public safety	-	-	-	-	-	-	1,520,256	341,075	-	-	3,885,531	-	-	11,041,967
Restricted for culture, recreation and tourism	-	-	168,595	-	-	-	-	-	-	-	-	-	2,892,420	7,987,609
Restricted for infrastructure and regulation	-	-	-	1,089,881	2,852,961	165,257	-	-	-	528,589	-	-	-	16,356,632
Restricted for economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	1,866,518
Restricted for health and social services	64,453	-	-	-	-	-	-	-	-	-	-	-	-	64,453
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	-	-	-	-	-	-	1,568,663
Committed to infrastructure and regulation	-	-	-	-	-	-	-	-	-	-	-	-	-	15,585,784
Committed to economic development	-	-	-	1,336,756	-	-	-	-	-	-	-	-	-	1,336,756
Committed to other purposes	-	-	-	-	-	-	-	-	-	-	-	-	-	614,198
Unassigned (deficits)	-	(106,618)	-	-	-	-	-	-	-	-	-	-	-	(106,618)
Total fund balances / (deficits)	64,453	(106,618)	168,595	2,426,637	2,852,961	165,257	1,520,256	341,075	-	528,589	3,885,531	-	2,892,420	56,349,923
Total liabilities, deferred inflows of resources and fund balances / (deficits)	\$ 91,398	\$ 85,866	\$ 349,609	\$ 2,426,832	\$ 3,511,844	\$ 166,123	\$ 1,788,875	\$ 407,857	\$ -	\$ 528,891	\$ 3,969,107	\$ 388,002	\$ 3,264,101	\$ 64,862,292

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, 2014

	Non-Major Funds												
	Fire	Tourism & Promotion	Waste Management Recycling	Higher Education	Georgetown Tech	Watershed	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Renourishment	Grants	Admissions Tax	Victim Witness Assistance
Revenues													
Real property taxes	\$ 16,490,575	\$ -	\$ 5,753,085	\$ 1,233,621	\$ 3,172,425	\$ 95,754	\$ 30,626	\$ 193,095	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	1,431,956	-	478,473	90,638	233,275	-	-	32	-	-	-	-	-
Vehicle taxes	1,791,790	-	681,276	109,709	281,279	-	-	-	-	-	-	-	-
Intergovernmental	30,582	-	-	10,638	13,881	-	-	-	1,472,822	-	1,271,534	-	-
Accommodations tax	-	3,645,104	-	-	-	-	-	-	-	258,925	-	-	-
Fees and fines	-	-	-	-	-	-	-	-	7,936,080	-	-	-	384,963
Hospitality fees	-	251,075	-	-	-	-	-	-	2,895,908	-	-	-	-
Local accommodations tax	-	-	-	-	-	-	-	-	-	245,407	-	-	-
Interest	7,312	208	12,969	625	1,639	1,275	569	533	23,962	6,875	169	920	213
Other	3,483	371	-	-	-	-	-	894	8,507	-	53,935	-	-
Total revenues	19,755,698	3,896,758	6,925,803	1,445,231	3,702,499	97,029	31,195	194,554	12,337,279	511,207	1,325,638	920	385,176
Expenditures													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	16,186,781	1,590,478	-	-	-	-	-	-	-	-	1,255,936	-	582,033
Infrastructure and regulation	-	-	6,182,903	-	-	12,067	28,723	-	4,494,935	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism	-	1,601,628	-	1,235,590	3,500,000	-	-	107,799	-	96,058	34,227	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	554,154	-	-
Capital outlay	77,056	22,866	178,018	-	-	-	-	-	3,210,095	-	208,832	-	-
Total expenditures	16,263,837	3,214,972	6,360,921	1,235,590	3,500,000	12,067	28,723	107,799	7,705,030	96,058	2,053,149	-	582,033
Excess (deficiency) of revenues over (under) expenditures	3,491,861	681,786	564,882	209,641	202,499	84,962	2,472	86,755	4,632,249	415,149	(727,511)	920	(196,857)
Other Financing Sources (Uses)													
Transfers in	-	-	-	-	-	-	-	-	150,000	405,475	189,061	-	136,104
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,845,349)	(391,150)	-	(223,000)	(197,650)	-	-	(20,003)	-	-	-	-	-
Total other financing sources (uses)	(1,845,349)	(391,150)	-	(223,000)	(197,650)	-	-	(20,003)	150,000	405,475	189,061	-	136,104
Net change in fund balance	1,646,512	290,636	564,882	(13,359)	4,849	84,962	2,472	66,752	4,782,249	820,624	(538,450)	920	(60,753)
Fund balances (deficits), at beginning of year, as restated	3,487,187	195,037	7,938,305	163,506	105,116	851,704	394,864	358,056	13,776,171	4,495,715	1,367,091	640,662	185,057
Fund balances (deficits), at end of year	\$ 5,133,699	\$ 485,673	\$ 8,503,187	\$ 150,147	\$ 109,965	\$ 936,666	\$ 397,336	\$ 424,808	\$ 18,558,420	\$ 5,316,339	\$ 828,641	\$ 641,582	\$ 124,304

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS

For the Year ended June 30, 2014

	Non-Major Funds													Total Non-Major Funds
	Senior Citizen	Arcadian Shores	Baseball Stadium	Economic Development	Stormwater Management	Hidden Woods	Solicitor	Public Defender	GIS/IT	Multi-County Business Park Rollback	E-911	CDBG Grant Program	Recreation	
Revenues														
Real property taxes	\$ 704,913	\$ 64,001	\$ -	\$ 588,297	\$ -	\$ 98,461	\$ -	\$ -	\$ -	\$ 302	\$ -	\$ -	\$ 2,997,092	\$ 31,422,247
Personal property taxes	51,747	-	-	-	-	-	-	-	-	-	-	-	222,113	2,508,234
Venue taxes	62,503	-	-	-	-	-	-	-	-	-	-	-	266,116	3,192,673
Intergovernmental	-	-	-	-	-	-	3,849,454	850,022	-	-	1,338,929	2,182,532	-	11,020,394
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-	-	3,904,029
Fees and fines	-	-	14,789	126,826	4,642,939	-	-	-	-	-	689,315	-	-	13,794,912
Hospitality fees	-	-	-	-	-	-	-	-	-	-	-	-	-	3,146,983
Local accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-	-	245,407
Interest	146	92	166	4,548	3,651	149	-	-	-	758	5,098	-	4,436	76,313
Other	-	-	-	-	67,316	-	-	-	-	-	-	-	857,304	991,810
Total revenues	819,309	64,093	14,955	719,671	4,713,906	98,610	3,849,454	850,022	-	1,060	2,033,342	2,182,532	4,347,061	70,303,002
Expenditures														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	6,926,517	1,684,272	-	-	1,102,548	-	-	29,328,565
Infrastructure and regulation	-	21,385	-	1,277,336	4,056,834	10,130	-	-	-	-	-	-	-	16,084,313
Health and social services	804,833	-	-	-	-	-	-	-	-	-	-	-	-	804,833
Culture, recreation and tourism	-	-	48,293	-	-	-	-	-	-	-	-	-	4,266,667	10,890,262
Economic development	-	-	-	-	-	-	-	-	-	-	-	2,182,532	-	2,736,686
Capital outlay	-	-	124,460	-	88,692	-	-	-	-	-	-	-	65,423	3,975,442
Total expenditures	804,833	21,385	172,753	1,277,336	4,145,526	10,130	6,926,517	1,684,272	-	-	1,102,548	2,182,532	4,332,090	63,820,101
Excess (deficiency) of revenues over (under) expenditures	14,476	42,708	(157,798)	(557,665)	568,380	88,480	(3,077,063)	(834,250)	-	1,060	930,794	-	14,971	6,482,901
Other Financing Sources (Uses)														
Transfers in	-	-	-	-	250	-	4,617,736	1,199,779	-	-	-	-	30,503	6,728,908
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(1,089,119)	(250,000)	-	(20,417)	(24,454)	(158,340)	-	(390,000)	-	-	(4,609,482)
Total other financing sources (uses)	-	-	-	(1,089,119)	(249,750)	-	4,597,319	1,175,325	(158,340)	-	(390,000)	-	30,503	2,119,426
Net change in fund balance	14,476	42,708	(157,798)	(1,646,784)	318,630	88,480	1,520,256	341,075	(158,340)	1,060	540,794	-	45,474	8,602,327
Fund balances (deficits), at beginning of year, as restated	49,977	(149,326)	326,393	4,073,421	2,534,331	76,777	-	-	158,340	527,529	3,344,737	-	2,846,946	47,747,596
Fund balances (deficits), at end of year	\$ 64,453	\$ (106,618)	\$ 168,595	\$ 2,426,637	\$ 2,852,961	\$ 165,257	\$ 1,520,256	\$ 341,075	\$ -	\$ 528,589	\$ 3,885,531	\$ -	\$ 2,892,420	\$ 56,349,923

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	2014	2013
Assets		
Pooled cash and investments	\$ 5,609,475	\$ 3,801,845
Receivables, net:		
Property taxes	829,110	720,629
Other	3,438	647
Interest receivable	2,755	2,161
Due from other governments	3,339	4,988
Prepaid items	33,961	19,228
Total assets	<u>\$ 6,482,078</u>	<u>\$ 4,549,498</u>
Liabilities		
Accounts payable - trade	\$ 145,575	\$ 92,606
Accrued salaries and wages	506,048	358,404
Total liabilities	<u>651,623</u>	<u>451,010</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	3,339	-
Unavailable revenue-property taxes	693,417	611,301
Total deferred inflows of resources	<u>696,756</u>	<u>611,301</u>
Fund Balances		
Nonspendable	33,961	19,228
Restricted for public safety	5,099,738	3,467,959
Total fund balances	<u>5,133,699</u>	<u>3,487,187</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,482,078</u>	<u>\$ 4,549,498</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 16,203,882	\$ 16,490,575	\$ 286,693	\$ 12,706,112
Personal property taxes	1,381,270	1,431,956	50,686	1,102,033
Vehicle taxes	1,549,071	1,791,790	242,719	1,443,379
Intergovernmental	29,933	30,582	649	26,594
Interest	3,000	7,312	4,312	5,943
Other	-	3,483	3,483	994
Total revenues	19,167,156	19,755,698	588,542	15,285,055
Expenditures				
Current:				
Public safety:				
Personal services	11,894,116	11,998,858	(104,742)	9,534,923
Contractual services	1,283,844	1,246,825	37,019	1,208,476
Supplies and materials	1,021,713	912,451	109,262	449,901
Business and transportation	963,432	912,922	50,510	840,907
Capital outlay	125,773	77,056	48,717	67,131
Other	919,047	1,844	917,203	-
Indirect cost allocation	1,113,881	1,113,881	-	929,111
Total expenditures	17,321,806	16,263,837	1,057,969	13,030,449
Excess of revenues over expenditures	1,845,350	3,491,861	1,646,511	2,254,606
Other Financing Sources (Uses)				
Transfers out	(1,845,350)	(1,845,349)	1	(2,453,661)
Total other financing sources (uses)	(1,845,350)	(1,845,349)	1	(2,453,661)
Net change in fund balance	-	1,646,512	1,646,512	(199,055)
Fund balance at beginning of year	3,487,187	3,487,187	-	3,686,242
Fund balance at end of year	\$ 3,487,187	\$ 5,133,699	\$ 1,646,512	\$ 3,487,187

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

June 30, 2014
(with comparative amounts for June 30, 2013)

Assets	2014	2013
Pooled cash and investments	\$ -	\$ 35
Accounts receivable, net:		
Fees	2,495	5,530
Interest receivable	246	384
Due from other governments	1,299,526	644,313
Total assets	<u><u>\$ 1,302,267</u></u>	<u><u>\$ 650,262</u></u>
Liabilities		
Accounts payable - trade	\$ 496,599	\$ 298,255
Accrued salaries and wages	53,722	46,227
Due to other funds	266,273	110,743
Total liabilities	<u><u>816,594</u></u>	<u><u>455,225</u></u>
Fund Balance		
Restricted for culture, recreation and tourism	485,673	195,037
Total fund balance	<u><u>485,673</u></u>	<u><u>195,037</u></u>
Total liabilities and fund balance	<u><u>\$ 1,302,267</u></u>	<u><u>\$ 650,262</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Accommodations tax	\$ 3,441,075	\$ 3,645,104	\$ 204,029	\$ 2,838,389
Hospitality fees	200,000	251,075	51,075	-
Interest	1,300	208	(1,092)	1,382
Other	-	371	371	942
Total revenues	3,642,375	3,896,758	254,383	2,840,713
Expenditures				
Current:				
Public safety				
Beach Patrol:				
Personal services	1,155,810	1,128,743	27,067	981,737
Contractual services	122,968	110,833	12,135	112,053
Supplies and materials	43,816	36,130	7,686	49,641
Business and transportation	198,784	171,521	27,263	163,880
Capital outlay	24,058	22,866	1,192	99,418
Other	143,374	143,251	123	92,606
Total beach patrol	1,688,810	1,613,344	75,466	1,499,335
Culture, recreation and tourism:				
Contributions to other agencies	1,638,900	1,601,628	37,272	1,751,868
Total culture, recreation and tourism	1,638,900	1,601,628	37,272	1,751,868
Total expenditures	3,327,710	3,214,972	112,738	3,251,203
Excess of revenues over expenditures	314,665	681,786	367,121	(410,490)
Other Financing Sources (Uses)				
Transfers out	(391,150)	(391,150)	-	(231,414)
Total other financing sources (uses)	(391,150)	(391,150)	-	(231,414)
Net change in fund balance	(76,485)	290,636	367,121	(641,904)
Fund balance at beginning of year	195,037	195,037	-	836,941
Fund balance at end of year	\$ 118,552	\$ 485,673	\$ 367,121	\$ 195,037

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

Assets	2014	2013
Pooled cash and investments	\$ 9,602,456	\$ 8,644,830
Receivables, net:		
Property taxes	296,765	304,151
Interest receivable	4,599	3,686
Due from other governments	164,999	-
Total assets	<u>\$ 10,068,819</u>	<u>\$ 8,952,667</u>
 Liabilities		
Accounts payable - trade	\$ 62,342	\$ -
Due to component unit	1,088,999	759,306
Total liabilities	<u>1,151,341</u>	<u>759,306</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	164,999	-
Unavailable revenue-property taxes	249,292	255,056
Total deferred inflows of resources	<u>414,291</u>	<u>255,056</u>
 Fund Balance		
Restricted for infrastructure and regulation	8,503,187	7,938,305
Total fund balance	<u>8,503,187</u>	<u>7,938,305</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 10,068,819</u>	<u>\$ 8,952,667</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 5,661,615	\$ 5,753,085	\$ 91,470	\$ 5,651,405
Personal property taxes	445,850	478,473	32,623	461,545
Vehicle taxes	625,000	681,276	56,276	620,859
Intergovernmental	164,999	-	(164,999)	-
Interest	4,000	12,969	8,969	11,529
Other	-	-	-	710
Total revenues	<u>6,901,464</u>	<u>6,925,803</u>	<u>24,339</u>	<u>6,746,048</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	7,189,181	6,179,136	1,010,045	5,878,578
Capital outlay	1,000,000	178,018	821,982	228,117
Indirect cost allocation	3,569	3,767	(198)	3,569
Total expenditures	<u>8,192,750</u>	<u>6,360,921</u>	<u>1,831,829</u>	<u>6,110,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,291,286)</u>	<u>564,882</u>	<u>1,856,168</u>	<u>635,784</u>
Net change in fund balance	<u>(1,291,286)</u>	<u>564,882</u>	<u>1,856,168</u>	<u>635,784</u>
Fund balance at beginning of year	<u>7,938,305</u>	<u>7,938,305</u>	<u>-</u>	<u>7,302,521</u>
Fund balance at end of year	<u><u>\$ 6,647,019</u></u>	<u><u>\$ 8,503,187</u></u>	<u><u>\$ 1,856,168</u></u>	<u><u>\$ 7,938,305</u></u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 139,009	\$ 151,030
Receivables, net:		
Property taxes	58,042	58,652
Interest receivable	315	433
Total assets	<u>\$ 197,366</u>	<u>\$ 210,115</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 47,219	\$ 46,609
Total deferred inflows of resources	<u>47,219</u>	<u>46,609</u>
 Fund Balance		
Restricted for culture, recreation and tourism	150,147	163,506
Total fund balance	<u>150,147</u>	<u>163,506</u>
Total deferred inflows of resources and fund balance	<u>\$ 197,366</u>	<u>\$ 210,115</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 1,224,675	\$ 1,233,621	\$ 8,946	\$ 1,220,166
Personal property taxes	94,000	90,638	(3,362)	87,261
Vehicle taxes	98,500	109,709	11,209	99,045
Intergovernmental	10,638	10,638	-	10,638
Interest	400	625	225	1,143
Total revenues	<u>1,428,213</u>	<u>1,445,231</u>	<u>17,018</u>	<u>1,418,253</u>
Expenditures				
Current:				
Higher Education Commission	<u>1,205,213</u>	<u>1,235,590</u>	<u>(30,377)</u>	<u>1,150,000</u>
Total expenditures	<u>1,205,213</u>	<u>1,235,590</u>	<u>(30,377)</u>	<u>1,150,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>223,000</u>	<u>209,641</u>	<u>(13,359)</u>	<u>268,253</u>
Other Financing Sources (Uses)				
Transfers out	<u>(223,000)</u>	<u>(223,000)</u>	<u>-</u>	<u>(202,350)</u>
Total other financing sources	<u>(223,000)</u>	<u>(223,000)</u>	<u>-</u>	<u>(202,350)</u>
Net change in fund balance	-	(13,359)	(13,359)	65,903
Fund balance at beginning of year	<u>163,506</u>	<u>163,506</u>	<u>-</u>	<u>97,603</u>
Fund balance at end of year	<u>\$ 163,506</u>	<u>\$ 150,147</u>	<u>\$ (13,359)</u>	<u>\$ 163,506</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 81,554	\$ 73,610
Receivables, net:		
Property taxes	150,401	151,795
Interest receivable	554	490
Total assets	<u>\$ 232,509</u>	<u>\$ 225,895</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>\$ 122,544</u>	<u>\$ 120,779</u>
Total deferred inflows of resources	<u>122,544</u>	<u>120,779</u>
 Fund Balance		
Restricted for culture, recreation and tourism	<u>109,965</u>	<u>105,116</u>
Total fund balance	<u>109,965</u>	<u>105,116</u>
Total deferred inflows of resources and fund balance	<u>\$ 232,509</u>	<u>\$ 225,895</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 3,125,200	\$ 3,172,425	\$ 47,225	\$ 3,137,914
Personal property taxes	221,700	233,275	11,575	224,601
Vehicle taxes	245,000	281,279	36,279	253,904
Intergovernmental	13,880	13,881	1	13,881
Interest	400	1,639	1,239	1,608
Total revenues	<u>3,606,180</u>	<u>3,702,499</u>	<u>96,319</u>	<u>3,631,908</u>
Expenditures				
Current:				
Horry-Georgetown Tech	<u>3,408,130</u>	<u>3,500,000</u>	<u>(91,870)</u>	<u>3,485,000</u>
Total expenditures	<u>3,408,130</u>	<u>3,500,000</u>	<u>(91,870)</u>	<u>3,485,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>198,050</u>	<u>202,499</u>	<u>4,449</u>	<u>146,908</u>
Other Financing Sources (Uses)				
Transfers out	<u>(198,050)</u>	<u>(197,650)</u>	<u>400</u>	<u>(203,600)</u>
Total other financing sources (uses)	<u>(198,050)</u>	<u>(197,650)</u>	<u>400</u>	<u>(203,600)</u>
Net change in fund balance	-	4,849	4,849	(56,692)
Fund balance at beginning of year	<u>105,116</u>	<u>105,116</u>	-	<u>161,808</u>
Fund balance at end of year	<u>\$ 105,116</u>	<u>\$ 109,965</u>	<u>\$ 4,849</u>	<u>\$ 105,116</u>

HORRY COUNTY, SOUTH CAROLINA

WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 935,459	\$ 850,666
Receivables, net:		
Property taxes	3,967	5,526
Interest receivable	437	335
Total assets	<u>\$ 939,863</u>	<u>\$ 856,527</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 3,197	\$ 4,823
Total deferred inflows of resources	<u>3,197</u>	<u>4,823</u>
 Fund Balance		
Restricted for infrastructure and regulation	936,666	851,704
Total fund balance	<u>936,666</u>	<u>851,704</u>
Total deferred inflows of resources and fund balance	<u>\$ 939,863</u>	<u>\$ 856,527</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 92,710	\$ 95,754	\$ 3,044	\$ 93,678
Interest	470	1,275	805	1,093
Other	-	-	-	152,734
Total revenues	<u>93,180</u>	<u>97,029</u>	<u>3,849</u>	<u>247,505</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	85,166	5,869	79,297	7,968
Indirect cost allocation	8,014	6,198	1,816	8,009
Total expenditures	<u>93,180</u>	<u>12,067</u>	<u>81,113</u>	<u>15,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>84,962</u>	<u>84,962</u>	<u>231,528</u>
Net change in fund balance	-	84,962	84,962	231,528
Fund balance at beginning of year	851,704	851,704	-	620,176
Fund balance at end of year	<u>\$ 851,704</u>	<u>\$ 936,666</u>	<u>\$ 84,962</u>	<u>\$ 851,704</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

Assets	2014	2013
Pooled cash and investments	<u>\$ 399,403</u>	<u>\$ 396,555</u>
Receivables, net:		
Property taxes	798	890
Interest receivable	200	161
Total assets	<u><u>\$ 400,401</u></u>	<u><u>\$ 397,606</u></u>
Liabilities		
Accounts payable - trade	<u>\$ 2,750</u>	<u>\$ 2,427</u>
Total liabilities	<u>2,750</u>	<u>2,427</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	<u>315</u>	<u>315</u>
Total deferred inflows of resources	<u>315</u>	<u>315</u>
Fund Balance		
Restricted for infrastructure and regulation	<u>397,336</u>	<u>394,864</u>
Total fund balance	<u>397,336</u>	<u>394,864</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 400,401</u></u>	<u><u>\$ 397,606</u></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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 30,632	\$ 30,626	\$ (6)	\$ 30,620
Interest	375	569	194	525
Total revenues	<u>31,007</u>	<u>31,195</u>	<u>188</u>	<u>31,145</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	1,380	602	778	602
Contractual services	24,470	24,419	51	18,222
Supplies and materials	7,500	1,250	6,250	1,250
Capital outlay	18,000	-	18,000	-
Other	12,130	-	12,130	-
Indirect cost allocation	2,750	2,452	298	2,750
Total expenditures	<u>66,230</u>	<u>28,723</u>	<u>37,507</u>	<u>22,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,223)</u>	<u>2,472</u>	<u>37,695</u>	<u>8,321</u>
Net change in fund balance	(35,223)	2,472	37,695	8,321
Fund balance at beginning of year	394,864	394,864	-	386,543
Fund balance at end of year	<u>\$ 359,641</u>	<u>\$ 397,336</u>	<u>\$ 37,695</u>	<u>\$ 394,864</u>

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 423,945	\$ 356,693
Receivables, net:		
Property taxes	5,375	7,120
Interest receivable	186	146
Total assets	<u>\$ 429,506</u>	<u>\$ 363,959</u>
Liabilities		
Accounts payable - trade	\$ 1,089	\$ 885
Total liabilities	<u>1,089</u>	<u>885</u>
Deferred Inflows of Resources		
Unavailable revenue-property taxes	3,609	5,018
Total deferred inflows of resources	<u>3,609</u>	<u>5,018</u>
Fund Balance		
Restricted for culture, recreation and tourism	424,808	358,056
Total fund balance	<u>424,808</u>	<u>358,056</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 429,506</u>	<u>\$ 363,959</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 189,435	\$ 193,095	\$ 3,660	\$ 189,862
Personal property taxes	-	32	32	73
Interest	185	533	348	467
Other	-	894	894	1,967
Total revenues	<u>189,620</u>	<u>194,554</u>	<u>4,934</u>	<u>192,369</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	1,932	1,932	-	1,932
Contractual services	43,702	21,429	22,273	24,457
Supplies and materials	10,000	8,267	1,733	5,158
Capital outlay	37,082	-	37,082	24,839
Other	67,498	64,163	3,335	64,163
Indirect cost allocation	12,009	12,008	1	10,434
Total expenditures	<u>172,223</u>	<u>107,799</u>	<u>64,424</u>	<u>130,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,397</u>	<u>86,755</u>	<u>69,358</u>	<u>61,386</u>
Other Financing Sources (Uses)				
Transfers out	(20,003)	(20,003)	-	(20,000)
Total other financing sources (uses)	<u>(20,003)</u>	<u>(20,003)</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance	(2,606)	66,752	69,358	41,386
Fund balance at beginning of year	358,056	358,056	-	316,670
Fund balance at end of year	<u>\$ 355,450</u>	<u>\$ 424,808</u>	<u>\$ 69,358</u>	<u>\$ 358,056</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	2014	2013
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	18,824,820	13,726,036
Receivables, net:		
Fees	1,801,228	1,337,590
Interest receivable	7,695	5,078
Due from other governments	192,504	677,424
Total assets	<u>\$ 20,826,347</u>	<u>\$ 15,746,228</u>
Liabilities		
Accounts payable - trade	\$ 834,553	\$ 548,023
Retainage payable	18,696	62,437
Accrued salaries and wages	20,733	17,107
Total liabilities	<u>873,982</u>	<u>627,567</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	1,393,945	1,342,490
Total deferred inflows of resources	<u>1,393,945</u>	<u>1,342,490</u>
Fund Balances		
Restricted for infrastructure and regulation	2,972,636	1,259,833
Committed for infrastructure and regulation	15,585,784	12,516,338
Total fund balances	<u>18,558,420</u>	<u>13,776,171</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,826,347</u>	<u>\$ 15,746,228</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 3,697,247	\$ 1,472,822	\$ (2,224,425)	\$ 1,462,161
Fees	7,824,500	7,936,080	111,580	7,726,140
Hospitality fees	2,841,965	2,895,908	53,943	2,813,789
Interest	10,000	23,962	13,962	16,732
Other	1,500	8,507	7,007	1,062
Total revenues	14,375,212	12,337,279	(2,037,933)	12,019,884
Expenditures				
Current:				
Engineer:				
Contractual services	70,027	65,826	4,201	21,059
Capital outlay-infrastructure	10,687,994	1,593,870	9,094,124	1,508,510
Construction contracts	5,057,059	1,385,380	3,671,679	-
Indirect cost allocation	368,515	311,249	57,266	388,478
Total engineer	16,183,595	3,356,325	12,827,270	1,918,047
Operations:				
Personal services	623,875	616,401	7,474	575,721
Contractual services	40,649	37,802	2,847	33,513
Supplies and materials	12,345	9,084	3,261	11,141
Business and transportation	139,549	85,851	53,698	78,151
Construction contracts	1,610,835	13,165	1,597,670	1,525,351
Capital outlay-infrastructure	5,905,589	1,616,225	4,289,364	1,901,558
Distributions to municipalities	1,554,990	1,587,613	(32,623)	1,541,365
Other	287,122	287,122	-	276,900
Indirect cost allocation	95,442	95,442	-	75,479
Total operations	10,270,396	4,348,705	5,921,691	6,019,179
Total expenditures	26,453,991	7,705,030	18,748,961	7,937,226
Excess (deficiency) of revenues over (under) expenditures	(12,078,779)	4,632,249	16,711,028	4,082,658
Other Financing Sources (Uses)				
Transfers in	150,000	150,000	-	287,000
Transfers out	-	-	-	(750,000)
Total other financing sources (uses)	150,000	150,000	-	(463,000)
Net change in fund balance	(11,928,779)	4,782,249	16,711,028	3,619,658
Fund balance at beginning of year	13,776,171	13,776,171	-	10,156,513
Fund balance at end of year	\$ 1,847,392	\$ 18,558,420	\$ 16,711,028	\$ 13,776,171

HORRY COUNTY, SOUTH CAROLINA

BEACH RENOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 5,247,111	\$ 4,340,599
Receivables, net:		
Fees	39,911	35,361
Interest receivable	2,222	1,562
Due from other funds	68,396	128,989
Total assets	<u>\$ 5,357,640</u>	<u>\$ 4,506,511</u>
 Liabilities		
Accounts payable-trade	\$ 41,301	\$ 10,796
Total liabilities	<u>41,301</u>	<u>10,796</u>
 Fund Balances		
Restricted for culture, recreation and tourism	3,747,676	3,339,402
Committed to culture, recreation and tourism	1,568,663	1,156,313
Total fund balances	<u>5,316,339</u>	<u>4,495,715</u>
Total liabilities and fund balances	<u>\$ 5,357,640</u>	<u>\$ 4,506,511</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
State accommodations tax	\$ 258,925	\$ 258,925	\$ -	\$ 1,020,000
Local accommodations tax	245,695	245,407	(288)	194,152
Interest	-	6,875	6,875	5,101
Total revenues	504,620	511,207	6,587	1,219,253
Expenditures				
Current:				
Culture, recreation and tourism:				
Contractual services	845,332	96,058	749,274	124,872
Other	212,887	-	212,887	-
Total expenditures	1,058,219	96,058	962,161	124,872
Excess (deficiency) of revenues over (under) expenditures	(553,599)	415,149	968,748	1,094,381
Other Financing Sources (Uses)				
Transfers in	405,263	405,475	212	309,784
Total other financing sources (uses)	405,263	405,475	212	309,784
Net change in fund balance	(148,336)	820,624	968,960	1,404,165
Fund balance at beginning of year	4,495,715	4,495,715	-	3,091,550
Fund balance at end of year	\$ 4,347,379	\$ 5,316,339	\$ 968,960	\$ 4,495,715

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 422,480	\$ 703,210
Receivables, net:		
Other	34,002	-
Interest receivable	133	171
Due from other governments	401,614	1,407,345
Total assets	<u>\$ 858,229</u>	<u>\$ 2,110,726</u>
 Liabilities		
Accounts payable - trade	\$ 21,959	\$ 691,043
Accrued salaries and wages	7,629	52,592
Total liabilities	<u>29,588</u>	<u>743,635</u>
 Fund Balances		
Restricted for public safety	71,063	319,071
Restricted for culture, recreation and tourism	8,325	56,085
Restricted for economic development	135,055	327,112
Committed to other purposes	614,198	664,823
Total fund balances	<u>828,641</u>	<u>1,367,091</u>
Total liabilities and fund balances	<u>\$ 858,229</u>	<u>\$ 2,110,726</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 2,465,786	\$ 1,271,534	\$ (1,194,252)	\$ 2,197,255
Interest	-	169	169	589
Other	76,934	53,935	(22,999)	88,982
Total revenues	2,542,720	1,325,638	(1,217,082)	2,286,826
Expenditures				
Current:				
General government:				
Personal services	-	-	-	1,456
Grant projects	-	-	-	5,800
Capital outlay	-	-	-	57,184
Total general government	-	-	-	64,440
Public safety:				
Personal services	945,732	716,818	228,914	1,287,415
Contractual services	294,732	249,928	44,804	357,449
Supplies and materials	475,723	200,718	275,005	905,606
Business and transportation	18,400	26,912	(8,512)	26,549
Capital outlay	180,027	208,832	(28,805)	423,687
Other	153,172	61,560	91,612	99,227
Total public safety	2,067,786	1,464,768	603,018	3,099,933
Infrastructure and regulation:				
Grant projects	-	-	-	57,772
Capital outlay	79,141	-	79,141	-
Total infrastructure and regulation	79,141	-	79,141	57,772
Culture, recreation and tourism				
Contractual services	73	-	73	-
Supplies and materials	23,208	-	23,208	4,088
Grant projects	57,225	34,227	22,998	-
Total culture, recreation and tourism	80,506	34,227	46,279	4,088
Economic development:				
Contractual services	76,650	-	76,650	-
Supplies and materials	603	603	-	2,885
Grant projects	10,000	4,643	5,357	-
Capital outlay	-	-	-	27,664
Construction contracts	1,170,156	548,908	621,248	-
Total economic development	1,257,409	554,154	703,255	30,549
Total expenditures	3,484,842	2,053,149	1,431,693	3,256,782
Excess (deficiency) of revenues over (under) expenditures	(942,122)	(727,511)	214,611	(969,956)
Other Financing Sources (Uses)				
Transfers in	189,061	189,061	-	1,294,617
Total other financing sources (uses)	189,061	189,061	-	1,294,617
Net change in fund balance	(753,061)	(538,450)	214,611	324,661
Fund balance at beginning of year	1,367,091	1,367,091	-	1,042,430
Fund balance at end of year	\$ 614,030	\$ 828,641	\$ 214,611	\$ 1,367,091

HORRY COUNTY, SOUTH CAROLINA

ADMISSIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

Assets	2014	2013
Pooled cash and investments	\$ 641,258	\$ 640,401
Interest receivable	324	261
Total assets	<u>\$ 641,582</u>	<u>\$ 640,662</u>
 Fund Balance		
Restricted for economic development	\$ 641,582	\$ 640,662
Total fund balance	<u>\$ 641,582</u>	<u>\$ 640,662</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Interest	\$ -	\$ 920	\$ 920	\$ 852
Total revenues	-	920	920	852
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	920	920	852
Net change in fund balance	-	920	920	852
Fund balance at beginning of year	640,662	640,662	-	639,810
Fund balance at end of year	\$ 640,662	\$ 641,582	\$ 920	\$ 640,662

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	2014	2013 (as restated)
Assets		
Pooled cash and investments	\$ 125,847	\$ 169,700
Receivables, net:		
Fees	21,273	34,962
Interest receivable	60	46
Total assets	<u>\$ 147,180</u>	<u>\$ 204,708</u>
Liabilities		
Accounts payable	\$ 226	\$ 981
Accrued salaries and wages	22,650	18,670
Total liabilities	<u>22,876</u>	<u>19,651</u>
Fund Balance		
Restricted for Public safety	124,304	185,057
Total fund balance	124,304	185,057
Total liabilities and fund balance	<u>\$ 147,180</u>	<u>\$ 204,708</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual (as restated)
Revenues				
Fees and fines	\$ 419,720	\$ 384,963	\$ (34,757)	\$ 437,925
Interest	-	213	213	166
Other	181,984	-	(181,984)	161,111
Total revenues	601,704	385,176	(216,528)	599,202
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	218,859	215,905	2,954	212,011
Contractual services	5,600	3,254	2,346	3,414
Supplies and materials	4,250	2,793	1,457	3,429
Business and transportation	7,150	1,055	6,095	862
Other	43,316	-	43,316	-
Total detention	279,175	223,007	56,168	219,716
Victim Witness:				
Personal services	57,445	47,453	9,992	55,444
Contractual services	585	585	-	585
Supplies and materials	-	-	-	523
Business and transportation	3,500	2,587	913	3,809
Total victim witness	61,530	50,625	10,905	60,361
Solicitor:				
Personal services	290,636	303,247	(12,611)	287,747
Contractual services	2,176	1,782	394	1,900
Supplies and materials	3,817	1,444	2,373	3,546
Business and transportation	6,345	1,928	4,417	2,522
Other	94,129	-	94,129	-
Total solicitor	397,103	308,401	88,702	295,715
Total expenditures	737,808	582,033	155,775	575,792
Excess (deficiency) of revenues over (under) expenditures	(136,104)	(196,857)	(60,753)	23,410
Other Financing Sources (Uses)				
Transfers in	136,104	136,104	-	170,982
Total other financing sources (uses)	136,104	136,104	-	170,982
Net change in fund balance	-	(60,753)	(60,753)	194,392
Fund balance (deficit) at beginning of year, as restated	185,057	185,057	-	(9,335)
Fund balance at end of year, as restated	<u>\$ 185,057</u>	<u>\$ 124,304</u>	<u>\$ (60,753)</u>	<u>\$ 185,057</u>

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

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 58,222	\$ 59,645
Receivables, net:		
Property taxes	33,128	33,472
Interest receivable	48	9
Total assets	<u>\$ 91,398</u>	<u>\$ 93,126</u>
 Liabilities		
Accounts payable	\$ -	\$ 16,557
Total liabilities	<u>-</u>	<u>16,557</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	26,945	26,592
Total deferred inflows of resources	<u>26,945</u>	<u>26,592</u>
 Fund balance		
Restricted for health and social services	64,453	49,977
Total fund balance	<u>64,453</u>	<u>49,977</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 91,398</u>	<u>\$ 93,126</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 693,145	\$ 704,913	\$ 11,768	\$ 697,225
Personal property taxes	39,500	51,747	12,247	49,814
Vehicle taxes	52,500	62,503	10,003	56,420
Interest	15	146	131	7
Total revenues	<u>785,160</u>	<u>819,309</u>	<u>34,149</u>	<u>803,466</u>
Expenditures				
Current:				
Health and social services:				
Contractual services	782,110	801,583	(19,473)	793,536
Indirect cost allocation	3,050	3,250	(200)	3,050
Total expenditures	<u>785,160</u>	<u>804,833</u>	<u>(19,673)</u>	<u>796,586</u>
Excess of revenues over expenditures	<u>-</u>	<u>14,476</u>	<u>14,476</u>	<u>6,880</u>
Net change in fund balance	-	14,476	14,476	6,880
Fund balance at beginning of year	<u>49,977</u>	<u>49,977</u>	<u>-</u>	<u>43,097</u>
Fund balance at end of year	<u>\$ 49,977</u>	<u>\$ 64,453</u>	<u>\$ 14,476</u>	<u>\$ 49,977</u>

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 83,963	\$ 68,911
Receivables, net:		
Property taxes	1,869	626
Interest receivable	34	27
Total assets	<u>\$ 85,866</u>	<u>\$ 69,564</u>
 Liabilities		
Accounts payable - trade	\$ 1,090	\$ 1,491
Due to other funds	190,452	217,108
Total liabilities	<u>191,542</u>	<u>218,599</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	942	291
Total deferred inflows of resources	<u>942</u>	<u>291</u>
 Fund Balance (deficit)		
Unassigned	(106,618)	(149,326)
Total fund balance (deficit)	<u>(106,618)</u>	<u>(149,326)</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 85,866</u>	<u>\$ 69,564</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 64,083	\$ 64,001	\$ (82)	\$ 64,074
Interest	50	92	42	84
Total revenues	<u>64,133</u>	<u>64,093</u>	<u>(40)</u>	<u>64,158</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Personal Services	1,350	602	748	602
Contractual services	12,040	34	12,006	12,106
Supplies and materials	10,950	7,777	3,173	8,472
Indirect cost allocation	2,715	2,550	165	2,715
Other	37,078	10,422	26,656	11,694
Total expenditures	<u>64,133</u>	<u>21,385</u>	<u>42,748</u>	<u>35,589</u>
Excess of revenues over expenditures	<u>-</u>	<u>42,708</u>	<u>42,708</u>	<u>28,569</u>
Net change in fund balance	-	42,708	42,708	28,569
Fund balance (deficit) at beginning of year	<u>(149,326)</u>	<u>(149,326)</u>	<u>-</u>	<u>(177,895)</u>
Fund balance (deficit) at end of year	<u><u>\$ (149,326)</u></u>	<u><u>\$ (106,618)</u></u>	<u><u>\$ 42,708</u></u>	<u><u>\$ (149,326)</u></u>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 247,632	\$ 253,698
Due from other funds	-	22,261
Restricted assets	<u>101,977</u>	<u>101,810</u>
Total assets	<u>\$ 349,609</u>	<u>\$ 377,769</u>
 Liabilities		
Accounts payable - trade	\$ 124,460	\$ 28,326
Due to other governments	<u>56,554</u>	<u>23,050</u>
Total liabilities	<u>\$ 181,014</u>	<u>\$ 51,376</u>
 Fund Balance		
Restricted for culture, recreation and tourism	<u>\$ 168,595</u>	<u>\$ 326,393</u>
Total fund balance	<u>168,595</u>	<u>326,393</u>
Total liabilities and fund balance	<u>\$ 349,609</u>	<u>\$ 377,769</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Fees and fines	\$ 15,850	\$ 14,789	\$ (1,061)	\$ 11,123
Hospitality fees	-	-	-	162,000
Interest	-	166	166	247
Total revenues	<u>15,850</u>	<u>14,955</u>	<u>(895)</u>	<u>173,370</u>
Expenditures				
Current:				
Culture, recreation and tourism:				
Contractual services	-	16,457	(16,457)	14,808
Supplies and materials	-	31,829	(31,829)	19,068
Construction contracts	-	-	-	28,326
Capital Outlay	138,000	124,460	13,540	-
Other	62,500	7	62,493	606
Total expenditures	<u>200,500</u>	<u>172,753</u>	<u>27,747</u>	<u>62,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(184,650)</u>	<u>(157,798)</u>	<u>26,852</u>	<u>110,562</u>
Net change in fund balance	(184,650)	(157,798)	26,852	110,562
Fund balance at beginning of year	326,393	326,393	-	215,831
Fund balance at end of year	<u>\$ 141,743</u>	<u>\$ 168,595</u>	<u>\$ 26,852</u>	<u>\$ 326,393</u>

HORRY COUNTY, SOUTH CAROLINA

ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013 (as restated)</u>
Assets		
Pooled cash and investments	\$ 2,366,466	\$ 3,134,138
Receivables, net:		
Other	19,167	-
Interest receivable	1,542	1,606
Restricted assets	39,657	938,602
Total assets	<u>\$ 2,426,832</u>	<u>\$ 4,074,346</u>
 Liabilities		
Accounts payable - trade	\$ 195	\$ 925
Total liabilities	<u>195</u>	<u>925</u>
 Fund Balances		
Restricted for economic development	1,089,881	2,112,960
Committed to economic development	1,336,756	1,960,461
Total fund balances	<u>2,426,637</u>	<u>4,073,421</u>
Total liabilities and fund balances	<u>\$ 2,426,832</u>	<u>\$ 4,074,346</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes - FILOT	\$ 549,279	\$ 588,297	\$ 39,018	\$ 596,068
Fees - Rents	69,182	126,826	57,644	69,182
Interest	1,000	4,548	3,548	4,817
Total revenues	<u>619,461</u>	<u>719,671</u>	<u>100,210</u>	<u>670,067</u>
Expenditures				
Current:				
Infrastructure and regulation:				
Contractual services	2,342,214	1,249,471	1,092,743	739,120
Indirect cost allocation	16,832	27,834	(11,002)	16,950
Other	-	31	(31)	-
Total expenditures	<u>2,359,046</u>	<u>1,277,336</u>	<u>1,081,710</u>	<u>756,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,739,585)</u>	<u>(557,665)</u>	<u>1,181,920</u>	<u>(86,003)</u>
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ -	\$ -	\$ 1,037,960
Transfers out	(1,089,119)	(1,089,119)	-	-
Total other financing sources (uses)	<u>(1,089,119)</u>	<u>(1,089,119)</u>	<u>-</u>	<u>1,037,960</u>
Net change in fund balance	<u>(2,828,704)</u>	<u>(1,646,784)</u>	<u>1,181,920</u>	<u>951,957</u>
Fund balance at beginning of year	<u>4,073,421</u>	<u>4,073,421</u>	<u>-</u>	<u>3,121,464</u>
Fund balance at end of year	<u>\$ 1,244,717</u>	<u>\$ 2,426,637</u>	<u>\$ 1,181,920</u>	<u>\$ 4,073,421</u>

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 2,970,220	\$ 2,690,770
Receivables, net:		
Fees	453,660	466,092
Accounts receivable	4,208	-
Interest receivable	1,471	1,301
Due from other governments	82,285	-
Total assets	<u>\$ 3,511,844</u>	<u>\$ 3,158,163</u>
 Liabilities		
Accounts payable - trade	\$ 103,680	\$ 151,030
Accrued salaries and wages	51,692	46,393
Other liabilities	97	56
Total liabilities	<u>155,469</u>	<u>197,479</u>
 Deferred Inflows of Resources		
Unavailable revenue-fees and other	<u>503,414</u>	<u>426,353</u>
Total deferred inflows of resources	<u>503,414</u>	<u>426,353</u>
 Fund Balance		
Restricted for infrastructure and regulation	<u>2,852,961</u>	<u>2,534,331</u>
Total fund balance	<u>2,852,961</u>	<u>2,534,331</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,511,844</u>	<u>\$ 3,158,163</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Fees	\$ 4,375,000	\$ 4,642,939	\$ 267,939	\$ 4,534,378
Intergovernmental	82,285	-	(82,285)	-
Interest	1,000	3,651	2,651	3,790
Other	-	67,316	67,316	1,953
Total revenues	4,458,285	4,713,906	255,621	4,540,121
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	1,843,955	1,616,293	227,662	1,602,431
Contractual services	1,289,710	1,051,496	238,214	1,085,624
Supplies and materials	361,954	343,448	18,506	315,121
Business and transportation	374,708	310,635	64,073	262,697
Construction contracts	313,603	173,249	140,354	336,330
Capital outlay	147,000	88,692	58,308	33,161
Indirect cost allocation	327,588	327,571	17	302,988
Other	227,037	234,142	(7,105)	205,950
Total expenditures	4,885,555	4,145,526	740,029	4,144,302
Excess (deficiency) of revenues over (under) expenditures	(427,270)	568,380	995,650	395,819
Other Financing Sources (Uses)				
Transfers in	250	250	-	-
Transfers out	(250,000)	(250,000)	-	(380,000)
Total other financing sources (uses)	(249,750)	(249,750)	-	(380,000)
Net change in fund balance	(677,020)	318,630	995,650	15,819
Fund balance at beginning of year	2,534,331	2,534,331	-	2,518,512
Fund balance at end of year	\$ 1,857,311	\$ 2,852,961	\$ 995,650	\$ 2,534,331

HORRY COUNTY, SOUTH CAROLINA

HIDDEN WOODS SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 164,607	\$ 74,979
Receivables, net:		
Property taxes	1,475	3,957
Interest receivable	41	-
Total assets	<u>\$ 166,123</u>	<u>\$ 78,936</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 866	\$ 2,159
Total deferred inflows of resources	<u>866</u>	<u>2,159</u>
 Fund Balance		
Restricted for infrastructure and regulation	<u>165,257</u>	<u>76,777</u>
Total fund balance	<u>165,257</u>	<u>76,777</u>
Total deferred inflows of resources and fund balance	<u>\$ 166,123</u>	<u>\$ 78,936</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 94,355	\$ 98,461	\$ 4,106	\$ 91,545
Interest	-	149	149	-
Total revenues	94,355	98,610	4,255	91,545
Expenditures				
Current:				
Infrastructure and regulation:				
Personal services	1,380	602	778	602
Contractual services	27,787	27	27,760	14,166
Supplies and materials	500	-	500	-
Construction	42,000	-	42,000	-
Indirect cost allocation	4,718	9,501	(4,783)	-
Total expenditures	76,385	10,130	66,255	14,768
Excess (deficiency) of revenues over (under) expenditures	17,970	88,480	70,510	76,777
Other Financing Sources (Uses)				
Transfers out	(77,333)	-	77,333	-
Total other financing sources (uses)	(77,333)	-	77,333	-
Net change in fund balance	(59,363)	88,480	147,843	76,777
Fund balance at beginning of year	76,777	76,777	-	-
Fund balance at end of year	\$ 17,414	\$ 165,257	\$ 147,843	\$ 76,777

HORRY COUNTY, SOUTH CAROLINA

SOLICITOR SPECIAL REVENUE FUND
BALANCE SHEET

June 30, 2014

	<u>2014</u>
Assets	
Cash	\$ 14,519
Pooled cash and investments	1,452,348
Receivables, net:	
Other	186,804
Due from other governments	<u>135,204</u>
Total assets	<u><u>\$ 1,788,875</u></u>
 Liabilities	
Accounts payable - trade	\$ 34,202
Accounts payable - other	26,741
Accrued salaries and wages	<u>207,676</u>
Total liabilities	<u>268,619</u>
 Fund Balance	
Restricted for public safety	<u>1,520,256</u>
Total fund balance	<u>1,520,256</u>
Total liabilities and fund balance	<u><u>\$ 1,788,875</u></u>

Note: This fund was included in the General Fund in fiscal year 2013.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2014

	2014		
	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 4,034,214	\$ 3,849,454	\$ (184,760)
Total revenues	4,034,214	3,849,454	(184,760)
Expenditures			
Current:			
Public Safety:			
Victim Witness:			
Personal services	84,278	86,851	(2,573)
Supplies & Materials	2,000	-	2,000
Business & Transportation	2,000	-	2,000
Total Victim Witness	88,278	86,851	1,427
State Appropriation:			
Personal services	676,328	578,314	98,014
Contractual services	12,918	-	12,918
Other	1,888,787	815,772	1,073,015
Total State Appropriation	2,578,033	1,394,086	1,183,947
Solicitor Georgetown:			
Personal services	827,817	830,166	(2,349)
Contractual services	31,055	29,276	1,779
Supplies and materials	30,345	29,166	1,179
Business and transportation	13,304	12,598	706
Other	41,108	8,048	33,060
Total Solicitor Georgetown	943,629	909,254	34,375
Solicitor Horry County:			
Personal services	2,790,956	2,845,369	(54,413)
Contractual services	142,495	140,835	1,660
Supplies and materials	60,787	59,210	1,577
Business and transportation	55,199	54,551	648
Other	15,900	15,900	-
Total Solicitor Horry County	3,065,337	3,115,865	(50,528)
Pre-Trial Intervention:			
Personal services	701,808	655,286	46,522
Contractual services	-	585	(585)
Business and transportation	-	852	(852)
Other	5,670	5,670	-
Total Pre-Trial Intervention	707,478	662,393	45,085

Note: This fund was included in the General Fund in fiscal year 2013.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2014

- CONTINUED -

	2014		
	Budget	Actual	Variance
Expenditures (continued)			
Current:			
Public Safety:			
Drug Enforcement Unit:			
Personal services	213,937	213,404	533
Contractual services	47,286	46,988	298
Supplies and materials	53,301	53,229	72
Business and transportation	4,008	3,789	219
Other	29,896	28,774	1,122
Total Drug Enforcement Unit	348,428	346,184	2,244
Drug Court:			
Personal services	248,634	207,199	41,435
Contractual services	28,414	21,240	7,174
Supplies and materials	50,008	50,258	(250)
Business and transportation	11,544	2,910	8,634
Capital outlay	5,583	-	5,583
Other	167,560	-	167,560
Total Drug Court	511,743	281,607	230,136
Worthless Check:			
Personal services	144,590	125,392	19,198
Contractual services	8,171	4,311	3,860
Supplies and materials	3,781	574	3,207
Business and transportation	2,800	-	2,800
Other	229,265	-	229,265
Total Worthless Check	388,607	130,277	258,330
Total expenditures	8,631,533	6,926,517	1,705,016
Excess (deficiency) of revenues over (under) expenditures	(4,597,319)	(3,077,063)	1,520,256
Other Financing Sources (Uses)			
Transfers in	4,617,736	4,617,736	-
Transfers out	(20,417)	(20,417)	-
Total other financing sources (uses)	4,597,319	4,597,319	-
Net change in fund balance	-	1,520,256	1,520,256
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 1,520,256	\$ 1,520,256

Note: This fund was included in the General Fund in fiscal year 2013.

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
BALANCE SHEET

June 30, 2014

	<u>2014</u>
Assets	
Pooled cash and investments	\$ 354,495
Due from other governments	<u>53,362</u>
Total assets	<u><u>\$ 407,857</u></u>
 Liabilities	
Accounts payable - trade	\$ 6,145
Accrued salaries and wages	<u>60,637</u>
Total liabilities	<u>66,782</u>
 Fund Balance	
Restricted for public safety	<u>341,075</u>
Total fund balance	<u>341,075</u>
Total liabilities and fund balance	<u><u>\$ 407,857</u></u>

Note: This fund was included in the General Fund in fiscal year 2013.

HORRY COUNTY, SOUTH CAROLINA

PUBLIC DEFENDER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2014

	2014		
	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 712,689	\$ 850,022	\$ 137,333
Total revenues	712,689	850,022	137,333
Expenditures			
Current:			
Public Safety:			
Horry County:			
Personal services	1,353,653	1,376,012	(22,359)
Contractual services	64,492	41,546	22,946
Supplies & Materials	41,040	37,265	3,775
Business & Transportation	33,502	28,345	5,157
Capital Outlay	546	-	546
Other	147,182	-	147,182
Total assistant county admin.	1,640,415	1,483,168	157,247
Georgetown:			
Personal services	187,681	191,647	(3,966)
Contractual services	5,200	987	4,213
Supplies and materials	7,300	5,154	2,146
Business and transportation	4,200	3,316	884
Other	43,218	-	43,218
Total operations	247,599	201,104	46,495
Total expenditures	1,888,014	1,684,272	203,742
Excess (deficiency) of revenues over (under) expenditures	(1,175,325)	(834,250)	341,075
Other Financing Sources (Uses)			
Transfers in	1,199,779	1,199,779	-
Transfers out	(24,454)	(24,454)	-
Total other financing sources (uses)	1,175,325	1,175,325	-
Net change in fund balance	-	341,075	341,075
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 341,075	\$ 341,075

Note: This fund was included in the General Fund in fiscal year 2013.

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ -	\$ 167,511
Interest receivable	-	62
Total assets	<u>\$ -</u>	<u>\$ 167,573</u>
Liabilities		
Accounts payable - trade	\$ -	\$ 9,233
Total liabilities	<u>-</u>	<u>9,233</u>
Fund Balance		
Committed to public safety	-	158,340
Total fund balance	<u>-</u>	<u>158,340</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 167,573</u>

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year ended June 30, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Fees and fines	\$ -	\$ -	\$ -	\$ 3,355
Intergovernmental	-	-	-	47,282
Interest	-	-	-	205
Total revenues	-	-	-	50,842
Expenditures				
Current:				
Public safety:				
Contractual services	-	-	-	9,167
Other	-	-	-	1,290
Total expenditures	-	-	-	10,457
Excess (deficiency) of revenues over (under) expenditures	-	-	-	40,385
Other Financing Sources (Uses)				
Transfers out	(20,336)	(158,340)	(138,004)	-
Total other financing sources (uses)	(20,336)	(158,340)	(138,004)	-
Net change in fund balance	(20,336)	(158,340)	(138,004)	40,385
Fund balance at beginning of year	158,340	158,340	-	117,955
Fund balance at end of year	\$ 138,004	\$ -	\$ (138,004)	\$ 158,340

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 528,326	\$ 527,320
Receivables, net:		
Property taxes	302	-
Interest receivable	263	209
Total assets	<u>\$ 528,891</u>	<u>\$ 527,529</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 302	\$ -
Total deferred inflows of resources	<u>302</u>	<u>-</u>
 Fund Balance		
Restricted for infrastructure and regulation	<u>528,589</u>	<u>527,529</u>
Total fund balance	<u>528,589</u>	<u>527,529</u>
Total deferred inflows of resources and fund balance	<u>\$ 528,891</u>	<u>\$ 527,529</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Property taxes	\$ -	\$ 302	\$ 302	\$ 20,705
Interest	-	758	758	680
Total revenues	-	1,060	1,060	21,385
Expenditures				
Current:				
Infrastructure and regulation:				
Construction contracts	250,000	-	250,000	-
Total expenditures	250,000	-	250,000	-
Excess (deficiency) of revenues over (under) expenditures	(250,000)	1,060	251,060	21,385
Net change in fund balance	(250,000)	1,060	251,060	21,385
Fund balance at beginning of year	527,529	527,529	-	506,144
Fund balance at end of year	\$ 277,529	\$ 528,589	\$ 251,060	\$ 527,529

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 3,629,200	\$ 3,202,298
Receivables, net:		
Fees	59,423	61,094
Due from other governments	279,118	146,383
Interest receivable	1,366	822
Total assets	<u>\$ 3,969,107</u>	<u>\$ 3,410,597</u>
 Liabilities		
Accounts payable - trade	\$ 74,631	\$ 60,813
Accrued salaries and wages	8,945	5,047
Total liabilities	<u>83,576</u>	<u>65,860</u>
 Fund Balance		
Restricted for public safety	3,885,531	3,344,737
Total fund balance	<u>3,885,531</u>	<u>3,344,737</u>
Total liabilities and fund balance	<u>\$ 3,969,107</u>	<u>\$ 3,410,597</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 910,000	\$ 1,338,929	\$ 428,929	\$ 2,052,457
Fees and fines	725,000	689,315	(35,685)	714,237
Interest	-	5,098	5,098	2,843
Total revenues	<u>1,635,000</u>	<u>2,033,342</u>	<u>398,342</u>	<u>2,769,537</u>
Expenditures				
Current:				
Public safety:				
Personal services	234,117	219,496	14,621	152,761
Contractual services	837,594	837,256	338	732,179
Supplies and materials	25,315	25,045	270	360
Business and transportation	26,628	20,751	5,877	10,755
Capital outlay	-	-	-	14,109
Other	121,346	-	121,346	-
Total expenditures	<u>1,245,000</u>	<u>1,102,548</u>	<u>142,452</u>	<u>910,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>390,000</u>	<u>930,794</u>	<u>540,794</u>	<u>1,859,373</u>
Other Financing Sources (Uses)				
Transfers out	<u>(390,000)</u>	<u>(390,000)</u>	<u>-</u>	<u>(108,174)</u>
Net change in fund balance	-	540,794	540,794	1,751,199
Fund balance at beginning of year	3,344,737	3,344,737	-	1,593,538
Fund balance at end of year	<u>\$ 3,344,737</u>	<u>\$ 3,885,531</u>	<u>\$ 540,794</u>	<u>\$ 3,344,737</u>

HORRY COUNTY, SOUTH CAROLINA

CDBG GRANT PROGRAM SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Due from other governments	\$ 388,002	\$ 466,934
Total assets	<u>\$ 388,002</u>	<u>\$ 466,934</u>
Liabilities		
Accounts payable - trade	\$ 91,249	\$ 159,772
Due to other funds	289,805	300,087
Accrued salaries and wages	6,948	7,075
Total liabilities	<u>388,002</u>	<u>466,934</u>
Total liabilities and fund balances	<u>\$ 388,002</u>	<u>\$ 466,934</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 3,441,295	\$ 2,182,532	\$ (1,258,763)	\$ 2,039,458
Total revenues	<u>3,441,295</u>	<u>2,182,532</u>	<u>(1,258,763)</u>	<u>2,039,458</u>
Expenditures				
Current:				
Economic development:				
Personal services	246,345	227,801	18,544	218,752
Contractual services	2,895,985	1,884,752	1,011,233	1,464,895
Supplies and materials	36,832	15,146	21,686	12,614
Business and transportation	23,174	11,273	11,901	12,705
Indirect cost allocation	43,560	43,560	-	46,166
Capital outlay	-	-	-	20,020
Other	195,399	-	195,399	-
Total expenditures	<u>3,441,295</u>	<u>2,182,532</u>	<u>1,258,763</u>	<u>1,775,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,306</u>
Other Financing Sources (Uses)				
Transfers out	-	-	-	(264,306)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(264,306)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	2014	2013 (as restated)
Assets		
Cash	\$ 100	\$ 100
Pooled cash and investments	3,072,218	2,931,018
Receivables, net:		
Property taxes	146,839	143,876
Other	38,758	44,396
Interest receivable	1,613	1,359
Due from other governments	4,573	-
Total assets	<u>\$ 3,264,101</u>	<u>\$ 3,120,749</u>
Liabilities		
Accounts payable - trade	\$ 142,394	\$ 73,614
Accrued salaries and wages	104,388	82,247
Total liabilities	<u>246,782</u>	<u>155,861</u>
Deferred Inflows of Resources		
Unavailable revenue-fees and other	4,573	-
Unavailable revenue-property taxes	120,326	117,942
Total deferred inflows of resources	<u>124,899</u>	<u>117,942</u>
Fund Balance		
Restricted for culture, recreation and tourism	2,892,420	2,846,946
Total fund balance	<u>2,892,420</u>	<u>2,846,946</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,264,101</u>	<u>\$ 3,120,749</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, 2014
(with comparative actual amounts For the Year ended June 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual (as restated)
Revenues				
Real property taxes	\$ 2,957,600	\$ 2,997,092	\$ 39,492	\$ 2,964,116
Personal property taxes	213,300	222,113	8,813	214,141
Vehicle taxes	225,000	266,116	41,116	240,329
Intergovernmental	4,573	-	(4,573)	-
Interest	1,600	4,436	2,836	4,158
Other	863,245	857,304	(5,941)	796,847
Total revenues	4,265,318	4,347,061	81,743	4,219,591
Expenditures				
Current:				
Culture, recreation and tourism:				
Personal services	2,032,249	1,992,358	39,891	1,853,111
Contractual services	405,254	405,217	37	369,539
Supplies and materials	181,259	178,429	2,830	146,489
Business and transportation	111,045	107,638	3,407	105,656
Construction contracts	311,952	64,785	247,167	100,432
Capital outlay	65,423	65,423	-	197,578
Indirect cost allocation	708,621	708,621	-	681,393
Distributions to municipalities	200,000	200,000	-	200,000
Programs	942,064	561,709	380,355	638,464
Other	130,772	47,910	82,862	48,896
Total expenditures	5,088,639	4,332,090	756,549	4,341,558
Excess (deficiency) of revenues over (under) expenditures	(823,321)	14,971	838,292	(121,967)
Other Financing Sources (Uses)				
Sale of Assets	-	-	-	2,694
Transfers in	30,503	30,503	-	40,000
Total other financing sources (uses)	30,503	30,503	-	42,694
Net change in fund balance	(792,818)	45,474	838,292	(79,273)
Fund balance at beginning of year, as restated	2,846,946	2,846,946	-	2,926,219
Fund balance at end of year, as restated	\$ 2,054,128	\$ 2,892,420	\$ 838,292	\$ 2,846,946

CAPITAL PROJECTS FUNDS

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2014

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Assets			
Pooled cash and investments	\$ 8,211,215	\$ 277,394,712	\$ 285,605,927
Receivables, net:			
Accounts and other	126,313	-	126,313
Interest receivable	27,217	4,645	31,862
Due from other governments	396,300	15,915,323	16,311,623
Prepaid contracts	40,793	-	40,793
Restricted assets	9,501,169	-	9,501,169
Total assets	<u>\$ 18,303,007</u>	<u>\$ 293,314,680</u>	<u>\$ 311,617,687</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable - trade	\$ 1,285,061	\$ 2,812,929	\$ 4,097,990
Retainage payable	-	63,326	63,326
Total liabilities	<u>1,285,061</u>	<u>2,876,255</u>	<u>4,161,316</u>
Fund balances:			
Nonspendable	40,793	-	40,793
Restricted for capital	9,501,169	-	9,501,169
Restricted for infrastructure and regulation	-	290,438,425	290,438,425
Committed to public safety	728,426	-	728,426
Committed to culture, recreation and tourism	1,757,064	-	1,757,064
Committed to infrastructure and regulation	3,067,505	-	3,067,505
Committed to other capital projects	1,922,989	-	1,922,989
Total fund balances	<u>17,017,946</u>	<u>290,438,425</u>	<u>307,456,371</u>
Total liabilities and fund balances	<u>\$ 18,303,007</u>	<u>\$ 293,314,680</u>	<u>\$ 311,617,687</u>

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2014

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Revenues			
Intergovernmental	\$ 2,424,713	\$ 69,732,808	\$ 72,157,521
Disposal fee	771,935	-	771,935
Investment earnings	60,191	894,510	954,701
Other	95,165	-	95,165
Total revenues	<u>3,352,004</u>	<u>70,627,318</u>	<u>73,979,322</u>
Expenditures			
General government:			
Construction contracts	1,501,588	-	1,501,588
Capital outlay	8,763,356	-	8,763,356
Total general government	<u>10,264,944</u>	<u>-</u>	<u>10,264,944</u>
Infrastructure and regulation:			
Construction contracts	-	31,821,366	31,821,366
Capital outlay	-	821,280	821,280
Capital outlay - infrastructure	-	3,994,806	3,994,806
Bond issuance costs	42,500	-	42,500
Total infrastructure & regulation	<u>42,500</u>	<u>36,637,452</u>	<u>36,679,952</u>
Total expenditures	<u>10,307,444</u>	<u>36,637,452</u>	<u>46,944,896</u>
Excess (deficiency) of revenue over expenditures	<u>(6,955,440)</u>	<u>33,989,866</u>	<u>27,034,426</u>
Other Financing Sources (Uses)			
Bond Proceeds	252,000	-	252,000
Capital lease	12,081,747	-	12,081,747
Transfers in	3,103,040	-	3,103,040
Transfers out	(216,456)	-	(216,456)
Total other financing sources (uses)	<u>15,220,331</u>	<u>-</u>	<u>15,220,331</u>
Net change in fund balance	<u>8,264,891</u>	<u>33,989,866</u>	<u>42,254,757</u>
Fund balance at beginning of year	<u>8,753,055</u>	<u>256,448,559</u>	<u>265,201,614</u>
Fund balance at end of year	<u>\$ 17,017,946</u>	<u>\$ 290,438,425</u>	<u>\$ 307,456,371</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2014

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non- Major Funds
Assets			
Pooled cash and investments	\$ 1,589,973	\$ 243,103	\$ 1,833,076
Receivables, net:			
Property taxes	51,165	-	51,165
Interest receivable	327	120	447
Total assets	<u>\$ 1,641,465</u>	<u>\$ 243,223</u>	<u>\$ 1,884,688</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 40,289	\$ -	\$ 40,289
Total deferred inflows of resources	<u>40,289</u>	<u>-</u>	<u>40,289</u>
Fund balances:			
Restricted for public safety	1,601,176	-	1,601,176
Restricted for culture, recreation and tourism	-	34,868	34,868
Restricted for infrastructure and regulation	-	208,355	208,355
Total fund balances	<u>1,601,176</u>	<u>243,223</u>	<u>1,844,399</u>
Total deferred inflows of resources and fund balances	<u>\$ 1,641,465</u>	<u>\$ 243,223</u>	<u>\$ 1,884,688</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2014

	Non-Major Funds		
	Fire Apparatus Replacement	Voluntary Developer Contributions	Total Non-Major Funds
Revenues			
Real property taxes	\$ 1,402,288	\$ -	\$ 1,402,288
Personal property taxes	115,874	-	115,874
Vehicle taxes	82,022	-	82,022
Interest	992	339	1,331
Other	-	12,875	12,875
Total revenues	<u>1,601,176</u>	<u>13,214</u>	<u>1,614,390</u>
Expenditures			
Culture, recreation and tourism:			
Construction contracts	-	8,000	8,000
Total infrastructure & regulation	-	8,000	8,000
Total expenditures	-	8,000	8,000
Excess (deficiency) of revenue over expenditures	<u>1,601,176</u>	<u>5,214</u>	<u>1,606,390</u>
Other Financing Sources (Uses)			
Transfers out	-	(500)	(500)
Total other financing sources (uses)	-	(500)	(500)
Net change in fund balance	<u>1,601,176</u>	<u>4,714</u>	<u>1,605,890</u>
Fund balance at beginning of year	-	238,509	238,509
Fund balance at end of year	<u>\$ 1,601,176</u>	<u>\$ 243,223</u>	<u>\$ 1,844,399</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 8,211,215	\$ 7,136,957
Receivables, net:		
Accounts and other	126,313	65,939
Interest receivable	27,217	22,761
Due from other governments	396,300	1,332,460
Prepaid contracts	40,793	-
Restricted assets	9,501,169	751,808
Total assets	<u>\$ 18,303,007</u>	<u>\$ 9,309,925</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,285,061	\$ 465,781
Retainage payable	-	91,089
Total liabilities	<u>1,285,061</u>	<u>556,870</u>
 Fund balances:		
Nonspendable	40,793	-
Restricted for capital	9,501,169	939,481
Committed to public safety	728,426	499,237
Committed to culture, recreation and tourism	1,757,064	1,951,719
Committed to infrastructure and regulation	3,067,505	1,699,343
Committed to other capital projects	1,922,989	3,663,275
Total fund balances	<u>17,017,946</u>	<u>8,753,055</u>
Total liabilities and fund balances	<u>\$ 18,303,007</u>	<u>\$ 9,309,925</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, 2014
(With comparative actual amounts for the year ended June 30, 2013)

	2014	2013
Revenues		
Disposal fee	\$ 771,935	\$ 707,889
Intergovernmental	2,424,713	1,509,543
Interest	60,191	84,261
Other	95,165	200,000
Total revenues	<u>3,352,004</u>	<u>2,501,693</u>
Expenditures		
General government:		
Supplies and materials	-	210
Construction contracts	1,501,588	1,765,996
Capital outlay	8,763,356	3,844,141
Bond issuance costs	42,500	-
Total expenditures	<u>10,307,444</u>	<u>5,610,347</u>
Excess (deficiency) of revenue over expenditures	<u>(6,955,440)</u>	<u>(3,108,654)</u>
Other Financing Sources (Uses)		
Bond proceeds	252,000	-
Capital lease	12,081,747	460,300
Transfers in	3,103,040	2,626,999
Transfers out	(216,456)	(1,670,186)
Total other financing sources (uses)	<u>15,220,331</u>	<u>1,417,113</u>
Net change in fund balance	<u>8,264,891</u>	<u>(1,691,541)</u>
Fund balance at beginning of year	<u>8,753,055</u>	<u>10,444,596</u>
Fund balance at end of year	<u>\$ 17,017,946</u>	<u>\$ 8,753,055</u>

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS SALES TAX FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 277,394,712	\$ 242,824,439
Interest receivable	4,645	7,793
Due from other governments	15,915,323	15,700,808
Total assets	<u>\$ 293,314,680</u>	<u>\$ 258,533,040</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,812,929	\$ 2,015,707
Retainage payable	63,326	68,774
Total liabilities	<u>2,876,255</u>	<u>2,084,481</u>
 Fund balance :		
Restricted for infrastructure and regulation	<u>290,438,425</u>	<u>256,448,559</u>
Total fund balance	<u>290,438,425</u>	<u>256,448,559</u>
Total liabilities and fund balance	<u>\$ 293,314,680</u>	<u>\$ 258,533,040</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2014
(With comparative actual amounts for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Revenues		
Intergovernmental:		
Sales tax	\$ 69,732,808	\$ 65,731,883
Investment earnings	894,510	515,872
Total revenues	<u>70,627,318</u>	<u>66,247,755</u>
Expenditures		
Infrastructure and regulation:		
Construction contracts - State	31,821,366	25,118,162
Capital outlay	821,280	3,557,407
Capital outlay - infrastructure	3,994,806	3,916,071
Total expenditures	<u>36,637,452</u>	<u>32,591,640</u>
Excess (deficiency) of revenue over expenditures	<u>33,989,866</u>	<u>33,656,115</u>
Net change in fund balance	<u>33,989,866</u>	<u>33,656,115</u>
Fund balance at beginning of year	<u>256,448,559</u>	<u>222,792,444</u>
Fund balance at end of year	<u>\$ 290,438,425</u>	<u>\$ 256,448,559</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
BALANCE SHEET

June 30, 2014

	<u>2014</u>
Assets	
Pooled cash and investments	\$ 1,589,973
Receivables, net:	
Property taxes	51,165
Interest receivable	327
Total assets	<u>\$ 1,641,465</u>
 Deferred Inflows of Resources	
Unavailable revenue-property taxes	<u>\$ 40,289</u>
Total deferred inflows of resources	<u>40,289</u>
 Fund balance:	
Restricted for public safety	<u>1,601,176</u>
Total fund balance	<u>1,601,176</u>
Total deferred inflows of resources and fund balance	<u>\$ 1,641,465</u>

Note: This fund began in fiscal year 2014

HORRY COUNTY, SOUTH CAROLINA

FIRE APPARATUS REPLACEMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	2014
	Actual
Revenues	
Real property taxes	\$ 1,402,288
Personal property taxes	115,874
Vehicle taxes	82,022
Interest	992
Total revenues	<u>1,601,176</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,601,176</u>
Net change in fund balance	1,601,176
Fund balance at beginning of year	-
Fund balance at end of year	<u>\$ 1,601,176</u>

Note: This fund began in fiscal year 2014

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 243,103	\$ 238,418
Interest receivable	120	91
Total assets	<u>\$ 243,223</u>	<u>\$ 238,509</u>
 Liabilities and Fund Balance		
Fund balance :		
Restricted for culture, recreation and tourism	\$ 34,868	\$ 43,316
Restricted for infrastructure and regulation	<u>208,355</u>	<u>195,193</u>
Total fund balance	<u>243,223</u>	<u>238,509</u>
Total liabilities and fund balance	<u>\$ 243,223</u>	<u>\$ 238,509</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, 2014

(With comparative actual amounts for the year ended June 30, 2013)

	2014	2013
Revenues		
Interest	\$ 339	\$ 290
Other	12,875	10,500
Total revenues	<u>13,214</u>	<u>10,790</u>
Expenditures		
Culture, recreation and tourism:		
Construction contracts	<u>8,000</u>	-
Total expenditures	<u>8,000</u>	<u>-</u>
Excess of revenue over expenditures	<u>5,214</u>	<u>10,790</u>
Other Financing Sources (Uses)		
Transfers out	<u>(500)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(500)</u>	<u>(10,000)</u>
Net change in fund balance	<u>4,714</u>	<u>790</u>
Fund balance at beginning of year	<u>238,509</u>	<u>237,719</u>
Fund balance at end of year	<u>\$ 243,223</u>	<u>\$ 238,509</u>

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEETS

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 3,140,970	\$ 2,906,502
Receivables (net):		
Fees receivable	4,929,859	4,798,230
Interest Receivable	1,166	794
Funds held in trust (restricted):		
Loan reserve account	41,705,554	40,336,129
Total assets	<u>\$ 49,777,549</u>	<u>\$ 48,041,655</u>
 Liabilities		
Due to other funds	\$ 48,356	\$ 47,208
Total liabilities	<u>48,356</u>	<u>47,208</u>
 Fund Balance		
Restricted for debt service	49,729,193	47,994,447
Total fund balance	<u>49,729,193</u>	<u>47,994,447</u>
Total liabilities and fund balance	<u>\$ 49,777,549</u>	<u>\$ 48,041,655</u>

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND- MAJOR FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality Fees	\$ 32,997,900	\$ 34,426,155	\$ 1,428,255	\$ 32,646,978
Interest	892,500	651,895	(240,605)	857,140
Total revenues	<u>33,890,400</u>	<u>35,078,050</u>	<u>1,187,650</u>	<u>33,504,118</u>
Expenditures				
Debt Service:				
Principal				
Insured	13,339,835	13,339,835	-	12,914,956
Uninsured	13,026,822	13,026,821	1	11,403,711
Interest				
Insured	1,660,165	1,660,165	-	2,085,044
Uninsured	4,980,833	4,980,833	-	5,334,419
Contingency	559,745	-	559,745	-
Total debt service	<u>33,567,400</u>	<u>33,007,654</u>	<u>559,746</u>	<u>31,738,130</u>
Excess of revenue over expenditures	<u>323,000</u>	<u>2,070,396</u>	<u>1,747,396</u>	<u>1,765,988</u>
Other Financing Sources (Uses)				
Transfers out	<u>(323,000)</u>	<u>(335,650)</u>	<u>(12,650)</u>	<u>(319,249)</u>
Total other financing sources (uses)	<u>(323,000)</u>	<u>(335,650)</u>	<u>(12,650)</u>	<u>(319,249)</u>
Net change in fund balance	-	1,734,746	1,734,746	1,446,739
Fund balance, beginning of year	<u>47,994,447</u>	<u>47,994,447</u>	-	<u>46,547,708</u>
Fund balance, end of year	<u><u>\$ 47,994,447</u></u>	<u><u>\$ 49,729,193</u></u>	<u><u>\$ 1,734,746</u></u>	<u><u>\$ 47,994,447</u></u>

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2014

	Non-Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Assets			
Pooled cash and investments	\$ 9,378,335	\$ 162,323	\$ 9,540,658
Receivables, net:			
Taxes	419,077	-	419,077
Due from other funds	-	25,350	25,350
Interest receivable	5,679	-	5,679
Restricted assets	-	216,787	216,787
Total Assets	<u>\$ 9,803,091</u>	<u>\$ 404,460</u>	<u>\$ 10,207,551</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ 341,687	\$ -	\$ 341,687
Total deferred inflows of resources	<u>341,687</u>	<u>-</u>	<u>341,687</u>
Fund Balance			
Restricted for debt service	9,461,404	404,460	9,865,864
Total Fund Balance	<u>9,461,404</u>	<u>404,460</u>	<u>9,865,864</u>
Total deferred inflows of resources and fund balance	<u>\$ 9,803,091</u>	<u>\$ 404,460</u>	<u>\$ 10,207,551</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, 2014

	Non- Major Funds		
	General Debt	Special Obligation Debt	Total Non-Major Funds
Revenues			
Real property taxes	\$ 8,812,361	\$ -	\$ 8,812,361
Personal property taxes	648,069	-	648,069
Vehicle taxes	781,349	-	781,349
Intergovernmental	35,026	-	35,026
Hospitality fees	-	243,075	243,075
Interest	134,766	3,742	138,508
Total revenues	<u>10,411,571</u>	<u>246,817</u>	<u>10,658,388</u>
Expenditures			
Debt service:			
Principal	9,786,351	2,041,500	11,827,851
Interest	4,347,358	110,520	4,457,878
Agents fees	4,200	525	4,725
Total debt service	<u>14,137,909</u>	<u>2,152,545</u>	<u>16,290,454</u>
Total expenditures	<u>14,137,909</u>	<u>2,152,545</u>	<u>16,290,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,726,338)</u>	<u>(1,905,728)</u>	<u>(5,632,066)</u>
Other Financing Sources (Uses)			
Transfers in	<u>2,166,488</u>	<u>-</u>	<u>2,166,488</u>
Total other financing sources (uses)	<u>2,166,488</u>	<u>-</u>	<u>2,166,488</u>
Net change in fund balance	(1,559,850)	(1,905,728)	(3,465,578)
Fund balance at beginning of year	<u>11,021,254</u>	<u>2,310,188</u>	<u>13,331,442</u>
Fund balance at end of year	<u>\$ 9,461,404</u>	<u>\$ 404,460</u>	<u>\$ 9,865,864</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2014
(with comparative total amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Pooled cash and investments	\$ 9,378,335	\$ 10,929,897
Receivables, net:		
Property taxes	419,077	423,423
Interest receivable	5,679	5,097
Total assets	<u>\$ 9,803,091</u>	<u>\$ 11,358,417</u>
 Deferred Inflows of Resources		
Unavailable revenue-property taxes	\$ 341,687	\$ 337,163
Total deferred inflows of resources	<u>341,687</u>	<u>337,163</u>
 Fund Balance		
Restricted for debt service	9,461,404	11,021,254
Total fund balance	<u>9,461,404</u>	<u>11,021,254</u>
Total deferred inflows of resources and fund balance	<u>\$ 9,803,091</u>	<u>\$ 11,358,417</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Revenues				
Real property taxes	\$ 8,647,400	\$ 8,812,361	\$ 164,961	\$ 8,717,399
Personal property taxes	600,000	648,069	48,069	624,178
Vehicle taxes	710,000	781,349	71,349	705,309
Intergovernmental	35,026	35,026	-	35,026
Interest	7,500	134,766	127,266	144,845
Total revenues	<u>9,999,926</u>	<u>10,411,571</u>	<u>411,645</u>	<u>10,226,757</u>
Expenditures				
Debt Service:				
Principal	9,840,685	9,786,351	54,334	9,194,414
Interest	4,370,361	4,347,358	23,003	4,714,820
Agents fees	5,605	4,200	1,405	3,410
Total expenditures	<u>14,216,651</u>	<u>14,137,909</u>	<u>78,742</u>	<u>13,912,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,216,725)</u>	<u>(3,726,338)</u>	<u>490,387</u>	<u>(3,685,887)</u>
Other Financing Sources (Uses)				
Transfers in	2,244,221	2,166,488	(77,733)	2,144,678
Total other financing sources	<u>2,244,221</u>	<u>2,166,488</u>	<u>(77,733)</u>	<u>2,144,678</u>
Net change in fund balance	(1,972,504)	(1,559,850)	412,654	(1,541,209)
Fund balance at beginning of year	11,021,254	11,021,254	-	12,562,463
Fund balance at end of year	<u>\$ 9,048,750</u>	<u>\$ 9,461,404</u>	<u>\$ 412,654</u>	<u>\$ 11,021,254</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2014
(with comparative total amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Equity in pooled cash and investments	\$ 162,323	\$ 1,883,738
Due from other funds	25,350	222,600
Restricted assets	<u>216,787</u>	<u>203,850</u>
Total assets	<u>\$ 404,460</u>	<u>\$ 2,310,188</u>
 Fund Balance		
Restricted for debt service	\$ 404,460	\$ 2,310,188
Total fund balance	<u>404,460</u>	<u>2,310,188</u>
Total liabilities and fund balance	<u>\$ 404,460</u>	<u>\$ 2,310,188</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Revenues				
Hospitality fees	\$ 243,075	\$ 243,075	\$ -	\$ 2,088,342
Interest	-	3,742	3,742	141
Total revenues	<u>243,075</u>	<u>246,817</u>	<u>3,742</u>	<u>2,088,483</u>
Expenditures				
Debt Service:				
Principal	2,050,500	2,041,500	9,000	1,986,632
Interest	110,979	110,520	459	176,327
Agents fees	525	525	-	525
Total debt service	<u>2,162,004</u>	<u>2,152,545</u>	<u>9,459</u>	<u>2,163,484</u>
Excess of revenues over expenditures	<u>(1,918,929)</u>	<u>(1,905,728)</u>	<u>13,201</u>	<u>(75,001)</u>
Net change in fund balance	<u>(1,918,929)</u>	<u>(1,905,728)</u>	<u>13,201</u>	<u>(75,001)</u>
Fund balance at beginning of year	<u>2,310,188</u>	<u>2,310,188</u>	<u>-</u>	<u>2,385,189</u>
Fund balance at end of year	<u>\$ 391,259</u>	<u>\$ 404,460</u>	<u>\$ 13,201</u>	<u>\$ 2,310,188</u>

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY (ENTERPRISE) FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

JUNE 30, 2014

(with comparative amounts for June 30, 2013)

	2014	2013 (as restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 50,301,421	\$ 31,596,962
Investments	-	19,156,277
Accounts receivable (net of allowance of \$270,020 in 2014 and in 2013)	1,395,702	848,911
Accrued interest on investments	52,241	74,145
Due from other governments	1,939,526	5,789,146
Inventories	1,033,182	957,498
Prepaid items	94,110	69,231
Total current assets	<u>54,816,182</u>	<u>58,492,170</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	8,488,047	6,297,807
Investments	26,857,431	27,624,875
Receivables - PFC and CFC	842,441	1,025,051
Total restricted assets	<u>36,187,919</u>	<u>34,947,733</u>
Capital assets:		
Land, easements and infrastructure	32,455,493	32,455,493
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	195,967,010	195,077,396
Construction-in-progress	2,603,459	1,683,619
Total capital assets, net	<u>231,025,962</u>	<u>229,216,508</u>
Service concession arrangement (SCA)	3,285,345	4,792,038
Total assets	<u><u>\$ 325,315,408</u></u>	<u><u>\$ 327,448,449</u></u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF NET POSITION

- CONTINUED -

	2014	2013 (as restated)
Liabilities		
Current liabilities:		
Accounts payable	\$ 518,721	\$ 326,391
Construction accounts and retainage payable	2,535,928	10,900,728
Accrued salaries, wages and compensated absences	577,339	565,499
Other accrued expenses	597,036	648,445
Due to other funds	757,804	784,394
Unearned revenue	293,747	107,153
Capital lease payable - current portion	101,735	99,499
Amounts due to tenants, airlines, car rentals	897,517	478,168
Total current liabilities	<u>6,279,827</u>	<u>13,910,277</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,215,000	-
Accrued interest payable	1,543,097	1,543,097
Total current liabilities payable from restricted assets	<u>2,758,097</u>	<u>1,543,097</u>
Noncurrent liabilities:		
Revenue bonds payable	59,188,647	60,396,745
Compensated absences - long term	926,754	905,253
Net other post-employment benefits obligation (NOO)	750,669	681,155
Capital lease payable	484,244	585,979
Total non-current liabilities	<u>61,350,314</u>	<u>62,569,132</u>
Total liabilities	<u>70,388,238</u>	<u>78,022,506</u>
Deferred Inflows of Resources		
Unavailable Revenue from		
Service Concession Arrangement	3,285,345	4,792,038
Total deferred inflows of resources	<u>3,285,345</u>	<u>4,792,038</u>
Net position		
Net investment in capital assets	171,153,138	168,610,108
Restricted for:		
Debt service	19,728,674	16,926,018
Capital projects	13,701,149	16,002,795
Unrestricted	47,058,864	43,094,984
Total net position	<u>251,641,825</u>	<u>244,633,905</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 325,315,408</u>	<u>\$ 327,448,449</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2014
(with comparative amounts for the year ended June 30, 2013)

	2014	2013 (as restated)
Operating Revenues		
Landing fees	\$ 1,114,193	\$ 1,425,463
Airline terminal rents	6,090,291	4,961,141
Concessions and rentals	7,620,089	6,920,652
Baggage Handling System	665,812	-
Security fees	178,088	182,358
Leases	806,146	791,511
Fuel sales - FBO	5,277,148	3,754,998
Other airline services	504,374	540,066
Federal revenue- TSA LEO reimbursement program	120,523	119,007
Other	691,556	442,580
Total operating revenues	<u>23,068,220</u>	<u>19,137,776</u>
Less, signatory airline rebate and incentive fee waivers	<u>(1,093,770)</u>	<u>(606,587)</u>
Net operating revenues	<u>21,974,450</u>	<u>18,531,189</u>
Operating Expenses		
Salaries and benefits	7,513,364	6,766,679
Utilities	1,625,101	1,146,519
Baggage Handling System	665,812	-
Outside and professional services	1,048,645	951,361
Maintenance and supplies	942,983	772,028
Fuel cost of sales	3,963,111	2,884,229
Vehicle and equipment (non-capital) expense	410,899	454,085
Insurance	408,423	327,776
Dues, memberships and travel	255,784	245,362
Office supplies	41,286	39,800
Indirect cost allocation	291,763	200,000
Depreciation and amortization	9,991,636	7,332,936
Total operating expenses	<u>27,158,807</u>	<u>21,120,775</u>
Operating loss	<u>(5,184,357)</u>	<u>(2,589,586)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2014	2013 (as restated)
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC)	3,587,383	3,202,752
Contract Facility Charges (CFC)	2,728,556	2,505,421
Intergovernmental revenues - City of Myrtle Beach	1,902,245	1,873,612
Gain / (loss) on disposal/sale of capital assets	10,267	193,775
Redevelopment Authority Revenue	200,001	150,000
Revenue - Utility Companies for ITAP	-	400,000
Other expense	(21,975)	(9,200)
Interest income	176,607	198,082
Interest expense	(3,102,876)	(1,319,640)
Interest subsidy on Recovery Zone Economic Bonds	297,449	306,584
Net non-operating revenues (expenses)	<u>5,777,657</u>	<u>7,501,386</u>
Income before capital contributions	<u>593,300</u>	<u>4,911,800</u>
Capital Contributions		
Federal grant revenue - capital projects	6,289,037	14,564,728
State grant revenue - capital projects	125,583	-
Net capital contributions	<u>6,414,620</u>	<u>14,564,728</u>
Increase in net position	<u>7,007,920</u>	<u>19,476,528</u>
Net Position		
Beginning of year (2014 and 2013)	<u>244,633,905</u>	<u>225,157,377</u>
End of year	<u>\$ 251,641,825</u>	<u>\$ 244,633,905</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014
(with comparative amounts for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 15,705,043	\$ 13,075,350
FBO fuel sales and airline services	5,624,845	4,484,674
Other	703,714	429,675
Cash paid for:		
Salaries and benefits	(7,410,509)	(6,665,738)
Maintenance, supplies, fuel, utilities and equipment	(9,640,039)	(7,794,546)
Net cash provided by operating activities	<u>4,983,054</u>	<u>3,529,415</u>
Cash flows from non-capital financing activities		
Other	(21,975)	(9,200)
Net cash used in non-capital financing activities	<u>(21,975)</u>	<u>(9,200)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	6,498,549	5,495,888
Acquisition and construction of capital assets	(20,165,890)	(50,253,665)
Sale of capital assets	10,267	193,775
Interest paid on bonds and notes	(3,095,974)	(313,549)
Receipt of federal subsidy for "RZEDB" (Series 2010B)	297,449	306,584
Principal payments on capital lease obligation	(99,499)	(53,589)
Receipt of intergovernmental and private grants	2,102,246	2,788,046
Proceeds from Airport Improvement Program, TSA and State grants	10,264,240	11,093,927
Net cash used in capital and related financing activities	<u>(4,188,612)</u>	<u>(30,742,583)</u>
Cash flows from investing activities		
Investment purchases	(26,857,431)	(46,781,152)
Investment sales	46,781,152	46,560,085
Interest on investments	198,511	242,182
Net cash provided by investing activities	<u>20,122,232</u>	<u>21,115</u>
Net increase (decrease) in cash and cash equivalents	<u>20,894,699</u>	<u>(27,201,253)</u>
Cash and cash equivalents, beginning of year		
Unrestricted	31,596,962	44,855,831
Restricted	6,297,807	20,240,191
	<u>37,894,769</u>	<u>65,096,022</u>
Cash and cash equivalents, end of year		
Unrestricted	50,301,421	31,596,962
Restricted	8,488,047	6,297,807
	<u>\$ 58,789,468</u>	<u>\$ 37,894,769</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	2014	2013 (as restated)
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (5,184,357)	\$ (2,589,586)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	9,991,636	7,332,936
(Increase) decrease in certain assets:		
Accounts receivable	(546,791)	(299,125)
Prepaid items	(24,879)	(5,291)
Inventories	(75,684)	(529,773)
(Decrease) increase in certain liabilities:		
Accounts payable	192,330	66,321
Accrued salaries, wages and compensated absences	33,341	50,837
Net other post-employment benefit obligation	69,514	50,104
Other accrued expenses	(51,409)	(232,298)
Due to Horry County - General Fund	(26,590)	(72,347)
Unearned revenue	186,594	(133,822)
Amounts due to tenants	419,349	(108,541)
Net cash provided by operating activities	<u>\$ 4,983,054</u>	<u>\$ 3,529,415</u>

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF NET POSITION

June 30, 2014
(with comparative amounts for June 30, 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 100	\$ 100
Pooled cash and investments	19,575,101	18,406,004
Interest receivable	9,496	7,531
Inventory	365,700	367,425
Total current assets	<u>19,950,397</u>	<u>18,781,060</u>
Non-current assets:		
Capital assets:		
Machinery and equipment	29,610,116	29,846,084
Less, accumulated depreciation	<u>(16,636,910)</u>	<u>(16,398,018)</u>
Net capital assets	<u>12,973,206</u>	<u>13,448,066</u>
Total assets	<u><u>\$ 32,923,603</u></u>	<u><u>\$ 32,229,126</u></u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable-trade	\$ 235,340	\$ 938,231
Accrued salaries, wages and compensated absences	<u>31,889</u>	<u>28,031</u>
Total current liabilities	<u>267,229</u>	<u>966,262</u>
Net position:		
Net investment in capital assets	12,973,206	13,448,066
Restricted for capital	<u>19,683,168</u>	<u>17,814,798</u>
Total net position	<u>32,656,374</u>	<u>31,262,864</u>
Total liabilities and net position	<u><u>\$ 32,923,603</u></u>	<u><u>\$ 32,229,126</u></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, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	<u>\$ 5,886,271</u>	<u>\$ 5,878,736</u>
Total operating revenues	<u>5,886,271</u>	<u>5,878,736</u>
Operating Expenses		
Personal services	901,515	868,284
Contractual services	36,426	33,974
Supplies and materials	34,292	35,846
Business and transportation	1,387,892	1,265,789
Indirect cost allocation plan	9,366	4,947
Depreciation	3,637,057	3,414,309
Other	11,072	226,003
Total operating expenses	<u>6,017,620</u>	<u>5,849,152</u>
Operating income (loss)	<u>(131,349)</u>	<u>29,584</u>
Nonoperating revenues		
Gain (loss) on disposal of assets	1,038,926	212,677
Other	2,223	207,835
Interest	27,065	24,905
Net non-operating revenues	<u>1,068,214</u>	<u>445,417</u>
Income before transfers	<u>936,865</u>	<u>475,001</u>
Transfers in	<u>456,645</u>	<u>1,288,596</u>
Change in net position	1,393,510	1,763,597
Net position, beginning of year	<u>31,262,864</u>	<u>29,499,267</u>
Net position, end of year	<u><u>\$ 32,656,374</u></u>	<u><u>\$ 31,262,864</u></u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

(with comparative actual amounts for the year ended June 30, 2013)

	2014	2013
Cash flows from operating activities		
Cash received from:		
Services	\$ 5,886,271	\$ 5,878,736
Cash paid for:		
Salaries and benefits	(897,657)	(868,284)
Maintenance, supplies, fuel, utilities and equipment	(2,145,922)	(706,408)
Other supplies and miscellaneous costs	(34,292)	(35,846)
Net cash provided by operating activities	<u>2,808,400</u>	<u>4,268,198</u>
Cash flows from non-capital and related financing activities		
Transfers in	456,645	1,288,596
Net cash provided by non-capital and related financing activities	<u>456,645</u>	<u>1,288,596</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(3,414,414)	(4,481,586)
Proceeds from disposition of capital assets	1,291,143	358,299
Miscellaneous proceeds	2,223	207,835
Net cash used in capital and other related financing activities	<u>(2,121,048)</u>	<u>(3,915,452)</u>
Cash flows from investing activities		
Interest income	25,100	37,559
Net cash provided by investing activities	<u>25,100</u>	<u>37,559</u>
Net change in cash and cash equivalents	1,169,097	1,678,901
Cash and cash equivalents, beginning of year	18,406,104	16,727,203
Cash and cash equivalents, end of year	<u>\$ 19,575,201</u>	<u>\$ 18,406,104</u>
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ (131,349)	\$ 29,584
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,637,057	3,414,309
(Increase) decrease in assets:		
Inventories	1,725	19,959
Increase (decrease) in liabilities:		
Accounts payable	(702,891)	803,080
Accrued salaries, wages and compensated absences	3,858	1,266
Net cash provided by operating activities	<u>\$ 2,808,400</u>	<u>\$ 4,268,198</u>

FIDUCIARY (AGENCY) FUNDS

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

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Totals-Agency Funds				
Assets:				
Cash and investments	\$ 16,064,223	\$ 11,435,278	\$ 12,471,908	\$ 15,027,593
Pooled cash and investments	210,066,385	548,935,411	548,476,540	210,525,256
Interest receivable	1,704	232	1,704	232
Taxes receivable	180,754,884	535,062,134	551,259,648	164,557,370
Total assets	<u>\$ 406,887,196</u>	<u>\$ 1,095,433,055</u>	<u>\$ 1,112,209,800</u>	<u>\$ 390,110,451</u>
Liabilities:				
Due to others	\$ 406,887,196	\$ 1,095,433,055	\$ 1,112,209,800	\$ 390,110,451
Total liabilities	<u>\$ 406,887,196</u>	<u>\$ 1,095,433,055</u>	<u>\$ 1,112,209,800</u>	<u>\$ 390,110,451</u>

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>City of Conway</u>				
Assets:				
Pooled cash and investments	\$ 101,917	\$ 5,209,823	\$ 5,257,199	\$ 54,541
Taxes receivable	1,263,933	5,172,963	5,209,823	1,227,073
Total	<u>\$ 1,365,850</u>	<u>\$ 10,382,786</u>	<u>\$ 10,467,022</u>	<u>\$ 1,281,614</u>
Liabilities:				
Due to others	<u>\$ 1,365,850</u>	<u>\$ 10,382,786</u>	<u>\$ 10,467,022</u>	<u>\$ 1,281,614</u>
<u>City of Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 452,735	\$ 26,249,540	\$ 26,480,451	\$ 221,824
Taxes receivable	5,339,432	26,092,777	26,249,540	5,182,669
Total	<u>\$ 5,792,167</u>	<u>\$ 52,342,317</u>	<u>\$ 52,729,991</u>	<u>\$ 5,404,493</u>
Liabilities:				
Due to others	<u>\$ 5,792,167</u>	<u>\$ 52,342,317</u>	<u>\$ 52,729,991</u>	<u>\$ 5,404,493</u>
<u>Town of Loris</u>				
Assets:				
Pooled cash and investments	\$ 17,040	\$ 977,576	\$ 983,431	\$ 11,185
Taxes receivable	304,909	978,259	977,576	305,592
Total	<u>\$ 321,949</u>	<u>\$ 1,955,835</u>	<u>\$ 1,961,007</u>	<u>\$ 316,777</u>
Liabilities:				
Due to others	<u>\$ 321,949</u>	<u>\$ 1,955,835</u>	<u>\$ 1,961,007</u>	<u>\$ 316,777</u>
<u>City of North Myrtle Beach</u>				
Assets:				
Pooled cash and investments	\$ 92,287	\$ 14,213,676	\$ 14,197,764	\$ 108,199
Taxes receivable	1,533,082	14,052,055	14,213,676	1,371,461
Total	<u>\$ 1,625,369</u>	<u>\$ 28,265,731</u>	<u>\$ 28,411,440</u>	<u>\$ 1,479,660</u>
Liabilities:				
Due to others	<u>\$ 1,625,369</u>	<u>\$ 28,265,731</u>	<u>\$ 28,411,440</u>	<u>\$ 1,479,660</u>
<u>Town of Surfside</u>				
Assets:				
Pooled cash and investments	\$ 16,479	\$ 2,514,651	\$ 2,515,315	\$ 15,815
Taxes receivable	304,261	2,474,352	2,514,651	263,962
Total	<u>\$ 320,740</u>	<u>\$ 4,989,003</u>	<u>\$ 5,029,966</u>	<u>\$ 279,777</u>
Liabilities:				
Due to others	<u>\$ 320,740</u>	<u>\$ 4,989,003</u>	<u>\$ 5,029,966</u>	<u>\$ 279,777</u>
<u>Town of Atlantic Beach</u>				
Assets:				
Pooled cash and investments	\$ 2,481	\$ 236,325	\$ 226,797	\$ 12,009
Taxes receivable	41,332	226,315	236,325	31,322
Total	<u>\$ 43,813</u>	<u>\$ 462,640</u>	<u>\$ 463,122</u>	<u>\$ 43,331</u>
Liabilities:				
Due to others	<u>\$ 43,813</u>	<u>\$ 462,640</u>	<u>\$ 463,122</u>	<u>\$ 43,331</u>

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Town of Aynor</u>				
Assets:				
Pooled cash and investments	\$ 2,001	\$ 173,331	\$ 173,628	\$ 1,704
Taxes receivable	49,249	168,006	173,331	43,924
Total	<u>\$ 51,250</u>	<u>\$ 341,337</u>	<u>\$ 346,959</u>	<u>\$ 45,628</u>
Liabilities:				
Due to others	<u>\$ 51,250</u>	<u>\$ 341,337</u>	<u>\$ 346,959</u>	<u>\$ 45,628</u>
<u>Town of Briarcliff</u>				
Assets:				
Pooled cash and investments	\$ 3,280	\$ 297,821	\$ 297,589	\$ 3,512
Taxes receivable	27,126	295,238	297,821	24,543
Total	<u>\$ 30,406</u>	<u>\$ 593,059</u>	<u>\$ 595,410</u>	<u>\$ 28,055</u>
Liabilities:				
Due to others	<u>\$ 30,406</u>	<u>\$ 593,059</u>	<u>\$ 595,410</u>	<u>\$ 28,055</u>
<u>Horry County School District</u>				
<u>Operations/Debt</u>				
Assets:				
Pooled cash and investments	\$ 208,013,208	\$ 497,613,598	\$ 496,919,574	\$ 208,707,232
Taxes receivable	171,554,745	481,877,698	497,613,598	155,818,845
Total	<u>\$ 379,567,953</u>	<u>\$ 979,491,296</u>	<u>\$ 994,533,172</u>	<u>\$ 364,526,077</u>
Liabilities:				
Due to others	<u>\$ 379,567,953</u>	<u>\$ 979,491,296</u>	<u>\$ 994,533,172</u>	<u>\$ 364,526,077</u>
<u>Murrells Inlet-Garden City</u>				
<u>Operation/Debt Fire District</u>				
Assets:				
Pooled cash and investments	\$ 20,442	\$ 1,431,764	\$ 1,417,221	\$ 34,985
Taxes receivable	130,640	1,421,484	1,431,764	120,360
Total	<u>\$ 151,082</u>	<u>\$ 2,853,248</u>	<u>\$ 2,848,985</u>	<u>\$ 155,345</u>
Liabilities:				
Due to others	<u>\$ 151,082</u>	<u>\$ 2,853,248</u>	<u>\$ 2,848,985</u>	<u>\$ 155,345</u>
<u>Grand Strand Water and Sewer Authority</u>				
Assets:				
Pooled cash and investments	\$ 215	\$ 7,538	\$ 7,571	\$ 182
Front footage assessment	8,993	7,671	7,538	9,126
Total	<u>\$ 9,208</u>	<u>\$ 15,209</u>	<u>\$ 15,109</u>	<u>\$ 9,308</u>
Liabilities:				
Due to others	<u>\$ 9,208</u>	<u>\$ 15,209</u>	<u>\$ 15,109</u>	<u>\$ 9,308</u>

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Fireman's Fund</u>				
Assets:				
Cash	\$ 96,520	\$ 909,090	\$ 900,613	\$ 104,997
Liabilities:				
Due to others	\$ 96,520	\$ 909,090	\$ 900,613	\$ 104,997
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	\$ 104,568	\$ 200,491	\$ 245,388	\$ 59,671
Liabilities:				
Due to others	\$ 104,568	\$ 200,491	\$ 245,388	\$ 59,671
<u>Police Fund</u>				
Assets:				
Cash	\$ 5,143	\$ 91,686	\$ 96,721	\$ 108
Liabilities:				
Due to others	\$ 5,143	\$ 91,686	\$ 96,721	\$ 108
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ 42,839	\$ 83,427	\$ 53,376	\$ 72,890
Liabilities:				
Due to others	\$ 42,839	\$ 83,427	\$ 53,376	\$ 72,890
<u>Environmental Services</u>				
Assets:				
Cash	\$ 45,824	\$ 138	\$ -	\$ 45,962
Liabilities:				
Due to others	\$ 45,824	\$ 138	\$ -	\$ 45,962
<u>Library Endowment</u>				
Assets:				
Cash	\$ 41,998	\$ 14,539	\$ 11,000	\$ 45,537
Liabilities:				
Due to others	\$ 41,998	\$ 14,539	\$ 11,000	\$ 45,537
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 108,412	\$ 206,108	\$ 98,381	\$ 216,139
Liabilities:				
Due to others	\$ 108,412	\$ 206,108	\$ 98,381	\$ 216,139
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ 54,625	\$ 144,463	\$ 142,838	\$ 56,250
Liabilities:				
Due to others	\$ 54,625	\$ 144,463	\$ 142,838	\$ 56,250

HORRY COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

-CONTINUED-

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Solicitor DEU Forfeiture</u>				
Assets:				
Cash	\$ 115,711	\$ 259,036	\$ 254,482	\$ 120,265
Liabilities:				
Due to others	\$ 115,711	\$ 259,036	\$ 254,482	\$ 120,265
<u>Police Flower Fund</u>				
Assets:				
Cash	\$ 1,369	\$ 4,676	\$ 981	\$ 5,064
Liabilities:				
Due to others	\$ 1,369	\$ 4,676	\$ 981	\$ 5,064
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Pooled cash and investments	\$ 23,558	\$ 7,282	\$ -	\$ 30,840
Cash	7,215,947	2,334,005	2,300,492	7,249,460
Taxes receivable	197,182	2,295,316	2,334,005	158,493
Total	\$ 7,436,687	\$ 4,636,603	\$ 4,634,497	\$ 7,438,793
Liabilities:				
Due to others	\$ 7,436,687	\$ 4,636,603	\$ 4,634,497	\$ 7,438,793
<u>Developer LOC</u>				
Assets:				
Pooled cash and investments	\$ 1,320,742	\$ 2,486	\$ -	\$ 1,323,228
Total	\$ 1,320,742	\$ 2,486	\$ -	\$ 1,323,228
Liabilities:				
Due to others	\$ 1,320,742	\$ 2,486	\$ -	\$ 1,323,228
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash and investments	\$ 8,231,267	\$ 7,187,619	\$ 8,367,636	\$ 7,051,250
Interest Receivable	1,704	232	1,704	232
Total	\$ 8,232,971	\$ 7,187,851	\$ 8,369,340	\$ 7,051,482
Liabilities:				
Due to others	\$ 8,232,971	\$ 7,187,851	\$ 8,369,340	\$ 7,051,482

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represent actual costs of construction, and/or estimated values of deeded properties by developers.

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2014
(With comparative amounts for June 30, 2013)

Governmental funds - capital assets	2014	2013
Land and improvements	\$ 31,119,526	\$ 29,656,534
Buildings and improvements	228,909,971	226,673,379
Furniture and equipment	59,560,622	56,980,544
Vehicles and heavy equipment	25,403,475	24,802,273
Intangible assets	552,070	552,070
Infrastructure	471,566,313	462,133,714
Construction-in-progress	26,139,933	22,544,329
	<hr/>	<hr/>
Total governmental funds capital assets	<u><u>\$ 843,251,910</u></u>	<u><u>\$ 823,342,843</u></u>
 Investment in governmental funds - capital assets by source		
General Obligations Bonds	\$ 185,712,571	\$ 186,073,753
General Fund Revenue	111,782,025	105,913,260
Special Revenue Fund Revenue	42,915,871	41,634,980
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	492,791,140	479,670,547
	<hr/>	<hr/>
Total investment in governmental funds capital assets	<u><u>\$ 843,251,910</u></u>	<u><u>\$ 823,342,843</u></u>

Horry County, South Carolina

Schedule of Capital Assets Used in the Operation of Governmental Funds
by Function and Activity

June 30, 2014

Function and Activity:	Land and Improvements	Buildings and Improvements	Furniture and Equipment	Vehicles and Heavy Equip	Intangible Assets	Infrastructure	Construction in Progress	Totals
General government	\$ 15,060,476	\$ 74,134,220	\$ 21,931,540	\$ 378,228	\$ 552,070	\$ -	\$ -	\$ 112,056,534
Public safety	2,537,609	98,227,437	34,208,448	21,146,730	-	-	-	156,120,224
Infrastructure and regulation	1,517,942	3,628,448	692,004	3,446,592	-	471,566,313	-	480,851,299
Health and social services	90,000	8,240,378	20,910	-	-	-	-	8,351,288
Cultural, recreation and tourism	11,913,499	44,679,488	2,707,720	431,925	-	-	-	59,732,632
Construction-in-progress	-	-	-	-	-	-	26,139,933	26,139,933
Total governmental funds capital assets	\$ 31,119,526	\$ 228,909,971	\$ 59,560,622	\$ 25,403,475	\$ 552,070	\$ 471,566,313	\$ 26,139,933	\$ 843,251,910

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, 2014

	Balances June 30, 2013	Additions/ Transfers	Deletions/ Transfers	Balances June 30, 2014
Functions and Activity:				
General government	\$ 108,375,399	\$ 4,860,734	\$ (1,179,599)	\$ 112,056,534
Public safety	152,356,904	4,184,513	(421,193)	156,120,224
Infrastructure and regulation	472,993,879	9,761,353	(1,903,933)	480,851,299
Health and social services	8,351,288	-	-	8,351,288
Cultural, recreation and tourism	58,721,044	1,180,502	(168,914)	59,732,632
Construction-in-progress	22,544,329	13,756,916	(10,161,312)	26,139,933
Total governmental funds capital assets	<u>\$ 823,342,843</u>	<u>\$ 33,744,018</u>	<u>\$ (13,834,951)</u>	<u>\$ 843,251,910</u>
Class:				
Land and improvements	\$ 29,656,534	\$ 174,772	\$ 1,288,220	\$ 31,119,526
Buildings and improvements	226,673,378	23,270	2,213,323	228,909,971
Furniture and equipment	56,980,545	1,418,960	1,161,117	59,560,622
Vehicles and heavy equipment	24,802,273	1,679,451	(1,078,249)	25,403,475
Intangible assets	552,070	-	-	552,070
Infrastructure	462,133,714	9,619,401	(186,802)	471,566,313
Construction-in-progress	22,544,329	13,756,915	(10,161,311)	26,139,933
Total governmental funds capital assets	<u>\$ 823,342,843</u>	<u>\$ 26,672,769</u>	<u>\$ (6,763,702)</u>	<u>\$ 843,251,910</u>

VICTIM'S RIGHTS

Horry County, South Carolina
Victim's Rights
Schedule of Court Fines, Assessments and Surcharges

For the Year Ended June 30, 2014
(with comparison for the year ended June 30, 2013)

	Clerk of Court	Magistrate	Probate	Total 2014	Total 2013
Fines collected	\$ 1,954,224	\$ 3,208,255	\$ 73,500	\$ 5,235,979	\$ 5,801,451
Assessments collected	76,621	588,173	-	664,794	606,465
Surcharges collect	119,048	802,917	-	921,965	1,080,188
Total fines and assessments collected	\$ 2,149,893	\$ 4,599,345	\$ 73,500	\$ 6,822,738	\$ 7,488,104
Fines retained by County	\$ 536,546	\$ 2,049,844	\$ -	\$ 2,586,390	\$ 2,841,608
Assessments retained by County	27,139	160,758	-	187,897	203,359
Surcharges retained by County	93,516	67,932	-	161,448	172,697
Total fines and assessments retained by County	\$ 657,201	\$ 2,278,534	\$ -	\$ 2,935,735	\$ 3,217,664
Fines remitted to State Treasurer	\$ 1,417,678	\$ 1,158,411	\$ 73,500	\$ 2,649,589	\$ 2,959,843
Assessments remitted to State Treasurer	49,482	427,415	-	476,897	403,106
Surcharges remitted to State Treasurer	25,532	734,985	-	760,517	907,491
Total fines and assessments remitted to State Treasurer	\$ 1,492,692	\$ 2,320,811	\$ 73,500	\$ 3,887,003	\$ 4,270,440

CAPITAL PROJECTS SALES TAX

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
CAPITAL PROJECTS SALES TAX
FOR THE YEAR ENDED JUNE 30, 2014

<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	\$ 19,600,000	\$ 11,378,648	\$ 8,221,352
Project #2	Resurface 12 miles	945,000	945,000	839,422	105,578
Project #3	Backgate Interchange	49,500,000	120,600,000 ¹	93,620,801	26,979,199
Project #4	Widen 707	132,250,000	101,300,000	20,225,819	81,074,181
Project #5	Pave 25 miles - DR	25,750,000	25,750,000	10,522,517	15,227,483
Project #6	Resurface 12 miles	990,000	990,000	1,095,578	(105,578)
Project #7	Aynor Overpass	46,000,000	15,970,000	15,926,522	43,478
Project #8	Resurface 12 miles	1,035,000	1,035,000	1,425,638	(390,638)
Project #9	Widen Glenns Bay	76,000,000	78,600,000	8,889,720	69,710,280
Project #10	Resurface 12 miles	1,080,000	1,400,000	810,117	589,883
Project #11	Pave 25 miles - DR	27,750,000	22,000,000	10,527,180	11,472,820
Project #12	Resurface 12 miles	1,125,000	1,125,000	-	1,125,000
Project #13	International Dr	6,500,000	15,500,000	656,286	14,843,714
Project #14	Resurface 7 miles	682,500	682,500	-	682,500
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>36,100,000</u>	<u>-</u>	<u>36,100,000</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 441,597,500</u>	<u>\$ 175,918,248</u>	<u>\$ 265,679,252</u>

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

DR = Dirt Road

Note: From inception through June 30, 2014.

GENERAL IMPROVEMENTS CAPITAL PROJECTS FUND

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014
(With comparative actual amounts for the year ended June 30, 2013)

	2014				2013
	Budget		Actual Amounts	Variance	Actual
	Original	Final			
Revenues					
Intergovernmental	\$ -	\$ 2,583,907	\$ 2,424,713	\$ (159,194)	\$ 1,509,543
Disposal fee	680,409	680,409	771,935	91,526	707,889
Interest	-	-	60,191	60,191	84,261
Other-donations	-	2,030,000	95,165	(1,934,835)	200,000
Total revenues	680,409	5,294,316	3,352,004	(1,942,312)	2,501,693
Expenditures					
Capital outlay:					
Contractual Services	-	15,746	-	15,746	-
Supplies and materials	-	536	-	536	210
Construction contracts	1,053,974	16,892,724	5,450,545	11,442,179	1,765,996
Capital outlay	2,303,953	9,120,684	4,814,399	4,306,285	3,844,141
Bond issuance costs	-	42,500	42,500	-	-
Other	-	3,001,644	-	3,001,644	-
Total expenditures	3,357,927	29,073,834	10,307,444	18,766,390	5,610,347
Excess (deficiency) of revenue over expenditures	(2,677,518)	(23,779,518)	(6,955,440)	16,824,078	(3,108,654)
Sale of assets	-	-	-	-	-
Bond proceeds	-	252,000	252,000	-	-
Capital lease	-	12,081,747	12,081,747	-	460,300
Transfers in	1,293,974	3,103,040	3,103,040	-	2,626,999
Transfers out	(216,456)	(216,456)	(216,456)	-	(1,670,186)
Total other financing sources (uses)	1,077,518	15,220,331	15,220,331	-	1,417,113
Net change in fund balance	(1,600,000)	(8,559,187)	8,264,891	16,824,078	(1,691,541)
Fund balance at beginning of year	8,753,055	8,753,055	8,753,055	-	10,444,596
Fund balance at end of year	\$ 7,153,055	\$ 193,868	\$ 17,017,946	\$ 16,824,078	\$ 8,753,055

STATISTICAL SECTION

This part of Horry County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

HORRY COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2005	2006 as restated	2007	For the Fiscal Year Ended June 30 2008 as restated	2009 as restated	2010	2011	2012	2013 as restated	2014
Governmental activities										
Net investment in capital assets	\$ 364,396	\$ 387,935	\$ 406,013	\$ 386,522	\$ 488,550	\$ 532,927	\$ 551,832	\$ 576,387	\$ 592,217	\$ 609,438
Restricted	27,465	38,317	64,674	186,578	206,516	231,335	309,063	348,119	345,339	353,422
Unrestricted	(298,109)	(264,451)	(251,630)	(241,001)	(255,722)	(218,404)	(256,844)	(240,372)	(162,562)	(116,907)
Total governmental activities net position	\$ 93,752	\$ 161,801	\$ 219,057	\$ 332,099	\$ 439,344	\$ 545,858	\$ 604,051	\$ 684,134	\$ 774,994	\$ 845,953
Business-type activities										
Net investment in capital assets	\$ 81,247	\$ 84,760	\$ 72,687	\$ 80,109	\$ 87,137	\$ 104,452	\$ 116,287	\$ 138,123	\$ 168,610	\$ 171,153
Restricted	24,705	29,635	34,046	26,679	26,894	30,469	42,403	45,038	32,929	33,430
Unrestricted	33,920	36,054	32,682	41,020	45,253	41,989	43,140	42,948	43,095	47,059
Total business-type activities net position	\$ 139,872	\$ 150,449	\$ 139,415	\$ 147,808	\$ 159,284	\$ 176,910	\$ 201,830	\$ 226,109	\$ 244,634	\$ 251,642
Primary government										
Net investment in capital assets	\$ 445,643	\$ 472,695	\$ 478,700	\$ 466,631	\$ 575,687	\$ 637,378	\$ 668,119	\$ 714,510	\$ 760,827	\$ 780,591
Restricted	52,170	67,952	98,719	213,257	233,410	261,804	351,466	393,157	378,268	386,852
Unrestricted (deficit)	(264,189)	(228,397)	(218,948)	(199,981)	(210,469)	(176,415)	(213,704)	(197,424)	(119,467)	(69,848)
Total primary government net position	\$ 233,624	\$ 312,250	\$ 358,471	\$ 479,907	\$ 598,628	\$ 722,767	\$ 805,881	\$ 910,243	\$ 1,019,628	\$ 1,097,595

Source: Horry County Finance Department

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									
	2005	2006 as restated	2007	2008 as restated	2009 as restated	2010	2011	2012	2013 as restated	2014
Expenses										
Governmental activities:										
General government	\$ 25,724	\$ 27,960	\$ 40,691	\$ 38,239	\$ 37,914	\$ 34,971	\$ 34,962	\$ 33,091	\$ 33,488	\$ 35,355
Public safety	63,171	68,799	72,570	98,133	101,642	91,214	101,668	106,451	99,823	108,655
Health and social services	2,089	920	980	2,542	2,432	2,354	2,504	2,659	2,753	2,852
Infrastructure and regulation	25,797	30,145	14,126	18,910	23,492	31,037	34,998	28,236	27,786	27,780
Improvements to state roadways	-	-	-	-	-	-	35,731	15,722	25,118	31,821
Culture, recreation and tourism	8,211	8,534	9,133	10,836	9,426	4,629	9,307	10,523	11,376	12,046
Economic development	58	843	312	383	2,292	2,019	1,366	3,555	2,882	3,786
Conservation/natural resources	213	561	1	47	-	-	-	-	-	-
Other	-	4,077	-	-	-	-	-	-	-	-
Debt service	16,180	15,454	16,193	16,767	7,530	8,964	11,970	9,652	10,485	9,757
Horry-Georgetown Tech	2,154	2,591	2,800	3,000	3,000	3,973	3,415	3,347	3,485	3,500
Higher Education Commission	303	500	410	910	1,170	1,140	1,325	1,200	1,150	1,236
Total governmental activities expenses	143,900	160,384	157,216	189,767	188,898	180,301	237,246	214,436	218,346	236,788
Business-type activities:										
Airport	18,190	18,483	26,663	19,714	17,440	17,264	19,818	19,834	22,482	30,284
Industrial Parks	1,400	-	-	-	-	-	-	-	-	-
Baseball Stadium	369	334	376	-	-	-	-	-	-	-
Total business-type activities expenses	19,959	18,817	27,039	19,714	17,440	17,264	19,818	19,834	22,482	30,284
Total primary government expenses	163,859	179,201	184,255	209,481	206,338	197,565	257,064	234,270	240,828	267,072
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,822	20,635	2,206	12,295	10,203	11,899	12,346	12,595	20,979	19,180
Public safety	4,807	4,002	12,559	15,687	16,918	17,875	17,988	16,787	12,811	12,506
Health and social services	-	-	101	49	71	70	69	70	79	-
Infrastructure and regulation	12,729	10,596	11,936	4,177	4,387	11,666	12,165	12,634	12,261	12,579
Culture, recreation and tourism	-	-	97	593	99	108	91	93	88	95
Economic Development	-	-	-	-	-	-	-	-	69	127
Operating grants and contributions	2,462	1,991	641	597	5,196	4,800	2,769	2,368	4,864	5,355
Capital grants and contributions	1,344	2,400	358	666	317	1,908	10,702	6,726	4,899	3,015
Total governmental activities program revenues	29,164	39,624	27,898	34,064	37,191	48,326	56,130	51,273	56,050	52,857

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
		as restated		as restated	as restated				as restated	
Business-type activities:										
Charges for services:										
Airport	21,394	23,403	26,539	24,634	19,726	18,902	24,661	25,841	24,433	28,291
Industrial Parks	265	-	-	-	-	-	-	-	-	-
Baseball Stadium	9	-	9	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	2,992	3,217	7,310	4,720	2,424	2,102
Capital grants and contributions	8,731	7,031	-	-	-	12,486	12,115	12,949	14,565	6,415
Total business-type activities program revenues	30,399	30,434	26,548	24,634	22,718	34,605	44,086	43,510	41,422	36,808
Total primary government program revenues	59,563	70,058	54,446	58,698	59,909	82,931	100,216	94,783	97,472	89,665
Net (Expense)/Revenues										
Governmental activities	(114,736)	(120,760)	(129,318)	(155,703)	(151,707)	(131,975)	(181,116)	(163,163)	(162,296)	(183,931)
Business-type activities	10,440	11,617	(491)	4,920	5,278	17,341	24,268	23,676	18,973	6,524
Total primary government program net expense	(104,296)	(109,143)	(129,809)	(150,783)	(146,429)	(114,634)	(156,848)	(139,487)	(143,323)	(177,407)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	81,679	86,459	105,141	104,702	117,673	115,546	165,944	173,342	180,833	180,437
Investment earnings	2,945	5,676	8,030	7,880	6,717	4,656	2,382	2,014	1,770	1,923
Other	68,756	75,504	73,707	156,476	145,733	118,287	69,863	67,890	70,172	72,530
Transfers	(262)	(313)	(305)	(312)	(500)	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	1,120	-	-	-
Total governmental activities	153,118	167,326	186,573	268,746	269,623	238,489	239,309	243,246	252,775	254,890
Business-type activities:										
Other	5,940	2,224	(14,474)	-	4,091	(446)	453	282	198	177
Investment earnings	1,003	2,350	3,626	3,161	1,607	731	199	321	306	307
Transfers	262	313	305	312	500	-	-	-	-	-
Total business-type activities	7,205	4,887	(10,543)	3,473	6,198	285	652	603	504	484
Total primary government	160,323	172,213	176,030	272,219	275,821	238,774	239,961	243,849	253,279	255,374
Change in Net Position										
Governmental activities:	38,382	46,566	57,255	113,043	117,916	106,514	58,193	80,083	90,479	70,959
Business-type activities:	17,645	16,504	(11,034)	8,393	11,476	17,626	24,920	24,279	19,477	7,008
Total primary government	\$ 56,027	\$ 63,070	\$ 46,221	\$ 121,436	\$ 129,392	\$ 124,140	\$ 83,113	\$ 104,362	\$ 109,956	\$ 77,967

(1) The Industrial Park and Baseball Stadium has been moved from a Business-type activity to a Governmental activity in the Special Revenue Funds.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

For the Fiscal Year Ended June 30										
	2005	2006	2007	2008 as restated	2009 as restated	2010	2011*	2012	2013 as restated	2014
General fund										
Reserved	\$ 482	\$ 2,395	\$ 1,273	\$ 1,250	\$ 1,174	\$ 3,649	\$ -	\$ -	\$ -	\$ -
Unreserved/designated	10,910	13,547	3,567	3,254	5,309	8,375	-	-	-	-
Unreserved/undesignated	18,962	19,102	22,089	24,579	24,341	24,739	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,532	169	1,975	77
Restricted	-	-	-	-	-	-	-	-	1,000	117
Committed	-	-	-	-	-	-	25,392	29,082	28,282	31,775
Assigned	-	-	-	-	-	-	343	343	473	-
Unassigned	-	-	-	-	-	-	9,797	7,108	8,271	9,391
Total general fund	30,354	35,044	26,929	29,083	30,824	36,763	37,064	36,702	40,001	41,360
All other governmental funds										
Reserved	44,791	56,734	70,700	196,056	272,586	256,012	-	-	-	-
Unreserved for:										
Special revenue funds	22,985	23,092	33,671	33,327	3,721	38,972	-	-	-	-
Capital project funds (deficit)	6,347	7,944	19,080	12,415	(7,235)	2,016	-	-	-	-
Nonspendable	-	-	-	-	-	-	857	20	19	75
Restricted	-	-	-	-	-	-	291,148	321,734	363,678	399,502
Committed	-	-	-	-	-	-	16,719	13,420	11,754	26,581
Unassigned	-	-	-	-	-	-	(1,199)	(1,134)	(1,132)	(912)
Total all other governmental funds	74,123	87,770	123,451	241,798	269,072	297,000	307,525	334,040	374,319	425,246
Total governmental fund balances	\$ 104,477	\$ 122,814	\$ 150,380	\$ 270,881	\$ 299,896	\$ 333,763	\$ 344,589	\$ 370,742	\$ 414,320	\$ 466,606

*As of June 30, 2011, fund balance classifications changed with the implementation of GASB 54.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009 as restated	2010	2011	2012 as restated	2013 as restated	2014
Revenues										
Property Taxes	\$ 78,844	\$ 87,680	\$ 93,557	\$ 104,607	\$ 114,821	\$ 118,249	\$ 115,241	\$ 114,481	\$ 117,238	\$ 124,996
Licenses and permits	9,348	13,841	12,128	9,999	7,551	6,572	6,272	6,537	7,344	7,797
Intergovernmental	18,093	18,913	22,570	21,210	22,296	24,025	19,701	34,545	22,391	25,030
Sales Tax Major Capital Projects (3)	-	-	-	63,537	63,549	58,070	61,477	64,802	65,732	69,733
Fees and fines	54,003	58,817	61,679	64,570	65,709	66,446	34,081	33,301	36,178	33,491
Hospitality & Local Accommodations fees (4)	-	-	-	-	-	-	36,867	39,452	39,917	42,291
Charges for services	6,472	8,962	6,966	4,356	2,406	2,469	2,305	2,340	2,764	3,200
Interest on investments	2,945	5,650	8,030	7,880	7,834	4,658	2,383	2,015	1,770	1,923
Accommodation tax (1)	861	969	1,014	996	865	845	3,835	3,677	4,082	4,135
Cost allocation	1,142	1,697	1,426	1,685	2,100	3,077	3,055	3,167	2,787	3,069
Other	1,652	2,368	3,553	5,585	4,617	4,018	3,864	4,448	4,900	4,614
Total revenues	173,360	198,897	210,923	284,425	291,748	288,429	289,081	308,765	305,103	320,279
Expenditures										
General government	20,866	23,570	27,254	30,143	30,810	28,070	28,687	28,210	29,673	30,150
Public safety	60,478	67,878	73,533	79,117	84,810	87,461	93,942	99,887	92,996	101,040
Infrastructure and regulation (2)	28,367	29,028	31,078	32,898	29,208	31,611	54,990	59,689	52,922	60,474
Economic development	58	774	312	383	2,292	2,019	1,423	1,800	1,753	2,737
Health and social services	2,069	894	861	822	867	2,232	2,382	2,436	2,532	2,624
Culture and recreation	7,825	8,033	8,387	8,699	8,821	9,807	8,863	9,786	10,577	10,833
Capital outlay	20,563	13,544	11,175	28,822	50,118	56,796	37,060	29,302	16,749	19,113
Conservation and natural resources	517	561	1	47	-	-	-	-	-	-
Horry-Georgetown Tech	2,153	2,591	2,800	3,000	3,000	3,973	3,415	3,347	3,485	3,500
Higher Education	303	500	410	910	1,170	1,140	1,325	1,200	1,150	1,236
Debt service:										
Principal	18,798	20,150	19,455	21,704	28,130	27,675	31,198	33,299	26,305	28,399
Interest and fees	16,597	15,659	15,377	14,477	16,075	17,359	14,605	13,687	21,509	20,899
Other charges	1,371	1,457	6,419	10,925	5,008	1,025	44	1,906	1,194	1,119
Total expenditures	179,965	184,639	197,062	231,947	260,309	269,168	277,934	284,549	260,845	282,124
Excess of revenues over (under) expenditures	(6,605)	14,258	13,861	52,478	31,439	19,261	11,147	24,216	44,258	38,155

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									
	2005	2006	2007	2008	2009 as restated	2010	2011	2012 as restated	2013 as restated	2014
Transfers in	47,638	57,682	55,044	50,686	48,717	45,103	16,176	11,733	9,693	12,709
Transfers out	(48,087)	(57,995)	(55,349)	(50,997)	(49,221)	(45,103)	(19,967)	(12,759)	(10,981)	(13,166)
Refunding bonds issued	-	35,326	-	-	-	-	-	-	-	-
Issuance of debt	-	-	11,000	62,000	8,155	26,040	-	8,740	-	252
Premium on bonds issued	-	(439)	-	1,496	-	1,151	-	285	-	-
Payments to refunded bond escrow agent	-	(34,883)	-	-	(10,671)	(13,260)	-	(8,881)	-	-
Capital leases	11,606	7,488	-	4,442	-	-	-	-	-	-
Sale of assets	176	101	44	330	400	94	259	216	148	95
Other	(250)	(3,111)	-	-	-	580	2,091	2,603	460	12,082
Total other financing sources (uses)	11,083	4,169	10,739	67,957	(2,620)	14,605	(1,441)	1,937	(680)	11,972
Extraordinary item	-	-	-	-	-	-	1,120	-	-	-
Net change in fund balances (3)	\$ 4,478	\$ 18,427	\$ 24,600	\$ 120,435	\$ 28,819	\$ 33,866	\$ 10,826	\$ 26,153	\$ 43,578	\$ 50,127
Debt service as a percentage of noncapital expenditures	22.2%	20.9%	18.7%	17.6%	21.0%	21.2%	16.9%	20.0%	19.9%	18.7%

- (1) Accommodation taxes are considered Special Assessments.
(2) Prior to fiscal year ended June 30, 2004, expenses for Infrastructure and Regulation were classified as Public Works.
(3) Major Capital Projects Sales Tax added 2008.
(4) Prior to fiscal year ended June 30, 2011, Hospitality and Local Accommodations fees were classified as Intergovernmental.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	REAL PROPERTY (1) (2) (3)		PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (7)	TOTAL DIRECT TAX RATE (6) (7)	ESTIMATED ACTUAL TAXABLE VALUE (5) (7)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
		RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER			
2004	2005	\$ 249,986	\$ 681,439	\$ 4,919	\$ 144,584	\$ 116,445	50.9	\$ 20,592,643	5.81%
2005	2006	309,446	888,857	5,068	146,222	132,501	46.3	25,877,845	5.73%
2006	2007	326,176	980,924	5,031	148,820	145,614	46.3	28,190,764	5.70%
2007	2008	354,361	1,107,275	5,167	142,105	160,068	47.3	31,163,189	5.68%
2008	2009	394,601	1,264,297	5,088	133,789	172,811	47.3	34,797,636	5.66%
2009	2010	419,503	1,278,502	5,162	128,942	174,070	47.3	35,591,828	5.64%
2010	2011	465,852	1,282,410	5,524	109,872	165,332	44.9	36,448,278	5.57%
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%

Notes:

- (1) Property in the County is reassessed every five years.
- (2) Tax-exempt property has already been deducted.
- (3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
- (4) The County assessed personal property at 6.0%, 6.75% or 10.5% of estimated taxable market value for FY2007.
- (5) Estimated actual taxable value = appraised value.
- (6) Direct tax rates are per \$1,000 of assessed value.
- (7) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.
- (8) General Note: Taxes for each tax year are due and payable the following fiscal year.

Source/s:

Horry County Finance Department
Horry County Assessor
Horry County Auditor

HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Tax Year (1)									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
County Direct Rates (2)										
General Fund	40.2	36.7	36.7	36.7	36.7	36.7	34.8	35.6	35.6	35.6
Debt Retirement	6.2	5.3	5.3	5.3	5.3	5.3	5.0	5.0	5.0	5.0
Senior Citizens Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.8
Higher Education	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation (Began in 2001)	1.5	1.3	1.3	2.3	2.3	2.3	2.2	1.7	1.7	1.7
Total Direct Rate	50.9	46.3	46.3	47.3	47.3	47.3	44.9	45.2	45.2	45.2
Unincorp. County Rates (2)										
Rural Fire	18.3	16.3	16.3	16.3	16.3	16.3	15.2	15.2	15.2	19.5
Rural Fire App. Repl. (Began 2013)										1.7
Waste Management	7.1	6.4	6.4	6.4	6.4	6.4	6.0	6.0	6.0	6.0
School District Rates (2)										
Operating	108.4	101.7	107.3	115.3	115.3	119.3	118.2	120.2	120.2	120.2
Debt Service	22.0	28.0	28.0	28.0	28.0	20.0	14.0	10.0	10.0	10.0
Total School Rate	130.4	129.7	135.3	143.3	143.3	139.3	132.2	130.2	130.2	130.2
Other Fire Districts Rates (2)										
Aynor Fire Contract	18.3	16.3	16.3	16.3	16.3	16.3	15.2	15.2	15.2	21.2
Atlantic Beach Fire Contract	18.3	16.3	16.3	16.3	16.3	16.3	15.2	15.2	15.2	21.2
Murrells Inlet /Garden City Contract	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
City Rates (2)										
Town of Atlantic Beach	90.0	90.0	90.0	94.5	94.5	94.5	94.5	84.5	84.5	84.5
Town of Aynor	90.0	70.8	70.8	72.2	72.2	72.2	60.8	60.8	60.8	60.8
Town of Briarcliff Acres	56.0	47.0	50.0	52.8	55.6	55.6	50.8	50.8	50.8	50.8
City of Conway	96.7	86.6	86.6	86.6	86.6	86.6	79.3	79.3	79.3	79.3
City of Loris	115.0	105.0	105.0	105.0	105.0	105.0	103.7	103.7	111.7	111.7
City of Myrtle Beach	63.2	61.4	61.4	61.4	64.4	62.9	66.1	66.1	66.1	66.1
City of Myrtle Beach Tax Credit (Began in 2010)							58.5	58.5	58.5	58.5
City of N. Myrtle Beach	35.7	30.5	30.5	30.5	32.2	32.2	32.0	38.0	38.0	38.0
City of Surfside Beach	55.0	44.0	44.0	44.0	44.0	44.0	40.0	40.0	40.0	40.0

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	Tax Year (1)									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Special District Rates (2)										
Crabtree	4.3	3.6	3.6	3.6	3.6	3.6	3.2	3.2	3.2	3.2
Todd Swamp	4.3	3.5	3.5	3.5	3.5	3.5	3.1	3.1	3.1	3.1
Buck Creek	4.3	3.8	3.8	3.8	3.8	3.8	3.2	3.2	3.2	3.2
Simpson Creek	4.3	3.4	3.4	3.4	3.4	3.4	2.9	2.9	2.9	2.9
Mt Gilead	24.0	17.4	17.4	17.4	7.4	7.4	7.0	7.0	7.0	7.0
Socastee Rec	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	1.8	1.8
Cartwheel	4.3	3.9	3.9	3.9	3.9	3.9	3.4	3.4	3.4	3.4
Gapway	4.3	3.8	3.8	3.8	3.8	3.8	3.1	3.1	3.1	3.1
Arcadian Shores	35.0	35.0	35.0	35.0	35.0	35.0	32.3	32.3	32.3	32.3
Hidden Woods (Began in TY 2012)									84.6	84.6
River Grande (Began in TY 2012)									0.0	0.0

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Rates are per \$1,000 of assessed value.
- (3) A property reappraisal was performed in Tax Year 2005. This reappraisal was delayed by one (1) tax year.
- (4) A property reappraisal was performed in Tax Year 2010. This reappraisal was delayed by one (1) tax year.
- (5) A reappraisal is performed every five years. The County's next scheduled reappraisal date is Tax Year 2014 due to the prior one (1) year delay of reappraisal in Tax Year 2010.

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 2014 (Tax Year 2013)				Fiscal Year 2005 (Tax Year 2004)			
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)		TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE (1)	
Burroughs & Chapin Inc. & Subsidiaries (2)(3)	\$ 21,429,525	1	1.03%		\$24,095,426	1	2.01%	
Horry Electric Cooperative, Inc.	18,351,177	2	0.88%		11,587,678	2	0.97%	
Wal-Mart Real Estate Business Trust/Wal-Mart Stores East LP	6,677,138	3	0.32%					
Lawyers Title Insurance Corp.	5,713,926	4	0.27%					
Bluegreen Vacations Unlimited Inc.	5,167,330	5	0.25%					
HRP Myrtle Beach Operations LLC (4)	4,602,570	6	0.22%					
Marriott Ownership Resorts Inc.	4,784,660	7	0.23%					
Frontier Communications of the Carolinas	4,209,200	8	0.20%					
GSP Transportation, Inc.	3,643,360	9	0.17%					
Horry Telephone Coop./HTC Communications Inc.	3,472,430	10	0.17%		8,100,481	3	0.68%	
Verizon South Inc.					3,908,544	4	0.33%	
Broadway At The Beach (3)					3,692,964	5	0.31%	
Grand Strand Regional Med Ctr / Grand Strand Hospital					3,134,092	6	0.26%	
Enterprise Leasing CO					3,042,147	7	0.25%	
Lawyers Title Insurance Corp.					2,725,947	8	0.23%	
Ocean Lakes Family Campground					2,613,285	9	0.22%	
AVX Corporation					2,485,527	10	0.21%	
Totals	<u>\$ 78,051,316</u>		<u>3.74%</u>		<u>\$65,386,091</u>		<u>5.46%</u>	

Notes:

- (1) Property that is exempt from the County portion of taxes have been subtracted from Total Assessed Value.
- (2) 2013 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms and Broadway At The Beach.
- (3) 2004 data for Burroughs & Chapin Inc. & Subsidiaries includes Myrtle Beach Farms but does not include Broadway at the Beach.
- (4) HRP Myrtle Beach Operatins LLC - The Hard Rock Park property is currently under bankruptcy protection.

Source: Horry County Treasurer

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

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (2)	COLLECTED WITHIN THE		COLLECTIONS IN SUBSEQUENT YEARS (2)	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2004		\$			\$	\$	97.72%
2005	2005	77,864	74,467	95.64%	1,625	76,092	97.37%
2006	2006	87,830	84,027	95.67%	1,491	85,518	97.23%
2007	2007	93,987	89,919	95.67%	1,466	91,385	96.89%
2008	2008	104,959	99,918	95.20%	1,774	101,692	95.24%
2009	2009	116,478	108,765	93.38%	2,163	110,928	97.24%
2010	2010	117,841	110,020	93.36%	4,574	114,594	98.61%
2011	2011	114,534	108,254	94.52%	4,686	112,940	96.01%
2012	2012	115,734	108,294	93.57%	2,819	111,113	97.32%
2013	2013	116,221	109,743	94.43%	3,366	113,109	94.98%
2014	2014	123,735	117,524	94.98%	-	117,524	

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) Amounts for property tax collections of vehicle taxes, interest and penalty have been reclassified in prior years

Sources:

Horry County property tax database

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES										BUSINESS-TYPE ACTIVITIES			PRIMARY GOVERNMENT		DEBT PER CAPITA (1) (2)		
	GENERAL		SPECIAL		RIDE		CAPITAL		BASEBALL		REVENUE	CAPITAL LEASES	OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME (1) (2)				
	OBLIGATION		ASSESSMENT		IGA		LEASES		STADIUM COPS									
	BONDS		BONDS		LOANS					BONDS								
2005	\$	76,435	\$	15,190	\$	376,159	\$	10,872	\$	2,423	\$	27,765	\$	9	\$	508,853	\$	2,213
2006		72,920		13,985		364,791		14,722		2,295		26,080		426		495,219		2,045
2007		80,120		12,725		350,132		12,027		2,162		24,300		383		481,849		1,909
2008		137,920		11,405		334,103		13,115		2,024		11,140		345		510,052		1,957
2009		129,840		10,035		315,760		9,828		1,880		10,620		306		478,269		1,800
2010		134,670		7,105		297,308		6,726		1,570		10,075		266		457,720		1,692
2011		125,967		5,410		276,765		4,908		1,405	(3)	60,590		224		475,269		1,724
2012		117,794		3,665		254,386		5,264		1,233		60,590		180		443,112		1,570
2013		110,788		1,860		230,067		3,869		1,233	(4)	60,590		685		409,092	not available	1,412
2014		101,054		-		203,700		14,224		1,051		60,590		586		381,205	not available	not available

Notes:

- (1) See the schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Percentage of Personal Income and Per Capita data have been revised to incorporate updated information from the U.S. Census Bureau and the Bureau of Economic Analysis
- (3) Series 1997 and Series 2000 Bonds were fully redeemed in FY2011 and Series 2010 Bonds were issued.
- (4) Baseball Stadium COP bonds were restated to correct a prior period error.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS (4)	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
2005	\$ 76,435	\$ 4,417	\$ 72,018	0.35%	\$ 329
2006	72,920	6,107	66,813	0.26%	291
2007	63,915	9,306	54,609	0.19%	225
2008	122,890	15,441	107,449	0.34%	426
2009	116,050	14,129	101,921	0.29%	391
2010	122,175	13,226	108,949	0.31%	410
2011	114,797	12,310	102,487	0.28%	379
2012	104,999	10,647	94,352	0.26%	342
2013	97,711	8,978	88,733	0.24%	314
2014	89,542	7,586	81,956	0.22%	283

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 District G.O. Bonds of \$7,672 (includes unamortized premium) 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 \$3,578 (includes unamortized premium) as they have their own designated millage (Special Purpose Districts)
 - (c) Special Purpose Tax District-Hidden Woods G.O. Bonds of \$252 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, 2014
(AMOUNTS EXPRESSED IN THOUSANDS)

ENTITY	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
School District	\$ 346,986	100.00%	\$ 346,986
City of Myrtle Beach	179,498	100.00%	179,498
City of Conway	11,409	100.00%	11,409
City of North Myrtle Beach	12,549	100.00%	12,549
City of Loris	2,273	100.00%	2,273
Town of Surfside	512	100.00%	512
Subtotal, overlapping debt			553,227
Horry County direct debt (1)(2)	320,029	100.00%	320,029
Total direct and overlapping debt		100.00%	\$ 873,256

Notes:

- (1) Horry County direct debt outstanding includes all general obligation long-term bonds including:
- (a) Fire District G.O. Bonds of \$7,505 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 of \$3,707 have their own designated millage (Special Purpose Districts, added beginning in FY 2013)
- (2) Horry County direct debt outstanding also includes:
- | | Amounts |
|---|-----------|
| (a) All general obligation long-term bonds (excluding item # 1 above) | \$ 87,853 |
| (b) Certificates of Participation (added beginning in FY 2013) | 1,052 |
| (c) Ride IGA #1 & #2 (added beginning in FY 2013) | 203,700 |
| (d) Capitalized Leases (added beginning in FY 2012) | 14,224 |
| (e) Debt Outstanding includes the unamortized premiums (beginning in FY 2012) | 1,988 |

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 97,281	\$ 119,413	\$ 129,371 (2)	\$ 142,364	\$ 158,493	\$ 161,340	\$ 163,165	\$ 164,423	\$ 165,155	\$ 167,604
Total net debt applicable to limit	<u>58,178</u>	<u>55,565</u>	<u>63,915 (2)</u>	<u>122,890 (2)</u>	<u>116,050 (2)</u>	<u>122,175</u>	<u>114,797</u>	<u>104,999</u>	<u>95,845</u>	<u>87,853</u>
Legal debt margin	<u>\$ 39,103</u>	<u>\$ 63,848</u>	<u>\$ 65,456 (2)</u>	<u>\$ 19,474 (2)</u>	<u>\$ 42,443 (2)</u>	<u>\$ 39,165</u>	<u>\$ 48,368</u>	<u>\$ 59,424</u>	<u>\$ 69,310</u>	<u>\$ 79,751</u>
Total net debt applicable to the limit as a percentage of debt limit	59.80%	46.53%	49.40%	86.32%	73.22%	75.73%	70.36%	63.86%	58.03%	52.42%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value (1)	\$ 2,086,916
Less: Exempt industrial personal and real property (1)	(2,434)
Plus: Assessed value - Merchant's inventory	<u>10,572</u>
Total assessed value	<u>2,095,054</u>
Debt limit (8% of total assessed value)	167,604
Debt application to limit:	
General obligation bonds (3a) (3b)	<u>87,853</u>
Legal debt margin	<u>\$ 79,751</u>

Notes:

- (1) Assessed value includes exempt industrial personal and real property
- (2) Total net debt applicable to limit and Legal Debt Margin are restated for fiscal years 2007, 2008 and 2009 and the Debt Limit is restated for fiscal year 2007.
- (3) General obligation bonds includes all general obligation bonds other than:
 - (a) Fire District G.O. Bonds as they have their own designated millage (fire millage is assessed only to unincorporated areas of the County and municipalities with a contract for fire protection)
 - (b) Higher Education G.O. Bonds (beginning in FY 2012) as they have their own designated millage (Special Purpose Districts)

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS					HOSPITALITY FEE SPECIAL OBLIGATION BONDS				
	(AMOUNTS EXPRESSED IN THOUSANDS)					(AMOUNTS EXPRESSED IN THOUSANDS)				
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	AVAILABLE REVENUE	NET	COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	DEBT SERVICE		COVERAGE	
							PRINCIPAL	INTEREST		
2005	\$ 19,596	\$ 9,968	\$ 9,628	\$ 9,628	2.86	\$ 5,642	\$ 1,150	\$ 876	2.78	
2006	22,239	11,526	10,713	10,713	3.19	6,159	1,205	823	3.04	
2007 (3)	22,219	9,748	12,471	12,471	5.49	6,638	1,260	766	3.28	
2008 (2) (3)	21,363	10,186	11,177	11,177	8.36	6,632	1,320	707	3.27	
2009 (3)	18,002	9,541	8,461	8,461	7.54	6,179	1,390	641	3.04	
2010 (3)	16,678	9,316	7,362	7,362	6.54	5,847	1,050	230	4.57	
2011(3)	18,557	10,680	7,878	7,878	192.51	6,101	1,695	223	3.18	
2012	17,937	11,163	6,774	6,774	29.64	6,401	1,745	170	3.34	
2013	18,531	13,788	4,743	4,743	4.68	6,495	1,805	115	3.38	
2014	21,974	17,167	4,807	4,807	1.71	6,743	1,860	58	3.52	

Notes:

- (1) Does not include interest, fund balance usage or transfers in.
- (2) On January 9, 2008, Horry County Redeemed \$11,270,000 of Airport Revenue Bonds
- (3) Calculations based on 2010 Airport Bond Ordinance (all Airport Revenue Bond numbers are restated for FY 2007 through FY 2010), Series 1997 and 2000 Bonds were redeemed in FY 2011.

Source: Horry County Department of Airports and Horry County Finance Department

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

YEAR	COUNTY POPULATION (5B) (3B)	PERSONAL INCOME (2A) (3B) (AMOUNTS EXPRESSED IN THOUSANDS)	PER CAPITA PERSONAL INCOME (3B)	SCHOOL ENROLLMENT (1A) (4B) (7B)	LABOR FORCE (6B)	EMPLOYMENT (2B) (6B)	COUNTY % UNEMP. (6B)	STATE % UNEMP. (5A) (6B)
2004	219,094	\$ 5,963,049	\$ 27,217	32,840	115,957	109,090	5.9	6.8
2005	229,899	6,493,056	28,243	34,480	120,996	113,984	5.8	6.8
2006	242,194	7,209,249	29,766	36,068	127,974	120,985	5.5	6.4
2007	252,464	7,649,284	30,299	36,068	130,490	124,021	5.0	5.6
2008	260,609	7,854,597	30,139	37,735	130,785	121,595	7.0	6.8
2009	265,640	7,700,375	28,988	37,421	130,620	115,128	11.9	11.4
2010	270,540	7,869,803	29,089	38,206	130,401	114,656	12.1	11.1
2011	275,642	8,301,012	30,115	38,665	123,973	15,358	12.4	10.3
2012	282,285	8,598,437	30,460	not available	130,172	117,007	10.1	9.0
2013	289,650	not available	not available	not available	129,913	118,856	8.5	7.6

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Personal Income = County Population (above) x Per Capita Personal Income (above).
- (3) County Population, Personal Income and Per Capita Personal Income have been revised to incorporate updated information. (revised 5/30/14)
- (4) Labor Force, Employment and County Unemployment are averaged on a calendar year basis and have been revised to incorporate updated information.
- (5) State Unemployment Rates are an annual average and have been revised to incorporate updated population controls and re-estimation.

Sources (B):

- (1) S. C. Statistical Abstract
- (2) S. C. Employment Security Commission, Labor Market Research Division
- (3) Bureau of Economic Analysis
- (4) Horry County Schools website
- (5) U.S. Census Bureau
- (6) U.S. Department of Labor
- (7) Horry County Schools

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	2014 (A2)			2005 (B4)		
	EMPLOYEES (B6)	RANK (B6)	PERCENTAGE OF TOTAL EMPLOYMENT (B3)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District	5,473	1	4.21%	4,400	1	3.73%
Wal-Mart	2,262	2	1.74%	2,105	3	1.78%
Horry County Government (B5)	2,134	3	1.64%	1,713	4	1.45%
Coastal Carolina University	1,477	4	1.14%			0.00%
Conway Medical Center	1,398	5	1.08%	1,100	6	0.93%
Grand Strand Regional Medical Center	1,300	6	1.00%	1,000	7	0.85%
Blue Cross Blue Shield	1,200	7	0.92%	1,000	9	0.85%
Food Lion	972	8	0.75%			
McLeod Health (Loris & Seacoast)	928	9	0.71%			
City of Myrtle Beach	850	10	0.65%			
Burroughs & Chapin				2,400	2	2.03%
AVX Corporation				1,500	5	1.27%
Myrtle Beach National				1,000	8	0.85%
Verizon				891	10	0.75%
Totals	<u>17,994</u>		<u>13.85%</u>	<u>17,109</u>		<u>14.48%</u>

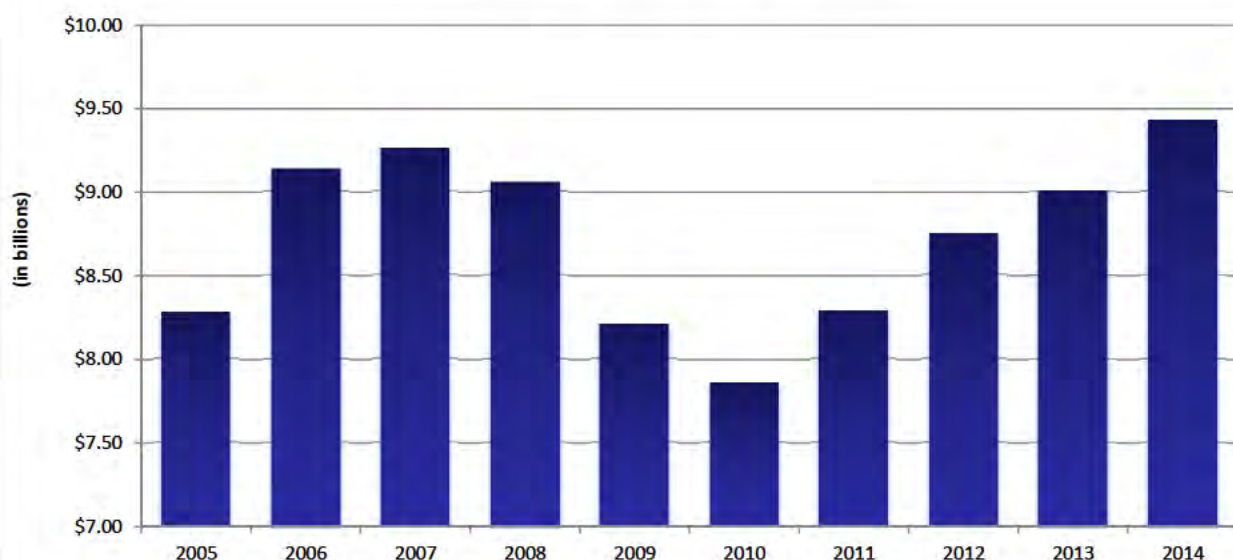
Notes (A):

- (1) The Total Employment is as of June of that year
- (2) Percentage of Total Employment = Total Employees (above) / prior year's Total Labor Force on an annual basis
(see Demographic and Economic Statistics)

Sources (B):

- (1) Myrtle Beach Regional Economic Development
- (2) SC Employment Security Commission
- (3) U.S Department of Labor Bureau of Labor Statistics
- (4) 2005 Horry County Comprehensive Annual Financial Report
- (5) Horry County Human Resources Department
- (6) Myrtle Beach Chamber of Commerce - February, 2014

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



<u>YEAR</u>	<u>GROSS SALES (in Billions)</u>	<u>PERCENTAGE CHANGE</u>
2005	\$8.28	12.0
2006	\$9.14	10.4
2007	\$9.26	1.3
2008	\$9.06	(2.2)
2009	\$8.21	(9.4)
2010	\$7.86	(4.3)
2011	\$8.29	5.5
2012	\$8.75	5.5
2013	\$9.01	3.0
2014	\$9.43	4.7

Notes:

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

Sources:

S. C. Statistical Abstract
S. C. Department of Revenue

HORRY COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

		Full-time Equivalent Employees as of June 30,									
		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Functions and Programs											
<u>Governmental Activities:</u>											
General government		865	921	940	964	354	341	340	307	309	381
Public safety		320	337	342	347	263	261	262	226	236	248
Police		272	279	291	288	136	151	151	150	147	176
Fire (1)		-	-	-	-	171	185	182	179	179	179
EMS (1)		-	-	-	-	274	320	347	346	348	346
Sheriff & Detention Center		-	-	-	-	196	203	201	205	211	213
Courts		-	-	-	-	98	100	110	143	155	111
Other		-	-	-	-	-	3	5	6	6	7
Health and social services		-	-	-	-	-	-	-	-	-	-
Infrastructure and regulation		121	122	136	127	79	79	81	79	84	83
Public Works		-	-	-	-	47	44	42	41	39	39
Code Enforcement		17	17	17	15	16	15	14	16	17	17
Fleet		-	-	-	-	79	68	62	61	59	64
Other		-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism		48	48	57	50	54	62	60	65	79	59
Libraries		18	18	18	18	40	55	57	62	62	68
Parks (3)		-	-	-	-	5	4	4	5	5	8
Other		-	-	-	-	-	-	-	-	-	-
Economic development		-	-	-	-	2	3	3	3	3	3
CDBG		-	-	-	-	-	-	-	-	-	-
<u>Business-type Activities:</u>											
Airports		131	132	133	118	112	105	104	109	130	132
Total Primary Government		<u>1,792</u>	<u>1,874</u>	<u>1,934</u>	<u>1,927</u>	<u>1,929</u>	<u>1,999</u>	<u>2,025</u>	<u>2,003</u>	<u>2,069</u>	<u>2,134</u>

Source: Horry County Human Resources Department

- (1) Fire/EMS was combined prior to FY2009 for reporting only.
(2) Increased detail level of functional staffing; prior actual comparisons not available.
(3) FY 2014 - 26 of the 68 Full-time equivalent employees are Regular Part-time employees, total Regular Part-time employees equal 84.
(4) 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.

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

Functions and Programs	For the Fiscal Year Ended June 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Governmental Activities:</u>										
General government										
Information Technology/GIS:										
# of GIS Parcels Maintained		210,710	218,282	227,572	231,344	232,551	233,563	234,576	236,046	238,132
# of Servers Maintained (7)	52	81	98	98	123	103	100	75	55	78
Register of Deeds:										
Total Documents Filed	196,108	209,675	184,043	177,261	150,260	130,657	128,533	142,085	153,410	153,019
Assessor:										
Assessments of Building Permits		13,561	16,630	15,294	12,854	10,228	9,835	8,506	7,269	4,997
Special Assessments	26,206	22,998	19,391	21,054	17,507	10,346	10,566	10,255	8,143	9,169
Real Property Parcels	189,956	203,304	207,221	226,799	237,276	241,974	244,624	248,050	246,240	246,960
Human Resources:										
# of Applications Taken	5,637	7,500	8,735	7,392	8,322	4,777	12,209	14,701	15,170	21,164
Public safety										
Police:										
# of Calls for Service	114,269	117,079	132,328	139,302	134,514	129,909	130,532	129,109	120,796	120,771
# of Index Crimes (1) (6)	9,312	N/A	8,586	9,752	9,164	10,045	9,539	9,174	9,559	9,086
Index Crime Clearance Rate (1) (6)	24.70%	N/A	16.85%	20.45%	19.00%	19.50%	19.75%	18.15%	23.98%	24.51%
# of Call Responsive Officers Per Shift	17	18	18	18	20	20	16	18	23	25
Fire:										
# of Calls for Service	35,210	38,424	40,910	43,188	42,594	42,612	40,631	46,468	48,454	52,278
# of Structure Fires	617	667	654	721	674	651	581	586	436	540
# of Ambulance Transports	16,171	18,138	21,478	20,510	20,961	20,982	23,600	23,831	23,967	24,805
# of Career Fire Fighters Per Shift	73	73	81	85	93	97	93	93	96	N/A
Emergency 911:										
# of 911 Calls (8)	204,195	212,511	228,418	225,530	221,693	214,880	234,944	249,786	233,032	210,310
# of Radio Dispatches	173,537	177,758	170,482	189,244	190,962	187,323	189,471	224,520	223,386	223,241
# of Telecommunicators per shift	10	10	10	10	10	10	10	11	11	11
Sheriff's Office/Jail:										
# of Bookings	13,934	13,867	14,804	16,172	15,880	13,400	13,380	13,013	13,290	13,308
Average daily population	550	619	650	632	632	641	579	635	629	659
Infrastructure and regulation										
Code Enforcement:										
# Building Permits	9,647	11,981	9,909	8,459	6,673	7,397	7,258	7,250	8,082	8,997
Public Works:										
Miles of Dirt Road Scraped	843	900	880	793	779	748	701	682	667	647
Dirt Roads Paved	1.76	11.13	11.63	2.69	1.77	13.99	13.71	5.74	4.03	7.23
Signage Replaced/Installed (6)	802	849	968	1,364	1,421	1,500	1,887	1,324	1,186	898
Miles of Ditches Cleaned	2,666	2,666	2,666	2,700	1,123	268	252	240	219	694

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

For the Fiscal Year Ended June 30,										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Functions and Programs										
<u>Governmental Activities (Continued):</u>										
Engineering:										
Dirt Roads Paved	11.07	4.30	9.19	9.07	9.72	19.01	28.47	6.01	9.23	11.50
Fleet:										
# Vehicles Maintained	608	649	659	695	700	824	831	822	830	828
# Heavy Equipment Vehicles Maintained	223	306	310	259	270	229	266	272	310	311
# Vehicles Repaired or Work Orders	8,190	7,849	8,236	8,501	8,277	8,111	7,872	7,835	7,592	8,386
Culture, recreation and tourism										
Library:										
Circulation	903,583	943,501	969,542	1,041,436	1,141,871	1,095,571	1,182,823	939,393	973,605	1,013,753
Patron Traffic Count	653,643	652,584	662,494	758,719	772,354	749,652	716,092	656,379	785,768	733,530
New Patrons Registered	24,371	25,125	28,487	28,780	26,572	23,555	15,764	12,290	15,318	12,238
Parks & Recreation:										
# Programs	91	141	153	161	180	187	193	216	223	227
Baseball Stadium:										
Paid Tickets (2)	167,293	170,285	163,056	187,009	183,094	167,334	155,076	160,062	154,633	178,979
<u>Business-type Activities:</u>										
Airports										
Deplanements	777,936	719,744	783,241	835,496	740,602	772,733	901,080	818,477	777,998	861,225
Industrial parks - (Three Parks) (3) (4) (5) (6)										
Atlantic Business Center - Leased/Sold/Transferred (acres)	"	16.18	-	55.80	-	-	-	-	-	-
Atlantic Business Center - % of County owned acres	"	17.60%	0.00%	60.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cool Springs Business Pk. - Sold/Transferred (acres)	"	-	12.98	-	-	-	-	-	-	-
Cool Springs Business Pk. - % of County owned acres	"	0.00%	14.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pineridge Business Center - Sold/Transferred (acres)	"	4.63	2.00	4.00	17.80	-	-	-	-	-
Pineridge Business Center - % of County owned acres	"	6.71%	2.90%	5.79%	25.78%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Land Sold / Transferred (acres)	N/A	20.81	14.98	59.80	17.80	-	-	-	-	-
Total % of County owned acres in three parks	N/A	7.77%	5.59%	22.32%	6.64%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

- (1) # of Index Crimes & Clearance Rates not available due to software migration issues.
- (2) Fiscal Year is January through December. Revenue months are April through September.
- (3) Operating indicators are not available for the Industrial Parks prior to FY2006.
- (4) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
- (5) The beginning balance of total acreage owned by the County (used in the calculation of % of County owned acres) is as of July 1, 2005 and does not include unusable property such as roads.
- (6) Operating Indicators that are not available are indicated with N/A
- (7) The reduction of the "# of Servers maintained" is a direct result of the use of virtual technology; which is the configuration of one physical server into multiple "virtual" servers. This reduction in the number of physical servers has resulted in improved efficiencies in heating and cooling, electricity, and a greater utilization of the actual physical servers themselves.
- (8) The 45% increase in 911 calls, this fiscal year (2012-2013), is due primarily to the implementation of a new system that replaced an old system with less accuracy. This new system utilizes a different reporting mechanism thereby increasing the accuracy of tracking 911 calls. The County implemented this new system in March 2012.

Source: Various County Departments

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

Functions and Programs	For the Fiscal Year Ended June 30,									
	<u>2005 (1)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Governmental Activities:</u>										
General Government										
Building Complexes	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police(3):										
Patrol units	213	315	351	368	352	320	299	279	285	229
Sheriff/Detention Center(2):										
Transport Vehicles							102	97	106	107
Fire/Rescue:										
Stations	40	40	40	41	41	39	39	39	35	39
Trucks(Fire/Pumpers)	59	61	67	66	66	67	68	68	66	66
Ambulances	21	27	33	32	36	36	28	29	29	28
Health and Social Services										
Health Departments (bldg)	3	3	3	4	4	3	3	3	3	3
Social Services (bldg)	1	1	1	1	1	1	1	1	1	1
Infrastructure and Regulation										
Highways and streets:										
Roads (miles)	1281	1271	1369	1334	1413	1426	1431	1429	1436	1440
Heavy equipment:										
Motorgraders	23	23	25	25	25	24	21	15	17	16
Dump trucks	20	23	22	21	24	17	26	23	19	20
Other	87	92	133	139	206	173	155	109	148	152
Culture, Recreation and Tourism										
Museums	1	1	1	1	1	2	2	2	2	2
Libraries	9	9	9	9	9	9	9	9	10	10
Bookmobile	1	1	1	1	1	1	1	1	1	1
Parks:										
Parks	20	20	20	20	35	35	35	35	35	35
Tennis Courts	15	15	15	15	7	7	13	13	13	13
Ball Fields	28	28	28	28	34	34	35	38	38	38
Soccer Fields	15	15	15	15	19	20	22	21	21	21
Recreation Centers/Headquarters				2	2	4	4	6	6	6
Conservation/Natural Resources										
Off Site Facilities:										
Boat Landings	27	27	27	27	27	27	27	27	28	28
Watersheds	6	6	6	6	6	6	6	6	6	6
Industrial Parks										
Locations	4	4	4	4	4	4	4	4	4	4
Baseball Stadium										
Baseball field (30% ownership)	1	1	1	1	1	1	1	1	1	1
<u>Business-type Activities:</u>										
Airports										
Locations	4	4	4	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4	4	4	4

Notes:

(1) Capital Asset data is not available prior to FY2005; however, ten years of data will be accumulated over time.

(2) Added the Sheriff department vehicle count in FY11.

(3) As of FY14 number is police patrol units only.

Source: Horry County Finance Department