

Rating Action: Moody's assigns Aa1 to Horry County, SC's GO Bonds

04 Feb 2020

New York, February 04, 2020 -- Moody's Investors Service has assigned a Aa1 rating to Horry County, South Carolina's \$18.8 million General Obligation Bonds, Series 2020A and \$2.1 million General Obligation Bonds, Series 2020B (Horry County Fire Protection District). We maintain a Aa1 rating on the county's outstanding general obligation debt. Following the sales, the county will have approximately \$72.3 million of general obligation debt outstanding. The outlook is stable.

RATINGS RATIONALE

The Aa1 rating reflects the county's sizeable and growing tax base that is bolstered by an expanding economy and strong population trends. The rating also reflects the county's strong financial position that is characterized by balanced operations, very healthy reserves and prudent management. The county's debt and pension liabilities are modest and carry below average fixed costs.

RATING OUTLOOK

The stable outlook reflects the likelihood that the county's financial position and long-term liabilities will remain in line with the Aa1 rating category for the next 12 to 18 months.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Significant improvement in resident incomes and wealth levels
- Continued economic diversification away from tourism

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Significant decline in fund balance or liquidity owing to imbalanced operations
- Material increase in debt and/or pension burden

LEGAL SECURITY

The Series 2020A and 2020B bonds are general obligations of the county and the full faith, credit and taxing power of the county are irrevocably pledged. The bonds benefit from a dedicated property tax that is unlimited as to rate or amount.

USE OF PROCEEDS

Proceeds of the Series 2020A bonds will fund various county projects including an emergency operations center, expansion of the Conway Government and Justice Center and expansion of the county's EMS facilities.

Proceeds of the Series 2020B bonds will fund expansion and/or replacement of several fire stations throughout the county.

PROFILE

Horry County provides a range of standard municipal services including public safety, road maintenance, planning and zoning, public health, parks and recreation, among several other services. The county's 2019 population was 355,366.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published in September 2019. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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