

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

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YEAR ENDED JUNE 30, 2005

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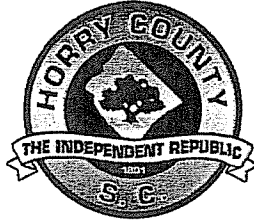
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HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA

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HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
DECEMBER 8, 2005

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 of the County of Horry for the fiscal year ended June 30, 2005. 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.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Scott McElveen L.L.P., Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of Horry's financial statements for the fiscal year ended June 30, 2005. The independent's auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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. Horry 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 Brigadier General of Militia and a member of the South Carolina General Assembly 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, Horry County stood off the edge of South Carolina, both literally and figuratively.

In 1975, Horry 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 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 Division Directors. The Administrator performs all necessary administrative duties, as directed by Council, and ensures efficient operation of all County functions.

Horry 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, and other general administrative support services. In addition, air transportation and terminal support, industrial park development, and operation of a baseball stadium jointly owned with the City of Myrtle Beach 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 Horry 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 expenditure in any one of the governmental fund types will exceed the budgeted expenditure amount for that fund without prior amendment of the financial plan ordinance by Council.

Local Economy

Despite the challenging state economy and the overall global economic downturn, Horry County's local economy remains strong as a result of sustained residential and commercial development over the past ten years. The tax base continues to grow, as well as building permit revenues.

The County's predominantly tourist-based economy continues to thrive, in spite of the state of the national economy. Most of the County's sixty (60) miles of beaches stretching from the Georgetown County line to the North Carolina line have been developed residentially or commercially while at least 32% of the remainder of the county is yet to be developed. Thirty-eight percent of the state's hotel and motel rooms are located in Horry County. Forty percent of the state's second homes are also located within the County.

Horry County ranks second in the nation in per capita housing starts, according to a "hotness index" published by U.S. Housing Markets, a Michigan research group. Woods & Poole, a Washington based economics research group, predicted that Horry County will rank second in the nation over the next 20 years in job growth and population growth.

Horry County's biggest 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 ten golf courses, and five million square feet of commercial space. Horry County is striving 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". Plans are being prepared for a precinct police department, fire stations and equipment, school construction and controlled commercial development. 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 and Carolina Forest is expected to be 50 percent occupied by 2005. Due to this mass development, the County is

analyzing funding methods such as impact fees, admissions tax, property taxes, business licenses, etc.

In 1999 Burroughs and Chapin began development of the Grande Dunes Resort project, 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, will provide 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 plan for the Marina Village section of the development, and will be open to the public. The majority of the residential section is completed, with the Marina underway.

The company also broke ground on Horry County's newest growth endeavor currently in development – The Multi-County Business Park, which is home to the 1.4 million square foot Coastal Grand – Myrtle Beach Mall on US 501 and US 17 Bypass. The metropolitan-size shopping mall opened in March of 2004 and houses anchor stores such as Belks, Sears, Dillard's, 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 business. Colonial Mall also celebrated the grand opening of Bass Pro Shops in a 102,000 square foot sportsman's paradise early fall of 2004 and the opening of Books A Million in late fall of 2004.

Shopping opportunities are bountiful on our fine Grand Strand – From the Tanger Outlet Stores on US 501 just outside of Conway to the newly opened Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Outlet shops such as SAKS, GAP, Osh Kosh, Sketchers, Croscill, and Bombay make either of these retail gems a must see.

The County is ranked first in tourism among the 46 counties in the State. The estimated number of tourist and permanent residents on any given day during the tourist season is 645,000. Myrtle Beach, according to a regional profile of U.S. visitation to South Carolina, estimates that approximately 13.7 million tourists visit the Grand Strand each year. *The Toronto Sun* presented the Myrtle Beach area with the 2005 Golfer's Choice Bronze Award for Best Travel Destination.

Among the amenities that create such a draw to the region, there are more than 1,800 dining establishments, in excess of 79,000 rooms available for overnight guests, a variety of entertainment theaters and nearly 120 golf courses – not to mention miles of coastline, meandering rivers and abundant natural beauty, all available.

With area courses designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Ree Jones, Greg Norman, and Tom Fazio, Horry County boasts one of the largest concentrations of golf facilities in the nation. Golfers will be able to tee off on any of 1,800 golf holes in the county- playing nearly 4.2 million rounds of golf each year. Golf generates more than \$644 million annually for the state's economy and employs more than 14,000 full time workers. The industry has also been instrumental in the expansion of the tourist season, including early spring and late fall to our regular May

through October peak. The Horry County area accounts for more than 34 percent of South Carolina's golf courses.

Retail sales, employment and construction are all intimately tied to the tourism industry. The increasing diversity of geographic origin and economic profile of tourists will help to hedge any cyclical downturn in the national economy. Group marketing sales are also an increasing part of the visitor industry for the Grand Strand.

Tourism accounts for well over half of the retail sales in the Grand Strand, so a robust visitor season certainly transfers to retail sales. Further, The Wall Street Journal and Money Magazine have listed the Myrtle Beach area among the top spots in the country for retirement. As the population in the United States ages and retirees begin to look at the Grand Strand for retirement, another source of retail sales begins to emerge. Like tourists, retirees spend money in the community but do not take up a position in the workforce. Retirees, however, demand a new range of products and services.

Horry 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.

Long-term Financial Planning

Unreserved, undesignated fund balance in the general fund (19.3% of the FY06 general fund operating budget) continues to fall within the policy guidelines set by County Council for budgetary and planning purposes (15% of general fund operating budget).

The outlook for the County is as exciting as the past has been. The Census 2000 results reflect a permanent population of 196,629 for Horry County with projections showing continued growth to a population of 296,000 by the year 2010. Due to the amount of growth in Horry County, construction, both residential and commercial, has boomed. From July 2004 to June 2005, Horry County issued 9,653 construction permits, which were up 20 percent from the previous year during the same period. The construction value of those permits is estimated at \$880,344,000, up 62 percent from the previous year.

To address the ongoing capital needs for the growing community, Horry 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 County will attempt to budget as pay-as-you-go funding for capital improvements an amount equal to at least 3% of General Fund operating revenues.

Major Initiatives

Expanding transportation, infrastructure, and service needs are a constant strain on the government entity. In spite of the difficulty of predicting such needs, an attempt has been made to anticipate the County's growth and to create opportunities and expand services to accommodate the demands of the citizens. In the area of Public Safety, the expansion and merger of our Fire and EMS departments facilitate desirable response time; in Libraries, the expansion plans facilitate customer service. Major equipment (fire trucks, ambulances, and books) is included in the Capital Improvement Plan because of the high dollar impact of these items. In addition to the primary government's Capital Improvements Plan, Airport and major road projects are in progress or are planned for the near future. The county has also taken great steps to manage stormwater issues and is using strong initiative in the area of geographical information system development.

A strong commitment to building and diversifying our economy is evident through our emphasis on economic development. The county currently operates three (3) industrial parks. 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 these parks.

CAPITAL PROJECTS UNDER CONSTRUCTION

Horry County Council and staff have begun a more prospective approach. Staff has been involved in a number of efforts to determine the necessity for construction of new facilities and how existing facilities will need to be expanded into the future to meet the demands of such a dynamic, rapidly growing community.

As a result of this effort from the mid 1990's, the County has completed several major projects and currently remains involved with its largest capital effort ever.

The Judicial/Governmental Complex was opened in 2002, providing citizens with centralized tax paying, zoning, planning, code enforcement, deed registration, and judicial services. One can obtain a building permit, pay taxes, or search a title in the same location – one stop shopping.

The Public Works and Fleet Compounds were also completed during 2002, housing our infrastructure and regulation main operations and fleet service segment facilities.

The expansion of the J. Rueben Long Detention Facility and the replacement of the security system, another high priority capital project, were completed in 2003.

A new Environmental Services Facility has been constructed to replace the former complex. A clinic, kennel, warehouse, and administrative offices housed in the new building were also completed this fiscal year. Construction was completed in February of 2003. Additional improvements and modifications have been completed in 2004 to accommodate a new veterinarian.

In order to provide for local testing of seized drugs, the County funded and completed a drug lab in 2003.

A new 40,000 square foot library was constructed during 2003 in the Socastee area. This area has quickly become the fastest growing region of the county.

Also serving the Socastee area, as well as the Southern end of Horry County, the South Strand Complex was completed in February 2004 and opened for business. This facility houses offices for a magistrate, the Treasurer, Auditor, building inspectors, septic tank permitting, County Council, law enforcement, DMV, the Department of Social Services, Clerk of Court, Magistrate's and a Health Clinic to provide convenient service to the citizens of this Southernmost region.

In 2004, the former Administrative Complex was refurbished and now houses Information Technology, E-911, Voter Registration, Veterans Affairs, and secondary EOC operations. The "new" facility is called the Horry County Technology Center. In addition the E-911 call center was upgraded to meet modern technology standards.

The Burroughs School is currently being used to house the Horry County Museum. Demolition of the lunchroom area and construction of a new two (2) story Conway Library are also planned. Construction is expected to begin in 2005 on both projects.

The Horry County Courthouse has been renovated and is being used for Central Traffic and Summary Court, the Conway Magistrate, Probation and Parole, SLED, congressional offices, Delegation, the Department of Juvenile Justice, and Sheriffs offices for these courts. The location, directly across the street from the Judicial/Governmental Complex, is convenient for the citizenry, as intended.

A remote Emergency 911 Center was completed in April 2003. A six station 911 call center was installed at the M.L. Brown Public Safety building. Building security upgrades are to be installed at the M.L. Brown and the Horry County Technology Center using Homeland Security Funds. This project is scheduled to begin in 2005.

In addition to the 4 new fire stations completed in 2003, 4 additional stations are underway for 2004 and 3 more will begin construction in 2005. These new stations are crucial to the County's goal to serve the public safety needs of our growing community and improve our Insurance Service Organization (ISO) rating. Additions to 4 volunteer fire stations are on the horizon also.

STORMWATER MANAGEMENT

Horry County has implemented a Comprehensive Stormwater Management Program to deal with both flooding problems and water quality issues. Through new, tougher regulations and design standards, the County is ensuring that new development does not negatively impact our stormwater system and cause problems for existing residents. Additionally, the County has established a regular maintenance system to clean and maintain existing drainage outfalls. Through new stormwater projects and major

improvements to certain existing systems, long neglected stormwater problems are being addressed and capacity for future projects is being built into overall planning. In 2004 the Horry County Stormwater Program prepared and submitted its National Pollutant Discharge Elimination System (NPDES) Phase II permit as dictated by the federal Clean Water Act. In March 2005 a five year Strategic Plan was prepared and approved by Horry County Council. The four main elements of the plan are Water Quality, Drainage Improvement, Fiscal Responsibility, and Public Support. This plan will serve to guide the stormwater program in the coming years. Current efforts being undertaken include development of a capital improvement plan, implementing NPDES requirements, and an improved work order management system.

RIDE PLAN

The U.S. House has passed a bill, the National Highway System, which contains plans for the project, which is currently underway. Several State and US Highways offer direct routes from Horry County to Interstate Highways 95 and 20. However, as tourism and population has expanded, so have the County's efforts to provide an efficient transportation infrastructure.

The most aggressive road construction program in the history of Horry County, Road Improvement and Development Effort (RIDE), was approved by Governor Beasley in September 1996. The RIDE Project is 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. Horry County enacted an ordinance in the fall of 1996 that implemented a 1.5 percent hospitality fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for Horry County to partner with the State of South Carolina to meet the infrastructure needs of the County.

The participating parties for the RIDE project are Horry 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 18 of the basic financial statements.

The total cost of the RIDE project is \$888 million. The total debt service over the life of the proposed bonds for the RIDE project is \$1.2 billion. Horry County's contribution to retire the debt is \$598 million.

The RIDE project includes a series of interconnected highway construction and road enhancements that will improve the overall transportation network in Horry County.

Horry County submitted a Ride 2 application to the State Infrastructure Bank and received approval of \$198 million to continue the Ride Program. Five specific projects were identified and approved for funding on the application.

GEOGRAPHIC INFORMATION SYSTEM (GIS) PROGRAM

In November of 2002, a new e-government site was launched, giving citizens and the public ready access to county services and records that had been previously unavailable except in physical office locations. Interactive mapping tools are used to locate public service information based on address, parcel number, or street intersections and ZIP codes. The Web site was created using GIS (Geographical Information System) data collected throughout the County in recent years. Horry County's Information Technology/GIS department is breaking new ground in developing a state-of-the-art system whereby all new software applications will be GIS-centric. Upcoming projects include:

- Deployment of Intranet browser based applications for County departments.
- Deployment of additional Internet based e services applications.
- Planned reflight of aerial photography in Spring 2005.
- Deployment of field based data collection applications.
- Completion of updates to Road Centerline file.
- GIS based CAD/RMS application planned for 2004.
- GIS based CAMA and Land Development Packages planned for near future.

AIRPORT

The County owns and operates the largest airport system in South Carolina consisting of Myrtle Beach International Airport (MYR), Grand Strand Airport, Conway Airport and Loris Twin City Airport.

The Myrtle Beach International Airport was constructed in 1975 in response to the growing demand for commercial air services to the Myrtle Beach area. The Airport consists of over 1,900 acres of land, located within the City of Myrtle Beach. MYR consists of 1957 acres with a passenger terminal complex, a 9,500-foot runway and related taxiways, a general aviation apron and supporting buildings and hangars. Horry County Department of Airports' system is experiencing improved traffic levels. In addition, passenger enplanements at MYR grew 3.5% in fiscal year 2005. MYR is also experiencing increases to activity-based revenue, which include concession revenues, rental car commissions, hangar rentals and fuel sales. As such, the Department is moving forward with implementing its various airports' Master Plans expansion projects to insure that sufficient capacity will be available to meet future demands. These developments include a new terminal complex on the westerly side of the Myrtle Beach International Airport, an airfield pavement rehabilitation project for Taxiway J at MYR, security-fencing project at HYW, installation of an airport owned and maintained PAPI-4 system at CRE and obstruction marking at 5J9. On July 7, 2005, County Council approved the base project scope for the new terminal complex at \$200 million with add/deduct alternates to match the available funding. Council also authorized HNTB to complete the design that is necessary to receive a Guaranteed Maximum Price (GMP) from Skanska USA. The terminal is scheduled to open in early 2008.

FUNDING

The funding of the Judicial/Governmental Complex was funded through the issuance of a \$38.3 million dollar General Obligation Bond.

The Socastee Library and South Strand Complex have been funded through a General Obligation Bond of \$20.2 million, which also covered renovations to the required Administrative Complex, Burroughs School and furnishings for the new Judicial Center and Administrative Buildings.

The Fire projects/equipment require separate Special Tax District General Obligation Bonding. In January of 2000, a GO Bond of \$9.5 million was issued with a 15-year repayment plan. In June 2004, a new bond issue of \$11 million was issued to fund the construction of 8 new fire stations and additions to 4 existing fire stations.

A 1.5% Hospitality Fee is being assessed County-wide on all prepared foods, accommodations and amusements to be used for the improvement and construction of roads.

The 1.0% Hospitality Fee assessed on the unincorporated areas of the county has been used to issue revenue bonds to fund portions of the county's local road improvement plan, Public Safety, GIS, and Stormwater project start-up in 2001. The fee was also used to fund the construction of the Drug Lab.

The Stormwater Management program is generating utility fees to cover construction costs and operational costs generated from maintenance and staffing needs.

The County imposed a Solid Waste fee in fiscal year 2004, which will be used to fund E-911 enhancements.

Projects not provided for by debt, grant funding, or user fees will require transfers from the General Fund or a millage assessment.

Awards and Acknowledgements

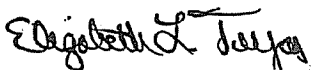
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. This was the eighteenth consecutive 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 report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, Horry County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2004 for fiscal year ended June 30, 2005. This was the sixteenth 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 entire staff of the Finance Department and the various division directors, department heads and employees who contributed to its preparation. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation and to the staff of Scott McElveen, L.L.P. who diligently strived to provide technical guidance and assistance. We would also like to thank Horry County Council and the County Administrator for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Elizabeth L. Fryar, CPA
Director of Finance

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, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

MEMBERS OF COUNTY COUNCIL

Elizabeth L. Gilland	Chairman
Marion Foxworth	Vice-Chairperson, District 3
Harold Worley	Member, District 1
Mark Lazarus	Member, District 2
Michael L. Ryan	Member, District 4
Howard D. Barnard	Member, District 5
Robert Grabowski	Member, District 6
James R. Frazier	Member, District 7
Carl Schwartzkopf	Member, District 8
W. Paul Prince	Member, District 9
Kevin J. Hardee	Member, District 10
John Boyd	Member, District 11

ELECTED OFFICIALS

M. Lois Eargle	Auditor
Melanie Huggins	Clerk of Court
Robert Edge, Jr.	Coroner
Deirdre W. Edmonds	Judge of Probate
Phillip E. Thompson	Sheriff
J. Gregory Hembree	Solicitor, Fifteenth Circuit
Johnny C. Allen	Treasurer

ADMINISTRATIVE OFFICIALS

Danny Knight	County Administrator
Anne Wright	Division Director, Administration
Paul Whitten	Division Director, Public Safety
Steve Gosnell	Division Director, Infrastructure & Regulation
John Weaver	County Attorney

Citizens of Horry County

County Council
Liz Gilland-Chairman

Executive Assistant
Amelia Snipes

County Administrator
Danny Knight

County Attorney
John Weaver

Property Mgmt-Tommy Lee

Budget/Revenue
Westley Sawyer

Public Information
Lisa Bourcier

Administration
Anne Wright

Airport-Bob Kemp

Assessor-Rendel Mincey

Finance-Beth Fryar

Grants/M.I.A.P.-Mike Davis

Mailroom

Human Resources-Patrick Owens

Museum-Vacant

Procurement-Lynda Davis

Records-Jim Sine

Elected/Appointed Officials:

Auditor-Lois Eargle
Library-John Gaumer
Master-in-Equity-Stan Cross
Register of Deeds-Ballery Skipper
Treasurer-Roddy Dickinson
Hospitality/Business License-Natalie Walters
Delinquent Tax-Jill McCrackin
Delegation-Connie Turner
Probate-Deirdre Edmonds
Registration & Elections-Sandy Martin

Boards & Commissions:

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

Supplemental Funded Agencies

Coastal Carolina College
Horry-Georgetown Technical College

Public Safety
Paul Whitten

E-911-Toni Bessent

Emergency Mgmt.-Randy Webster

Fire/Rescue-Garry Alderman

Environmental Services-Joe Clardy

Information Technology-Sheila Butler

Police-Johnny Morgan

Elected/Appointed Officials:

Clerk of Court-Melanie Huggins
Courts(except Probate)
Coroner-Robert Edge
Magistrates-Chief Magistrate Gerald Whitley
Solicitor-Greg Hembree
Veteran's Affairs-Gregg Hucks
Sheriff-Phillip Thompson
Detention-Tom Fox
Juvenile Detention-Bill Taylor

Boards & Commissions:

Shoreline Behavioral Health Services
Council on Aging

Supplemental Funded Agencies:

S. C. Dept. of Health
S.C. Dept. of Probation & Parole
S.C. Dept. of Social Services
Public Defender

Infrastructure & Regulation
Steve Gosnell

Code Enforcement-David Jacobs

Engineering-Steve Gosnell

Fleet-Don Foote

Maintenance-Gary Watson

Parks & Recreation-Vacant

Planning & Zoning-Janet Carter

Public Works-Bill Shannon

Stormwater-Tom Garigen

Elected/Appointed Officials:

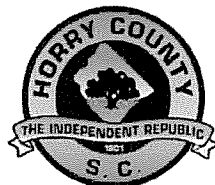
None

Boards & Commissions:

Arcadian Shores Special Tax District
Board of Architectural Review
Board of Adjustment & Zoning Appeals
Construction Adjustment Appeals
Mt. Gilead Special Tax District
Open Space
Planning Commission
Socastee Recreation District
Solid Waste Authority
Stormwater Advisory
Vereen Memorial Gardens

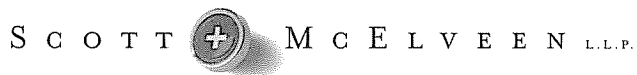
Supplemental Funded Agencies:

MB Regional Economic Development Corp.
Solid Waste Authority



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS



Independent Auditors' Report

The Honorable Chairman and Members of County Council
Horry County, South Carolina

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, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, which represent 100% of the assets and revenue 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 Shoreline Behavioral Health Services and the Horry County Solid Waste Authority is based solely on the reports of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Horry County, South Carolina and its discretely presented component units at June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

C E R T I F I E D P U B L I C A C C O U N T A N T S

Member: AICPA, SCACPA, SEC Practice Section
An Independent Member of the BDO Seidman Alliance

1441 Main Street, Suite 800 TEL (803) 256-6021
Post Office Box 8388 FAX (803) 256-8346
Columbia, South Carolina 29202 www.scottmcelveen.com

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2005, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis and the Required Supplemental Information as listed in the Table of Contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Horry County, South Carolina. The introductory section, the accompanying statements and schedules as listed in the table of contents as Other Financial Information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying statements and schedules as listed in the table of contents as Other Financial Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Scott McElveen, L.L.P.

December 8, 2005
Columbia, South Carolina

Management's Discussion and Analysis

As management of Horry County, we offer readers of Horry County's financial statements this narrative overview and analysis of the financial activities of Horry County for fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages and of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The total assets of Horry County reflected in the primary government exceeded its liabilities at the close of fiscal year 2005 by \$233,624 (net assets). This was an increase of \$56,027 from fiscal year 2004.
- At June 30, 2005, the County's governmental funds reported combined ending fund balances of \$104,477 in comparison with \$99,999 of the prior fiscal year.
- At June 30, 2005, unreserved fund balance for the General Fund was \$18,962 or 23.4% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2005 was \$49,486 compared to \$47,592 for fiscal year 2004, an increase of 3.9%.
- The County's outstanding governmental activities debt decreased by \$6,731 during fiscal year 2005 compared to fiscal year 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Horry County's basic financial statements. Horry 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 required supplementary information in addition to the basic financial statements themselves.

The governmental funds financial statements tell how government services are financed as well as what remains for future spending. Proprietary fund statements consist of enterprise and internal service funds. Enterprise funds are used to 1) account for operations financed and operated similar to private business enterprises and 2) where the governing body had 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. Enterprise funds consist of the following: Department of Airports, Baseball Stadium, and Industrial Parks. 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. This consists of Fleet Services.

Fiduciary fund statements are used to account for assets held by Horry County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about Horry County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and 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.

The two government-wide statements report Horry County's net assets and how they have changed. Net assets-the difference between Horry County's assets and liabilities-is one way to measure Horry County's financial health or position. Over time, increases or decreases in Horry County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of Horry County the reader needs to consider additional nonfinancial factors such as changes in Horry County's property tax base and the condition of Horry County's roads.

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

- Governmental activities - Most of Horry County's basic services are included here, such as the police, fire, infrastructure, regulation, parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities - Horry County charges fees to customers to help it cover the costs of certain services it provides. Horry County's Industrial Parks, Baseball Stadium and Department of Airports are included here.
- Component units - Horry County includes two other entities in its financial statements-Shoreline Behavioral Health Services and the Horry County Solid Waste Authority. Although legally separate, these "component units" are important because Horry County is financially accountable for them.

The government-wide financial statements can be found on pages 17 through 20 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about Horry County's most significant funds-not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds: governmental, proprietary, and fiduciary.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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 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, Hospitality 1.5% Special Revenue, General Improvement Capital Projects, and RIDE Program Debt Service, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general, budgeted special revenue, debt service funds, and capital projects funds. Additionally, budgetary controls are maintained for certain proprietary fund types. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance with budget.

Proprietary funds - 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 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. Enterprise funds consist of the following: Department of Airports, Baseball Stadium, and Industrial Parks.

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. This consists of Fleet Services, which is for the maintenance and service of all county vehicles including heavy equipment and light equipment.

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds - 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.

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 34 through 82 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 and the Hospitality 1.5% fund and information relating to the condition rating and actual rating and actual maintenance/preservation of Horry County's road infrastructure and the Department of Airport's infrastructure.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County as reflected in the primary government funds, assets exceeded liabilities by \$233,624 at the close of the fiscal year ended June 30, 2005.

At the end of fiscal year 2005, the County reflected the following net assets:

Horry County, South Carolina Net Assets

	Governmental Activities	Business-type Activities	Total	Total
	2005	2005	2005	2004
Current and Other Assets	\$ 146,738	\$ 62,466	\$ 209,204	\$ 185,502
Capital Assets	469,281	111,559	580,840	550,196
Total Assets	<u>616,019</u>	<u>174,025</u>	<u>790,044</u>	<u>735,698</u>
Long-term Liabilities Outstanding	468,036	28,183	496,219	502,956
Other Liabilities	54,231	5,970	60,201	55,145
Total Liabilities	<u>522,267</u>	<u>34,153</u>	<u>556,420</u>	<u>558,101</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	364,396	81,247	445,643	434,244
Restricted	27,465	24,705	52,170	62,323
Unrestricted (deficit)	(298,109)	33,920	(264,189)	(318,970)
Total Net Assets	<u>\$ 93,752</u>	<u>\$ 139,872</u>	<u>\$ 233,624</u>	<u>\$ 177,597</u>

Net assets of the County's governmental activities increased 69.3 percent from \$55,370 to \$93,752. However, all of those net assets are restricted as to the purpose they can be used for or are invested in capital assets (buildings, roads, bridges, etc.). Unrestricted net assets showed a \$298,109 deficit at the end of this year. This deficit does not mean that the County does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources.

Although the net assets of our business-type activities increased 14.4 percent from \$122,227 in 2004 to \$139,872 in 2005, these resources cannot be used to make up for the net asset deficit in governmental activities. The County generally can only use these net assets to finance the continuing operations of the Department of Airports, Industrial Parks and Baseball Stadium.

The total fund balances for governmental funds was \$104,477 at the end of fiscal year 2005. Capital assets are not reported in these funds because they are not financial resources and are not available to pay for current period expenditures. These assets amounted to \$469,281. Long-term liabilities of \$468,036 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, \$376,159, is attributable to the RIDE Intergovernmental Agreements, by which the County agreed to deposit all receipts of the 1.5% portion of its Hospitality Fee into the Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank through intergovernmental agreements has provided funding for various road construction projects in Horry County through certain loans which the County has agreed to pay. The constructed roads are State roads and are therefore not reflected in capital assets of Horry 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% portion of the Hospitality Fee not meet the debt service requirements. The citizens of Horry County have reaped benefits from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997 and the intergovernmental agreements by which the County agreed to partner with the State in funding over \$650,000,000 towards their construction and meet the infrastructure needs of the County. The Conway By-Pass and Carolina Bays Parkway are now open, providing needed means of transportation throughout Horry County for the demand of increased tourism throughout the area. By increased tourism and much-needed infrastructure, we feel this will entice additional revenues in the future.

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 a 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.

Governmental activities

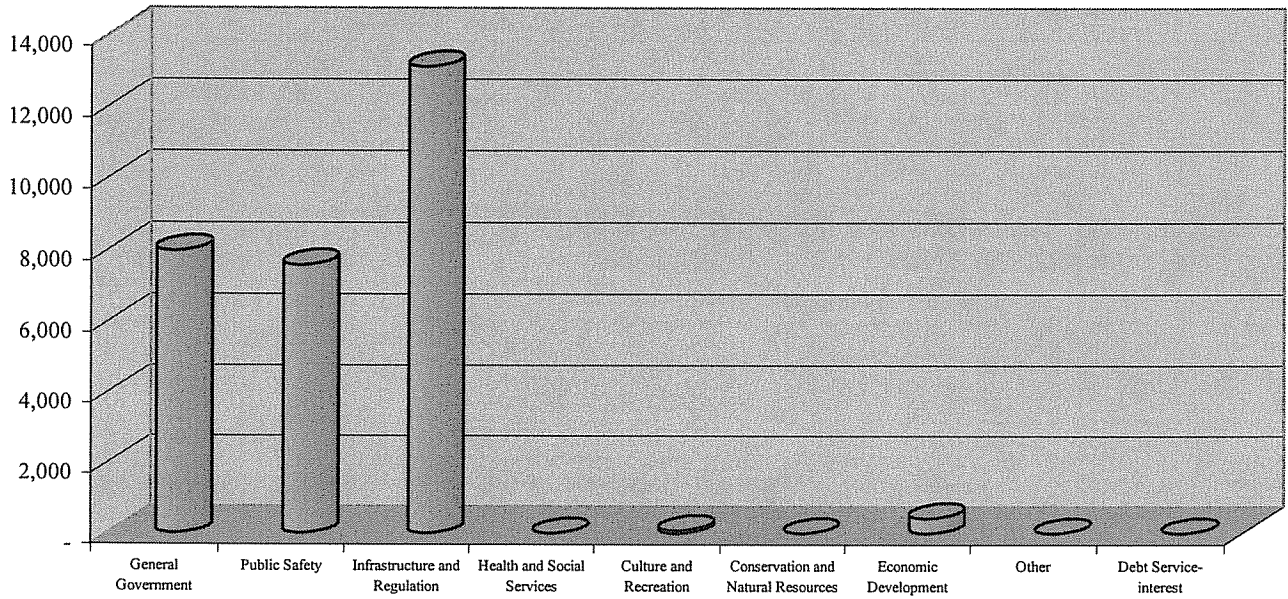
Governmental activities increased the County's net assets during the year by \$38,382, thereby accounting for 68.5% of the total growth in net assets of the County. This increase was mainly attributable to increased revenues from tourism, fees for services, continued growth in the County and controlled governmental expenditures. Key elements of this increase are as follows:

Horry County, South Carolina
Changes in Net Assets

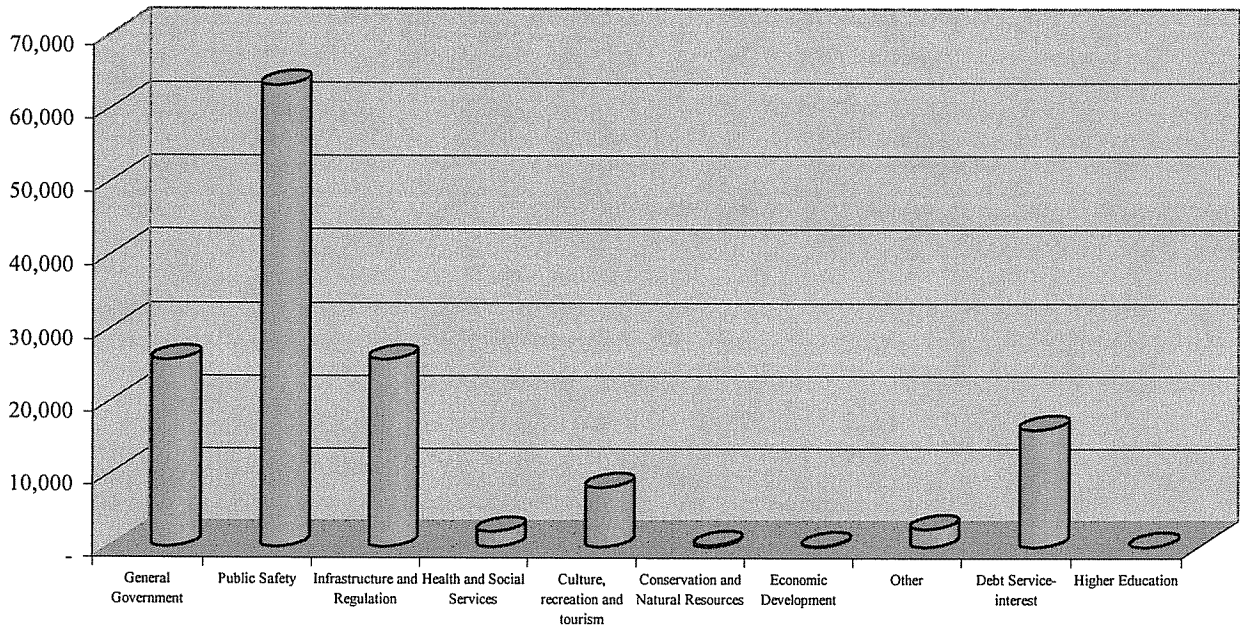
	Governmental	Business-Type		
	Activities	Activities	Total	Total
	2005	2005	2005	2004
Revenues:				
Program Revenues:				
Fees for services	\$ 25,358	\$ 21,668	\$ 47,026	\$ 32,952
Operating Grants and Contributions	2,462	-	2,462	688
Capital Grants and Contributions	1,344	8,731	10,075	10,586
General Revenues:				
Property Taxes and Shared Revenue and Unallocated Intergovernmental	93,212	3,304	96,516	86,617
Other	60,168	3,639	63,807	57,377
Total Revenues	182,544	37,342	219,886	188,220
Expenses:				
General Government	25,724	-	25,724	30,350
Public Safety	63,171	-	63,171	56,573
Infrastructure and Regulation	25,797	-	25,797	23,631
Health and Social Services	2,089	-	2,089	1,987
Culture, recreation and tourism	8,211	-	8,211	6,497
Conservation and Natural Resources	213	-	213	342
Economic Development	58	-	58	208
Other	2,457	-	2,457	1,950
Debt Service-interest	16,180	-	16,180	11,480
Higher Education	-	-	-	290
Airports	-	18,190	18,190	14,978
Industrial Parks	-	1,400	1,400	613
Baseball Stadium	-	369	369	365
Total Expenses	143,900	19,959	163,859	149,264
Increase in Net Assets Before Transfers	38,644	17,383	56,027	38,956
Transfers	(262)	262	-	-
Increase in Net Assets	38,382	17,645	56,027	38,956
Net Assets - 7/1/04	55,370	122,227	177,597	138,641
Net Assets - 6/30/05	\$ 93,752	\$ 139,872	\$ 233,624	\$ 177,597

Program Revenues and Expenses - Governmental Activities

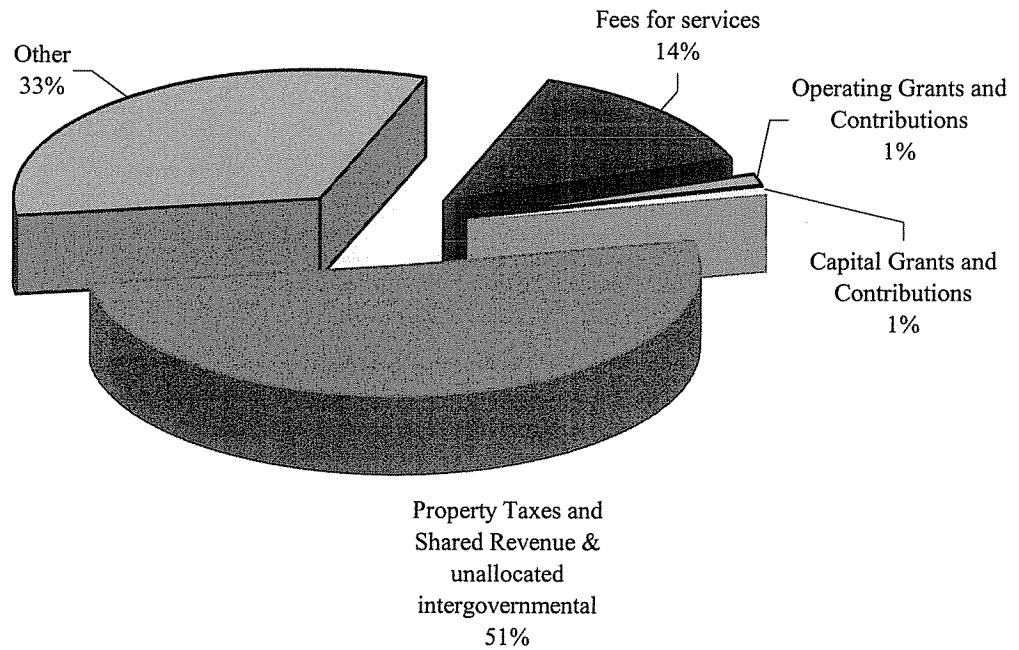
PROGRAM REVENUES



EXPENSES



Revenues by Source-Governmental Activities



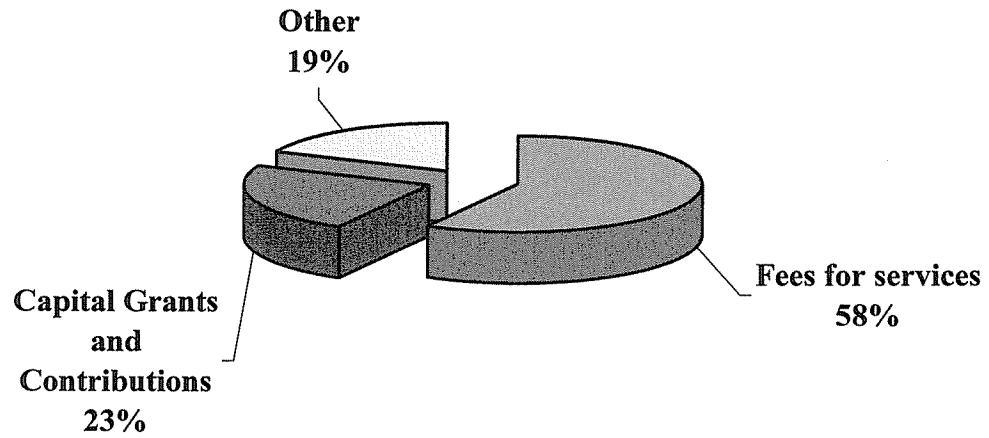
Business-type activities

Business-type activities increased the County's net assets by \$17,645. Key elements of this increase are as follows:

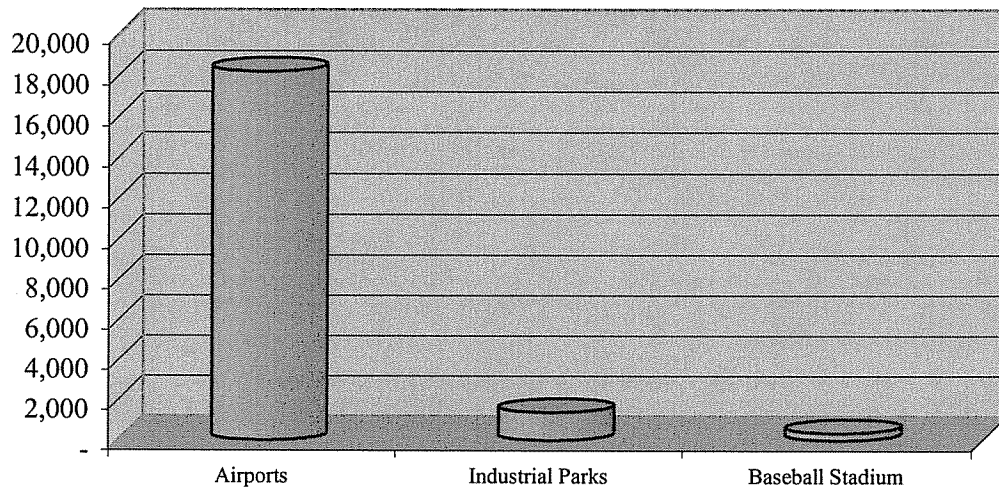
- The Department of Airports is accountable for \$17,321 of this increase from fees for services comprised mainly of landing fees, airline terminal rents, concessions and rentals, fuel sales and capital grants and contributions.
- Unrestricted investment earnings of \$1,003 also contributed to this increase.

Program Revenues and Expenses - Business-type Activities

Revenues by Source - Business-type Activities



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.

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, *unreserved 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 2005, the County's governmental funds reported combined ending fund balances of \$104,477, an increase of \$4,478 in comparison with the prior year. *Unreserved fund balance* of \$48,240 is available for spending at the County's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$9,695), 2) for inventories (\$155), 3) for prepaid items (\$782), 4) for underground storage tanks (\$50), 5) to pay for construction and general improvement capital projects in other governmental funds (\$969), 6) to pay for Fire Special Revenue fund debt service (\$4,290), 7) to pay for capital projects in the capital projects fund (6,347), 8) for maintenance and construction of County roads (\$763), 9) for future repairs and maintenance to the Baseball Stadium (\$300), 10) to pay for the RIDE program debt service (\$21,143), 11) for DSS federal revenue (\$131), 12) to pay for mosquito spraying (\$348), 13) for Cultural (\$120), 14) for other (\$743), 15) for Public Safety (\$133), 16) for C. Ripken Baseball Park (\$450) and 17) for FY 2006 Budget (\$9,818).

The general, hospitality 1.5%, general improvements capital projects and RIDE program debt service are reported as major funds. The general fund is the chief operating fund of the County. At the end of fiscal year 2005, unreserved fund balance of the general fund was \$18,962 while total fund balance reached \$30,354. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23.4 percent of the total general fund expenditures, while total fund balance represents 37.4 percent of that same amount.

The total fund balance of the County's general fund increased by \$4,144 during the current fiscal year. The key factor in this growth was as follows:

- An increase in revenues of \$8,143 over fiscal year 2004, specifically, taxes, documentary stamps, building permits, fees and fines, and interest on investments and controlled general fund expenditures.

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.

Unrestricted net assets of proprietary funds at the end of the year amounted to \$39,451.

<u>Fund</u>	2005	2004
	<u>Unrestricted Net Assets (Deficit)</u>	<u>Unrestricted Net Assets (Deficit)</u>
Department of Airports	\$ 30,743	\$ 24,639
Baseball Stadium	(131)	(46)
Industrial Parks	3,308	2,802
Internal Service Fund	5,531	4,921
Totals	<u>\$ 39,451</u>	<u>\$ 32,316</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

Differences between the general fund's original budget and final amended budget for excess revenues and other financing sources over expenses and other financing uses was \$1,636 and can be briefly summarized as follows:

- Increase in total revenues of \$209.
- Decrease in general government activities of \$2,019.
- Increase in public safety activities of \$1,154.
- Increase in culture, recreation, and tourism activities of \$266.
- Increase in infrastructure and regulation activities of \$149.
- Increase in capital outlay \$1,190.
- Increase in other financing (uses) of \$1,099.
- Increase in Health and Social Services \$4.

Increased revenues of \$209 were attributable to increase lottery fund revenue allocated from the State and revenues from the newly enacted worthless check program. In the original budget, roll forward items are not included due to amounts not being final. Items that are applicable for roll forward are capital items authorized by purchase order that have not been received, parks maintenance and recreation funds, mosquito abatement which has not been expended, funds for E911 enhancement which have not been expended, and County council expense accounts which have not been expended, road maintenance fees and fines budgeted for the local road improvement plan other than personal services, other County Council Road improvement, grant funds which have not been expended, funds for Register of Deeds computer and indexing system which have not been expended, and accommodation tax funds

approved by the Accommodations Tax Committee and County Council which have not been expended. Other increases in expenditures to the general fund budget were increased uses of fund balance for capital outlay, transfers to road maintenance special revenue fund for increased road improvement plan costs, additional positions for the public safety division, and transfers to general improvement capital projects for various capital items.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2005 amounts to \$580,840 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 5.6 percent (a 4.3 percent increase for governmental activities and a 1.3 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Completion of four new fire stations from the \$11,000 fire bond.
- Property acquisition for two additional new fire stations was completed with construction expected to begin in early 2006. These are also being funded from the \$11,000 fire bond.
- Construction began in early 2005 for the new Conway Library, a two-story brick veneer structure, with 22,000 square feet of conditioned space. This project includes utilities and site improvements that will be shared with the future Horry County Museum.
- Completion on several of the County's road projects for expansion and new construction resulted in an increase to infrastructure capital assets of \$11,927 as of the close of the fiscal year.

Horry County, South Carolina Capital Assets

	Governmental Activities	Business-type Activities	Total	Total
	2005	2005	2005	2004
Land, Easements, and Improvements	\$ 12,690	\$ 26,974	\$ 39,664	\$ 40,181
Infrastructure	345,900	9,182	355,082	343,155
Construction-in-Progress	1,210	11,188	12,398	7,800
Buildings and Improvements	80,948	35,338	116,286	115,962
Office Furniture	2,269	-	2,269	2,681
Vehicles	685	-	685	543
Machinery and Equipment	25,213	5,190	30,403	17,056
Runways and Taxiways	-	23,687	23,687	22,517
Other	366	-	366	300
Total	\$ 469,281	\$ 111,559	\$ 580,840	\$ 550,195

Additional information on the County's capital assets can be found in Note 7 of this report.

Modified Approach for Infrastructure

Horry County has adopted the modified approach for reporting its road infrastructure. Following this approach, the County does not depreciate infrastructure assets but maintains an up-to-date inventory of road infrastructure assets, condition indexes ranging from one for failed pavement to five for a pavement in perfect condition. The County must also document that the road infrastructure assets are being preserved at or above the condition level established.

A five-year Local Road Improvement Plan was implemented July 1, 1997. Horry County extended this program for an additional 5 years in 2001. FY 2005 will represent Year 8 of the project, which endeavors to improve the County’s roadways with paving, resurfacing or coquina/slag. The five-year extension covers years 2003-2007 in an effort to expedite easement acquisitions procedures and thereby enhance the programs effectiveness by approving a 5-year list (80 miles) of dirt roads to be improved.

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

Long-term debt

At the end of fiscal year 2005, the County had total bonded debt outstanding of \$119,390. Of this amount, \$76,435 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 (i.e., revenue bonds), RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank, and agreements with the City of Myrtle Beach calling for a 30% liability of Horry County on the Certificates of Participation issued by the City of Myrtle Beach.

Special obligation bonds and revenue bonds 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.

General Obligation and Revenue Bonds Outstanding

	Governmental Activities	Business-type Activities	Total	Total
	2005	2005	2005	2004
General Obligation Bonds	\$ 76,435	\$ -	\$ 76,435	\$ 81,950
Special Obligation Bonds	15,190	-	15,190	16,340
Revenue Bonds	-	27,765	27,765	29,355
Baseball Stadium COPS	-	2,423	2,423	2,546
RIDE IGA Loans	376,159	-	376,159	387,234
Total	\$ 467,784	\$ 30,188	\$ 497,972	\$ 517,425

The County’s outstanding notes and bonded debt decreased by \$19,453 compared with fiscal year 2004.

Additional information on the County’s debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- Southern Living magazine, in its fifth annual Reader's Choice Awards, named the Myrtle Beach area as the South's second favorite beach and third most popular family destination. According to the most recent AAA survey, the Myrtle Beach area is No.2 on the list of top destinations for summer vacations in the United States. Restaurant Business magazine ranks the area No.1 in the U.S. for growth potential. The area's market is growing nine times faster than the national average. Byways magazine, produced for the National Motor Coach Network, ranked the area No.4 on a list of 50 of the most popular motor coach destinations of the decade. And finally, the Grand Strand area was named as one of the 100 best retirement areas in America by Where to Retire magazine.
- Gross retail sales were reported to be \$7.39 billion for 2004, a 2.0 percent increase from 2003.
- The taxable assessed value of real and personal property increased 2.5 percent in the 2005 fiscal year.
- Building permit and business license revenues increased 45.3 percent, amounting to \$2,914 in added revenue for the 2005 fiscal year.
- Fees and fines revenues increased 8.6 percent, amounting to \$1,075 in added revenue for the 2005 fiscal year.
- The U.S. Census Bureau estimated a 10.7 percent population increase from July 1, 2003 to July 1, 2004. The estimated population for Horry County at July 1, 2004 was 217,608, ranking Horry County sixth in the state of South Carolina.

All of these factors were considered in preparing Horry County's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased from \$19,832 to \$18,962. Projections at this time indicate that at the end of fiscal year 2006, the unreserved fund balance for the general fund will remain above the 15% requirement set by the Financial Policy Ordinance.

Requests for Information

This financial report is designed to present users with a general overview of Horry 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 Director of Finance, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2005

(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	\$ 7,829	\$ 17,305	\$ 25,134	\$ 605	\$ 3,231
Equity in Pooled Cash and Investments	101,280	-	101,280	-	-
Investments	-	17,244	17,244	-	24,212
Funds held in escrow	2,281	-	2,281	-	-
Receivables, net:					
Property taxes	5,343	-	5,343	-	-
Accounts and other	3,964	831	4,795	65	1,473
Fees	721	-	721	-	-
Accrued interest	1,216	152	1,368	-	-
Due from primary government	-	-	-	103	808
Due from component units	72	-	72	-	-
Due from other governments	5,485	2,051	7,536	28	-
Internal balances	1,351	(1,351)	-	-	-
Notes receivable - Horry County	-	-	-	-	24
Prepaid expenses	782	242	1,024	-	80
Inventories	419	250	669	-	43
Restricted - funds held in trust	15,240	-	15,240	-	-
Total current assets	145,983	36,724	182,707	801	29,871
Non-current assets:					
Restricted assets:					
Notes receivable - Horry County, less current portion	-	-	-	-	65
Cash and cash equivalents	-	5,555	5,555	-	186
Investments	-	17,780	17,780	-	-
Accounts receivable	-	783	783	-	-
Land held for resale	-	895	895	-	-
Due from other governments	-	-	-	-	22
Total restricted assets	-	25,013	25,013	-	273
Capital assets:					
Land, easements and infrastructure	358,998	32,897	391,895	-	7,390
Depreciable capital assets, net	109,074	67,474	176,548	1,363	17,145
Construction-in-progress	1,209	11,188	12,397	-	119
Total capital assets, net	469,281	111,559	580,840	1,363	24,654
Deferred charges, net					
Bond issuance cost, net	755	729	1,484	26	-
Other non-current assets and investment in joint enterprise	-	-	-	-	-
Total assets	616,019	174,025	790,044	2,190	54,798

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Liabilities and Net Assets					
Current liabilities:					
Accounts payable - trade	3,234	254	3,488	13	647
Accounts payable - other	834	-	834	-	416
Accrued salaries, related taxes and compensated absences	1,120	211	1,331	82	-
Accrued expenses	-	385	385	8	-
Due to other governments	4,842	73	4,915	-	-
Due to component units	524	-	524	-	-
Construction and retainage payable	135	1,452	1,587	-	-
Other liabilities	20,452	-	20,452	-	-
Deferred revenue	16	224	240	-	-
Accrued interest payable	1,101	-	1,101	-	-
Bonds, notes and contracts payable - current portion	5,365	-	5,365	85	-
Special obligation bonds payable - current portion	1,205	-	1,205	-	-
IGA #1 payable - current portion	10,297	-	10,297	-	-
IGA #2 payable - current portion	2,826	-	2,826	-	-
RIDE IGA #3 contribution payable - current portion	26	-	26	-	-
Capital lease obligations - current portion	2,254	19	2,273	-	-
Landfill closures costs	-	-	-	-	-
Amounts due to airlines	-	643	643	-	-
Total current liabilities	54,231	3,261	57,492	188	1,063
Current liabilities payable from restricted assets	-	2,709	2,709	-	-
Non-current (long-term) liabilities:					
Certificates of Participation	-	2,295	2,295	-	-
General and special obligation bonds payable	85,055	-	85,055	715	-
Revenue bonds payable	-	25,453	25,453	-	-
RIDE IGA loans payable	361,821	-	361,821	-	-
RIDE IGA #3 contribution payable	1,189	-	1,189	-	-
Capital lease obligations	10,871	9	10,880	-	-
Compensation for future absences	9,100	426	9,526	36	57
Landfill closures costs	-	-	-	-	5,674
Landfill post closure care costs	-	-	-	-	5,630
Total long-term liabilities	468,036	28,183	496,219	751	11,361
Total liabilities	522,267	34,153	556,420	939	12,424

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Net Assets:					
Invested in capital assets, net of related debt	364,396	81,247	445,643	589	24,655
Restricted For:					
Capital projects	969	-	969	-	-
Road maintenance	763	-	763	-	-
Fire special revenue	4,290	-	4,290	-	-
Infrastructure development	-	464	464	-	-
Debt service - Interest	-	24,241	24,241	-	-
RIDE program	21,143	-	21,143	-	-
Substance abuse prevention	-	-	-	636	-
Baseball	300	-	300	-	-
Waste tire management	-	-	-	-	207
Unrestricted (deficit)	(298,109)	33,920	(264,189)	26	17,512
Total net assets	93,752	139,872	233,624	1,251	42,374
Total liabilities and net assets	\$ 616,019	\$ 174,025	\$ 790,044	\$ 2,190	\$ 54,798

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005
(amounts expressed in thousands)

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets				Component Units	
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	Shoreline Behavior	Solid Waste Authority	
Primary government										
Governmental activities:										
General government	\$ (25,724)	\$ 7,822	\$ -	\$ 146	\$ (17,756)	\$ -	\$ (17,756)	\$ -	\$ -	
Public safety	(63,171)	4,807	1,986	779	(55,599)	-	(55,599)	-	-	
Health and social services	(2,089)	-	-	-	(2,089)	-	(2,089)	-	-	
Infrastructure and regulation	(25,797)	12,729	-	390	(12,678)	-	(12,678)	-	-	
Culture, recreation and tourism	(8,211)	-	47	29	(8,135)	-	(8,135)	-	-	
Economic development	(58)	-	429	-	371	-	371	-	-	
Conservation/natural resources	(213)	-	-	-	(213)	-	(213)	-	-	
Debt service	(16,180)	-	-	-	(16,180)	-	(16,180)	-	-	
Horry-Georgetown TECH	(2,154)	-	-	-	(2,154)	-	(2,154)	-	-	
Higher Education Commission	(303)	-	-	-	(303)	-	(303)	-	-	
Total governmental activities	(143,900)	25,358	2,462	1,344	(114,736)	-	(114,736)	-	-	
Business-type activities:										
Airports	(18,190)	21,394	-	8,731	-	11,935	11,935	-	-	
Industrial parks	(1,400)	265	-	-	(1,135)	(1,135)	(1,135)	-	-	
Baseball stadium	(369)	9	-	-	(360)	(360)	(360)	-	-	
Total business-type activities	(19,959)	21,668	-	8,731	-	10,440	10,440	-	-	
Total primary government	\$ (163,859)	\$ 47,026	\$ 2,462	\$ 10,075	\$ (114,736)	\$ 10,440	\$ (104,296)	\$ -	\$ -	
Component units										
Health services	\$ (2,162)	\$ 834	\$ 1,305	\$ -	\$ -	\$ -	\$ -	\$ (23)	\$ -	1,244
Landfill	(14,010)	14,793	147	315	-	-	-	-	-	1,244
Total component units	\$ (16,172)	\$ 15,627	\$ 1,452	\$ 315	\$ -	\$ -	\$ -	\$ (23)	\$ -	2,488
General Revenue and Transfers										
General Revenue										
Property taxes					81,238		81,238			
Fees-in-lieu of taxes					441	29	470			
Intergovernmental					11,533	3,275	14,808			
Accommodations tax					2,672	-	2,672			
Local accommodations tax					861	-	861			
Admissions tax					82	-	82			
Road maintenance					4,131	-	4,131			
Business licenses					2,081	-	2,081			
Hospitality fees					31,611	-	31,611			
RMC Documentary Stamps					6,472	-	6,472			
Unrestricted investment earnings					2,945	1,003	3,948	4	565	
Contributed capital					7,793	807	8,600	-	-	
Miscellaneous					1,344	1,236	2,580	5	392	
Gain on disposal of asset					176	593	769	-	63	
Transfers					(262)	262	-	-	-	
Total general revenue and transfers					153,118	7,205	160,323	9	1,020	
Changes in net assets					38,382	17,645	56,027	(14)	2,264	
Net assets - beginning of year					55,370	122,227	177,597	1,265	40,110	
Net assets - end of year					\$ 93,752	\$ 139,872	\$ 233,624	\$ 1,251	\$ 42,374	

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2005

	General Fund	General Improvement			RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
		Hospitality 1.5% Fee	Capital Projects				
Assets							
Cash and cash equivalents	\$ 1,098,860	\$ 2,359,463	\$ -	\$ -	\$ 4,370,615	\$ 7,828,938	
Equity in pooled cash and investments	47,944,316	99,692	15,298,969	-	32,630,170	95,973,147	
Funds held in escrow	-	-	2,280,483	-	-	2,280,483	
Receivables, net:							
Property taxes	377,141	-	-	-	150,009	527,150	
Accounts and other	355,461	3,460,135	-	-	148,636	3,964,232	
Fees	-	-	-	-	720,468	720,468	
Accrued Interest	1,200,393	-	15,826	-	-	1,216,219	
Due from other funds	3,399,917	-	-	5,903,260	888,985	10,192,162	
Due from other governments	3,151,795	-	-	-	2,332,763	5,484,558	
Due from component unit	-	-	72,252	-	-	72,252	
Inventories	91,389	-	-	-	63,503	154,892	
Prepaid expenses	53,037	-	728,639	-	-	781,676	
Restricted assets	-	-	-	-	-	-	
Total Assets	<u>\$ 57,672,309</u>	<u>\$ 5,919,290</u>	<u>\$ 18,396,169</u>	<u>\$ 21,143,060</u>	<u>\$ 41,305,149</u>	<u>\$ 144,435,977</u>	

Liabilities and Fund Balances

Liabilities:

Accounts payable - trade	\$ 1,219,362	\$ -	\$ 637,539	\$ -	\$ 1,349,189	\$ 3,206,090
Accounts payable - other	825,114	-	-	-	8,816	833,930
Construction and retainage payable	-	-	121,034	-	14,214	135,248
Accrued salaries and wages	866,899	-	-	-	216,660	1,083,559
Accrued compensated absences	25,550	-	-	-	-	25,550
Due to other funds	44,164	5,910,630	-	-	2,886,372	8,841,166
Due to component units	31	-	-	-	524,319	524,350

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Due to other governments	4,119,794	-	-	-	721,735	4,841,529
Other liabilities	20,217,326	-	234,531	-	-	20,451,857
Deferred revenue	-	-	-	-	15,939	15,939
Total liabilities	27,318,240	5,910,630	993,104	-	5,737,244	39,959,218
Fund Balances:						
Reserved for:						
Encumbrances	156,621	-	6,037,378	-	3,500,644	9,694,643
Inventories	91,389	-	-	-	63,503	154,892
Underground storage tanks	50,000	-	-	-	-	50,000
Fire Special Revenue Fund	-	-	4,289,848	-	-	4,289,848
Prepaid items	53,037	-	728,639	-	-	781,676
Road maintenance	-	-	-	-	763,323	763,323
Cultural	-	-	-	-	119,870	119,870
Baseball Park	-	-	-	-	300,000	300,000
RIDE Program	-	-	-	21,143,060	-	21,143,060
DSS federal revenue	131,381	-	-	-	-	131,381
Public safety	-	-	-	-	132,570	132,570
Capital projects	-	-	-	-	968,574	968,574
Unreserved/designated for:						
Designated	10,909,862	-	6,347,200	-	450,000	17,707,062
Unreserved/undesignated	18,961,779	8,660	-	-	29,269,421	48,239,860
Total fund balances	30,354,069	8,660	17,403,065	21,143,060	35,567,905	104,476,759
Total liabilities and fund balances	\$ 57,672,309	\$ 5,919,290	\$ 18,396,169	\$ 21,143,060	\$ 41,305,149	\$ 144,435,977

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

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

Total fund balances - governmental funds	(amounts expressed in thousands)
Capital assets (exclusive of Internal Service Fund Capital Assets) used in governmental activities are not financial resources and therefore are not reported in these funds.	\$ 104,477
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's expenditures.	465,775
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds.	4,816
Internal service funds are used by management to change the costs of fleet services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities.	755
Long-term liabilities, including bonds payable that are not due and payable in the current period and therefore are not reported in these funds.	9,037
Net Assets, end of year - governmental activities	(491,108)
	<u>\$ 93,752</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

Revenues	General Fund	General			RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
		Hospitality 1.5 % Fee	Improvement Capital Projects				
Property taxes	\$ 49,486,135	-	-	\$ -	\$ 29,358,390	\$ 78,844,525	
Intergovernmental	12,127,833	-	-	-	5,965,324	18,093,157	
Accommodation tax	-	-	-	-	860,677	860,677	
Fees and fines	13,624,816	25,969,284	787,796	-	13,621,749	54,003,645	
Documentary stamps	6,471,943	-	-	-	-	6,471,943	
License and permits	9,347,681	-	-	-	-	9,347,681	
Interest on investments	1,278,983	27,972	464,934	617,804	555,120	2,944,813	
Cost allocation	1,141,530	-	-	-	-	1,141,530	
Other	904,730	216	-	-	747,242	1,652,188	
Total revenues	94,383,651	25,997,472	1,252,730	617,804	51,108,502	173,360,159	
Expenditures							
Current:							
General government	20,843,282	-	-	-	23,285	20,866,567	
Public safety	48,910,714	-	-	-	11,566,897	60,477,611	
Health and social services	1,274,901	-	-	-	794,005	2,068,906	
Infrastructure and regulation	3,500,358	-	-	-	24,866,286	28,366,644	
Culture and recreation	3,444,268	-	-	-	4,380,846	7,825,114	
Economic development	-	-	-	-	57,925	57,925	
Conservation and natural resources	-	-	-	-	516,762	516,762	
Horry-Georgetown TECH	-	-	-	-	2,153,403	2,153,403	
Higher Education Commission	-	-	-	-	303,161	303,161	
Other	1,370,703	-	-	-	-	1,370,703	
Debt service	-	-	-	23,838,753	11,556,218	35,394,971	
Capital outlay	1,815,661	-	18,747,765	-	-	20,563,426	
Total expenditures	81,159,887	-	18,747,765	23,838,753	56,218,788	179,965,193	

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement		RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
			Capital Projects				
Excess (deficiency) of revenues over (under) expenditures	13,223,764	25,997,472	(17,495,035)	(23,220,949)	(5,110,286)	(6,605,034)	
Other Financing Sources (Uses)							
Capital leases	1,815,661	-	9,789,826	-	-	11,605,487	
Sales of assets	176,008	-	-	-	-	176,008	
Other	-	-	-	-	(250,000)	(250,000)	
Transfers in	1,710,316	-	3,891,566	26,727,099	15,309,274	47,638,255	
Transfers out	(12,782,056)	(26,899,971)	(142,139)	-	(8,262,607)	(48,086,773)	
Total other financing sources (uses)	(9,080,071)	(26,899,971)	13,539,253	26,727,099	6,796,667	11,082,977	
Net change in fund balance	4,143,693	(902,499)	(3,955,782)	3,506,150	1,686,381	4,477,943	
Fund balances at beginning of year	26,210,376	911,159	21,358,847	17,636,910	33,881,524	99,998,816	
Fund balances at end of year	\$ 30,354,069	\$ 8,660	\$ 17,403,065	\$ 21,143,060	\$ 35,567,905	\$ 104,476,759	

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

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

Net change in fund balances - total governmental funds

*(amounts expressed
in thousands)*
\$ 4,478

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 outlays exceeded depreciation in the current period.

17,835

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

11,044

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.

(3,229)

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.

7,193

The net revenue (expense) of certain activities of internal service funds reported with governmental activities.

1,061

Change in Net Assets - Governmental Activities

\$ 38,382

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

JUNE 30, 2005

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Assets					
Current assets:					
Cash and cash equivalents	\$ 13,786,108	\$ 283,512	\$ 3,235,375	\$ 17,304,995	\$ -
Equity in pooled cash and investments	-	-	-	-	5,306,173
Investments	17,244,391	-	-	17,244,391	-
Accounts receivable, net	819,982	-	11,493	831,475	100
Accrued interest	151,846	-	-	151,846	-
Due from other governments	2,051,176	-	-	2,051,176	-
Inventories	249,570	-	-	249,570	264,200
Prepaid expenses	242,207	-	-	242,207	-
Total unrestricted current assets	<u>34,545,280</u>	<u>283,512</u>	<u>3,246,868</u>	<u>38,075,660</u>	<u>5,570,473</u>
Restricted current assets:					
Cash and cash equivalents	5,555,091	-	-	5,555,091	-
Investments	17,780,277	-	-	17,780,277	-
Accounts receivable	782,396	-	-	782,396	-
Total restricted current assets	<u>24,117,764</u>	<u>-</u>	<u>-</u>	<u>24,117,764</u>	<u>-</u>
Total current assets	<u>58,663,044</u>	<u>283,512</u>	<u>3,246,868</u>	<u>62,193,424</u>	<u>5,570,473</u>
Non-current assets:					
Capital assets, net:					
Land, easements and infrastructure	29,757,914	2,693,320	445,955	32,897,189	-
Depreciable capital assets, net	63,280,713	2,483,238	1,709,129	67,473,080	3,505,359
Construction-in-progress	11,188,383	-	-	11,188,383	-
Total capital assets, net	<u>104,227,010</u>	<u>5,176,558</u>	<u>2,155,084</u>	<u>111,558,652</u>	<u>3,505,359</u>
Land held for resale	-	-	894,957	894,957	-
Deferred charges					
Bond issuance costs, net	729,478	-	-	729,478	-
Total assets	<u>\$ 163,619,532</u>	<u>\$ 5,460,070</u>	<u>\$ 6,296,909</u>	<u>\$ 175,376,511</u>	<u>\$ 9,075,832</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

- CONTINUED -

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Liabilities and Net Assets					
Current liabilities:					
Accounts payable-trade	\$ 186,787	\$ -	\$ 66,860	\$ 253,647	\$ 28,060
Construction accounts and retainage payable	1,452,198	-	-	1,452,198	-
Accrued salaries, wages and compensated absences	211,170	-	-	211,170	10,990
Due to other funds	1,048,224	-	302,771	1,350,995	-
Other accrued expenses	384,831	-	-	384,831	-
Unearned revenue	224,188	-	-	224,188	-
Due to other governments	-	73,270	-	73,270	-
Capital leases payable - current portion	19,239	-	-	19,239	-
Amounts due to airlines and car rental	642,783	-	-	642,783	-
	<u>4,169,420</u>	<u>73,270</u>	<u>369,631</u>	<u>4,612,321</u>	<u>39,050</u>
Current liabilities payable from restricted assets:					
Certificates of Participation - current portion	-	127,500	-	127,500	-
Revenue bonds payable - current portion	1,685,000	-	-	1,685,000	-
Accrued interest payable	838,794	57,491	-	896,285	-
Total current liabilities payable from restricted assets	<u>2,523,794</u>	<u>184,991</u>	<u>-</u>	<u>2,708,785</u>	<u>-</u>
Total current liabilities	<u>6,693,214</u>	<u>258,261</u>	<u>369,631</u>	<u>7,321,106</u>	<u>39,050</u>
Non-current liabilities:					
Certificates of Participation	-	2,295,000	-	2,295,000	-
Compensated absences - long term	425,936	-	-	425,936	-
Revenue bonds payable	25,453,336	-	-	25,453,336	-
Capital leases	9,070	-	-	9,070	-
Total non-current liabilities	<u>25,888,342</u>	<u>2,295,000</u>	<u>-</u>	<u>28,183,342</u>	<u>-</u>
Total liabilities	<u>32,581,556</u>	<u>2,553,261</u>	<u>369,631</u>	<u>35,504,448</u>	<u>39,050</u>
Net assets:					
Invested in capital assets, net of related debt	76,337,645	2,754,058	2,155,084	81,246,787	3,505,359
Restricted for:					
Infrastructure development	-	-	464,147	464,147	-
Debt service	23,957,464	283,512	-	24,240,976	-
Unrestricted	30,742,867	(130,761)	3,308,047	33,920,153	5,531,423
Total net assets	<u>131,037,976</u>	<u>2,906,809</u>	<u>5,927,278</u>	<u>139,872,063</u>	<u>9,036,782</u>
Total liabilities and net assets	<u>\$ 163,619,532</u>	<u>\$ 5,460,070</u>	<u>\$ 6,296,909</u>	<u>\$ 175,376,511</u>	<u>\$ 9,075,832</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2005

	Business-type Activities - Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks		
Operating Revenues					
Landing fees	2,066,035	-	-	2,066,035	-
Rents	3,625,778	-	264,788	3,890,566	-
Concessions and rentals	5,176,651	8,537	-	5,185,188	-
Security fees	305,606	-	-	305,606	-
Leases	928,205	-	-	928,205	-
Fuel sales - FBO	3,155,055	-	-	3,155,055	-
Other FBO Services	793,720	-	-	793,720	-
Charges for service	-	-	-	-	3,830,996
Fees-in-lieu of taxes	-	-	29,100	29,100	-
Donations for Capital	-	-	806,628	806,628	-
Other	1,140,974	3,265	92,301	1,236,540	99,677
Total operating revenues	17,192,024	11,802	1,192,817	18,396,643	3,930,673
Less, signatory airline contract operating rebate	(372,662)	-	-	(372,662)	-
Net operating revenues	16,819,362	11,802	1,192,817	18,023,981	3,930,673
Operating Expenses					
Salaries and benefits	5,059,670	-	-	5,059,670	-
Utilities	750,238	-	-	750,238	-
Outside and professional services	889,178	-	-	889,178	-
Outside and personal services	-	-	-	-	804,232
Maintenance and supplies	569,788	54,171	-	623,959	-
Fuel cost of sales	2,074,183	-	-	2,074,183	-
Vehicle and equipment expense	314,628	-	-	314,628	-
Insurance	268,681	28,379	-	297,060	-
Business and travel related	136,098	-	-	136,098	37,631
Office supplies	25,918	-	-	25,918	-
Supplies and materials	-	-	-	-	29,094
Horry County administrative costs	325,000	-	-	325,000	-
Management fees	-	3,000	-	3,000	-
Depreciation and amortization	4,644,041	165,978	69,098	4,879,117	1,042,644
Bad debt expense	18,302	-	-	18,302	-
Indirect cost allocation	-	-	-	-	-
Contractual services	-	-	528,233	528,233	1,143,036
Capital Outlay	-	-	802,702	802,702	-
Other	-	2,697	-	2,697	-
Total operating expenses	15,075,725	254,225	1,400,033	16,729,983	3,056,637
Operating income (loss)	1,743,637	(242,423)	(207,216)	1,293,998	874,036

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

- CONTINUED -

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks		
Non-operating Revenues					
(Expenses)					
Passenger facility charges	3,209,882	-	-	3,209,882	-
Contract facility charges	2,133,370	-	-	2,133,370	-
Intergov't revenue City of Myrtle Beach	3,275,982	-	-	3,275,982	-
TSA grant revenue	343,400	-	-	343,400	-
Redevelopment Authority grant revenue	420,000	-	-	420,000	-
Grant expenditures	(1,028,796)	-	-	(1,028,796)	-
Interest income	968,402	6,245	28,645	1,003,292	45,562
Interest expense	(1,712,529)	(114,982)	-	(1,827,511)	-
Gain (loss) on disposal/sale of property	-	-	592,644	592,644	(612)
Total non-operating revenues (expenses)	<u>7,609,711</u>	<u>(108,737)</u>	<u>621,289</u>	<u>8,122,263</u>	<u>44,950</u>
Income (loss) before capital contributions and transfers	9,353,348	(351,160)	414,073	9,416,261	918,986
Capital Contributions	7,967,473	-	-	7,967,473	-
Transfers	<u>-</u>	<u>290,643</u>	<u>(29,100)</u>	<u>261,543</u>	<u>186,973</u>
Net change in net assets	17,320,821	(60,517)	384,973	17,645,277	1,105,959
Net Assets					
Beginning of year	113,717,155	2,967,326	5,542,305	122,226,786	7,930,823
End of year	<u>\$ 131,037,976</u>	<u>\$ 2,906,809</u>	<u>\$ 5,927,278</u>	<u>\$ 139,872,063</u>	<u>\$ 9,036,782</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2005

	<u>Business-Type Activities – Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Department of Airports</u>	<u>Baseball Stadium</u>	<u>Industrial Parks</u>	<u>Totals</u>	
Cash Flows From Operating Activities					
Cash received from:					
Landing fees, terminal rents, concessions leases and other fees	\$ 12,673,410	\$ -	\$ -	\$ 12,673,410	\$ -
FBO sales and services	3,500,563	-	-	3,500,563	-
Rent	-	-	266,296	266,296	-
Donations	-	-	806,628	806,628	-
Service and miscellaneous charges	-	-	121,401	121,401	3,930,573
Other	1,130,891	-	-	1,130,891	-
Cash paid to (for):					
Salaries and benefits	(5,168,866)	-	-	(5,168,866)	-
Maintenance, supplies, fuel, utilities and equipment	(5,979,025)	-	-	(5,979,025)	(2,017,315)
Baseball stadium	-	(49,303)	-	(49,303)	-
Industrial park operations	-	-	(1,264,075)	(1,264,075)	-
Other supplies and miscellaneous costs	-	-	(31,481)	(31,481)	(37,631)
Net cash provided by (used in) operating activities	<u>6,156,973</u>	<u>(49,303)</u>	<u>(101,231)</u>	<u>6,006,439</u>	<u>1,875,627</u>
Cash Flows From Non-Capital Financing Activities					
Advances from (returns to) other funds	-	-	(29,100)	(29,100)	-
Proceeds from miscellaneous receipts and change in compensation	142,170	-	-	142,170	-
Grant expenditures	(1,028,796)	-	-	(1,028,796)	-
Intergovernmental revenues and Transportation Safety Authority	414,543	-	-	414,543	-
Transfers in	-	290,643	-	290,643	186,973
Net cash flows provided by (used in) non-capital financing activities	<u>(472,083)</u>	<u>290,643</u>	<u>(29,100)</u>	<u>(210,540)</u>	<u>186,973</u>
Cash Flows From Capital and Related Financing Activities					
Receipt of passenger and contract facility charges	5,227,628	-	-	5,227,628	-
Acquisition and construction of capital assets	(11,281,348)	-	-	(11,281,348)	(1,604,682)
Principal payments on bonds and notes	(1,590,000)	-	-	(1,590,000)	-
Interest paid on bonds and notes	(1,760,240)	-	-	(1,760,240)	-
Principal payments on Certificates of Participation	-	(123,000)	-	(123,000)	-
Interest paid on Certificates of Participation	-	(117,534)	-	(117,534)	-
Principal payments on capital lease obligation	(19,916)	-	-	(19,916)	-
Receipt from City of Myrtle Beach trust fund	3,275,982	-	-	3,275,982	-
Proceeds from AIP and TSA grants	7,499,518	-	-	7,499,518	-
Proceeds from disposition of property and equipment	-	-	-	-	65,907
Net cash used in capital and related financing activities	<u>1,351,624</u>	<u>(240,534)</u>	<u>-</u>	<u>1,111,090</u>	<u>(1,538,775)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Department of Airports	Baseball Stadium	Industrial Parks		Totals
Cash Flow From Investing Activities					
Investment purchases	(35,024,668)	-	-	(35,024,668)	-
Investment sales	24,554,633	-	974,113	25,528,746	-
Interest on investments	1,013,238	6,245	28,645	1,048,128	45,462
Net cash provided by investing activities	<u>(9,456,797)</u>	<u>6,245</u>	<u>1,002,758</u>	<u>(8,447,794)</u>	<u>45,462</u>
Net increase in cash and cash equivalents	(2,420,283)	7,051	872,427	(1,540,805)	569,287
Cash and cash equivalents at beginning of year (of which \$5,470,421 is restricted)	21,761,482	276,461	2,362,948	24,400,891	4,736,886
Cash and cash equivalents at end of year (of which \$5,555,091 is restricted)	<u>\$ 19,341,199</u>	<u>\$ 283,512</u>	<u>\$ 3,235,375</u>	<u>\$ 22,860,086</u>	<u>\$ 5,306,173</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 1,743,637	\$ (242,423)	\$ (207,216)	\$ 1,293,998	\$ 874,036
Adjustments to reconcile operating income (loss) to net provided by operating activities:					
Depreciation and amortization	4,644,041	165,978	69,098	4,879,117	1,042,644
Bad debt expense	18,302	-	-	18,302	-
Change in certain assets and liabilities:					
(Increase) decrease in accounts receivable, net	179,519	-	1,508	181,027	(100)
Increase (decrease) in due to other governments	-	27,142	-	27,142	-
Decrease in inventories	(30,752)	-	-	(30,752)	(17,786)
Decrease in prepaid expenses	(17,027)	-	-	(17,027)	-
Increase in accounts payable	7,153	-	35,379	42,532	(28,716)
Increase (decrease) in accrued salaries, wages and compensated absences	(109,196)	-	-	(109,196)	5,549
Increase in other accrued expenses	214,671	-	-	214,671	-
Increase in due to other funds	(799,358)	-	-	(799,358)	-
Decrease in unearned revenue	107,170	-	-	107,170	-
Increase in interfund borrowing	-	-	-	-	-
Decrease in amounts due to airlines	198,813	-	-	198,813	-
Net cash provided by (used in) operating activities	<u>\$ 6,156,973</u>	<u>\$ (49,303)</u>	<u>\$ (101,231)</u>	<u>\$ 6,006,439</u>	<u>\$ 1,875,627</u>
Supplemental information-noncash investing, capital and financing activities:					
Restricted accounts receivable	<u>\$ 782,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,396</u>	<u>\$ -</u>
Construction accounts and retainage payable	<u>\$ 1,452,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,198</u>	<u>\$ -</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2005

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 1,065,234
Equity in pooled cash and investments	<u>154,064,061</u>
Total assets	<u><u>\$ 155,129,295</u></u>
Liabilities	
Due to agency	<u>\$ 155,129,295</u>
Total liabilities	<u><u>\$ 155,129,295</u></u>

See accompanying notes to 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 Dillion 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 (11) 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 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 assets, in its government-wide statement of net assets, and report depreciation expense 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.

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*, the basic financial statements of the County present the reporting entity of the County that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

Financial accountability is defined as appointment 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 emphasize that they are legally separate from the operations of the primary government. A summary of the County's blended and discretely presented component units follows:

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

In May of 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement was effective for the County for the year ended June 30, 2004. This statement provides guidance to determine whether certain organizations for which a primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. The County's effect of GASB Statement No. 39 did not have a significant effect on the County's financial statements.

Blended Component Units

For the year ended June 30, 2005, the County had a blended component unit, Horry County Public Facilities Corporation (the "Corporation"). The Corporation is governed by a board comprised of the County Council. The Corporation entered into a \$3.6 million capital lease agreement for the construction and lease of building cooling equipment to the County. Due to its relationship, proceeds of the capital lease were recorded by the County as other financing sources in the Capital Projects Fund with debt service requirements reflected in the County's General Debt Service Fund. The corporation does not issue separate financial statements.

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) is responsible for the coordination of all substance abuse prevention, intervention, treatment, and educational programs within Horry County Council's jurisdiction. County Council is responsible for the appointment of all members of SBHS's governing board and fiscal control.

The Horry County Solid Waste Authority (HCSWA) was created by Horry County Council to develop and implement a solid waste disposal and resource recovery/recycling system for the County. The HCSWA is governed by a board appointed by the County Council. The County Administrator serves as an ex-officio member of that board. Approval of all debt issuances and the legal liability for HCSWA operations remains with the County.

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

Shoreline Behavioral Health Services
1104 Bell Street
Conway, South Carolina 29526

Horry County Solid Waste Authority
1886 Highway 90
Conway, South Carolina 29526

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The Government-Wide financial statements consist of a statement of net assets and a statement of activities and reports information on all of the non-fiduciary 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, 2005, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

The statement of net assets reports all financial and capital resources of the County and reports the difference between assets and liabilities as "net assets", not fund balance or equity. 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 proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary 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, Hospitality 1.5% Fund, General Improvement Capital Projects Fund, and RIDE Program Debt Service Fund. The County reports the following 'major' proprietary funds: Department of Airports, Baseball Stadium, and Industrial Parks.

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 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, Accommodations Tax, Waste Management Recycling, Watersheds, Mt. Gilead, Socastee Recreation, Road Maintenance & CTC, Beach Nourishment, Grants, Admissions Tax, Hospitality Fee 1.0%, Victim Assistance, Senior Citizens, Railroad, Arcadian Shores, CDBG Revolving Loan Program, Storm Water Management, GIS/IT, B&C Multi-County Business Park, Local Atax, Recreation, and Hospitality Fee 1.5%.

Debt Service Funds - Debt service funds account for the accumulation of financial resources 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. Debt service funds consist of the following: General Debt, Higher Education, Horry-Georgetown TECH, RIDE Program, and Special Obligation Debt.

Capital Projects Funds - Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment (other than those financed by the proprietary funds). The only capital projects fund is the General Improvement Fund.

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. Enterprise funds consist of the following: Department of Airports, Baseball Stadium, and Industrial Parks.

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 only internal service fund is Fleet Services.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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 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 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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effects of interfund activities are eliminated from the government-wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

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

Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred. Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include fees and fines (except hospitality fees), licenses and permits.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the County before it has a legal claim to them, as when grant money is received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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 balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net assets 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.

As permitted under GAAP, the County has elected not to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 for its enterprise funds and discretely presented component units.

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 governmental fund types, modified 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 expense, the allowance for doubtful accounts, signatory airline rebates, and certain claims and judgment liabilities (e.g., rebatable arbitrage), among other accounts. Actual results could differ from those estimates.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses

Cash Equivalents and Equity in 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. This Statement has been implemented by Horry County for the year ended June 30, 2005.

Cash includes currency on hand, demand deposits with financial institutions and other accounts that have the general characteristics of demand deposits in that additional funds may be deposited any time and withdrawn without prior notice or penalty.

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

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

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

Investments

Investments are 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, 2005, the fair value of the County's investments approximated cost.

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 taxes 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.

Mortgage Note Receivable

Mortgage receivable at June 30, 2004, resulting from a CDBG Revolving Fund loan, has been written off during the year ended June 30, 2005 due to the provisions in the original contract that stated that the note would be forgiven in 10 years if not paid.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (continued)

Due from Other Governments

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

Inventories and Prepaid Items

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

Inventories in the general fund consist of office supplies. The cost of these supplies 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 Recreation Special Revenue fund are park passes held for resale. Inventories in the Department of Airports Enterprise Fund consist of supplies and aviation fuel held for resale. Inventories in the internal service fund consist of parts for servicing vehicles and equipment.

Inventories of the discretely presented component unit, SBHS, consist of expendable supplies held for consumption. 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. Reported inventories and prepaid items in the governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

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 (transfers out) in the reimbursing fund and as reductions of the expenditure or expense (transfers in) in the fund that is reimbursed.

Real Estate Held For Resale

Real estate held for resale in the Industrial Parks Enterprise Fund is recorded at the lower of cost, or its net realizable value.

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 arise from certain bond, contract ordinances, or grant agreements and consist of certain bond debt service and reserve accounts, and receivables associated with Passenger Facility Charges (PFC's) and Contract Facility Charges (CFC's). Restricted assets of the discretely presented component unit, HCSWA, represent funding for the implementation of a waste tire management program.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (continued)

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, 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 if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair 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, 20-40 years; buildings, 10-30 years; runways and taxiways, 40 years; and equipment, 5-10 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 the cost basis.

Capitalization of Interest

Interest incurred during the construction phase of proprietary fund fixed 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. The County has not elected to capitalize interest on its general fixed assets. During the year ended June 30, 2005, there were no material capitalized interest costs incurred.

Deferred Charges (Bond Issuance Costs)

Bond issuance costs including bond premiums and discounts are deferred and amortized over the life of the related bond issue using the straight-line method. In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (continued)

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 assets. 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.

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 public works 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 9 and 18 for further discussion.

Net Assets and Fund Balances

In the government-wide financial statements, the difference between the County's total assets and total liabilities represents net assets. Net assets for both the governmental and business-type activities displays three components - invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net assets represent the net assets available for future operations.

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Designated fund balances represent tentative plans by management for future use of available financial resources.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, 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.

Passenger Facility Charges

Passenger Facility Charges ("PFC'S") collected pursuant to Federal Aviation Administration (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'S") collected pursuant to certain agreements on automobile rentals, are restricted for debt service and 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 airlines are based on certain residual "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2005.

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 mileage 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (continued)

Property Taxes, continued

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.

Indirect Cost Allocations

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 for the year ended June 30, 2003.

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.

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, and certain special revenue, debt service, and capital projects funds. Budgetary comparisons to actual of the general fund and the one major special revenue fund are presented as Required Supplementary Information. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports, Baseball Stadium, Industrial Parks, and Fleet Services for fiscal year ended June 30, 2005, 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.

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. For the year ended June 30, 2005, \$1,815,661 in capital lease proceeds and expenses were not budgeted in the County's June 30, 2005 budget, but were included in the County's general fund statement of revenues, expenditures and changes in fund balance.

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 is 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, 2005, any funds budgeted for capital projects which have not been completed and said funds have not been budgeted to other capital projects, road maintenance fees and funds budgeted for the local road improvement plan other than personal services, which have not been expended, other County Council road improvement, parks maintenance and recreation funds which have not been expended, grant funds or donations which have not been expended, Stormwater management funds which have not been expended, funds for mosquito abatement which have not been expended, funds for E911 Enhancements which have not been expended, funds for Register of Deeds Computer and Indexing System which have not been expended, fund for Maintenance capital equipment and Life Cycle Program which have not been expended, funds for County Council expense accounts which have not been expended, funds for capital items authorized by purchase order but not received, accommodations tax funds approved by the Accommodations Tax Committee and County Council which have not been expended, shall reflect as a designation of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2006 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting shall not require a supplemental budget ordinance.

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 as reservations of fund balances. Certain of the encumbrances will be satisfied by the subsequent receipt of grants or entitlements.

For the year ended June 30, 2005, budgeted expenditures and other financing uses exceeded estimated revenues and other financing sources for Road Maintenance & CTC Special Revenue Fund by \$1,087,045; Hospitality 1.0% Special Revenue Fund by \$220,237; Victim Assistance Special Revenue Fund by \$176,823; Senior Citizens Special Revenue Fund by \$27,720; Stormwater Management Special Revenue Fund by \$618,325; and Hospitality 1.5% Special Revenue Fund by \$902,499; and General Improvements Capital Projects Fund by \$3,971,608. These deficits were funded by unreserved and applicable reserved fund balances, and/or additional unbudgeted revenue or future tax revenues.

At June 30, 2005, the following funds had deficit fund balances: Socastee Recreation \$(2,009), Victim Witness Assistance \$(11,271), Senior Citizens \$(1,381) and Arcadian Shores \$(360,585). Socastee Recreation's deficit will be funded through increased property tax values with reassessment in fiscal year ending June 30, 2006. The Victim Witness, Senior Citizens, and Arcadian Shores deficit fund balances will be repaid from future tax revenues.

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 savings and loan associations 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

Custodial Credit Risk

Custodial credit risk for deposits is risk that in the event of a depository financial institution's failure, the County will not be able to recover insurance or collateral securities that are in the possession of an outside party. 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, 2005, the reported amount of the primary government's deposits was \$331 million and the bank balance was \$285 million. Of the \$285 million bank balance exposed to custodial credit risk, \$7 thousand was uninsured and uncollateralized, \$2 million was covered by federal depository insurance, and \$283 million was collateralized with securities held by the counterparty's trust department or agent in the County's name.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

b. Investments

Investment Policy

All of the County's investments are presented at fair value, which approximates cost. 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.

Investments consisted of the following at June 30, 2005:

	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreements	<1 year	AAAm	\$1,071,003	13.00%
Repurchase Agreements	<1 year	Not Rated	\$5,384,491	63.00%
Commercial Paper	<1 year	A1+	<u>\$2,026,899</u>	24.00%
			<u>\$8,482,393</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 primary government's commercial paper is uncollateralized. 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

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. The County's commercial paper is not collateralized and may be subject to credit risk. The County's respective investment credit quality ratings are as noted above.

Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. All of the County's investments have maturity terms less than 1 year which mitigates interest rate fluctuations. The County's respective maturity dates are as noted above. The County does not have a policy with respect to interest rate risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County does not have a policy for reducing this risk to any single issuer. As of June 30, 2005, the County had its 91% of its investments invested with The Bank of New York and 9% of its investments invested with Wachovia.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

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, 2005, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$24,325,879 with corresponding bank balances of \$24,371,587. Of that balance, \$700,000 was covered by federal depository insurance and \$23,671,587 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 \$1,500.

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 are stated at fair value. Changes in the fair value of investments are included as a component of investment income. The SCSWA uses quoted market prices to determine the fair value of investments.

Investments consisted of the following at June 30, 2005:

	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreement	07/01/05	Not Rated	<u>\$3,302,070</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 investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

At June 30, 2005 the carrying amount of SBHS's deposits was \$163,228, with corresponding bank balances of \$179,352. The entire amount is insured or collateralized with securities held by SBHS or by its agent in SBHS's name.

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, 2005, SBHS's investments, with a carrying and fair value of \$441,501, were in repurchase agreements and were uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the SBHS's name.

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

(amounts shown in thousands)

	Primary	Fiduciary Fund	Total	Discretely Presented Component Units	
	Government	Agency		SBHS	HCSWA
Cash on hand	\$ 26	\$ -	\$ 26	\$ -	\$ 1
Carrying amount of deposits	176,006	155,129	331,135	179	24,326
Carrying amount of investments	8,482	-	8,482	442	3,302
Totals	\$ 184,514	\$ 155,129	\$ 339,643	\$ 621	\$ 27,629
Cash and cash equivalents	\$ 25,134	\$ 1,065	\$ 26,199	\$ 605	\$ 3,231
Equity in pooled cash and investments	101,280	154,064	255,344	-	-
Investments	17,244	-	17,244	-	24,212
Funds held in escrow	2,281	-	2,281	-	-
Cash and cash equivalents -restricted	5,555	-	5,555	-	186
Investments-restricted	17,780	-	17,780	-	-
Funds held in trust - restricted	15,240	-	15,240	-	-
Totals	\$ 184,514	\$ 155,129	\$ 339,643	\$ 605	\$ 27,629

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, 2005, are as follows:

	<i>(amounts shown in thousands)</i>				Totals
	Government Activities	Business-type Activities			
	Department of Airports	Baseball Stadium	Industrial Parks		
Property taxes	\$ 11,182	\$ -	\$ -	\$ -	\$ 11,182
Less, allowance for uncollectibles and amounts not available for current period	(5,839)	-	-	-	(5,839)
Net property taxes	5,343	-	-	-	5,343
Accounts	4,283	1,063	-	11	5,357
Hospitality 1.0% fees	700	-	-	-	700
Local accomodation taxes	147	-	-	-	147
Hospitality 1.5% fees	3,460	-	-	-	3,460
Stormwater fees	20	-	-	-	20
Less, allowance for uncollectibles	(3,925)	(243)	-	-	(4,168)
	4,685	820	-	11	5,516
Net receivables	<u>\$ 10,028</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 10,859</u>

Property taxes receivable include delinquent and unpaid taxes, penalties and interest, if applicable, and is reported in the accompanying financial statements of the primary government net of that portion not available for current year budget appropriations as levied.

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.

Receivables at June 30, 2005 for the discretely presented component unit HCSWA totaled \$1,473,384 and included amounts for tipping fees due on account from landfill users, amounts due from dealers for purchases of recyclable materials, and amounts due from landfill users, amounts due from dealers for purchases of recyclable materials, and amounts due from cardboard containers, net of an allowance of \$10,000 for uncollectible amounts.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables

In the government-wide statement of net assets, 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, 2005 were as follows:

	(amounts shown in thousands)	
	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 3,400	\$ 44
Major Special Revenue Fund- 1.5% Hospitality Fees	-	5,911
Major Debt Service Fund- Ride	5,903	-
Nonmajor Funds:		
Socastec Recreation	-	3
Beach Nourishment	193	1,409
Grants	-	298
Admissions Tax	-	27
Hospitality Fees 1%	-	309
Arcadian Shores	-	389
CDBG Revolving Loan	303	-
Stormwater Management	-	91
Road Maintenance & CTC	393	-
Local Accommodations tax	-	351
Victim Witness	-	5
Senior Citizen	-	4
Total Nonmajor Funds	<u>889</u>	<u>2,886</u>
Enterprise Funds:		
Department of Airports	-	1,048
Industrial Parks	-	303
Total Enterprise Funds:	<u>-</u>	<u>1,351</u>
	<u>\$ 10,192</u>	<u>\$ 10,192</u>

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government:		
General Fund	\$ -	\$ 31
Waste Management Recycling Fund	-	524
General Improvement Capital Projects Fund	72	-
Component units:		
SBHS and HCSWA	911	-
	<u>\$ 983</u>	<u>\$ 555</u>

Differences in the interfund receivable and payable between the primary government and the component units are due to timing differences in cash payments made on or around June 30, 2005. The purpose of the interfund receivables and payables is for loans for infrastructure, economic development initiatives, renourishment of the area beaches and loans to special revenue funds for reimbursable expenses incurred on or before June 30, 2005. The purpose of the interfund transfers is to cover operations expense of the public works department, to make payments on debt service and for transfers to capital projects.

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, 2005:

Description/Funds(s)	Transfers From/To
Transfers from the General Fund	
Transfers to:	
Fire Fund	\$ 18,362
Accommodations Tax	2,623
Capital Projects	3,891,566
Road Maintenance	7,752,803
Beach Nourishment	184,262
Grants	128,029
Fleet	2,973
Victim Witness	2,098
Stormwater	3,322
Recreation	796,018
	<u>12,782,056</u>
Transfers from the Hospitality 1.5% For Special Revenue Fund	
Transfers to:	
Ride Plan	26,645,217
General Fund	254,754
	<u>26,899,971</u>
Transfers from the General Improvements Capital Projects Fund	
Transfers to:	
General Fund	142,139
	<u>142,139</u>
Transfers from Other Governmental Funds	
Transfers to:	
Ride Plan	81,882
Debt Service	1,309,604
Fleet	184,000
Road Maintenance	2,799,242
General Fund	1,313,423
Baseball	290,643
Special Obligation Debt	1,946,396
Grants	166,667
Beach Nourishment	170,750
	<u>8,262,607</u>
Transfers from the Industrial Parks Enterprise Fund	
Transfers to:	
CDBG Revolving Loan	29,100
	<u>29,100</u>
	<u>\$ 48,115,873</u>

Note 6. Due From Other Governments

Amounts due from other governments for the primary governments and discretely presented component units at June 30, 2005 are as follows:

(amounts shown in thousands)

	Governmental Activities				Business-type Activities	Component Units	
	General	Special Revenue	Debt Service	Total	Department of Airports	SBHS	HCSWA
State	\$ 2,952	\$ 2,105	\$ -	\$ 5,057	\$ 982	\$ 28	\$ -
Federal	200	221	-	421	1,069	-	-
Total	<u>\$ 3,152</u>	<u>\$ 2,326</u>	<u>\$ -</u>	<u>\$ 5,478</u>	<u>\$ 2,051</u>	<u>\$ 28</u>	<u>\$ -</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, 2005 are as follows:

Governmental Activities	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
<u>General Capital Assets</u>				
Not subject to depreciation:				
Land and easements	\$ 11,358	\$ 75	\$ (155)	\$ 11,278
Infrastructure	333,973	11,927	-	345,900
	345,331	12,002	(155)	357,178
Construction-in-progress	1,066	3,594	(3,450)	1,210
Total capital assets not depreciated	346,397	15,596	(3,605)	358,388
Subject to depreciation:				
Land improvements	1,805	14	-	1,819
Buildings	89,998	2,853	(635)	92,216
Building improvements	9,861	693	-	10,554
Office furniture	4,623	273	(52)	4,844
Vehicles	3,569	507	(763)	3,313
Heavy equipment	24,301	3,680	(568)	27,413
Computer equipment	7,612	11,841	-	19,453
Other	1,798	177	(179)	1,796
Totals	143,567	20,038	(2,197)	161,408
Less, accumulated depreciation:				
Land improvements	(286)	(121)	-	(407)
Buildings	(18,218)	(3,026)	213	(21,031)
Building improvements	(447)	(368)	24	(791)
Office furniture	(1,942)	(685)	52	(2,575)
Vehicles	(3,026)	(740)	1,138	(2,628)
Heavy equipment	(17,341)	(1,624)	60	(18,905)
Computer equipment	(4,452)	(1,801)	-	(6,253)
Other	(1,498)	(106)	174	(1,430)
Totals	(47,210)	(8,471)	1,661	(54,020)
Net general capital assets	442,754	27,163	(4,141)	465,776
<u>Internal Service Fund Capital Assets</u>				
Machinery and equipment	9,361	1,624	(610)	10,375
Less, accumulated depreciation	(6,207)	(1,203)	540	(6,870)
Net internal service fund capital assets	3,154	421	(70)	3,505
Net capital assets - Governmental Activities	\$ 445,908	\$ 27,584	\$ (4,211)	\$ 469,281

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Business-type Activities	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005
Not subject to depreciation:				
Land and easements	\$ 23,713	\$ 2	\$ -	\$ 23,715
Infrastructure	9,182	-	-	9,182
	32,895	2	-	32,897
Construction in progress	6,734	11,799	(7,345)	11,188
Total capital assets not depreciated	39,629	11,801	(7,345)	44,085
Subject to depreciation:				
Buildings and improvements	52,499	2,694	-	55,193
Runways and taxiways	36,538	2,654	-	39,192
Machinery and equipment	7,793	2,137	(149)	9,781
Land improvements	5,702	-	-	5,702
Totals	102,532	7,485	(149)	109,868
Less accumulated depreciation:				
Buildings and improvements	(17,731)	(2,124)	-	(19,855)
Runways and taxiways	(14,020)	(1,485)	-	(15,505)
Machinery and equipment	(3,866)	(874)	149	(4,591)
Land improvements	(2,111)	(332)	-	(2,443)
Totals	(37,728)	(4,815)	149	(42,394)
Net capital assets - Business-type Activities	\$ 104,433	\$ 14,471	\$ (7,345)	\$ 111,559

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2005, are as follows:

Component Units	<i>(amounts shown in thousands)</i>	
	SBHS	HCSWA
Land	\$ 137	\$ 7,390
Subtitle D landfill	-	10,773
Buildings	1,455	2,741
Vehicles, machinery and equipment	139	8,164
Other improvements	-	1,529
Construction-in-progress	-	119
Totals	1,731	30,716
Less, accumulated depreciation:		
Subtitled D landfill	-	-
Buildings	(277)	(856)
Vehicles, machinery and equipment	(91)	(4,890)
Other improvements	-	(316)
Totals	(368)	(6,062)
Net capital assets - Component Units	\$ 1,363	\$ 24,654

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

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

Governmental Activities	<i>(amounts shown in thousands)</i>	
Burroughs School	\$	4
Conway Library		1,205
Total	\$	<u>1,209</u>

Estimated total costs to complete these projects approximates-\$1,209 million.

Business-type Activities: (Department of Airports)	<i>(amounts shown in thousands)</i>	
Taxiway J South		
Storm water master plan	\$	2,785
Conway security fence		122
Terminal area planning		40
Grand Strand airfield signage		1,532
Grand Strand PAPI		17
Building 505 improvements		35
ARFF improvements		68
MBIA security fence project		311
MBIA capacity enhancements		302
Other projects		153
Terminal complex		111
Total		<u>5,712</u>
	\$	<u>11,188</u>

Estimated total costs to complete these projects approximates \$ 10.4 million.

Component Units	<i>(amounts shown in thousands)</i>	
	HCSWA	SBHS
Construction feasibility	\$ 119	\$ -
Total	<u>\$ 119</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Capital assets of the proprietary funds at June 30, 2005, are as follows:

Proprietary Funds	<i>(amounts shown in thousands)</i>			
		Enterprise		Internal Service
	Department of Airports	Baseball Stadium	Industrial Parks	Fleet Service
Land and easements	\$ 20,576	\$ 2,693	\$ 446	\$ -
Buildings and improvements	54,826	3,356	2,713	-
Runways and taxiways	39,191	-	-	-
Machinery and equipment	9,454	327	-	10,375
Construction-in-progress	11,188	-	-	-
Infrastructure	9,182	-	-	-
Totals	144,417	6,376	3,159	10,375
Less, accumulated depreciation:				
Building and improvements	(20,307)	(1,200)	(1,004)	-
Runways and taxiways	(15,505)	-	-	-
Machinery and equipment	(4,378)	-	-	(6,870)
Totals	(40,190)	(1,200)	(1,004)	(6,870)
Net capital assets -proprietary funds	\$ 104,227	\$ 5,176	\$ 2,155	\$ 3,505

Department of Airport Facilities

Prior to March 1993, the Airport used certain airfield facilities of the Myrtle Beach Air Force Base through a joint-use agreement, originally executed in the mid 1970's, with the United States Air Force (USAF). Coincident with the execution of the joint-use agreement, the Air Force and Horry County executed the Base Lease agreement which leased to the County the acreage on the air force base on which to operate the airport terminal. In March 1993, the base was officially closed and the joint-use agreement was terminated. At the time of closure, the Air Force extended the Base Lease agreement with the County to include the airfield facilities previously used by the airport in accordance with the joint-use agreement. The term of the Base Lease agreement was extended to December 31, 2028. The agreement called for the transfer of ownership of the property in fee simple to the County from UASF for the land and facilities at the end of the lease, but contemplated an earlier transfer based upon the USAF meeting certain criteria set forth in the agreement. The transfer of ownership was completed on June 17, 2003 and a fee simple deed to the property was recorded in the County's name in the Register of Deeds office of Horry County on that date. The property transferred excludes portions of Myrtle Beach International Airport (MBIA) property which are still undergoing environmental remediation and cleanup efforts by the United States Government.

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

Horry County Department of Airports is obligated by the Federal Aviation Administration to maintain a current Airport Layout Plan (ALP). In order to maintain a current ALP, the Department reviews and updates its Master Plan every five years. The Master Plan forecasts activities and needs of the Airport and its infrastructure for a twenty year period.

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2005 is as follows: general government (\$4,401,703); public safety (\$3,232,458); Infrastructure and regulation (\$1,612,141); culture and recreation (\$392,474) and health and social services (\$20,441).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2005, is comprised of general and special obligation bonds, revenue bonds, RIDE Intergovernmental Loan Agreements, accumulated compensated absences liability, 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 RIDE-Intergovernmental Loan Agreements (IGA) with the State of South Carolina Transportation Infrastructure Bank.

Special obligation bonds, revenue bonds, and RIDE-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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long Term Debt (continued)

A. Governmental Activities Debt (continued)

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

	<i>(amounts shown in thousands)</i>			<u>Balance June 30, 2005</u>
	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	
General and Special Obligation Bonds:				
G.O. Bonds of 1993 dated September 1 for \$8.705 million with interest at 4% to 6% - Refunding 1988 Bond	\$ 1,930	\$ -	\$ (950)	\$ 980
G.O. Bonds of 1994 dated October 1 for \$7.25 million with interest at 5% to 7% - Public Safety	925	-	(925)	-
G.O. Bonds of 1995 dated December 1 for \$6.5 million with interest at 4% to 6% - TECH, Agriculture, etc.	1,570	-	(765)	805
G.O. Bonds of 2000 dated June 29 for \$38.3 million with interest at 5% to 7% - Judicial Center	33,700	-	(1,175)	32,525
G.O. Bonds of 2000 dated January 1 for \$9.5 million with interest at 5% to 6.75% - Fire Protection	7,635	-	(540)	7,095

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities (continued)

	<i>(amounts shown in thousands)</i>			Balance June 30, 2005
	Balance June 30, 2004	Additions	Deletions	
General and Special Obligation Bonds (continued):				
Special Hospitality Fee Bonds of 2000 dated October 15 for \$19.905 million with interest at 4% to 5%	16,340	-	(1,150)	15,190
G.O. Bonds of 2001 (Series A) dated September 15 for \$20.2 million with interest at 3.5% to 4.75% - Strand/Library/Equipment	18,735	-	(770)	17,965
G.O. Bonds of 2001 (Series B) dated September 15 for \$2.875 million with interest at 4.25% to 4.5% - Higher Education	2,595	-	(105)	2,490
G.O. Bonds of 2001 (Series C) dated September 15 for \$1.29 million with interest at 3.0% to 3.5% - Series Refunded 1992 Higher Education debt	860	-	(285)	575
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	11,000	-	-	11,000
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - TECH Bond	3,000	-	-	3,000
Total general and special obligation bonds	98,290	-	(6,665)	91,625
Less, current portion	(6,665)	(6,570)	6,665	(6,570)
Net general and special obligation bond debt	<u>\$ 91,625</u>	<u>\$ (6,570)</u>	<u>\$ -</u>	<u>\$ 85,055</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt

Other general long-term obligations of the County's governmental activities at June 30, 2005 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Other general long-term obligations:				
RIDE - IGA Loan #1	\$ 195,000	\$ -	\$ (15,000)	\$ 180,000
Less, amounts imputed for interest	(36,474)	-	5,031	(31,443)
Less, current portion	(9,969)	(10,296)	9,969	(10,296)
Net RIDE - IGA Loan #1	<u>148,557</u>	<u>(10,296)</u>	<u>-</u>	<u>138,261</u>
RIDE - IGA Loan #2	227,410	929	(1,953)	226,386
Less, current portion	(1,953)	(2,826)	1,953	(2,826)
Net RIDE - IGA Loan #2	<u>225,457</u>	<u>(1,897)</u>	<u>-</u>	<u>223,560</u>
RIDE - IGA #3 contribution payable	1,298	-	(82)	1,216
Less, current portion	(27)	(26)	27	(26)
Net RIDE - IGA #3 contribution Payable	<u>1,271</u>	<u>(26)</u>	<u>(55)</u>	<u>1,190</u>
Net RIDE - IGA Loans payable	<u>375,285</u>	<u>(12,219)</u>	<u>(55)</u>	<u>363,011</u>
Capital lease obligation - central energy	997	-	(130)	867
Capital lease obligation - phone system	295	113	(144)	264
Capital lease obligation - IBM AS400 system	704	308	(180)	832
Capital lease obligation - archive writer	115	-	(30)	85
Capital lease obligation - fiber optic network	832	-	(106)	726
Capital lease obligation - fire suppression system	56	-	(11)	45
Capital lease obligation - core network	-	126	(18)	108
Capital lease obligation - 911 equipment	-	5,663	(852)	4,811
Capital lease obligation - Motorola CAD	-	5,186	-	5,186
Capital lease obligation - Dell	-	210	(15)	195
Less, current portion	(597)	(2,253)	597	(2,253)
Net capital leases	<u>2,402</u>	<u>9,353</u>	<u>(889)</u>	<u>10,866</u>
Accumulated compensation absences, net	<u>8,089</u>	<u>6,236</u>	<u>(5,280)</u>	<u>9,045</u>
Total other general long-term obligations	<u>385,776</u>	<u>3,370</u>	<u>(6,224)</u>	<u>382,922</u>
Total Net Governmental Activities Debt	<u>\$ 477,401</u>	<u>\$ (3,200)</u>	<u>\$ (6,224)</u>	<u>\$ 467,977</u>

The current portion (amount due within one year) of accrual compensated absences at June 30, 2005 is \$120,000.

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.

Pursuant to Intergovernmental Agreement #3, Horry County agreed to contribute \$2,279,950 (derived from a certain admissions tax) to the South Carolina Transportation Infrastructure Bank (SIB) as such tax revenues are collected. Accordingly, this has been reported as a long-term contribution commitment.

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

The County issued \$26,255,000 (Series 1997A, B, C, and D) in Airport Revenue Bonds with original issue discounts of \$169,000 and bond issuance costs of \$867,000. These bonds were issued to pay the costs of certain interests in land and the construction of terminal building improvements, rental car facilities and curbside improvements at the Myrtle Beach International Airport. The County has pledged the net revenues derived by the Myrtle Beach International Airport (included in the Department of Airports) to pay the principal and interest of the Series 1997 Bonds, and in such, has agreed to establish rates and charges for use of Myrtle Beach International Airport services and facilities that are reasonably expected to provide (i) net revenues to be at least equal to 1.25 times the aggregate debt service for such fiscal year, and (ii) net revenues be at least equal to 100% of all payments and deposits required under the bond ordinance to such fiscal year.

At June 30, 2005, pledged revenues (restricted for the payment of revenue bond debt services and certain operation and maintenance costs of the Airport) include all operating and certain non-operating revenue such as landing fees, terminal rents, concessions, leases, fuel sales, interest and other revenue as defined in the Indenture of Trust.

In May 1997, the County issued \$26,255,000 in Airport Revenue Bonds with original issue discounts of \$169,000 and bond issuance costs of \$867,000. These bonds were issued as an amendment to the Horry County Series 1990 Revenue Bond Ordinance and are being used to pay the costs of certain interests in land and the construction of terminal building improvements, rental car facilities and curbside improvements at the Myrtle Beach International Airport.

The revenue bonds are secured by the pledge of net revenues derived by the Myrtle Beach International Airport ("MYR"). Net revenues are defined as revenues less maintenance and operations expenses of 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. The revenue bond resolutions also require that certain funds be established and certain financial conditions be maintained.

Refunded Debt - Department of Airports

In October 2000, Series 2000 Airport Revenue Refunding Bonds were issued to advance redeem all of the Series 1990 Bonds. The redemption price for these bonds is equal to the principal amount plus a premium ranging up to 2% of the principal amount.

Net proceeds from the Series 2000 Bonds were placed in an irrevocable trust account and accordingly, resulted in a defeasance of the Series 1990 debt.

Although the advance refunding resulted in the recognition of an accounting loss of \$582,191 for the year ended June 30, 2001, the Airport in effect realized an economic gain (difference between the present values of the old and new debt service payments) of approximately \$1,166,502.

In accordance with GASB Statement 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the above referenced accounting loss of \$582,191, has been deferred and netted against the carrying amount of the Series 2000 liability and is being amortized to interest

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

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

expense over the shorter life of the two issuances. Accordingly, for the year ended June 30, 2005, amortization expense was \$29,603.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2005, is as follows:

	<i>(amounts shown in thousands)</i>			
	<u>Balance</u>			<u>Balance</u>
<u>Revenue Bonds:</u>	<u>6/30/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/05</u>
Revenue bond, Series A, of 1997 dated May 15, for \$6.3 million with interest at 4.45% to 5.7% - Airport improvements, due 1998-2027	\$ 5,800	\$ -	\$ (125)	\$ 5,675
Revenue bond, Series B, of 1997 dated May 15, for \$15.2 million with interest at 6.06% to 7.38% - Construction of rental car facilities, due 1998-2012	10,990	-	(915)	10,075
Revenue bond, Series C, of 1997 dated May 15, for \$3.4 million with interest at 4.3% to 5.5% - Airport improvements, due 1998-2027	3,180	-	(70)	3,110
Revenue bond, Series D, of 1997 dated May 15, for \$1.1 million with interest at 4.4% to 5.0% - Airport improvements, due 1998-2007	585	-	(135)	450
Revenue bond, Refunding Series 2000 dated October 15, 2000, for \$9.745 million with interest at 4.4% to 5.62%, due 2002- 2020	8,800	-	(345)	8,455
Total revenue bonded debt	29,355	-	(1,590)	27,765
Less, original issue discount	(186)	-	3	(183)
Less, current portion	(1,590)	(1,685)	1,590	(1,685)
Less, deferred charges (Series 1990 refunding loss of \$582 less amortization of \$109)	(473)	-	29	(444)
Net Revenue Bonds	<u>\$ 27,106</u>	<u>\$ (1,685)</u>	<u>\$ 32</u>	<u>\$ 25,453</u>

HORRY COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

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

Certificates of Participation - Baseball Stadium Joint Enterprise

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. Those agreements call for the County to be liable for 30% of the Certificates of Participation which were issued by a component unit of the City of Myrtle Beach to defray the construction costs. Long-term debt of the Baseball Stadium Enterprise Fund at June 30, 2005 is as follows:

	<i>(amounts shown in thousands)</i>			
	<u>Balance 6/30/2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2005</u>
Certificates of Participation dated September 1, 1998				
for \$3.088 million with interest at 3% to 5% - Baseball Stadium	\$ 2,546	\$ -	\$ (123)	\$ 2,423
Less, current portion	(123)	(128)	123	(128)
Total non-current portion	<u>\$ 2,423</u>	<u>\$ (128)</u>	<u>\$ -</u>	<u>\$ 2,295</u>

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, 2005, are summarized as follows:

	<i>(amounts shown in thousands)</i>							
<u>Years Ending June 30,</u>	<u>G.O. Bonds</u>		<u>Special Obligation Bonds</u>		<u>Baseball Stadium COPS</u>		<u>Airport Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 5,365	\$ 3,705	\$ 1,205	\$ 823	\$ 128	\$ 115	\$ 1,685	\$ 1,627
2007	3,745	3,486	1,260	766	133	110	1,780	1,521
2008	3,595	3,299	1,320	707	138	104	1,890	1,408
2009	3,745	3,135	1,390	641	144	98	1,845	1,291
2010	3,920	2,963	1,455	571	151	91	1,965	1,170
2011-2015	22,595	11,810	8,560	1,583	867	346	8,380	3,915
2016-2020	23,445	6,105	-	-	861	110	5,125	2,180
2021-2025	10,025	868	-	-	-	-	3,245	908
2026-2030	-	-	-	-	-	-	1,850	160
Total	<u>\$ 76,435</u>	<u>\$ 35,371</u>	<u>\$ 15,190</u>	<u>\$ 5,091</u>	<u>\$ 2,422</u>	<u>\$ 974</u>	<u>\$ 27,765</u>	<u>\$ 14,180</u>

	<u>RIDE IGA Loan #1</u>		<u>RIDE IGA Loan #2</u>		<u>Total Debt Service Requirements</u>	
<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 10,296	\$ 4,704	\$ 2,853	\$ 6,735	\$ 21,532	\$ 17,709
2007	10,635	4,365	3,810	6,638	21,363	16,886
2008	10,985	4,014	4,827	6,512	22,755	16,044
2009	11,347	3,653	5,905	6,356	24,376	15,174
2010	11,720	3,280	7,050	6,165	26,261	14,240
2011-2015	64,642	10,359	57,382	26,553	162,426	54,566
2016-2020	28,932	1,068	100,148	14,824	158,511	24,287
2021-2025	-	-	43,482	1,430	56,752	3,206
2026-2030	-	-	-	-	1,850	160
Total	<u>\$ 148,557</u>	<u>\$ 31,443</u>	<u>\$ 225,457</u>	<u>\$ 75,213</u>	<u>\$ 495,826</u>	<u>\$ 162,272</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases

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:

Year Ended June 30,	<i>(amounts shown in thousands)</i>					
	Central Energy	Phone Systems	IBM AS400 Systems	Archive Writer	Fiber Optic Network	Fire Suppression Sys
2006	188	201	203	36	143	13
2007	188	33	203	36	143	13
2008	188	29	203	21	143	13
2009	188	8	203	-	143	10
2010	188	7	120	-	143	-
Thereafter	94	-	-	-	128	-
Total lease payments	1,034	278	932	93	843	49
Less, interest	(167)	(14)	(100)	(8)	(111)	(4)
Present value of future minimum lease payments	867	264	832	85	732	45
Less, current portion	(137)	(193)	(170)	(31)	(125)	(12)
Total non-current portion	\$ 730	\$ 71	\$ 662	\$ 54	\$ 607	\$ 33

Year Ended June 30,	Core	911	Motorola	Dell	Total
	Network	Equipment	CAD		
2006	28	964	833	59	2,668
2007	23	964	833	59	2,495
2008	23	964	833	59	2,476
2009	23	964	832	39	2,410
2010	23	827	832	-	2,140
Thereafter	-	729	1,665	-	2,616
Total lease payments	120	5,412	5,828	216	14,805
Less, interest	(12)	(601)	(642)	(21)	(1,680)
Present value of future minimum lease payments	108	4,811	5,186	195	13,125
Less, current portion	(25)	(780)	(731)	(49)	(2,253)
Total non-current portion	\$ 83	\$ 4,031	\$ 4,455	\$ 146	\$ 10,872

Business-type Activities (Enterprise Funds):

During year ended June 30, 2002, the Department of Airports entered into a five year non-cancelable lease for two shuttle buses. The annual interest rate on the lease is 5.43% per annum. The cost and net book value on the buses as of June 30, 2005 is \$96,769 and \$36,289, respectively.

The present value of the minimum lease payments follows:

Year Ended June 30,	Total
2006	20,228
2007	9,195
Total payments	29,423
Less, interest	(1,114)
Present value of future minimum lease payments	28,309
Less, current portion	(19,239)
Total non-current portion	\$ 9,070

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases (continued)

The changes in the County's capital leases for its business-type activities for the year ended June 30, 2005 are as follows:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Capital Leases	\$ 48,225	\$ -	\$ 19,916	\$ 28,309

Long - term liabilities - HCSWA at June 30, 2005

Long - term liabilities of HCSWA, excluding liabilities associated with closure and past closure costs which are discussed in note 1, are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	\$ 148,587	\$ 149,997	\$ 121,694	\$ 176,890	\$ 120,000

B. Operating Lease Agreements - Lessor (Department of Airports)

The Department of Airports Enterprise Fund derives a substantial portion of its revenue from charges to air carriers, aeronautical schools, concessionaires, and real estate leases. Substantially all of the assets classified as capital 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, aeronautical schools, concessionaires, and third-parties on a fixed fee as well as a contingent fee basis. Most of the leases provide for an annual review and redetermination of the rental amounts. Accordingly, lease revenues are recognized when earned. Different amounts resulting from stated period contract rates and from a straight-line amortization of total rents over the contract period is deemed not to be material. The following is a schedule of future minimum rentals receivable on non-cancelable rental revenue leases at June 30, 2005:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2006	6,566
2007	6,911
2008	5,031
2009	2,553
2010	1,982
2011 to 2015	3,798
2016 to 2020	488
2021 to 2025	16
Total	<u>\$ 27,345</u>

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is \$39,435,491 and \$25,210,530.

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), maintain lease and operating agreements with certain airlines ("Signatory Airlines") which provide for annual terminal lease, landing fees, and other amounts to be remitted by the Signatory Airlines at interim rates subject to retroactive adjustment on a defined cost reimbursement basis ("Settlement"). Terms of the agreements call for amounts owed to the Signatory Airlines be applied to any balances owed by the airlines for current year rates and charges. Airport management has estimated a rebate amount due to the airlines for the year ended June 30, 2005, totaling \$315,000, with a total amount due to the airlines at June 30, 2005, for current and prior year amounts totaling \$424,072. US Airways, Spirit Airlines, and ASA (including Delta and Conair) were signatory airlines as of June 30, 2005.

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 current unlined Highway 90 and Subtitle D (Cell A) landfill sites when it stops 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 costs as operating expenses in each period based on landfill capacity used during each fiscal year. The amounts reported as a liability at June 30, 2005 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100%, 53.6% utilization of the estimated total capacity of the unlined, Subtitle D (Cell A) landfill sites and construction and demolition respectively.

	<i>(amounts shown in thousands)</i>			
	Unlined	Subtitle D (Cell A)	Construction & Demolition	Total
Closure Costs	\$ 1,126	\$ 4,158	\$ 806	\$ 6,090
Postclosure Care Costs	2,471	3,159	-	5,630
Total	\$ 3,597	\$ 7,317	\$ 806	\$ 11,720

The SWA 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
Construction and Demolition - East Hill	\$ 6,495,952	\$ N/A
Unlined / Construction and Demolition	N/A	2,139,318
	<u>\$ 6,495,952</u>	<u>\$ 2,139,318</u>

The SWA has closed out the east and west hills of the unlined landfill, with the saddle area to be closed out during the year ending June 30, 2010. The Subtitle D - Phase 1 landfill reached full capacity during the year ended June 30, 2005, with partial closure to be performed during 2006 and full closure completed in approximately 2021. Construction of the Subtitle D - Phase 2A landfill was completed during 2005; however, the landfill has not been placed in service as of June 30, 2005. The construction and demolition landfill is anticipated to be closed during the year ending 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.

Federal and state mandates that prohibit unlined landfills originally required the HCSWA to close its current landfill by October of 1995. Land adjacent to the current landfill was acquired for construction and development of a new 60 acre Subtitle D Landfill facility which will provide an estimated 12-15 years solid waste disposal capacity for Horry County.

In accordance with formal resolutions of the SWA's Board of Directors, \$6,309,394 and \$5,851,415 of cash, cash equivalents and investments at June 30, 2005 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.

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 HCSWA is the local government financial test. At June 30, 2005, the HCSWA is in compliance with Federal and state financial assurance requirements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Landfill Closure and Postclosure Care Costs (continued)

In accordance with formal resolutions of the HCSWA's Board of Directors, \$6,309,394 and \$5,851,415 of cash and cash equivalents, and investments, at June 30, 2005, are designated for landfill closure and landfill postclosure care costs respectively. These amounts are included in unrestricted net assets on the balance sheet. If these amounts 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 may need to be covered through additional charges to future landfill users.

Note 12. Net Assets and Fund Balances

Net assets:

Net assets of the government-wide and proprietary fund financial statements represents the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets are as follows:

	<i>(amount shown in thousands)</i>			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>	
			<u>SHBS</u>	<u>HCSWA</u>
<u>Invested in Capital Assets, Net of Related Debt:</u>				
Net capital assets:				
Primary Government	\$ 465,776	\$ 111,559	\$ -	\$ -
Internal Service Fund	3,505	-	-	-
Component units	-	-	589	24,655
Bond issue costs	-	729	-	-
Less, G.O., special revenue bonds payable and capital leases	(104,750)	(29,589)	-	-
Less, construction and retainage payable for capital items	(135)	(1,452)	-	-
Add, unspent proceeds of long-term debt	-	-	-	-
Total invested in capital assets, net of related debt	<u>\$ 364,396</u>	<u>\$ 81,247</u>	<u>\$ 589</u>	<u>\$ 24,655</u>
<u>Restricted:</u>				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Capital projects	\$ 969	\$ -	\$ -	\$ -
Road maintenance	763	-	-	-
Fire special revenue	4,290	-	-	-
Infrastructure development	-	464	-	-
Debt service	-	24,241	-	-
RIDE program	21,143	-	-	-
Horry-George TECH	-	-	-	-
Substance abuse prevention	-	-	636	-
Lottery	-	-	-	-
Baseball	300	-	-	-
Waste tire management	-	-	-	207
Total restricted net assets	<u>\$ 27,465</u>	<u>\$ 24,705</u>	<u>\$ 636</u>	<u>\$ 207</u>

HORRY COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

Note 12. Net Assets and Fund Balances (continued)

Fund Balance:

Fund balance in the General Fund as of June 30, 2005 consists of the following:

Reserved		\$ 482,428
Unreserved:		
Designated for:		
Mosquito spraying	347,538	
For use in the FY 2006 budget	9,818,427	
Other	<u>743,897</u>	
Total Unreserved- designated for subsequent years' expenditures		10,909,862
Undesignated		<u>18,961,779</u>
Total fund balance		<u>\$ 30,354,069</u>

As required by the County's Financial Policies Ordinance, the undesignated fund balance of the General Fund should be maintained at a level of at least 15% of the General Fund operating budget. The adopted General Fund operating budget for fiscal year 2006 includes total expenditures and other uses of \$107,876,235. Reducing this total for the amount being funded by the designated fund balance of \$9,819,427, the currently required undesignated fund balance level is \$14,708,521. The undesignated fund balance as of June 30, 2005 is \$4,252,257 above this required level.

Note 13. Capital Contributions

Pursuant to the implementation of GASB Statement No. 33, contributed capital for the year ended June 30, 2005 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the proprietary (enterprise) funds, contributed capital during the fiscal year ended June 30, 2005, is as follows:

	<i>(amounts shown in thousands)</i>
	<u>Department</u>
	<u>of Airports</u>
Grants and other cash contributions	<u>\$ 7,967</u>
Totals	<u>\$ 7,967</u>

Contributed capital in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2005, is as follows:

	<i>(amounts shown in thousands)</i>
	<u>HCSWA</u>
Grants and other cash contributions	<u>\$ 315</u>
Total	<u>\$ 315</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)*

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 County's total payroll for the year ended June 30, 2005, was approximately \$59,464, of which \$31,920 and \$24,560 were for employees covered by the SCRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2004, was approximately \$53,394, of which \$28,789 and \$21,845 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2003, was approximately \$50,844, of which \$28,864 and \$20,613 were for employees covered by the SCRS and the SCPORS, respectively.

Both employees and the County are required to contribute to the Plans at rates established under authority of Title 9 of the South Carolina Code of Laws. 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 County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2005 expressed as a dollar amount and as a percentage of covered payroll in 2005 were \$2,306 and 7.7% and \$1,915 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$2,677 and 10.7% and \$1,596 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2004, expressed as a dollar amount and as a percentage of covered payroll in 2004 were \$2,029 and 6.7% and \$1,727 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$2,277 and 10.3% and \$1,450 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2003 expressed as a dollar amount and as a percentage of covered payroll in 2003 were \$1,843 and 6.7% and \$1,594 and 6.0% respectively, and the contributions to the SCPORS for the employer and employee portions were \$2,061 and 10.3% and \$1,450 and 6.5%, 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, 2005 expressed as a dollar amount and as a percentage of covered payroll were approximately \$45 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 \$44 and 0.2%.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

A. South Carolina Retirement and Police Officers' Retirement (continued)

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 6.7% and 6.0%, respectively. Total payroll for the year ended June 30, 2005 was \$1,128 of which \$1,031 was for employees covered by SCRS. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.0% and 6.85%. The HCSWA's total payroll for the year ended June 30, 2005 was \$3,135 of which \$3,056 was for employees covered by SCRS.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and SCPORS is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, South Carolina 29211-1960.

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

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees as per the requirements of a local ordinance. All of the County's employees may become eligible for those benefits 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 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. The cost of these benefits is recognized as an expenditure of the general fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2005, these costs totaled \$471 net of \$264 of retiree contributions. As of year-end, there were 96 employees that were receiving benefits.

The Horry County Solid Waste Authority provides post-employment health care benefits to all employees who retire and are receiving benefits from the SCRS with at least ten (10) years of service as an employee of the HCSWA. Such employees may elect to continue single coverage under the HCSWA's plan with fifty percent (50%) of the cost of coverage provided by the HCSWA and the remaining fifty percent (50%) provided by the employee. Employees retiring with at least twenty (20) years of service as an employee of the HCSWA and receiving benefits from the SCRS may elect to continue single coverage at a cost established by the State Budget and Control Board without cost to the employee. If an eligible retiring employee accepts employment with another organization that provides health care benefits, the HCSWA coverage will no longer be provided. The HCSWA finances and recognizes as an expense health care premiums paid for eligible retired employees in the period of payment. As of June 30, 2005, five (5) retirees were eligible to receive post-employment health benefits. Expenses recognized by the HCSWA for the fiscal year ended June 30, 2005 totaled \$17.

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 assets, statement of revenue, expenses and changes in net assets, 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, Grand Strand, and Loris general aviation airports and the Myrtle Beach International Airport (MBIA). The Baseball Stadium Enterprise Fund accounts for the county's interest and operations of a professional baseball stadium. The Industrial Parks Enterprise Fund accounts for the property and management of the County's Atlantic Center, Hwy 701 (Pineridge Business Center) Industrial Park, and the Aynor (Cool Spring) Industrial Park. 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 landing fees, terminal rents, leases, concessions and rental car activity generate approximately 75% of the Airport's revenues or just over \$12.5 million of \$16.8 million net operating revenue. Signatory Airlines generate \$4.5 million in revenue after surcharge (rebate) amounts.

Rates and charges of Signatory Airlines which serve the MBIA represented 27% and 20% in fiscal years 2005 and 2004, of the total operating revenues reported for the MBIA. Of the leading Signatory Airline carriers, U.S. Airways represents 29% of the airline traffic, Spirit Airlines 23.6%, Hooters Air 8%, United Airlines 4%, and ASA (including Delta & Comair) 24%.

US Airways, Spirit Airlines, United Airlines, Hooters Air, and ASA (including Delta and Comair) are currently signatory airlines.

Northwest Airlines, Delta Airlines and Comair filed Chapter 11 bankruptcy on September 14, 2005. US Airways and United Airlines filed Chapter 11 bankruptcy on August 12, 2002 and December 10, 2002, respectively. United Airlines started service to Myrtle Beach International Airport after filing Chapter 11 bankruptcy; therefore, there is no pre-petition debt. US Airways has entered into an agreement with the Department to pay all of its pre-petition debt starting 60 days after the occurrence of the effective date of US Airways' plan of reorganization. The airport management believes that the filings will not have a significant effect on the Airport's financial statements.

For the year ended June 30, 2005, three customers make up approximately 46% of the accounts receivable balance. For 2004, three customers make up approximately 59% of the accounts receivable balance.

Aviation Trust Funds - Due From Other Governments

Pursuant to certain agreements with the Federal Aviation Administration (FAA), the City of Myrtle Beach, South Carolina maintains an Airport Trust Fund which holds resources received from leases of certain parcels of property near the Myrtle Beach International Airport. Funds are to be made available for Airport purposes through agreement with the FAA. Subsequent to June 30, 2004, the parties reached a new agreement through which the Airport will be entitled to \$2,000,000 from the trust fund on January 1, 2005. Beginning in 2005, and continuing each and every year thereafter, all lease proceeds received by the City shall be promptly, automatically and unconditionally divided between the bodies whereby Horry County shall receive 75% of the proceeds and the City of Myrtle Beach shall receive 25%. As part of the agreement, the Airport is required to spend \$6 million on a road that runs near the Airport. The work on this road will not start until 2008, after the new terminal is completed. The Airport recognized

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 15. Segment Information (continued)

\$3,275,982 and \$0 in non-operating revenues for funds received from this trust fund during the years ended June 30, 2005 and 2004, respectively.

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. Accordingly, the County's proportionate interest in the debt service requirements (initial amount of \$3,088,500) has been recorded as a long-term liability in the Baseball Stadium Enterprise Fund.

As security for its obligation to make payments under the Hospitality Fee Agreement, the County has pledged and granted a security interest in the special revenue fund portion of the County Hospitality Fee to the extent of the lesser of \$300,000 or the amount due in any bond year pursuant to the Hospitality Fee Agreement. This amount has been recorded as a reservation of fund balance of the Hospitality 1.0% Fees Special Revenue Fund.

While the enterprise is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2005. Accordingly, the County has reported activities in the baseball stadium as an enterprise fund under the method of accounting for undivided interests. Separate financial statements of the baseball stadium are presently not available.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

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 \$48.1 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 shall be forwarded to the SIB monthly. Any annual revenues over and above the amount necessary to make loan repayments from the Loan Servicing Account will be 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

Amendment to Master Loan Agreement

Pursuant to an amendment to the Master Loan Agreement (dated April 27, 1998), SIB agreed to provide for \$95 million additional loans to Horry County for Phase II of the Conway Bypass Project in Table 1. SIB's agreement to loan Horry County the additional \$95 million under IGA #1 for the Conway Bypass Project increase requires SCDOT to repay the \$95 million loan for Horry County in its entirety.

Intergovernmental Agreement #3 - dated May 21, 2002

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

Term of Agreement and Contribution by Horry

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

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, 2016 and \$190,340,172 (known as the "uninsured portion") to be paid in quarterly installments through the year ended June 30, 2017.

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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Special Items

Compensated Absences – On July 1, 2003, County Council adopted a new policy for employee excused absences from work. Under the previous policy, employees were granted a certain number of sick and vacation days per year, and no accrual was made for employee sick days granted as GASB Statement No. 16, *Accounting for Compensated Absences* did not require an accrual for sick time as it was not paid out at termination and was not considered earned until taken. Under the new policy, employees are granted a certain number of personal time off (“PTO”) hours per year. PTO time is used by employees for vacation, sick, and other absences from work. Under the PTO policy, accounting standards require that compensated absences be accrued as a liability as the benefits are earned to the extent that it is probable that the employees will be compensated through time off from work or cash payments at termination or retirement. Upon the adoption of this new policy, the Airport recorded an additional liability and expense of \$190,285 and the County recorded an additional liability and expenses of \$4,744,850 in its government-wide financial statements for the year ended June 30, 2004. These expenses have been classified as special items in the Statements of Revenues, Expenses and Changes in Net Assets.

Revised landfill/material recycling plan – Based upon revised plans of the HCSWA, \$470,155 project costs were expensed during the year ended June 30, 2004. The costs relate to the development of a construction and demolition landfill and the construction of materials recycling facility. The costs were previously components of construction in progress.

Note 19. 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 believes that any liability related to the lawsuits would not be material to its financial statements.

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

As of June 30, 2005, the County had outstanding contractual commitments, as described previously, approximating \$4 million primarily for fiber optics and equipment. Additionally, the County is committed to additional funding to the RIDE program projects, as required during and subsequent to construction.

The Department of Airports is currently working on the development of a new terminal complex at Myrtle Beach International Airport. The Department has hired a program management firm and an architect. The estimated cost of the new terminal is \$200 million.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 20. 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, 2005, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the County's coverage in any of the past three (3) years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance amounts and net asset-governmental activities. The details of the reconciled amount are as follows:

Capital assets (exclusive of Internal Service Fund Capital Assets) in governmental activities are not financial resources and therefore are not reported in the fund financial statements.

Capital assets	519,795,769
Less, accumulated depreciation	<u>(54,020,438)</u>
Net amount reported	<u><u>465,775,331</u></u>

Some of the County's taxes will be collected after year end, but are not available soon enough to pay for current period expenditures.

Property taxes, net of allowance for collectible	<u>4,816,020</u>
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Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund.

Deferred charges, net	<u>755,249</u>
Net amount reported	<u><u>755,249</u></u>

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 assets.

<u>9,036,782</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.

Accrued interest payable	(1,100,713)
Long-term bond and other obligations	<u>(521,450,266)</u>
Less, net present value adjustment of RIDE loans	<u>31,442,564</u>
Net amount reported	<u><u>(491,108,415)</u></u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of differences between the governmental statement of revenues, expenses and fund balances and the government-wide statement of activities

The governmental fund statement of revenue, expenses and changes in fund balances includes a reconciliation between net changes in fund balance and changes in net assets-governmental activities. The details of the reconciled amounts are as follows:

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	\$ 26,451,356
Depreciation expense	<u>(8,616,574)</u>
Net amount reported	<u>\$ 17,834,782</u>

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

Property taxes	\$ 2,834,224
Accrued interest	416,613
Donated capital assets (revenue)	<u>7,793,352</u>
Net amount reported	<u>\$ 11,044,189</u>

Some expenses 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.

Amortization expense	\$ (79,029)
RIDE road maintenance - public works	(2,166,306)
Accrued compensated absences	<u>(983,625)</u>
Net amount reported	<u>\$ (3,228,960)</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.

Proceeds from bonds and capital lease obligations	\$ (11,605,487)
Principal repayments of long-term debt and transfers to escrow agents and other related costs	<u>18,798,250</u>
Net amount reported	<u>\$ 7,192,763</u>

The net revenue of certain activities of internal service funds reported with governmental activities.

\$ 1,061,009

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. New Accounting Pronouncements

In November 2003, the GASB issued its Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires governments to measure, recognize, and disclose the effects of capital asset impairment in their financial statements when it occurs. It also clarifies and establishes accounting requirements for insurance recoveries, including those associated with capital asset impairment. GASB Statement No. 42 will be effective for the County's financial statements for the year ended June 30, 2006. This Statement should not have an immediate impact on the County's financial statements, having an effect only in the event of a capital asset impairment and/or an insurance recovery.

In April 2004, the GASB issued its Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes accounting and financial reporting standards for plans that provide postemployment benefits other than pension benefits (known as other postemployment benefits or OPEB). As defined in GASB Statement No. 43, OPEB are (1) postemployment healthcare benefits and (2) other types of postemployment benefits (for example, life insurance) if provided separately from a pension plan. The effective date of this Statement will be phased in over three years beginning with periods beginning after December 15, 2005. This Statement will not apply to the County.

However, in August of 2004, The GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This Statement, which will be effective for the County for the year ended June 30, 2009, will have an effect on the County's financial statements, but that effect is not expected to be significant.

In June 2005, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*. Statement No. 44 enhances and updates the statistical section that accompanies a state or local government's basic financial statements to reflect the significant changes that have taken place in government finance, including the more comprehensive government-wide financial information required by GASB Statement 34. This Statement is effective for the County for the year ended June 30, 2006. This Statement will not have an effect on the County financial statements, but will have an effect on the County's statistical section in its FY 06 Comprehensive Annual Financial Report.

In December of 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*. This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. Although the determination that a particular restriction is not legally enforceable may cause a government to review the enforceability

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. New Accounting Pronouncements (continued)

of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2005.

In July of 2004, the GASB issued Statement No. 47, *Accounting for Termination Benefits*. In financial statements prepared on the accrual basis of accounting, employers should recognize a liability and expense for voluntary termination benefits (for example, early-retirement incentives) when the offer is accepted and the amount can be estimated. A liability and expense for involuntary termination benefits (for example, severance benefits) should be recognized when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees, and the amount can be estimated.

In financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources. The requirements of this Statement are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this Statement is effective for financial statements for periods beginning after June 15, 2005. Earlier application is encouraged.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON STATEMENT

GENERAL FUND

YEAR ENDED JUNE 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005			2004	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
Revenues					
Property taxes	\$ 47,987,481	\$ 47,987,481	\$ 49,486,135	\$ 1,498,654	\$ 47,591,638
Intergovernmental	11,107,346	11,299,475	12,127,833	828,358	11,999,236
Fees and fines	12,724,206	12,740,772	13,624,816	884,044	12,550,344
Documentary stamps	3,585,000	3,585,000	6,471,943	2,886,943	3,888,898
License and permits	6,028,200	6,028,200	9,347,681	3,319,481	6,433,628
Interest on investments	669,280	669,280	1,278,983	609,703	575,884
Cost allocation	1,149,358	1,149,358	1,141,530	(7,828)	2,114,860
Other	1,578,879	1,578,879	904,730	(674,149)	1,086,012
Total revenues	84,829,750	85,038,445	94,383,651	9,345,206	86,240,500
Expenditures					
General Government:					
County Council	737,055	770,510	671,884	98,626	685,293
County Administrator	473,611	429,543	296,859	132,684	337,526
Administration Division	150,662	113,255	108,149	5,106	93,513
Finance	960,884	1,036,535	996,280	40,255	903,722
Department overhead	4,151,226	2,320,218	2,858,629	(538,411)	2,815,003
Human Resources	677,879	698,351	728,588	(30,237)	738,993
Procurement	258,307	267,646	261,913	5,733	257,005
Internal Auditor	70,286	72,772	67,787	4,985	66,495
Information Technology	3,118,581	3,162,262	3,082,000	80,262	2,641,014
Assessor	2,392,474	2,445,739	2,289,544	156,195	2,167,492
Assessor Appeals Board	37,718	37,718	816	36,902	1,990
Registrar of Mesne Conveyance	1,585,236	1,610,669	850,653	760,016	808,056
Geographical Information Systems	-	-	-	-	300,055
Maintenance	3,363,732	3,773,997	3,293,521	480,476	3,122,209
Voter Registration and Election	450,484	457,986	379,084	78,902	398,720
Public Information/Employee Relation	254,963	261,669	243,319	18,350	214,531
Budget and Revenue Management	146,671	151,960	150,932	1,028	142,901
Treasurer	1,493,622	1,543,858	1,447,453	96,405	1,312,920
Auditor	1,036,849	1,075,178	1,045,872	29,306	965,184
Records Retention	221,083	233,662	237,001	(3,339)	223,312
Probate Judge	634,560	653,709	657,946	(4,237)	649,292
Master-in-equity	225,435	237,669	225,911	11,758	194,628
Legal	400,231	456,486	368,775	87,711	319,559
Grant Administration	357,124	251,564	105,198	146,366	99,625
Delegation	78,324	81,591	81,742	(151)	77,133
Hospitality	284,883	295,888	273,302	22,586	238,396
Business License	125,761	125,441	120,124	5,317	113,946
Total	23,687,641	22,565,876	20,843,282	1,722,594	19,888,513
Less, capital outlay	-	(897,117)	(606,759)	(290,358)	(640,281)
Net general government	23,687,641	21,668,759	20,236,523	1,432,236	19,248,232

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON STATEMENT

GENERAL FUND

- CONTINUED -

	2005			2004	
	Budget		Actual Amounts	Variance	Actual
	Original	Final		Positive (Negative)	
Public Safety:					
Solicitor	3,342,154	3,464,229	3,508,100	(43,871)	3,131,848
Clerk of Court - Circuit DSS Family	1,807,612	1,862,547	1,927,859	(65,312)	1,698,294
Circuit Judge	-	-	-	-	-
Magistrate No. 1 Conway	223,051	235,385	211,915	23,470	226,118
Magistrate No. 2 Aynor	179,068	185,125	182,024	3,101	174,362
Magistrate No. 4 Mt. Olive	131,947	136,520	137,135	(615)	131,691
Magistrate No. 5 Loris	174,601	180,901	184,063	(3,162)	173,049
Magistrate No. 6 Myrtle Beach	249,206	257,758	260,867	(3,109)	243,280
Magistrate No. 7 Steven Cross Road	170,037	176,056	178,623	(2,567)	169,353
Magistrate No. 11 Surfside	161,205	167,280	169,550	(2,270)	170,256
Magistrate No. 9 Night	143,611	156,155	144,418	11,737	98,955
Magistrate at Large No. 1	83,074	87,220	89,344	(2,124)	83,074
Magistrate at Large No. 2	115,999	120,421	124,809	(4,388)	118,894
Central Summary Court	325,528	336,171	303,028	33,143	319,589
Central Jury Court	236,151	236,615	163,605	73,010	147,652
Public Safety Division Director	164,861	170,496	170,661	(165)	181,679
Sheriff	2,585,358	2,664,167	2,552,651	111,516	2,329,189
Police	12,500,802	12,919,136	12,780,336	138,800	12,091,056
Central Processing - DSS	52,458	54,162	53,445	717	49,283
Emergency Preparedness	177,531	202,904	220,042	(17,138)	132,621
Emergency 911 Communications	3,249,911	3,325,183	3,078,541	246,642	2,930,020
Victim BOR	-	-	-	-	3,267
Coroner	431,985	443,130	457,678	(14,548)	394,084
Detention Center	9,388,719	9,652,457	9,931,683	(279,226)	9,109,469
Emergency Medical Services	8,424,893	8,622,623	10,087,902	(1,465,279)	8,686,443
Beach Front Program	32,799	30,259	29,538	721	39,200
Environmental Services	1,863,021	1,945,797	1,598,260	347,537	1,516,363
Pre-trial Intervention	322,321	333,443	364,637	(31,194)	294,847
Total	46,537,903	47,966,140	48,910,714	(944,574)	44,643,936
Less, capital outlay	-	(273,746)	(297,640)	23,894	(227,949)
Net public safety	46,537,903	47,692,394	48,613,074	(920,680)	44,415,987

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON STATEMENT

GENERAL FUND

- CONTINUED -

	2005			2004	
	Budget		Actual Amounts	Variance	Actual
	Original	Final		Positive (Negative)	
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance	1,157,758	1,157,885	1,158,130	(245)	1,168,206
Summer Food	-	-	-	-	170
Veteran Affairs	111,895	116,152	116,771	(619)	109,716
Total	1,269,653	1,274,037	1,274,901	(864)	1,278,092
Less, capital outlay	-	-	-	-	-
Net health and social services	1,269,653	1,274,037	1,274,901	(864)	1,278,092
Infrastructure and Regulation:					
Codes Enforcement	1,899,882	1,967,399	1,991,353	(23,954)	1,827,868
Planning	960,845	1,051,969	1,028,028	23,941	903,677
Zoning	579,093	582,687	480,977	101,710	502,499
Total	3,439,820	3,602,055	3,500,358	101,697	3,234,044
Less, capital outlay	-	(13,219)	(13,219)	-	(58,067)
Net infrastructure and regulation	3,439,820	3,588,836	3,487,139	101,697	3,175,977
Culture, Recreation, and Tourism:					
Library	3,016,225	3,278,373	3,153,158	125,215	2,985,042
Parks and Recreation	-	-	-	-	81,736
Museum	312,100	321,807	291,110	30,697	224,861
Total	3,328,325	3,600,180	3,444,268	155,912	3,291,639
Less, capital outlay	-	(5,625)	-	(5,625)	-
Net culture, recreation and tourism	3,328,325	3,594,555	3,444,268	150,287	3,291,639
Other:					
State Mandated Supplements:					
Health Department	216,973	216,973	212,757	4,216	215,483
Department of Social Services	113,297	113,297	79,515	33,782	78,679
Department of Juvenile Detention	10,680	10,680	10,680	-	8,010
Public Defender	740,025	740,025	740,025	-	715,000
Total	1,080,975	1,080,975	1,042,977	37,998	1,017,172
Other Agencies:					
Waccamaw Regional Planning Council	75,000	75,000	75,000	-	75,000
Rescue Squads:					
Aynor	10,000	10,000	10,000	-	6,000
Horry	10,000	10,000	10,000	-	6,000
Mount Olive:					
Myrtle Beach	10,000	10,000	10,000	-	6,000
North Myrtle Beach	10,000	10,000	10,000	-	10,000
Northern Horry	10,000	10,000	10,000	-	6,000
Mount Olive	10,000	10,000	10,000	-	6,000
Coastal Rapid Transit Authority	56,250	56,250	56,250	-	75,000

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON STATEMENT

GENERAL FUND

- CONTINUED -

	2005			2004	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
Expenditures (continued)					
Other (cont.):					
Other Agencies (cont.):					
Waccamaw EOC	3,750	3,750	3,750	-	5,000
Waccamaw Center of Mental Health	18,000	18,000	18,000	-	18,000
Mercy Hospice	5,063	5,063	5,063	-	6,750
Disabilities and Special Needs	15,000	15,000	15,000	-	20,000
Pee Dee Speech & Hearing	2,813	2,813	2,813	-	3,750
Chapin Memorial Library	40,000	40,000	40,000	-	40,000
Community Coalition	1,688	1,688	-	1,688	2,250
Waccamaw Youth Center	2,100	2,100	2,100	-	2,800
Careteam	3,750	3,750	3,750	-	5,000
Cooperative Extension	5,000	5,000	5,000	-	5,000
Capture, Inc.	10,000	10,000	10,000	-	-
Salvation Army	-	10,000	-	10,000	-
Boys and Girls Club	10,000	-	-	-	10,000
Mernded Heart	1,000	1,000	1,000	-	-
Shoreline Behavior	30,000	30,000	30,000	-	30,000
Total	339,414	339,414	327,726	11,688	338,550
Net other	1,420,389	1,420,389	1,370,703	49,686	1,355,722
Capital outlay	-	1,189,707	917,618	272,089	926,297
Total expenditures	79,683,731	80,428,677	79,344,226	1,084,451	73,691,946
Excess of revenues over expenditures	5,146,019	4,609,768	15,039,425	10,429,657	12,548,554
Other Financial Sources (Uses)					
Sale of assets	25,000	25,000	176,008	151,008	89,195
Transfers in	1,710,930	1,712,685	1,710,316	(2,369)	1,414,067
Transfers out	(11,381,949)	(12,483,008)	(12,782,056)	(299,048)	(8,708,757)
Total other financing sources (uses)	(9,646,019)	(10,745,323)	(10,895,732)	(150,409)	(7,205,495)
Net change in fund balance	(4,500,000)	(6,135,555)	4,143,693	10,279,248	5,343,059
Fund balance at beginning of year	26,210,376	26,210,376	26,210,376	-	20,867,317
Fund balance at end of year	\$ 21,710,376	\$ 20,074,821	\$ 30,354,069	\$ 10,279,248	\$ 26,210,376

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON STATEMENT

HOSPITALITY 1.5% FUND

YEAR ENDED JUNE 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005			Variance Positive (Negative)	2004
	Budget		Actual (GAAP Basis)		Actual
	Original	Final			
Revenues					
Fees and fines	\$ 25,717,250	\$ 25,717,250	\$ 25,969,284	\$ 252,034	\$ 24,759,413
Interest on investments	16,000	16,000	27,972	11,972	13,734
Other	-	-	216	216	-
Total revenues	<u>25,733,250</u>	<u>25,733,250</u>	<u>25,997,472</u>	<u>264,222</u>	<u>24,773,147</u>
Excess of revenues over expenditures	25,733,250	25,733,250	25,997,472	264,222	24,773,147
Other financing sources (uses)					
Transfers out - RIDE debt service	(25,476,077)	(25,476,077)	(26,645,217)	(1,169,140)	(24,567,596)
Transfers out - general fund	<u>(257,173)</u>	<u>(257,173)</u>	<u>(254,754)</u>	<u>2,419</u>	<u>(233,619)</u>
Total other financing sources (uses)	<u>(25,733,250)</u>	<u>(25,733,250)</u>	<u>(26,899,971)</u>	<u>(1,166,721)</u>	<u>(24,801,215)</u>
Net change in fund balance	-	-	(902,499)	(902,499)	(28,068)
Fund balance at beginning of year	<u>911,159</u>	<u>911,159</u>	<u>911,159</u>	<u>-</u>	<u>939,227</u>
Fund balance at end of year	<u>\$ 911,159</u>	<u>\$ 911,159</u>	<u>\$ 8,660</u>	<u>\$ (902,499)</u>	<u>\$ 911,159</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR END JUNE 30, 2005

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

Horry County's road system consists of approximately 34% paved roads and 66% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. 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 policy to maintain at least 85 percent of its street system at fair or better condition level. No more than 10 percent should be in a substandard condition. Condition assessments are determined every year.

The county has created a long-term road improvement program that has been paving at least 16 miles of dirt roads per year for the last five years and has committed to the same level of improvements for future years. As these roads are paved they become part of the County's pavement management system.

The actual maintenance of the unpaved roads involves scraping each road every two 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.

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

	Percentage of Miles in Fair or Better Condition		
	Condition		
	2005	2004	2003
Arterial	100%	100%	100%
Collector	86.9%	86.7%	87.4%
Access	96.0%	95.5%	95.1%
Overall system	95.4%	94.9%	94.5%

	Percentage of Miles in Substandard Condition		
	Condition		
	2005	2004	2003
Arterial	0%	0%	0%
Collector	13.1%	13.3%	12.6%
Access	4.0%	4.5%	4.5%
Overall System	4.6%	5.2%	5.5%

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

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

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2005	2004	2003	2002	2001
<u>Arterial:</u>					
Needed	\$ -	\$ -	\$ -	\$ -	\$ -
Actual	-	-	-	-	-
<u>Collector:</u>					
Needed	295,800	590,000	132,000	200,000	200,000
Actual	90,091	380,000	235,000	200,000	-
<u>Access:</u>					
Needed	917,400	1,800,000	842,000	-	-
Actual	95,412	1,150,272	190,000	150,000	350,000
<u>Overall System:</u>					
Needed	1,213,200	2,390,000	974,000	200,000	200,000
Actual	185,503	1,530,272	425,000	350,000	350,000
Difference	\$ 1,027,697	\$ 859,728	\$ 549,000	\$ (150,000)	\$ (150,000)

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

The most recent complete condition assessment of the Airport's infrastructure assets is as follows:

<u>Infrastructure Systems:</u>	<u>Area Weighted PCI Value</u>
Airfield runways, taxiways, aprons for:	
Myrtle Beach International (MYR)	76
General Aviation: Conway	65
Grand Strand	76
Loris	27

The basis for the condition measurement of airfield systems using the Payment Condition Index (PCI) are distresses found in the pavement surfaces. A scale used to assess and report conditions could range from zero for a failed pavement to 100 for a pavement in excellent condition. Generally, ratings of 71 and above are candidates for routine prevention; 41-70 for major rehabilitation; and below 40 for major reconstruction. Additionally, the basis for the condition measurement of airfield-related runways, taxiways, aprons, etc. systems is based on the Airports' Master Plan which is updated every five years as part of the Federal Aviation Administration (FAA) required Airport Layout Plan (ALP).

HORRY COUNTY, SOUTH CAROLINA

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

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

At June 30, 2005, the Department of Airport's airfield infrastructure systems of MYR, Conway and Grand Strand are considered to be good or better condition. All pavement surfaces at all airports received pavement overlays or rejuvenation during the past year. The Department intends to preserve its eligible infrastructure in accordance with its current Airport Layout Plans (ALP) and as required by the Federal Aviation Administration (FAA).

Horry County Department of Airports is obligated by the Federal Aviation Administration (FAA) to maintain a current Airport Layout Plan (ALP) for MYR. In order to maintain a current ALP, the Department reviews and updates its Master Plan approximately every five years. The Master Plan forecasts activities and needs of the Airport for a 20-year period. The current Master Plan anticipates that MYR Runway 18C-36C will require a major overlayment in fiscal year 2010. Estimated costs exceed \$5 million.

Currently, the Department is in the midst of a project that will rehabilitate MYR Taxiway "J" South and a portion of MYR Runway 18C-36C. The project cost for the rehabilitation of MYR Taxiway 'J' South and the runway portion are estimated at \$2.8 million. Work is also continuing on the rehabilitation of apron at Conway Airport. A \$300,000 overlay of the Loris Airport runway was completed in fiscal year 04. A pavement rejuvenation program at Grand Strand Airport and Conway Airport is currently underway.

HORRY COUNTY, SOUTH CAROLINA

OTHER FINANCIAL INFORMATION

HORRY COUNTY, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL
FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2005

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non- Major Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,044,584	\$ 2,326,031	\$ 4,370,615
Equity in pooled cash and investments	28,269,126	4,361,044	32,630,170
Receivables, net:			
Property taxes	100,031	49,978	150,009
Accounts and other	148,636	-	148,636
Fees	720,468	-	720,468
Due from other funds	888,985	-	888,985
Due from other governments	2,326,668	6,095	2,332,763
Note receivable	-	-	-
Inventories	63,503	-	63,503
Total assets	<u>\$ 34,562,001</u>	<u>\$ 6,743,148</u>	<u>\$ 41,305,149</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable-trade	\$ 1,349,189	\$ -	\$ 1,349,189
Accounts payable-other	8,816	-	8,816
Construction and retainage payable	14,214	-	14,214
Accrued salaries and wages	216,660	-	216,660
Due to other funds	2,886,372	-	2,886,372
Due to component unit	524,319	-	524,319
Due to other governments	721,735	-	721,735
Deferred revenue	15,939	-	15,939
Total liabilities	<u>5,737,244</u>	<u>-</u>	<u>5,737,244</u>
Fund balances:			
Reserved for encumbrances	3,500,644	-	3,500,644
Reserved for inventories	63,503	-	63,503
Reserved for road maintenance	763,323	-	763,323
Reserved for cultural	119,870	-	119,870
Reserved for Baseball Park	300,000	-	300,000
Reserved for public safety	132,570	-	132,570
Reserved for capital projects	968,574	-	968,574
Unreserved/designated	450,000	-	450,000
Unreserved/undesignated	22,526,273	6,743,148	29,269,421
Total fund balances	<u>28,824,757</u>	<u>6,743,148</u>	<u>35,567,905</u>
Total liabilities and fund balances	<u>\$ 34,562,001</u>	<u>\$ 6,743,148</u>	<u>\$ 41,305,149</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2005

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues			
Property taxes	\$ 18,778,231	\$ 10,580,159	\$ 29,358,390
Intergovernmental	5,834,593	130,731	5,965,324
Accommodations tax	860,677	-	860,677
Fees and fines	13,621,749	-	13,621,749
Interest on investments	261,284	293,836	555,120
Other	721,293	25,949	747,242
Total revenues	<u>40,077,827</u>	<u>11,030,675</u>	<u>51,108,502</u>
Expenditures			
Current:			
General government	23,285	-	23,285
Public safety	11,566,897	-	11,566,897
Infrastructure and regulation	24,866,286	-	24,866,286
Health and social services	794,005	-	794,005
Culture and recreation	4,380,846	-	4,380,846
Economic development	57,925	-	57,925
Conservation and natural resources	516,762	-	516,762
TECH and Higher Education Commission	-	2,456,564	2,456,564
Debt service	-	11,556,218	11,556,218
Total expenditures	<u>42,206,006</u>	<u>14,012,782</u>	<u>56,218,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,128,179)</u>	<u>(2,982,107)</u>	<u>(5,110,286)</u>
Other Financing Sources (Uses)			
Other	(250,000)	-	(250,000)
Transfers in	12,053,274	3,256,000	15,309,274
Transfers out	(8,262,607)	-	(8,262,607)
Total other financing sources (uses)	<u>3,540,667</u>	<u>3,256,000</u>	<u>6,796,667</u>
Net change in fund balance	1,412,488	273,893	1,686,381
Fund balances at beginning of year	27,412,269	6,469,255	33,881,524
Fund balances at end of year	<u>\$ 28,824,757</u>	<u>\$ 6,743,148</u>	<u>\$ 35,567,905</u>

See accompanying independent auditors' report.

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 SHEET

June 30, 2005

(with comparative amounts June 30,2004)

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ 1,098,860	\$ 749,200
Equity in pooled cash and investments	47,944,316	37,817,643
Receivables, net:		
Property taxes	377,141	290,765
Accounts and other	355,461	325,914
Accrued interest	1,200,393	327,697
Due from other governments	3,151,795	2,953,127
Due from other funds	3,399,917	4,518,972
Inventories	91,389	72,371
Prepaid items	53,037	88,701
Total Assets	<u>\$ 57,672,309</u>	<u>\$ 47,144,390</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable-trade	\$ 1,219,362	\$ 1,215,159
Accounts payable-other	825,114	430,052
Due to other governments	4,119,794	1,585,151
Accrued salaries and wages	866,899	558,359
Due to component units	31	94,946
Accrued compensated absences	25,550	5,257
Due to other funds	44,164	-
Other liabilities	20,217,326	17,045,090
Total liabilities	<u>27,318,240</u>	<u>20,934,014</u>
Fund balance:		
Reserved for underground storage tanks	50,000	50,000
Reserved for lottery funds	-	896
Reserved for encumbrances	156,621	331,306
Reserved for inventories	91,389	72,371
Reserved for prepaid items	53,037	88,701
Reserved for DSS federal revenue	131,381	77,028
Unreserved:		
Designated	10,909,862	5,757,591
Unreserved/undesignated	18,961,779	19,832,483
Total fund balance	<u>30,354,069</u>	<u>26,210,376</u>
Total liabilities and fund balance	<u>\$ 57,672,309</u>	<u>\$ 47,144,390</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
(with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Revenues				
<u>Property taxes</u>	\$ 47,987,481	\$ 49,486,135	\$ 1,498,654	\$ 47,591,638
<u>Intergovernmental:</u>				
Federal grants	537,500	653,902	116,402	716,892
Civil defense	20,825	-	(20,825)	20,835
Tax supplies	5,762	5,240	(522)	5,240
Inventory tax	306,284	306,286	2	306,286
State salary supplements	6,300	7,875	1,575	7,838
Board of registration	16,875	11,303	(5,572)	16,835
Veteran affairs	9,833	8,245	(1,588)	8,846
State shared	8,797,000	8,855,257	58,257	8,742,054
State-library	173,000	188,957	15,957	196,706
Accommodations tax	159,737	164,840	5,103	162,265
Other	952,129	1,404,821	452,692	1,435,517
Solicitors	314,230	521,107	206,877	379,922
Total intergovernmental	11,299,475	12,127,833	828,358	11,999,236
<u>Fees and Fines:</u>				
E 911 telephone fees	925,000	825,459	(99,541)	891,381
Planning fees	127,500	242,123	114,623	220,340
EMS	3,104,250	3,565,708	461,458	3,075,457
RMC fees	2,450,000	2,669,065	219,065	2,321,138
Clerk of Court fees and fines	545,000	584,693	39,693	475,547
Library	92,000	80,327	(11,673)	70,275
Sheriff fines	57,500	50,958	(6,542)	54,009
Family court fees	538,500	530,535	(7,965)	526,719
Probate court fees	371,200	426,265	55,065	392,546
Magistrates' fees and fines	2,010,750	1,951,417	(59,333)	2,047,774
Prisoner Housing	64,000	60,544	(3,456)	56,917
Health department fees	62,500	65,930	3,430	63,040
Master in Equity fees	545,000	640,754	95,754	628,697
CATV fees	812,500	1,051,209	238,709	798,944
Beach franchise fees	49,000	50,666	1,666	49,507
Animal and insect fees	45,000	48,692	3,692	40,087
Other	252,488	116,886	(135,602)	182,966
Georgetown Solicitor fees	688,584	663,585	(24,999)	655,000
Total fees and fines	12,740,772	13,624,816	884,044	12,550,344

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		2004	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues (continued)				
<u>Documentary Stamps:</u>				
RMC	3,585,000	6,471,943	2,886,943	3,888,898
<u>Licenses and Permits:</u>				
Business licenses	1,707,500	2,080,584	373,084	1,733,885
Building inspection permits	4,200,000	7,095,552	2,895,552	4,573,273
Mobile home permits	21,200	22,015	815	20,995
Marriage licenses	99,500	149,530	50,030	105,475
Total licenses and permits	6,028,200	9,347,681	3,319,481	6,433,628
<u>Interest on investments:</u>	669,280	1,278,983	609,703	575,884
<u>Cost allocation:</u>	1,149,358	1,141,530	(7,828)	2,114,860
<u>Other:</u>				
Rent	15,620	25,618	9,998	15,618
Other	1,277,908	561,036	(716,872)	788,304
Pre-Trial Intervention	285,351	318,076	32,725	282,090
Total other	1,578,879	904,730	(674,149)	1,086,012
Total revenues	85,038,445	94,383,651	9,345,206	86,240,500
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	431,923	428,628	3,295	407,720
Contractual services	192,096	142,095	50,001	175,487
Supplies and materials	36,341	37,977	(1,636)	43,739
Business and travel	110,150	63,184	46,966	58,347
Total	770,510	671,884	98,626	685,293
County Administrator:				
Personal services	281,052	267,083	13,969	305,437
Contractual services	32,740	7,553	25,187	15,988
Supplies and materials	9,863	4,699	5,164	4,311
Business and travel	13,181	5,524	7,657	8,103
Contingency	92,707	12,000	80,707	3,687
Total	429,543	296,859	132,684	337,526

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
<u>General Government (cont.):</u>				
Administration Division:				
Personal services	112,045	107,219	4,826	93,094
Supplies and materials	900	680	220	419
Business and travel	310	250	60	-
Total	<u>113,255</u>	<u>108,149</u>	<u>5,106</u>	<u>93,513</u>
Finance:				
Personal services	938,654	913,184	25,470	823,502
Contractual services	53,270	43,880	9,390	59,395
Supplies and materials	38,317	34,578	3,739	19,603
Business and travel	6,294	4,638	1,656	1,222
Total	<u>1,036,535</u>	<u>996,280</u>	<u>40,255</u>	<u>903,722</u>
Department Overhead:				
Personal services	(522,209)	259,288	(781,497)	215,629
Contractual services	1,950,725	1,997,889	(47,164)	1,804,569
Supplies and materials	725,000	572,296	152,704	787,099
Business and travel	157,172	2,765	154,407	1,902
Capital outlay	9,530	26,391	(16,861)	-
Other	-	-	-	5,804
Total	<u>2,320,218</u>	<u>2,858,629</u>	<u>(538,411)</u>	<u>2,815,003</u>
Human Resources/Risk Management:				
Personal services	625,948	659,850	(33,902)	680,514
Contractual services	52,886	50,541	2,345	34,388
Supplies and materials	14,412	14,086	326	19,047
Business and travel	5,105	4,111	994	5,044
Total	<u>698,351</u>	<u>728,588</u>	<u>(30,237)</u>	<u>738,993</u>
Procurement:				
Personal services	244,446	248,312	(3,866)	241,397
Contractual services	12,920	7,917	5,003	10,140
Supplies and materials	7,180	3,864	3,316	4,267
Business and travel	3,100	1,820	1,280	1,201
Total	<u>267,646</u>	<u>261,913</u>	<u>5,733</u>	<u>257,005</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>General Government (cont.):</u>				
Internal Auditor:				
Personal services	66,156	66,732	(576)	63,075
Contractual services	-	-	-	49
Supplies and materials	5,836	785	5,051	3,241
Business and travel	780	270	510	130
Total	<u>72,772</u>	<u>67,787</u>	<u>4,985</u>	<u>66,495</u>
Information Technology:				
Personal services	1,239,327	1,157,268	82,059	753,204
Contractual services	915,429	932,705	(17,276)	885,396
Supplies and materials	449,438	450,849	(1,411)	315,079
Business and travel	26,609	27,737	(1,128)	11,502
Capital outlay	531,459	513,441	18,018	570,833
Other	-	-	-	105,000
Total	<u>3,162,262</u>	<u>3,082,000</u>	<u>80,262</u>	<u>2,641,014</u>
Assessor:				
Personal services	2,225,485	2,126,520	98,965	2,015,105
Contractual services	73,184	39,560	33,624	41,381
Supplies and materials	92,300	74,820	17,480	67,702
Business and travel	54,770	48,644	6,126	43,304
Total	<u>2,445,739</u>	<u>2,289,544</u>	<u>156,195</u>	<u>2,167,492</u>
Assessor Appeals Board:				
Personal services	35,243	816	34,427	1,889
Contractual services	475	-	475	101
Supplies and materials	2,000	-	2,000	-
Total	<u>37,718</u>	<u>816</u>	<u>36,902</u>	<u>1,990</u>
Registrar of Mesne Conveyance:				
Personal services	743,487	720,335	23,152	682,931
Contractual services	64,814	42,260	22,554	44,104
Supplies and materials	793,638	81,073	712,565	76,582
Business and travel	8,730	6,985	1,745	4,439
Total	<u>1,610,669</u>	<u>850,653</u>	<u>760,016</u>	<u>808,056</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>General Government (cont.):</u>				
Geographical Information System:				
Personal services	-	-	-	291,053
Supplies and materials	-	-	-	5,310
Business and travel	-	-	-	3,692
Total	-	-	-	300,055
Maintenance:				
Personal services	2,661,697	2,521,507	140,190	2,278,071
Contractual services	184,609	152,437	32,172	141,769
Supplies and materials	427,964	407,373	20,591	429,751
Business and travel	133,599	137,817	(4,218)	116,734
Capital outlay	356,128	66,927	289,201	43,750
Other	10,000	7,460	2,540	112,134
Total	3,773,997	3,293,521	480,476	3,122,209
Voter Registration and Election:				
Personal services	338,364	287,300	51,064	347,526
Contractual services	66,606	56,218	10,388	22,315
Supplies and materials	46,249	30,780	15,469	26,576
Business and travel	6,767	4,786	1,981	2,303
Total	457,986	379,084	78,902	398,720
Public Information:				
Personal services	175,326	177,082	(1,756)	157,237
Contractual services	19,783	12,871	6,912	10,722
Supplies and materials	65,267	53,105	12,162	46,443
Business and travel	1,293	261	1,032	129
Total	261,669	243,319	18,350	214,531
Budget and Revenue Mgmt:				
Personal services	145,175	146,178	(1,003)	139,272
Supplies and materials	5,553	3,896	1,657	3,571
Business and travel	1,232	858	374	58
Total	151,960	150,932	1,028	142,901

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>General Government (cont.):</u>				
Treasurer:				
Personal services	1,237,398	1,249,761	(12,363)	1,120,002
Contractual services	207,682	112,066	95,616	116,784
Supplies and materials	73,284	66,699	6,585	57,259
Business and travel	25,494	18,927	6,567	18,875
Total	1,543,858	1,447,453	96,405	1,312,920
Auditor:				
Personal Services	953,615	947,293	6,322	871,821
Contractual services	33,780	26,280	7,500	25,083
Supplies and materials	72,434	59,634	12,800	58,618
Business and travel	15,349	12,665	2,684	9,662
Total	1,075,178	1,045,872	29,306	965,184
Records Retention:				
Personal services	201,442	205,224	(3,782)	190,146
Contractual services	16,720	16,751	(31)	16,053
Supplies and materials	11,951	11,650	301	14,210
Business and travel	3,549	3,376	173	2,903
Total	233,662	237,001	(3,339)	223,312
Probate Judge:				
Personal services	608,199	612,114	(3,915)	567,813
Contractual services	11,432	11,725	(293)	11,178
Supplies and materials	26,256	26,287	(31)	37,294
Business and travel	7,822	7,820	2	7,309
Capital outlay	-	-	-	25,698
Total	653,709	657,946	(4,237)	649,292
Master-in-Equity:				
Personal services	234,399	223,163	11,236	192,237
Contractual services	1,500	1,430	70	1,228
Supplies and materials	1,500	1,128	372	588
Business and travel	270	190	80	575
Total	237,669	225,911	11,758	194,628

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>General Government (cont.):</u>				
Legal:				
Personal services	245,771	188,122	57,649	165,165
Contractual services	204,815	175,928	28,887	148,405
Supplies and materials	1,900	1,378	522	2,189
Business and travel	4,000	3,347	653	3,800
Total	<u>456,486</u>	<u>368,775</u>	<u>87,711</u>	<u>319,559</u>
Grants Administration:				
Personal services	99,781	100,483	(702)	94,773
Contractual services	143,290	279	143,011	635
Supplies and materials	3,735	2,351	1,384	2,698
Business and travel	4,758	2,085	2,673	1,519
Total	<u>251,564</u>	<u>105,198</u>	<u>146,366</u>	<u>99,625</u>
Delegation:				
Personal services	80,135	80,643	(508)	76,281
Contractual services	423	339	84	497
Supplies and materials	400	344	56	355
Business and travel	633	416	217	-
Total	<u>81,591</u>	<u>81,742</u>	<u>(151)</u>	<u>77,133</u>
Hospitality:				
Personal services	258,905	251,413	7,492	198,101
Contractual services	9,436	6,448	2,988	2,979
Supplies and materials	14,723	7,256	7,467	29,410
Business and travel	12,824	8,185	4,639	7,906
Total	<u>295,888</u>	<u>273,302</u>	<u>22,586</u>	<u>238,396</u>
Business License:				
Personal services	87,555	88,108	(553)	82,391
Contractual services	21,040	19,957	1,083	15,892
Supplies and materials	6,063	4,165	1,898	8,395
Business and travel	10,783	7,908	2,875	7,268
Other	-	(14)	14	-
Total	<u>125,441</u>	<u>120,124</u>	<u>5,317</u>	<u>113,946</u>
Total general government	<u>22,565,876</u>	<u>20,843,282</u>	<u>1,722,594</u>	<u>19,888,513</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety:</u>				
Solicitor:				
Personal services	3,136,490	3,178,880	(42,390)	2,861,547
Contractual services	210,840	216,183	(5,343)	139,414
Supplies and materials	43,860	38,874	4,986	64,387
Business and travel	73,039	74,163	(1,124)	66,500
Total	<u>3,464,229</u>	<u>3,508,100</u>	<u>(43,871)</u>	<u>3,131,848</u>
Clerk of Court - DSS Family Court:				
Personal services	1,495,568	1,530,214	(34,646)	1,341,339
Contractual services	265,058	273,906	(8,848)	246,400
Supplies and materials	98,701	91,425	7,276	65,888
Business and travel	3,220	2,658	562	2,733
Capital outlay	-	-	-	13,500
Other	-	29,656	(29,656)	28,434
Total	<u>1,862,547</u>	<u>1,927,859</u>	<u>(65,312)</u>	<u>1,698,294</u>
Magistrate No. 1 Conway:				
Personal services	227,039	206,757	20,282	214,347
Contractual services	2,466	589	1,877	2,262
Supplies and materials	2,600	2,382	218	6,440
Business and travel	3,280	2,187	1,093	3,069
Total	<u>235,385</u>	<u>211,915</u>	<u>23,470</u>	<u>226,118</u>
Magistrate No. 2 Aynor:				
Personal services	157,893	161,872	(3,979)	151,578
Contractual services	21,098	15,666	5,432	18,052
Supplies and materials	4,437	3,881	556	3,445
Business and travel	1,697	605	1,092	1,287
Total	<u>185,125</u>	<u>182,024</u>	<u>3,101</u>	<u>174,362</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety (cont.):</u>				
Magistrate No. 4 Mt. Olive:				
Personal services	122,420	124,480	(2,060)	118,203
Contractual services	10,235	9,300	935	10,947
Supplies and materials	1,615	1,613	2	747
Business and travel	2,250	1,742	508	1,794
Total	<u>136,520</u>	<u>137,135</u>	<u>(615)</u>	<u>131,691</u>
Magistrate No. 5 Loris:				
Personal services	168,801	175,065	(6,264)	162,774
Contractual services	6,650	4,679	1,971	5,114
Supplies and materials	3,200	2,764	436	3,072
Business and travel	2,250	1,555	695	2,089
Total	<u>180,901</u>	<u>184,063</u>	<u>(3,162)</u>	<u>173,049</u>
Magistrate No. 6 Myrtle Beach:				
Personal services	244,808	251,621	(6,813)	230,768
Contractual services	6,000	2,858	3,142	3,902
Supplies and materials	5,200	4,879	321	7,122
Business and travel	1,750	1,509	241	1,488
Total	<u>257,758</u>	<u>260,867</u>	<u>(3,109)</u>	<u>243,280</u>
Magistrate No. 7 Stevens Cross Road:				
Personal services	160,306	168,214	(7,908)	160,635
Contractual services	1,500	796	704	641
Supplies and materials	10,250	7,130	3,120	5,209
Business and travel	4,000	2,483	1,517	2,868
Total	<u>176,056</u>	<u>178,623</u>	<u>(2,567)</u>	<u>169,353</u>
Magistrate No. 11 Surfside:				
Personal services	158,574	163,403	(4,829)	153,072
Contractual services	1,696	841	855	12,783
Supplies and materials	4,735	3,971	764	2,734
Business and travel	2,275	1,335	940	1,667
Total	<u>167,280</u>	<u>169,550</u>	<u>(2,270)</u>	<u>170,256</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety (cont.):</u>				
Magistrate -Night:				
Personal services	145,243	134,688	10,555	88,890
Contractual services	5,322	4,343	979	4,336
Supplies and materials	1,450	1,616	(166)	2,046
Business and travel	4,140	3,771	369	3,683
Total	156,155	144,418	11,737	98,955
Magistrate at Large No. 1:				
Personal services	82,383	84,106	(1,723)	79,777
Contractual services	237	375	(138)	(2)
Supplies and materials	401	401	-	25
Business and travel	4,199	4,462	(263)	3,274
Total	87,220	89,344	(2,124)	83,074
Magistrate at Large No. 2 - Detention:				
Personal services	116,251	121,372	(5,121)	113,018
Contractual services	120	301	(181)	101
Supplies and materials	3,050	2,411	639	5,775
Business and travel	1,000	725	275	-
Total	120,421	124,809	(4,388)	118,894
Central Summary Court:				
Personal services	319,571	297,646	21,925	304,504
Contractual services	4,391	1,495	2,896	1,829
Supplies and materials	10,909	3,579	7,330	12,606
Business and travel	1,300	308	992	650
Capital outlay	-	-	-	-
Total	336,171	303,028	33,143	319,589
Central Jury Court:				
Personal services	41,065	40,980	85	38,725
Contractual services	181,600	117,169	64,431	99,366
Supplies and materials	12,250	4,496	7,754	8,718
Business and travel	1,700	960	740	843
Total	236,615	163,605	73,010	147,652

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety (cont.):</u>				
Public Safety Division Director:				
Personal services	162,101	159,560	2,541	153,942
Contractual services	1,305	2,390	(1,085)	21,278
Supplies and materials	892	884	8	845
Business and travel	6,198	7,827	(1,629)	5,614
Total	170,496	170,661	(165)	181,679
 Sheriff:				
Personal services	2,327,252	2,235,959	91,293	2,065,257
Contractual services	70,583	59,825	10,758	56,294
Supplies and materials	59,239	53,159	6,080	34,622
Business and travel	207,093	203,708	3,385	173,016
Total	2,664,167	2,552,651	111,516	2,329,189
 Police:				
Personal services	10,603,158	10,477,345	125,813	9,948,650
Contractual services	261,785	229,604	32,181	238,815
Supplies and materials	275,377	238,037	37,340	266,059
Business and travel	1,633,570	1,697,732	(64,162)	1,635,812
Capital outlay	142,746	136,624	6,122	-
Other	2,500	994	1,506	1,720
Total	12,919,136	12,780,336	138,800	12,091,056
 Central Processing:				
Personal services	47,092	48,355	(1,263)	44,851
Contractual services	585	-	585	-
Supplies and materials	4,045	2,662	1,383	2,272
Business and travel	2,440	2,428	12	2,160
Total	54,162	53,445	717	49,283
 Emergency Preparedness:				
Personal services	178,357	162,595	15,762	112,168
Contractual services	10,069	9,782	287	5,772
Supplies and materials	802	5,262	(4,460)	3,540
Business and travel	13,676	14,772	(1,096)	11,141
Capital outlay	-	27,631	(27,631)	-
Total	202,904	220,042	(17,138)	132,621

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety (cont.):</u>				
Emergency 911 Communications:				
Personal services	2,191,025	2,028,094	162,931	1,696,647
Contractual services	1,110,550	1,033,064	77,486	1,084,500
Supplies and materials	18,433	13,942	4,491	21,577
Business and travel	5,175	3,441	1,734	2,296
Capital outlay	-	-	-	125,000
Total	3,325,183	3,078,541	246,642	2,930,020
Victim's BOR:				
Personal services	-	-	-	3,267
Total	-	-	-	3,267
Coroner:				
Personal services	245,772	239,453	6,319	192,293
Contractual services	174,068	194,598	(20,530)	174,427
Supplies and materials	6,238	5,463	775	8,816
Business and travel	17,052	18,164	(1,112)	18,548
Total	443,130	457,678	(14,548)	394,084
Detention Center:				
Personal services	7,434,452	7,610,891	(176,439)	6,863,508
Contractual services	620,593	642,660	(22,067)	629,108
Supplies and materials	1,294,217	1,380,013	(85,796)	1,383,130
Business and travel	172,195	177,262	(5,067)	169,420
Capital outlay	131,000	120,857	10,143	64,303
Total	9,652,457	9,931,683	(279,226)	9,109,469
Emergency Medical Services:				
Personal services	7,325,420	8,791,092	(1,465,672)	7,455,208
Contractual services	187,328	153,332	33,996	178,039
Supplies and materials	777,875	762,377	15,498	486,861
Business and travel	332,000	368,573	(36,573)	566,335
Capital outlay	-	12,528	(12,528)	-
Total	8,622,623	10,087,902	(1,465,279)	8,686,443
Beach Front Program:				
Personal services	26,024	27,070	(1,046)	27,585
Contractual services	585	-	585	-
Supplies and materials	2,450	1,163	1,287	10,506
Business and travel	1,200	1,305	(105)	1,109
Total	30,259	29,538	721	39,200

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Public Safety (cont.):</u>				
Environmental Services:				
Personal services	1,043,934	1,053,483	(9,549)	903,524
Contractual services	218,018	172,748	45,270	147,751
Supplies and materials	498,313	191,018	307,295	261,324
Business and travel	185,532	181,011	4,521	178,618
Capital outlay	-	-	-	25,146
Total	1,945,797	1,598,260	347,537	1,516,363
Pre-Trial Intervention:				
Personal services	333,443	364,637	(31,194)	294,847
Total	333,443	364,637	(31,194)	294,847
Total public safety	47,966,140	48,910,714	(944,574)	44,643,936
<u>Infrastructure and Regulation:</u>				
Code Enforcement:				
Personal services	1,742,549	1,797,862	(55,313)	1,608,665
Contractual services	24,745	22,941	1,804	18,780
Supplies and materials	65,949	39,184	26,765	29,089
Business and travel	134,156	131,366	2,790	113,267
Capital outlay	-	-	-	58,067
Total	1,967,399	1,991,353	(23,954)	1,827,868
Planning:				
Personal services	896,064	908,305	(12,241)	794,766
Contractual services	61,470	42,127	19,343	31,697
Supplies and materials	63,500	49,529	13,971	63,245
Business and travel	17,716	14,848	2,868	13,969
Capital outlay	13,219	13,219	-	-
Total	1,051,969	1,028,028	23,941	903,677

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Expenditures (continued)				
Current:				
<u>Infrastructure and Regulation (cont):</u>				
Zoning:				
Personal services	535,425	443,041	92,384	467,853
Contractual services	20,045	14,600	5,445	14,650
Supplies and materials	6,300	4,777	1,523	4,804
Business and travel	20,917	18,559	2,358	15,192
Total	<u>582,687</u>	<u>480,977</u>	<u>101,710</u>	<u>502,499</u>
Total infrastructure and regulation	<u>3,602,055</u>	<u>3,500,358</u>	<u>101,697</u>	<u>3,234,044</u>
<u>Health and Social Services:</u>				
Medically Indigent Assistance Program:				
Personal services	46,430	46,801	(371)	43,936
Supplies and materials	1,111,455	1,111,329	126	1,124,270
Total	<u>1,157,885</u>	<u>1,158,130</u>	<u>(245)</u>	<u>1,168,206</u>
Summer Food:				
Personal services	-	-	-	170
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>170</u>
Veteran Affairs:				
Personal services	112,060	113,815	(1,755)	107,180
Contractual services	818	569	249	489
Supplies and materials	2,094	1,893	201	1,337
Business and travel	1,180	494	686	710
Total	<u>116,152</u>	<u>116,771</u>	<u>(619)</u>	<u>109,716</u>
Total health and social services	<u>1,274,037</u>	<u>1,274,901</u>	<u>(864)</u>	<u>1,278,092</u>
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	2,021,748	1,990,828	30,920	1,876,243
Contractual services	301,530	265,262	36,268	272,689
Supplies and materials	878,533	830,893	47,640	783,512
Business and travel	64,825	60,064	4,761	52,598
Construction contracts	6,112	6,111	1	-
Capital outlay	5,625	-	5,625	-
Total	<u>3,278,373</u>	<u>3,153,158</u>	<u>125,215</u>	<u>2,985,042</u>
Museum:				
Personal services	261,774	236,041	25,733	178,063
Contractual services	32,785	30,542	2,243	28,280
Supplies and materials	21,667	20,660	1,007	15,947
Business and travel	5,581	3,867	1,714	2,571
Total	<u>321,807</u>	<u>291,110</u>	<u>30,697</u>	<u>224,861</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005			2004
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
<u>Culture, Recreation and Tourism:</u>				
Parks and Recreation:				
Other	-	-	-	81,736
Total	-	-	-	81,736
Total culture, recreation and tourism	3,600,180	3,444,268	155,912	3,291,639
<u>Other:</u>				
State Mandated Supplements:				
Health Department	216,973	212,757	4,216	215,483
Department of Social Services	113,297	79,515	33,782	78,679
Department of Juvenile Detention	10,680	10,680	-	8,010
Public Defender	740,025	740,025	-	715,000
Total	1,080,975	1,042,977	37,998	1,017,172
Other Agencies:				
Waccamaw Regional Planning Council	75,000	75,000	-	75,000
Rescue Squads:				
Aynor	10,000	10,000	-	6,000
Horry	10,000	10,000	-	6,000
Myrtle Beach	10,000	10,000	-	6,000
North Myrtle Beach	10,000	10,000	-	10,000
Northern Horry	10,000	10,000	-	6,000
Mount Olive	10,000	10,000	-	6,000
Coastal Rapid Transit Authority	56,250	56,250	-	75,000
Waccamaw Center of Mental Health	18,000	18,000	-	18,000
Wachovia EOC	3,750	3,750	-	5,000
Mercy Hospice	5,063	5,063	-	6,750
Disabilities and Special Needs	15,000	15,000	-	20,000
Pee Dee Speech & Hearing	2,813	2,813	-	3,750
Chapin Memorial Library	40,000	40,000	-	40,000
Community Coalition	1,688	-	1,688	2,250
Waccamaw Youth	2,100	2,100	-	2,800
Careteam	3,750	3,750	-	5,000
Cooperative Extension	5,000	5,000	-	5,000
Capture, Inc.	10,000	10,000	-	-
Salvation Army	10,000	-	10,000	-
Boys and Girls Club	-	-	-	10,000
Mended Heart	1,000	1,000	-	-
Disabilities and Special Needs	30,000	30,000	-	30,000
Total	339,414	327,726	11,688	338,550
Total other	1,420,389	1,370,703	49,686	1,355,722
Total expenditures	80,428,677	79,344,226	1,084,451	73,691,946
Excess of revenues over expenditures	4,609,768	15,039,425	10,429,657	12,548,554

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	2005		Variance Positive (Negative)	2004
	Final Budget	Actual		Actual
Other Financing Sources				
Sale of assets	25,000	176,008	151,008	89,195
Transfers in	1,712,685	1,710,316	(2,369)	1,414,067
Transfers out	(12,483,008)	(12,782,056)	(299,048)	(8,708,757)
Total other financing sources	(10,745,323)	(10,895,732)	(150,409)	(7,205,495)
Net change in fund balance	(6,135,555)	4,143,693	10,279,248	5,343,059
Fund balance at beginning of year	26,210,376	26,210,376	-	20,867,317
Fund balance at end of year	<u>\$ 20,074,821</u>	<u>\$ 30,354,069</u>	<u>\$ 10,279,248</u>	<u>\$ 26,210,376</u>

See accompanying independent auditors' report.

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 twenty-five (25) stations throughout rural Horry County. Funding is provided by property taxes levied on the unincorporated area of the County.

Accommodations Tax - accounts for the revenue derived from State levied room tax earmarked for the promotion of tourism in South Carolina.

Waste Management Recycling - accounts for recycling programs of Horry County. Funding is provided by property tax revenue.

Watershed - accounts for maintenance of Cartwheel Crab Tree, Todd Swamp, Simpson Creek, Buck Creek, and Gapway watersheds. Funding is provided by property taxes.

Mt. Gilead - accounts for revenue derived from property taxes for road improvements in the Mt. Gilead Community.

Socastee Recreation - accounts for revenue derived from property taxes earmarked for recreation facilities in the Socastee Community.

Road Maintenance & CTC - accounts for revenue derived from a \$20 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 Nourishment - accounts for revenue earmarked for beach nourishment.

Grants - accounts for revenue and expenditures 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.

Hospitality 1.0% Fee - accounts for revenue derived from unincorporated sale of prepared food, car rentals, admissions and accommodations in the unincorporated areas of the County. These funds are earmarked to offset County public safety and infrastructure and regulation services impacted by tourism.

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

Senior Citizens - accounts for revenue collected from .4 mills levied on real and personal property earmarked for Senior Citizens funds.

Railroad - accounts for revenue and expenses associated with the County's railroad system.

Arcadian Shores - accounts for revenues and expenses associated with the Arcadian Shores Special Tax District. These funds are designated for infrastructure improvements.

CDBG Revolving Loan Fund - accounts for resources and servicing of CDBG loan funds and program income.

SPECIAL REVENUE FUNDS

- CONTINUED -

Stormwater Management - accounts for revenue and expenditure associated with the County's stormwater management program.

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

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

Local Accommodations Tax - accounts for special revenue derived from local government accommodations tax.

Recreation - accounts for revenue and expenses associated with the County's recreation.

Hospitality 1.5% Fee - accounts for revenue derived from countywide fees on sale of prepared food, car rentals, admissions and accommodations in the countywide areas of the County. These funds are earmarked for road construction-RIDE Projects.

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

JUNE 30, 2005

	Non-Major Funds											
	Waste Management			Road Maintenance & CTC			Beach Nourishment		Admissions Tax		Hospitality 1.0% Fee	
Assets	Fire	Accommodations Tax	Recycling	Watersheds	Mt. Gilead	Socastee Recreation	Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee	Victim Assistance
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,642	\$ -	\$ 1,285,033	\$ -
Equity in pooled cash and investments	3,697,522	245,776	1,114,071	344,210	218,633	-	9,495,547	2,638,395	-	-	1,488,773	-
Receivables, net:												
Property taxes	58,605	-	26,666	699	-	1,179	-	-	-	-	-	-
Accounts and other	-	1,198	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-	-	-	-	700,015	-
Due from other funds	-	-	-	-	-	-	393,277	192,937	-	-	-	-
Due from other governments	12,853	839,120	-	-	-	-	405,323	-	1,039,902	26,487	-	-
Note receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	30,170	-	-	-	-	-
Total assets	\$ 3,768,980	\$ 1,086,094	\$ 1,140,737	\$ 344,909	\$ 218,633	\$ 1,179	\$ 10,324,317	\$ 2,831,332	\$ 1,360,544	\$ 26,487	\$ 3,473,821	\$ -
Liabilities and Fund Balances												
Liabilities:												
Accounts payable - trade	\$ 96,461	\$ 295,272	\$ -	\$ 95	\$ 2,211	\$ -	\$ 614,975	\$ 50,230	\$ 84,150	\$ -	\$ -	\$ 286
Accounts payable - other	-	-	-	-	-	-	4,116	-	-	-	-	-
Construction and retainage payable	-	-	-	-	-	-	14,214	-	-	-	-	-
Accrued salaries and wages	101,422	14,037	-	-	-	-	67,584	-	7,485	-	-	6,558
Due to other funds	-	-	-	-	-	3,188	-	1,409,250	298,391	26,487	309,387	4,427
Due to component unit	-	-	524,272	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	86,885	-	-	-	-	-	334,504	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	14,793	-	-	-
Total liabilities	197,883	309,309	611,157	95	2,211	3,188	700,889	1,459,480	739,323	26,487	309,387	11,271
Fund balances:												
Reserved for encumbrances	19,896	-	-	-	-	-	2,652,044	-	56,160	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	763,323	-	-	-	-	-
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	300,000	-
Reserved for inventories	-	-	-	-	-	-	30,170	-	-	-	-	-
Reserved for cultural	-	119,870	-	-	-	-	-	-	-	-	-	-
Reserved for public safety	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, designated	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	3,551,201	656,915	529,580	344,814	216,422	(2,009)	6,177,891	1,371,852	565,061	-	2,864,434	(11,271)
Total fund balances/(deficits)	3,571,097	776,785	529,580	344,814	216,422	(2,009)	9,623,428	1,371,852	621,221	-	3,164,434	(11,271)
Total liabilities and fund balances	\$ 3,768,980	\$ 1,086,094	\$ 1,140,737	\$ 344,909	\$ 218,633	\$ 1,179	\$ 10,324,317	\$ 2,831,332	\$ 1,360,544	\$ 26,487	\$ 3,473,821	\$ -

- CONTINUED -

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

CONTINUED

	Non-Major Funds										Total Non-Major Funds
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Storm Water Management	GIS/IT	B&C/MCBP	Local Atax	Recreation		
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ 438,320	\$ 100	\$ 2,044,584	
Equity in pooled cash and investments	-	61,797	33,835	-	4,421,629	60,328	1,648,986	-	2,799,624	28,269,126	
Receivables, net:											
Property taxes	2,720	-	-	-	-	-	-	-	10,162	100,031	
Accounts and other	-	-	-	-	-	-	-	147,438	-	148,636	
Fees	-	-	-	302,771	20,453	-	-	-	-	720,468	
Due from other funds	-	-	-	-	-	-	-	-	-	888,985	
Due from other governments	-	-	-	-	2,983	-	-	-	-	2,326,668	
Note receivable	-	-	-	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	-	33,333	63,503	
Total assets	\$ 2,720	\$ 61,797	\$ 33,835	\$ 303,260	\$ 4,445,065	\$ 60,328	\$ 1,648,986	\$ 585,758	\$ 2,843,219	\$ 34,562,001	
Liabilities and Fund Balances											
Liabilities:											
Accounts payable - trade	\$ -	\$ -	\$ 411	\$ 2,425	\$ 65,587	\$ 623	\$ -	\$ 101,805	\$ 34,658	\$ 1,349,189	
Accounts payable - other	-	-	4,700	-	-	-	-	-	-	8,816	
Construction and retainage payable	-	-	-	-	-	-	-	-	-	14,214	
Accrued salaries and wages	-	-	-	-	10,960	-	-	-	8,614	216,660	
Due to other funds	4,101	-	389,309	-	90,449	-	-	351,383	-	2,886,372	
Due to component unit	-	-	-	-	-	-	-	-	47	524,319	
Due to other governments	-	-	-	300,346	-	-	-	-	-	721,735	
Deferred revenue	-	-	-	-	-	-	-	-	1,146	15,939	
Total liabilities	4,101	-	394,420	302,771	166,996	623	-	453,188	44,465	5,737,244	
Fund balances:											
Reserved for encumbrances	-	-	-	-	634,895	-	-	-	137,649	3,500,644	
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	763,323	
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	300,000	
Reserved for inventories	-	-	-	-	-	-	-	-	33,333	63,503	
Reserved for cultural	-	-	-	-	-	-	-	-	-	119,870	
Reserved for public safety	-	-	-	-	-	-	-	132,570	-	132,570	
Reserved for capital projects	-	-	-	-	-	-	-	-	968,574	968,574	
Unreserved, designated	-	-	-	-	-	-	450,000	-	-	450,000	
Unreserved, undesignated	(1,381)	61,797	(360,585)	489	3,643,174	59,705	1,198,986	-	1,659,198	22,526,273	
Total fund balances/(deficits)	(1,381)	61,797	(360,585)	489	4,278,069	59,705	1,648,986	132,570	2,798,754	28,824,757	
Total liabilities and fund balances	\$ 2,720	\$ 61,797	\$ 33,835	\$ 303,260	\$ 4,445,065	\$ 60,328	\$ 1,648,986	\$ 585,758	\$ 2,843,219	\$ 34,562,001	

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2005

	Non-Major Funds											
	Fire	Accommodations Tax	Waste Management Recycling	Watershed	Mt. Gilgaid	Socatace Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee	Victim Assistance
Revenues												
Property taxes	\$ 11,118,595	\$ -	\$ 4,671,699	\$ 67,534	\$ 59,908	\$ 100,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	39,248	2,671,955	-	-	-	-	1,343,496	5,617	1,689,049	81,882	-	-
Fees	-	-	9,255	-	1,853	107	4,130,911	-	-	-	5,641,935	393,674
Interest	28,901	7,660	12,308	7,862	-	1,378	89,172	19,533	-	-	27,106	596
Other	5,267	28,816	4,693,262	75,396	61,761	102,205	2,505	998	-	-	-	-
Total revenues	11,192,011	2,708,431	4,693,262	75,396	61,761	102,205	5,566,084	25,150	1,690,047	81,882	5,669,041	394,270
Expenditures												
Current:												
General government	-	-	-	-	-	-	-	-	23,285	-	-	-
Public Safety	8,706,556	1,055,163	-	-	-	-	-	-	907,392	-	-	573,191
Infrastructure and regulation	-	-	4,110,825	21,330	22,190	-	17,205,974	77,580	44,291	-	-	-
Health and social services	-	-	-	-	-	-	-	-	275,855	-	-	-
Culture, recreation & tourism	-	1,160,890	-	-	-	101,538	-	-	6,904	-	-	-
Economic development	-	-	-	-	-	-	-	-	28,825	-	-	-
Conservation and natural resources	-	-	-	-	-	-	-	-	516,762	-	-	-
Total expenditures	8,706,556	2,216,053	4,110,825	21,330	22,190	101,538	17,205,974	77,580	1,803,314	-	-	573,191
Excess (deficiency) of revenues over (under) expenditures	2,485,455	492,378	582,437	54,066	39,571	667	(11,639,890)	(52,430)	(113,267)	81,882	5,669,041	(178,921)
Other Financing Sources (Uses)												
Other	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	18,360	2,623	-	-	-	-	10,552,045	355,012	294,696	-	-	2,098
Transfers out	(1,309,604)	(76,750)	-	-	-	-	-	-	(1,755)	(81,882)	(5,889,278)	-
Total other financing sources (uses)	(1,291,244)	(74,127)	-	-	-	-	10,552,045	355,012	292,941	(81,882)	(5,889,278)	2,098
Net change in fund balance	1,194,211	418,251	582,437	54,066	39,571	667	(1,087,845)	302,582	179,674	-	(220,237)	(176,823)
Fund balances (deficits) at beginning of year	2,376,886	358,534	(52,857)	290,748	176,851	(2,676)	10,711,273	1,069,270	441,547	-	3,384,671	165,552
Fund balances (deficits) at end of year	\$ 3,571,097	\$ 776,785	\$ 529,580	\$ 344,814	\$ 216,422	\$ (2,009)	\$ 9,623,428	\$ 1,371,852	\$ 621,221	\$ -	\$ 3,164,434	\$ (11,271)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CONTINUED

	Non-Major Funds										Total Non-Major Funds
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater Management	GIS/IT	B&C/MCBP	Local Atax	Recreation		
Revenues	\$ 480,356	\$ -	\$ 41,162	\$ -	\$ -	\$ -	\$ 440,963	\$ -	\$ 1,797,294	\$ 18,778,231	
Property taxes	-	-	-	-	-	-	-	860,677	-	860,677	
Accommodations tax	-	-	-	-	2,983	363	-	-	-	5,834,593	
Intergovernmental	-	-	-	-	3,301,815	32,133	-	-	121,281	13,621,749	
Fees	187	-	222	-	45,872	-	-	4,135	26,685	261,284	
Interest	9,887	-	3,500	-	-	-	-	648,158	614	721,293	
Other	490,430	-	44,884	-	3,350,670	32,496	440,963	1,512,970	1,945,874	40,077,827	
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	-	23,285	
Public Safety	-	-	-	-	-	-	-	324,595	-	11,566,897	
Infrastructure and regulation	-	-	28,446	-	3,355,650	-	-	-	-	24,866,286	
Health and social services	518,150	-	-	-	-	-	-	-	-	794,005	
Culture, recreation & tourism	-	-	-	-	-	-	-	875,439	2,236,075	4,380,846	
Economic development	-	-	-	29,100	-	-	-	-	-	57,925	
Conservation and natural resources	-	-	-	-	-	-	-	-	-	516,762	
Total expenditures	518,150	-	28,446	29,100	3,355,650	-	-	1,200,034	2,236,075	42,206,006	
Excess (deficiency) of revenues over (under) expenditures	(27,720)	-	16,438	(29,100)	(4,980)	32,496	440,963	312,936	(290,201)	(2,128,179)	
Other Financing Sources (Uses)											
Other	-	-	-	(250,000)	-	-	-	-	-	(250,000)	
Transfers in	-	-	-	29,100	3,322	-	-	-	796,018	12,053,274	
Transfers out	-	-	-	(616,667)	(616,667)	-	-	(286,671)	-	(8,262,607)	
Total other financing sources (uses)	-	-	-	(220,900)	(613,345)	-	-	(286,671)	796,018	3,540,667	
Net change in fund balance	(27,720)	-	16,438	(250,000)	(618,325)	32,496	440,963	26,265	505,817	1,412,488	
Fund balances (deficit), at beginning of year	26,339	61,797	(377,023)	250,489	4,896,394	27,209	1,208,023	106,305	2,292,937	27,412,269	
Fund balances (deficit), at end of year	\$ (1,381)	\$ 61,797	\$ (360,585)	\$ 489	\$ 4,278,069	\$ 59,705	\$ 1,648,986	\$ 132,570	\$ 2,798,754	\$ 28,824,757	

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ -	\$ 200
Equity in pooled cash and investments	3,697,522	2,351,224
Receivables, net:		
Property taxes	58,605	81,728
Other	-	1,813
Due from other governments	12,853	13,453
Prepaid assets	-	49,454
Total assets	<u>\$ 3,768,980</u>	<u>\$ 2,497,872</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 96,461	\$ 53,994
Accrued salaries and wages	101,422	66,992
Total liabilities	<u>197,883</u>	<u>120,986</u>
Fund balance:		
Reserved for encumbrances	19,896	-
Unreserved, undesignated	3,551,201	2,376,886
Total fund balance	<u>3,571,097</u>	<u>2,376,886</u>
Total liabilities and fund balance	<u>\$ 3,768,980</u>	<u>\$ 2,497,872</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 11,232,515	\$ 11,118,595	\$ (113,920)	\$ 10,907,874
Intergovernmental	26,594	39,248	12,654	32,981
Interest	-	28,901	28,901	-
Other	-	5,267	5,267	14,141
Total revenues	<u>11,259,109</u>	<u>11,192,011</u>	<u>(67,098)</u>	<u>10,954,996</u>
Expenditures				
Current:				
Public Safety:				
Personal services	6,364,912	6,099,481	265,431	5,710,872
Contractual services	1,205,709	1,021,769	183,940	1,025,261
Supplies and materials	915,065	581,461	333,604	762,755
Business and travel	412,435	407,364	5,071	350,285
Capital outlay	111,719	54,938	56,781	152,775
Indirect cost allocation	370,075	541,543	(171,468)	1,007,023
Other	-	-	-	26,262
Total expenditures	<u>9,379,915</u>	<u>8,706,556</u>	<u>673,359</u>	<u>9,035,233</u>
Excess of revenues over expenditures	<u>1,879,194</u>	<u>2,485,455</u>	<u>606,261</u>	<u>1,919,763</u>
Other Financing Sources (Uses)				
Transfers in	20,806	18,360	(2,446)	-
Transfers out	(1,900,000)	(1,309,604)	590,396	(1,466,172)
Total other financing sources (uses)	<u>(1,879,194)</u>	<u>(1,291,244)</u>	<u>587,950</u>	<u>(1,466,172)</u>
Net change in fund balance	-	1,194,211	1,194,211	453,591
Fund balance at beginning of year	<u>2,376,886</u>	<u>2,376,886</u>	-	<u>1,923,295</u>
Fund balance at end of year	<u>\$ 2,376,886</u>	<u>\$ 3,571,097</u>	<u>\$ 1,194,211</u>	<u>\$ 2,376,886</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 ACCOMODATIONS TAX SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 245,776	\$ 340,337
Accounts receivable, net:		
Other	1,198	2,176
Due from other governments	839,120	844,027
Total assets	\$ 1,086,094	\$ 1,186,540
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 295,272	\$ 306,452
Accrued salaries and wages	14,037	11,554
Due to other funds	-	510,000
Total liabilities	309,309	828,006
Fund balance:		
Reserved for cultural	119,870	48,981
Unreserved, undesignated	656,915	309,553
Total fund balance	776,785	358,534
Total liabilities and fund balance	\$ 1,086,094	\$ 1,186,540

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 2,560,000	\$ 2,671,955	\$ 111,955	\$ 2,608,040
Interest	6,000	7,660	1,660	7,790
Other	-	28,816	28,816	2,015
Total revenues	<u>2,566,000</u>	<u>2,708,431</u>	<u>142,431</u>	<u>2,617,845</u>
Expenditures				
Current:				
<u>Public Safety</u>				
Beach Patrol:				
Personal services	531,220	493,276	37,944	454,173
Contractual services	49,035	47,793	1,242	60,997
Supplies and materials	6,150	4,947	1,203	30,819
Business and travel	27,300	24,449	2,851	19,748
Capital outlay	-	-	-	24,297
Total beach patrol	<u>613,705</u>	<u>570,465</u>	<u>43,240</u>	<u>590,034</u>
Beach Clean-up:				
Personal services	319,531	309,539	9,992	248,932
Contractual services	82,141	78,263	3,878	63,118
Supplies and materials	20,354	20,679	(325)	24,028
Business and travel	65,666	69,063	(3,397)	46,929
Capital outlay	10,998	7,154	3,844	-
Total beach clean-up	<u>498,690</u>	<u>484,698</u>	<u>13,992</u>	<u>383,007</u>
Total public safety	<u>1,112,395</u>	<u>1,055,163</u>	<u>57,232</u>	<u>973,041</u>
Culture, Recreation and Tourism:				
Contributions to other agencies	1,228,536	1,160,890	67,646	1,073,805
Total culture, recreation and tourism	<u>1,228,536</u>	<u>1,160,890</u>	<u>67,646</u>	<u>1,073,805</u>
Total expenditures	<u>2,340,931</u>	<u>2,216,053</u>	<u>124,878</u>	<u>2,046,846</u>
Excess of revenues over expenditures	<u>225,069</u>	<u>492,378</u>	<u>267,309</u>	<u>570,999</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Other Financing Sources (Uses)				
Transfers in	3,147	2,623	(524)	5,945
Transfers out	(586,750)	(76,750)	510,000	(510,000)
Total other financing sources (uses)	(583,603)	(74,127)	509,476	(504,055)
Net change in fund balance	(358,534)	418,251	776,785	66,944
Fund balance at beginning of year	358,534	358,534	-	291,590
Fund balance at end of year	\$ -	\$ 776,785	\$ 776,785	\$ 358,534

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 1,114,071	\$ 578,010
Receivables, net:		
Property taxes	26,666	24,827
Total assets	<u>\$ 1,140,737</u>	<u>\$ 602,837</u>
Liabilities and Fund Balance		
Liabilities:		
Due to component unit	\$ 524,272	\$ 563,179
Intergovernmental payable	86,885	92,515
Total liabilities	<u>611,157</u>	<u>655,694</u>
Fund balance:		
Unreserved, undesignated	529,580	(52,857)
Total fund balance (deficit)	<u>529,580</u>	<u>(52,857)</u>
Total liabilities and fund balance	<u>\$ 1,140,737</u>	<u>\$ 602,837</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 4,773,870	\$ 4,671,699	\$ (102,171)	\$ 3,403,171
Interest	-	9,255	9,255	-
Other	-	12,308	12,308	585
Total revenues	<u>4,773,870</u>	<u>4,693,262</u>	<u>(80,608)</u>	<u>3,403,756</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	4,170,437	3,794,997	375,440	3,622,658
Capital outlay	387,300	314,558	72,742	134,849
Interest	-	1,270	(1,270)	-
Total expenditures	<u>4,557,737</u>	<u>4,110,825</u>	<u>446,912</u>	<u>3,757,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>216,133</u>	<u>582,437</u>	<u>366,304</u>	<u>(353,751)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	92,540
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,540</u>
Net change in fund balance	216,133	582,437	366,304	(261,211)
Fund balance at beginning of year	<u>(52,857)</u>	<u>(52,857)</u>	-	208,354
Fund balance (deficit) at end of year	<u>\$ 163,276</u>	<u>\$ 529,580</u>	<u>\$ 366,304</u>	<u>\$ (52,857)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
WATERSHED SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 344,210	\$ 289,791
Receivables, net:		
Property taxes	699	957
Total assets	\$ 344,909	\$ 290,748
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 95	\$ -
Total liabilities	95	-
Fund balance:		
Unreserved, undesignated	344,814	290,748
Total fund balance	344,814	290,748
Total liabilities and fund balance	\$ 344,909	\$ 290,748

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Property taxes	\$ 71,990	\$ 67,534	\$ (4,456)	\$ 67,985
Other	-	7,862	7,862	-
Total revenues	<u>71,990</u>	<u>75,396</u>	<u>3,406</u>	<u>67,985</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	69,290	21,095	48,195	18,332
Indirect cost allocation	2,700	235	2,465	-
Total expenditures	<u>71,990</u>	<u>21,330</u>	<u>50,660</u>	<u>18,332</u>
Excess of revenues over expenditures	-	54,066	54,066	49,653
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,570
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,570</u>
Net change in fund balance	-	54,066	54,066	51,223
Fund balance at beginning of year	290,748	290,748	-	239,525
Fund balance at end of year	<u>\$ 290,748</u>	<u>\$ 344,814</u>	<u>\$ 54,066</u>	<u>\$ 290,748</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 MT. GILEAD SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 218,633	\$ 177,922
Receivables, net:		
Property taxes	-	640
Total assets	\$ 218,633	\$ 178,562
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,211	\$ 1,711
Total liabilities	2,211	1,711
Fund balance:		
Unreserved, undesignated	216,422	176,851
Total fund balance	216,422	176,851
Total liabilities and fund balance	\$ 218,633	\$ 178,562

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property tax	\$ 61,750	\$ 59,908	\$ (1,842)	\$ 58,234
Interest on investments	-	1,853	1,853	1,777
Total revenues	<u>61,750</u>	<u>61,761</u>	<u>11</u>	<u>60,011</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	39,925	17,441	22,484	13,852
Supplies and materials	3,000	2,500	500	61,097
Other	18,025	-	18,025	9,950
Indirect cost allocation	800	2,249	(1,449)	-
Total expenditures	<u>61,750</u>	<u>22,190</u>	<u>39,560</u>	<u>84,899</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>39,571</u>	<u>39,571</u>	<u>(24,888)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	22,139
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,139</u>
Net change in fund balance	-	39,571	39,571	(2,749)
Fund balance at beginning of year	176,851	176,851	-	179,600
Fund balance at end of year	<u>\$ 176,851</u>	<u>\$ 216,422</u>	<u>\$ 39,571</u>	<u>\$ 176,851</u>

See accompanying independent auditors' report.

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

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Receivables, net:		
Property taxes	\$ 1,179	\$ 1,058
Total assets	\$ 1,179	\$ 1,058
 Liabilities and Fund Balance		
Liabilities		
Due to general fund	\$ 3,188	\$ 3,734
Total liabilities	3,188	3,734
Fund balance		
Unreserved, undesignated	(2,009)	(2,676)
Total fund balance (deficit)	(2,009)	(2,676)
Total liabilities and fund balance	\$ 1,179	\$ 1,058

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 SOCASTEE RECREATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 109,650	\$ 100,720	\$ (8,930)	\$ 96,886
Other	-	1,378	1,378	-
Interest	-	107	107	135
Total revenues	<u>109,650</u>	<u>102,205</u>	<u>(7,445)</u>	<u>97,021</u>
Expenditures				
Current:				
Culture, Recreation & Tourism				
Contractual services	108,450	101,538	6,912	97,560
Indirect cost allocation	1,200	-	1,200	6,663
Total expenditures	<u>109,650</u>	<u>101,538</u>	<u>8,112</u>	<u>104,223</u>
Excess of revenues (under) over expenditures	<u>-</u>	<u>667</u>	<u>667</u>	<u>(7,202)</u>
Net change in fund balance	-	667	667	(7,202)
Fund balance at beginning of year	(2,676)	(2,676)	-	4,526
Fund balance (deficit) at end of year	<u>\$ (2,676)</u>	<u>\$ (2,009)</u>	<u>\$ 667</u>	<u>\$ (2,676)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 9,495,547	\$ 10,795,545
Accounts receivable - other	-	5,411
Due from other governments	405,323	257,006
Due from other funds	393,277	517,665
Inventories-tile	30,170	21,665
Total assets	\$ 10,324,317	\$ 11,597,292
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 614,975	\$ 434,880
Accounts Payable - other	4,116	2,310
Construction and retainage payable	14,214	398,659
Accrued salaries and wages	67,584	50,170
Total liabilities	700,889	886,019
Fund balance:		
Reserved for encumbrances	2,652,044	2,095,736
Reserved for inventories	30,170	21,665
Reserved for road maintenance	763,323	870,760
Unreserved, Undesignated	6,177,891	7,723,112
Total fund balance	9,623,428	10,711,273
Total liabilities and fund balance	\$ 10,324,317	\$ 11,597,292

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

(with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Fees	\$ 4,136,275	\$ 4,130,911	\$ (5,364)	\$ 3,889,828
Intergovernmental	3,633,152	1,343,496	(2,289,656)	1,234,346
Interest	127,500	89,172	(38,328)	119,036
Other	-	2,505	2,505	21,054
Total revenues	<u>7,896,927</u>	<u>5,566,084</u>	<u>(2,330,843)</u>	<u>5,264,264</u>
Expenditures				
Public Works:				
Personal services	189,571	189,560	11	179,877
Contractual services	149,363	123,255	26,108	3,693
Supplies and materials	4,517	4,073	444	2,805
Business and travel	10,506	6,700	3,806	10,176
Capital outlay	-	-	-	2,369
Other	124,816	-	124,816	-
Total division director	<u>478,773</u>	<u>323,588</u>	<u>155,185</u>	<u>198,920</u>
Engineer:				
Personal services	844,452	688,197	156,255	626,405
Contractual services	12,738,105	5,380,624	7,357,481	2,764,046
Supplies and materials	20,117	17,761	2,356	15,220
Business and travel	37,392	37,321	71	29,983
Capital outlay	17,908	17,907	1	-
Other	525,385	-	525,385	-
Total engineer	<u>14,183,359</u>	<u>6,141,810</u>	<u>8,041,549</u>	<u>3,435,654</u>
Operations:				
Personal services	3,880,379	4,284,538	(404,159)	3,978,915
Contractual services	1,425,698	4,195,814	(2,770,116)	4,234,043
Supplies and materials	103,613	67,872	35,741	69,243
Business and travel	1,244,030	1,206,555	37,475	1,009,428
Capital outlay	750,000	133,823	616,177	-
Indirect cost allocation	119,167	851,974	(732,807)	588,789
Total operations	<u>7,522,887</u>	<u>10,740,576</u>	<u>(3,217,689)</u>	<u>9,880,418</u>
Total expenditures	<u>22,185,019</u>	<u>17,205,974</u>	<u>4,979,045</u>	<u>13,514,992</u>
Excess (deficiency) of revenues (under) over expenditures	<u>(14,288,092)</u>	<u>(11,639,890)</u>	<u>2,648,202</u>	<u>(8,250,728)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

CONTINUED

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Other Financing Sources (Uses)				
Transfers in	10,354,467	10,552,045	197,578	8,991,235
Total other financing sources (uses)	10,354,467	10,552,045	197,578	8,991,235
Net change in fund balance	(3,933,625)	(1,087,845)	2,845,780	740,507
Fund balance at beginning of year	10,711,273	10,711,273	-	9,970,766
Fund balance at end of year	<u>\$ 6,777,648</u>	<u>\$ 9,623,428</u>	<u>\$ 2,845,780</u>	<u>\$ 10,711,273</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 BEACH NOURISHMENT SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Cash and cash equivalents	\$ -	\$ 361,590
Equity in pooled cash and investments	2,638,395	1,777,680
Due from other funds	192,937	510,000
Total assets	\$ 2,831,332	\$ 2,649,270
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 50,230	\$ -
Due to other funds	1,409,250	1,580,000
Total liabilities	1,459,480	1,580,000
 Fund balance:		
Unreserved, undesignated	1,371,852	1,069,270
Total fund balance	1,371,852	1,069,270
Total liabilities and fund balance	\$ 2,831,332	\$ 2,649,270

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Interest	\$ 4,500	\$ 19,533	\$ 15,033	\$ 4,226
Intergovernmental	-	5,617	5,617	-
Total revenues	<u>4,500</u>	<u>25,150</u>	<u>20,650</u>	<u>4,226</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	817,083	77,580	739,503	6,900
Cost Allocation	-	-	-	63,209
Total expenditures	<u>817,083</u>	<u>77,580</u>	<u>739,503</u>	<u>70,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(812,583)</u>	<u>(52,430)</u>	<u>760,153</u>	<u>(65,883)</u>
Other Financing Sources (Uses)				
Transfers in	812,583	355,012	(457,571)	627,843
Total other financing sources (uses)	<u>812,583</u>	<u>355,012</u>	<u>(457,571)</u>	<u>627,843</u>
Net change in fund balance	-	302,582	302,582	561,960
Fund balance at beginning of year	<u>1,069,270</u>	<u>1,069,270</u>	-	<u>507,310</u>
Fund balance at end of year	<u>\$ 1,069,270</u>	<u>\$ 1,371,852</u>	<u>\$ 302,582</u>	<u>\$ 1,069,270</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ 320,642	\$ 219,469
Equity in pooled cash and investments	-	3,601
Accounts receivable - other	-	9,632
Due from other governments	<u>1,039,902</u>	<u>1,190,293</u>
Total assets	<u>\$ 1,360,544</u>	<u>\$ 1,422,995</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 84,150	\$ 126,387
Accrued salaries and wages	7,485	4,965
Due to other funds	298,391	649,660
Due to other governments	334,504	-
Deferred revenue	<u>14,793</u>	<u>200,436</u>
Total liabilities	<u>739,323</u>	<u>981,448</u>
Fund balance:		
Reserved for encumbrances	56,160	576,725
Unreserved, undesignated	<u>565,061</u>	<u>(135,178)</u>
Total fund balance	<u>621,221</u>	<u>441,547</u>
Total liabilities and fund balance	<u>\$ 1,360,544</u>	<u>\$ 1,422,995</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 4,932,708	\$ 1,689,049	\$ (3,243,659)	\$ 1,922,033
Other	6,202	998	(5,204)	1,341
Total revenues	<u>4,938,910</u>	<u>1,690,047</u>	<u>(3,248,863)</u>	<u>1,923,374</u>
Expenditures				
General Government:				
Personal services	34,526	22,797	11,729	133,710
Supplies and materials	34,028	488	33,540	55,127
Business and travel	-	-	-	2,488
Capital Outlay	-	-	-	20,942
Other	-	-	-	1,262
Total general government	<u>68,554</u>	<u>23,285</u>	<u>45,269</u>	<u>213,529</u>
Public Safety:				
Personal services	214,009	212,661	1,348	234,030
Contractual services	56,304	35,921	20,383	5,592
Supplies and materials	294,755	163,356	131,399	234,954
Business and travel	41,842	4,345	37,497	2,671
Capital outlay	815,063	491,109	323,954	596,422
Other	10,439	-	10,439	7,476
Total public safety	<u>1,432,412</u>	<u>907,392</u>	<u>525,020</u>	<u>1,081,145</u>
Infrastructure and Regulation:				
Construction contracts	268,273	44,291	223,982	125,494
Total infrastructure and regulation	<u>268,273</u>	<u>44,291</u>	<u>223,982</u>	<u>125,494</u>
Health and Social Services:				
Personal services	113,820	105,930	7,890	97,027
Contractual services	8,756	11,517	(2,761)	9,915
Supplies and materials	173,668	154,809	18,859	128,379
Business and travel	9,550	3,599	5,951	4,844
Capital outlay	6,500	-	6,500	-
Total health and social services	<u>312,294</u>	<u>275,855</u>	<u>36,439</u>	<u>240,165</u>
Culture, Recreation & Tourism:				
Personal services	17,540	6,904	10,636	12,147
Supplies and materials	7,913	-	7,913	1,994
Total culture, recreation & tourism	<u>25,453</u>	<u>6,904</u>	<u>18,549</u>	<u>14,141</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Expenditures (Continued)				
Economic Development:				
Business and travel	2,000	2,000	-	-
Grant Projects	2,500	-	2,500	-
Construction contracts	594,317	26,825	567,492	208,407
Total economic development	598,817	28,825	569,992	208,407
Conservation and Natural Resources:				
Personal service	2,000	16,331	(14,331)	13,119
Contractual services	372,843	32,087	340,756	30,092
Supplies and material	809,509	163,092	646,417	154,189
Business and travel	3,961	1,388	2,573	4,479
Capital outlay	1,340,128	303,864	1,036,264	129,520
Other	-	-	-	10,593
Total conservation and natural resources	2,528,441	516,762	2,011,679	341,992
Total expenditures	5,234,244	1,803,314	3,430,930	2,224,873
Excess (deficiency) of revenues over (under) expenditures	(295,334)	(113,267)	182,067	(301,499)
Other Financing Sources (Uses)				
Transfers in	297,089	294,696	(2,393)	259,491
Transfers out	(1,755)	(1,755)	-	-
Total other financing sources (uses)	295,334	292,941	(2,393)	259,491
Net change in fund balance	-	179,674	179,674	(42,008)
Fund balance at beginning of year	441,547	441,547	-	483,555
Fund balance at end of year	\$ 441,547	\$ 621,221	\$ 179,674	\$ 441,547

See accompanying independent auditors' report.

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

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Due from State Treasurer	\$ 26,487	\$ 27,016
Total assets	\$ 26,487	\$ 27,016
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 26,487	\$ 27,016
Total Liabilities	26,487	27,016
Total liabilities and fund balance	\$ 26,487	\$ 27,016

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 88,020	\$ 81,882	\$ (6,138)	\$ 80,864
Total revenues	<u>88,020</u>	<u>81,882</u>	<u>(6,138)</u>	<u>80,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>88,020</u>	<u>81,882</u>	<u>(6,138)</u>	<u>80,864</u>
Other Financing Sources (Uses)				
Transfers out	<u>(88,020)</u>	<u>(81,882)</u>	<u>6,138</u>	<u>(80,864)</u>
Total other financing sources (uses)	<u>(88,020)</u>	<u>(81,882)</u>	<u>6,138</u>	<u>(80,864)</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>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Cash and cash equivalents	\$ 1,285,033	\$ 1,655,785
Equity in pooled cash and investments	1,488,773	1,385,281
Receivables, net:		
Accounts	700,015	626,761
Total assets	\$ 3,473,821	\$ 3,667,827
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 309,387	\$ 283,156
Total liabilities	309,387	283,156
Fund balance:		
Reserved for Baseball Stadium Fund	300,000	300,000
Unreserved, undesignated	2,864,434	3,084,671
Total fund balance	3,164,434	3,384,671
Total liabilities and fund balance	\$ 3,473,821	\$ 3,667,827

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 5,609,000	\$ 5,641,935	\$ 32,935	\$ 5,351,098
Interest	20,000	27,106	7,106	13,030
Total revenues	<u>5,629,000</u>	<u>5,669,041</u>	<u>40,041</u>	<u>5,364,128</u>
Excess of revenues over expenditures	<u>5,629,000</u>	<u>5,669,041</u>	<u>40,041</u>	<u>5,364,128</u>
Other Financing Sources (Uses)				
Transfers out	<u>(5,858,470)</u>	<u>(5,889,278)</u>	<u>(30,808)</u>	<u>(5,881,407)</u>
Total other financing sources (uses)	<u>(5,858,470)</u>	<u>(5,889,278)</u>	<u>(30,808)</u>	<u>(5,881,407)</u>
Net change in fund balance	(229,470)	(220,237)	9,233	(517,279)
Fund balance at beginning of year	<u>3,384,671</u>	<u>3,384,671</u>	-	<u>3,901,950</u>
Fund balance at end of year	<u>\$ 3,155,201</u>	<u>\$ 3,164,434</u>	<u>\$ 9,233</u>	<u>\$ 3,384,671</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ -	\$ 173,081
Total assets	\$ -	\$ 173,081
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 286	\$ 3,835
Due to other funds	4,427	-
Accrued salaries and wages	6,558	3,694
Total liabilities	11,271	7,529
 Fund balance:		
Unreserved, undesignated	(11,271)	165,552
Total fund balance (deficit)	(11,271)	165,552
Total liabilities and fund balance	\$ -	\$ 173,081

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 450,000	\$ 393,674	\$ (56,326)	\$ 409,838
Interest	2,500	596	(1,904)	2,696
Total revenues	452,500	394,270	(58,230)	412,534
Expenditures				
Detention:				
Personal services	198,724	202,384	(3,660)	184,921
Contractual services	3,780	2,037	1,743	1,410
Supplies and materials	4,150	2,026	2,124	2,666
Business and travel	2,500	1,135	1,365	5,209
Total detention	209,154	207,582	1,572	194,206
Police:				
Personal services	74,942	59,834	15,108	70,523
Supplies and material	1,000	42	958	-
Business and travel	700	175	525	981
Total police	76,642	60,051	16,591	71,504
Victim Witness:				
Other	60,000	60,000	-	60,000
Total victim witness	60,000	60,000	-	60,000
Solicitor:				
Personal services	228,309	236,916	(8,607)	219,424
Contractual services	5,111	5,128	(17)	4,285
Business and travel	5,436	3,514	1,922	2,000
Total solicitor	238,856	245,558	(6,702)	225,709
Total expenditures	584,652	573,191	11,461	551,419
Deficiency of revenues over expenditures	(132,152)	(178,921)	(46,769)	(138,885)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Other Financing Sources (Uses)				
Transfers in	2,098	2,098	-	-
Total other financing sources (uses)	2,098	2,098	-	-
Net change in fund balance	(130,054)	(176,823)	(46,769)	(138,885)
Fund balance at beginning of year	165,552	165,552	-	304,437
Fund balance (deficit) at end of year	\$ 35,498	\$ (11,271)	\$ (46,769)	\$ 165,552

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 SENIOR CITIZENS SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ -	\$ 24,210
Receivables, net:		
Property taxes	2,720	2,129
Total assets	\$ 2,720	\$ 26,339
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 4,101	\$ -
Total liabilities	4,101	-
Fund balance:		
Unreserved, undesignated	(1,381)	26,339
Total fund balance (deficit)	(1,381)	26,339
Total liabilities and fund balance	\$ 2,720	\$ 26,339

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 522,150	\$ 480,356	\$ (41,794)	\$ 462,543
Interest on investments	-	187	187	-
Other	1,000	9,887	8,887	1,746
Total revenues	<u>523,150</u>	<u>490,430</u>	<u>(32,720)</u>	<u>464,289</u>
Expenditures				
Health and Social Services:				
Contractual services	517,150	518,150	(1,000)	469,128
Indirect cost allocation	5,000	-	5,000	-
Total expenditures	<u>522,150</u>	<u>518,150</u>	<u>4,000</u>	<u>469,128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,000</u>	<u>(27,720)</u>	<u>(28,720)</u>	<u>(4,839)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	13,039
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,039</u>
Net change in fund balance	1,000	(27,720)	(28,720)	8,200
Fund balance at beginning of year	26,339	26,339	-	18,139
Fund balance (deficit) at end of year	<u>\$ 27,339</u>	<u>\$ (1,381)</u>	<u>\$ (28,720)</u>	<u>\$ 26,339</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RAILROAD SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 61,797	\$ 61,797
Total assets	<u>\$ 61,797</u>	<u>\$ 61,797</u>
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 61,797	\$ 61,797
Total fund balance	<u>61,797</u>	<u>61,797</u>
Total liabilities and fund balance	<u>\$ 61,797</u>	<u>\$ 61,797</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Railroad Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual

Year Ended June 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Fees	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Infrastructure and Regulation:				
Contractual services	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	61,797	61,797	-	61,797
Fund balance at end of year	\$ 61,797	\$ 61,797	\$ -	\$ 61,797

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 ARCADIAN SHORES SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 33,835	\$ 23,529
Receivables (net):		
Accounts	-	3,000
Total assets	\$ 33,835	\$ 26,529
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 411	\$ 1,213
Accounts payable - other	4,700	4,700
Due to other funds	389,309	397,639
Total liabilities	394,420	403,552
Fund balance:		
Unreserved, undesignated	(360,585)	(377,023)
Total fund balance (deficit)	(360,585)	(377,023)
Total liabilities and fund balance	\$ 33,835	\$ 26,529

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005

(with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 54,025	\$ 41,162	\$ (12,863)	\$ 43,094
Interest on investments	250	222	(28)	307
Other	1,000	3,500	2,500	4,000
Total revenues	<u>55,275</u>	<u>44,884</u>	<u>(10,391)</u>	<u>47,401</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal Services	400	575	(175)	-
Contractual services	18,363	1,404	16,959	1,674
Supplies and materials	16,431	7,187	9,244	24,311
Other	19,281	19,280	1	23,769
Indirect cost allocation	800	-	800	600
Total expenditures	<u>55,275</u>	<u>28,446</u>	<u>26,829</u>	<u>50,354</u>
Excess (deficiency) of revenues over (under) expenditures	-	<u>16,438</u>	<u>16,438</u>	<u>(2,953)</u>
Net change in fund balance	-	<u>16,438</u>	<u>16,438</u>	<u>(2,953)</u>
Fund balance (deficit) at beginning of year	<u>(377,023)</u>	<u>(377,023)</u>	-	<u>(374,070)</u>
Fund balance (deficit) at end of year	<u>\$ (377,023)</u>	<u>\$ (360,585)</u>	<u>\$ 16,438</u>	<u>\$ (377,023)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 CDBG REVOLVING LOAN SPECIAL REVENUE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Cash held in trust	\$ 489	\$ 489
Notes receivable	-	250,000
Due from other funds	302,771	329,446
Total assets	\$ 303,260	\$ 579,935
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,425	\$ -
Due to other governments	300,346	329,446
Total liabilities	302,771	329,446
 Fund balance:		
Unreserved, undesignated	489	250,489
Total fund balance	489	250,489
Total liabilities and fund balance	\$ 303,260	\$ 579,935

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Expenditures				
Current:				
Economic Development:				
JEDA	\$ 29,100	\$ 29,100	\$ -	\$ 14,191
Total expenditures	<u>29,100</u>	<u>29,100</u>	<u>-</u>	<u>14,191</u>
Deficiency of revenues under expenditures	<u>(29,100)</u>	<u>(29,100)</u>	<u>-</u>	<u>(14,191)</u>
Other financing sources (Uses)				
Other	-	(250,000)	(250,000)	-
Transfers in	<u>29,100</u>	<u>29,100</u>	<u>-</u>	<u>14,191</u>
Total other financing sources (uses)	<u>29,100</u>	<u>(220,900)</u>	<u>(250,000)</u>	<u>14,191</u>
Net change in fund balance	-	(250,000)	(250,000)	-
Fund balance at beginning of year	<u>250,489</u>	<u>250,489</u>	<u>-</u>	<u>250,489</u>
Fund balance at end of year	<u>\$ 250,489</u>	<u>\$ 489</u>	<u>\$ (250,000)</u>	<u>\$ 250,489</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

STORM WATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 4,421,629	\$ 5,309,298
Due from other governments	2,983	-
Fee receivable (net)	20,453	28,029
Total assets	<u>\$ 4,445,065</u>	<u>\$ 5,337,327</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 65,587	\$ 194,276
Accrued salaries and wages	10,960	6,208
Due to other funds	90,449	240,449
Total liabilities	<u>166,996</u>	<u>440,933</u>
Fund balance:		
Reserved for encumbrances	634,895	795,775
Unreserved, undesignated	3,643,174	4,100,619
Total fund balance	<u>4,278,069</u>	<u>4,896,394</u>
Total liabilities and fund balance	<u>\$ 4,445,065</u>	<u>\$ 5,337,327</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Intergovernmental revenue	\$ -	\$ 2,983	\$ 2,983	\$ 1,088
Fees and fines	3,231,298	3,301,815	70,517	3,275,768
Interest on investments	60,000	45,872	(14,128)	61,236
Total revenues	<u>3,291,298</u>	<u>3,350,670</u>	<u>59,372</u>	<u>3,338,092</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal services	974,914	980,828	(5,914)	847,560
Contractual services	647,858	439,156	208,702	405,139
Supplies and materials	1,173,285	205,297	967,988	35,139
Business and travel	131,217	129,268	1,949	71,342
Construction	3,160,963	1,313,014	1,847,949	-
Capital outlay	933,942	245,850	688,092	1,260,319
Cost allocation	65,286	42,237	23,049	155,530
Total expenditures	<u>7,087,465</u>	<u>3,355,650</u>	<u>3,731,815</u>	<u>2,775,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,796,167)</u>	<u>(4,980)</u>	<u>3,791,187</u>	<u>563,063</u>
Other Financing Sources (Uses)				
Transfers in	3,322	3,322	-	-
Transfers out	(616,667)	(616,667)	-	-
Total other financing sources (uses)	<u>(613,345)</u>	<u>(613,345)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,409,512)	(618,325)	3,791,187	563,063
Fund balance at beginning of year	4,896,394	4,896,394	-	4,333,331
Fund balance at end of year	<u>\$ 486,882</u>	<u>\$ 4,278,069</u>	<u>\$ 3,791,187</u>	<u>\$ 4,896,394</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 60,328	\$ 27,314
Total assets	<u>\$ 60,328</u>	<u>\$ 27,314</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable - trade	\$ 623	\$ 105
Total liabilities	<u>623</u>	<u>105</u>
Fund balance		
Unreserved, undesignated	<u>59,705</u>	<u>27,209</u>
Total fund balance	<u>59,705</u>	<u>27,209</u>
Total liabilities and fund balance	<u>\$ 60,328</u>	<u>\$ 27,314</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ -	\$ 363	\$ 363	\$ -
GIS users fees	-	32,133	32,133	8,038
Total revenues	-	32,496	32,496	8,038
Excess of revenues over expenditures	-	32,496	32,496	8,038
Net change in fund balance	-	32,496	32,496	8,038
Fund balance at beginning of year	27,209	27,209	-	19,171
Fund balance at end of year	\$ 27,209	\$ 59,705	\$ 32,496	\$ 27,209

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 1,648,986	\$ 1,208,023
Total assets	<u>\$ 1,648,986</u>	<u>\$ 1,208,023</u>
Liabilities and Fund Balance		
Fund balance		
Designated for C. Ripken Baseball Park	\$ 450,000	\$ -
Unreserved, undesignated	<u>1,198,986</u>	<u>1,208,023</u>
Total fund balance	<u>1,648,986</u>	<u>1,208,023</u>
Total liabilities and fund balance	<u>\$ 1,648,986</u>	<u>\$ 1,208,023</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ -	\$ 440,963	\$ 440,963	\$ 913,843
Total revenues	-	440,963	440,963	913,843
Excess of revenues over expenditures	-	440,963	440,963	913,843
Net change in fund balance	-	440,963	440,963	913,843
Fund balance at beginning of year	1,208,023	1,208,023	-	294,180
Fund balance at end of year	\$ 1,208,023	\$ 1,648,986	\$ 440,963	\$ 1,208,023

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ 438,320	\$ 65,633
Equity in pooled cash and investments	-	44,918
Receivables (net):		
Other	147,438	137,822
Total assets	<u>\$ 585,758</u>	<u>\$ 248,373</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 101,805	\$ 140,690
Due to other funds	351,383	1,378
Total liabilities	<u>453,188</u>	<u>142,068</u>
Fund balance:		
Reserved for public safety	132,570	106,305
Total fund balance	<u>132,570</u>	<u>106,305</u>
Total liabilities and fund balance	<u>\$ 585,758</u>	<u>\$ 248,373</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Accommodations tax	\$ 860,000	\$ 860,677	\$ 677	\$ 833,856
Interest	750	4,135	3,385	408
Other - City contribution	-	648,158	648,158	404,106
Total revenues	<u>860,750</u>	<u>1,512,970</u>	<u>652,220</u>	<u>1,238,370</u>
Expenditures				
Public Safety:				
Personal services	337,471	255,195	82,276	288,008
Contractual Services	88,600	69,400	19,200	-
Total public safety	<u>426,071</u>	<u>324,595</u>	<u>101,476</u>	<u>288,008</u>
Culture, Recreation & Tourism:				
Other	258,225	875,439	(617,214)	839,686
Total culture, recreation & tourism	<u>258,225</u>	<u>875,439</u>	<u>(617,214)</u>	<u>839,686</u>
Total expenditures	<u>684,296</u>	<u>1,200,034</u>	<u>(515,738)</u>	<u>1,127,694</u>
Excess of revenues over expenditures	<u>176,454</u>	<u>312,936</u>	<u>136,482</u>	<u>110,676</u>
Other Financing Sources (Uses)				
Transfers out	<u>(283,704)</u>	<u>(286,671)</u>	<u>(2,967)</u>	<u>(8,342)</u>
Total other financing sources (uses)	<u>(283,704)</u>	<u>(286,671)</u>	<u>(2,967)</u>	<u>(8,342)</u>
Net change in fund balance	<u>(107,250)</u>	<u>26,265</u>	<u>133,515</u>	<u>102,334</u>
Fund balance at beginning of year	<u>106,305</u>	<u>106,305</u>	<u>-</u>	<u>3,971</u>
Fund balance (deficit) at end of year	<u>\$ (945)</u>	<u>\$ 132,570</u>	<u>\$ 133,515</u>	<u>\$ 106,305</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
RECREATION SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Cash	\$ 100	\$ 100
Equity in pooled cash and investments	2,799,624	2,393,462
Receivables, net:		
Property taxes	10,162	7,748
Other	-	116
Prepaid items	33,333	-
Total assets	\$ 2,843,219	\$ 2,401,426
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 34,658	\$ 92,558
Retainage payable	-	12,857
Due to component units	47	-
Deferred revenue	1,146	-
Accrued salaries and wages	8,614	3,074
Total liabilities	44,465	108,489
 Fund balance:		
Reserve for prepaid items	33,333	-
Reserve for encumbrances	137,649	478,744
Reserve for capital projects	968,574	-
Unreserved, undesignated	1,659,198	1,814,193
Total fund balance	2,798,754	2,292,937
Total liabilities and fund balance	\$ 2,843,219	\$ 2,401,426

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 1,732,250	\$ 1,797,294	\$ 65,044	\$ 1,723,699
Fees	45,000	121,281	76,281	62,812
Other	-	614	614	-
Interest on investments	20,000	26,685	6,685	25,947
Total revenues	<u>1,797,250</u>	<u>1,945,874</u>	<u>148,624</u>	<u>1,812,458</u>
Expenditures				
Culture, Recreation & Tourism:				
Personal services	639,148	549,703	89,445	400,829
Contractual services	96,244	38,029	58,215	44,181
Supplies and materials	119,145	91,298	27,847	57,006
Business and travel	95,620	79,517	16,103	49,498
Capital outlay	168,423	102,994	65,429	19,518
Other	3,780,960	1,311,851	2,469,109	602,650
Cost allocation	-	62,683	(62,683)	-
Total expenditures	<u>4,899,540</u>	<u>2,236,075</u>	<u>2,663,465</u>	<u>1,173,682</u>
Excess (deficiency) of revenues over expenditures	<u>(3,102,290)</u>	<u>(290,201)</u>	<u>2,812,089</u>	<u>638,776</u>
Other Financing Sources (Uses)				
Transfers in	796,542	796,018	(524)	-
Transfers out	-	-	-	(12,901)
Total other financing sources (uses)	<u>796,542</u>	<u>796,018</u>	<u>(524)</u>	<u>(12,901)</u>
Net change in fund balance	<u>(2,305,748)</u>	<u>505,817</u>	<u>2,811,565</u>	<u>625,875</u>
Fund balance at beginning of year	<u>2,292,937</u>	<u>2,292,937</u>	<u>-</u>	<u>1,667,062</u>
Fund balance (deficit) at end of year	<u>\$ (12,811)</u>	<u>\$ 2,798,754</u>	<u>\$ 2,811,565</u>	<u>\$ 2,292,937</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.5% FEE SPECIAL REVENUE FUND- MAJOR FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents	\$ 2,359,463	\$ 3,055,070
Equity in pooled cash and investments	99,692	94,976
Receivables, net:		
Accounts	3,460,135	3,357,683
Total assets	<u>\$ 5,919,290</u>	<u>\$ 6,507,729</u>
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 5,910,630	\$ 5,596,570
Total liabilities	<u>5,910,630</u>	<u>5,596,570</u>
Fund balance:		
Unreserved, undesignated	8,660	911,159
Total fund balance	<u>8,660</u>	<u>911,159</u>
Total liabilities and fund balance	<u>\$ 5,919,290</u>	<u>\$ 6,507,729</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.5% FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL - MAJOR FUND

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 25,717,250	\$ 25,969,284	\$ 252,034	\$ 24,759,413
Interest	16,000	27,972	11,972	13,734
Other	-	216	216	-
Total revenues	<u>25,733,250</u>	<u>25,997,472</u>	<u>264,222</u>	<u>24,773,147</u>
Excess of revenues over expenditures	<u>25,733,250</u>	<u>25,997,472</u>	<u>264,222</u>	<u>24,773,147</u>
Other Financing Sources (Uses)				
Transfers out - RIDE Debt Service	(25,476,077)	(26,645,217)	(1,169,140)	(24,567,596)
Transfers out - General Fund	(257,173)	(254,754)	2,419	(233,619)
Total other financing Sources (Uses)	<u>(25,733,250)</u>	<u>(26,899,971)</u>	<u>(1,166,721)</u>	<u>(24,801,215)</u>
Net change in fund balance	-	(902,499)	(902,499)	(28,068)
Fund balance at beginning of year	911,159	911,159	-	939,227
Fund balance (deficit) at end of year	<u>\$ 911,159</u>	<u>\$ 8,660</u>	<u>\$ (902,499)</u>	<u>\$ 911,159</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUND

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.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 15,298,969	\$ 22,154,784
Funds held in escrow	2,280,483	295,390
Accounts receivable other	-	47,763
Accrued interest receivable	15,826	17,476
Prepaid leases	728,639	-
Due from component unit	72,252	73,615
Total assets	<u>\$ 18,396,169</u>	<u>\$ 22,589,028</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 637,539	\$ 737,959
Construction and retainage payable	121,034	262,077
Other accrued liabilities	234,531	230,145
Total liabilities	<u>993,104</u>	<u>1,230,181</u>
Fund balance:		
Reserved for prepaid items	728,639	-
Reserved for encumbrances	6,037,378	5,434,031
Reserved for Horry-Georgetown TECH	-	3,000,000
Reserved for Fire Special Revenue Fund	4,289,848	5,821,971
Unreserved:		
Designated	6,347,200	7,102,845
Total fund balance	<u>17,403,065</u>	<u>\$ 21,358,847</u>
Total liabilities and fund balance	<u>\$ 18,396,169</u>	<u>\$ 22,589,028</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Disposal fee	\$ 702,000	\$ 787,796	\$ 85,796	\$ 731,025
Interest	-	464,934	464,934	182,313
Other	-	-	-	150,000
Total revenues	<u>702,000</u>	<u>1,252,730</u>	<u>550,730</u>	<u>1,063,338</u>
Expenditures				
Capital Outlay:				
Construction contracts	13,192,390	4,080,679	9,111,711	5,337,444
Capital outlay	19,566,692	14,506,686	5,060,006	3,441,634
Other	586,223	160,400	425,823	1,079
Total Capital Outlay	<u>33,345,305</u>	<u>18,747,765</u>	<u>14,597,540</u>	<u>8,780,157</u>
Total expenditures	<u>33,345,305</u>	<u>18,747,765</u>	<u>14,597,540</u>	<u>8,780,157</u>
Excess (deficiency) of revenues over expenditures	(32,643,305)	(17,495,035)	15,148,270	(7,716,819)
Other Financing Sources (Uses)				
Capital lease obligation	-	9,789,826	9,789,826	1,031,518
Bond proceeds	11,000,000	-	(11,000,000)	14,000,000
Bond issue premium	-	-	-	47,395
Transfers in	3,891,566	3,891,566	-	1,561,000
Transfers out	(142,139)	(142,139)	-	-
Total other financing sources (uses)	<u>14,749,427</u>	<u>13,539,253</u>	<u>(1,210,174)</u>	<u>16,639,913</u>
Net change in fund balance	(17,893,878)	(3,955,782)	13,938,096	8,923,094
Fund balance at beginning of year	21,358,847	21,358,847	-	12,435,753
Fund balance at end of year	<u>\$ 3,464,969</u>	<u>\$ 17,403,065</u>	<u>\$ 13,938,096</u>	<u>\$ 21,358,847</u>

See accompanying independent auditors' report.

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:

General Debt - accounts for 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.

Higher Education - accounts for the funds accumulated for, and payment of principal, interest, and fees on the general obligation serial bonds issued for higher education and the contributions to the Higher Education Commission.

Horry-Georgetown TECH - accounts for the funds accumulated for, and payment of principal, interest, and fees on the general obligation serial bonds issued for the Horry Georgetown Technical Education Center with a current amount remitted to TECH for maintenance related expenditures.

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.

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.

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2005

	Non-Major Funds					Total Non-Major Funds
	General Debt	Higher Education	Georgetown TECH	Special Obligation Debt		
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,326,031	\$ -	\$ 2,326,031
Equity in pooled cash and investments	4,053,157	101,486	206,401	-	-	4,361,044
Receivables, net:						
Property taxes	32,266	4,775	12,937	-	-	49,978
Interest	-	-	6,095	-	-	6,095
Restricted assets	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 4,085,423</u>	<u>\$ 106,261</u>	<u>\$ 225,433</u>	<u>\$ 2,326,031</u>	<u>\$ -</u>	<u>\$ 6,743,148</u>
Liabilities and Fund Balances						
Unreserved, undesignated	\$ 4,085,423	\$ 106,261	\$ 225,433	\$ 2,326,031	\$ -	\$ 6,743,148
Total fund balances	<u>\$ 4,085,423</u>	<u>\$ 106,261</u>	<u>\$ 225,433</u>	<u>\$ 2,326,031</u>	<u>\$ -</u>	<u>\$ 6,743,148</u>
Total liabilities and fund balances	<u>\$ 4,085,423</u>	<u>\$ 106,261</u>	<u>\$ 225,433</u>	<u>\$ 2,326,031</u>	<u>\$ -</u>	<u>\$ 6,743,148</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR DEBT SERVICE FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2005

	Non-Major Funds					Total Non-Major Funds
	General Debt	Higher Education	Georgetown TECH	Special Obligation Debt		
Revenues						
Property taxes	\$ 7,452,598	\$ 845,575	\$ 2,281,986	\$ -	\$ -	\$ 10,580,159
Intergovernmental	106,213	10,638	13,880	-	-	130,731
Interest	33,909	3,196	68,478	188,253	-	293,836
Other	24,886	286	777	-	-	25,949
Total revenues	7,617,606	859,695	2,365,121	188,253	-	11,030,675
Expenditures						
Debt service:						
Principal	5,254,163	390,000	-	1,150,000	-	6,794,163
Interest	3,638,318	135,775	102,994	876,223	-	4,753,310
Agents fees	5,150	450	-	3,145	-	8,745
Total debt service	8,897,631	526,225	102,994	2,029,368	-	11,556,218
Current:						
Horry Georgetown TECH	-	-	2,153,403	-	-	2,153,403
Higher Education Commission	-	303,161	-	-	-	303,161
Total current	-	303,161	2,153,403	-	-	2,456,564
Total expenditures	8,897,631	829,386	2,256,397	2,029,368	-	14,012,782
Excess (deficiency) of revenues over expenditures	(1,280,025)	30,309	108,724	(1,841,115)	-	(2,982,107)

- CONTINUED -

COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2005

- CONTINUED -

	Non-Major Funds					Total Non-Major Funds
	General Debt	Higher Education	Georgetown TECH	Special Obligation Debt		
Other Financing Sources (Uses)						
Transfers in	1,309,604	-	-	1,946,396		3,256,000
Total other financing sources (uses)	<u>1,309,604</u>	<u>-</u>	<u>-</u>	<u>1,946,396</u>		<u>3,256,000</u>
Net change in fund balance	29,579	30,309	108,724	105,281		273,893
Fund balances at beginning of year	4,055,844	75,952	116,709	2,220,750		6,469,255
Fund balances at end of year	<u>\$ 4,085,423</u>	<u>\$ 106,261</u>	<u>\$ 225,433</u>	<u>\$ 2,326,031</u>		<u>\$ 6,743,148</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Equity in pooled cash and investments	\$ 4,053,157	\$ 4,022,259
Receivables, (net):		
Property taxes	32,266	33,145
Due from other governments	-	440
Total assets	<u>\$ 4,085,423</u>	<u>\$ 4,055,844</u>
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 4,085,423	\$ 4,055,844
Total fund balance	<u>4,085,423</u>	<u>4,055,844</u>
Total liabilities and fund balance	<u>\$ 4,085,423</u>	<u>\$ 4,055,844</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 7,418,159	\$ 7,452,598	\$ 34,439	\$ 7,238,331
Intergovernmental	106,934	106,213	(721)	106,932
Interest	22,000	33,909	11,909	-
Other	24,850	24,886	36	52,913
Total revenues	<u>7,571,943</u>	<u>7,617,606</u>	<u>45,663</u>	<u>7,398,176</u>
Expenditures				
Debt service:				
Principal	5,704,838	5,254,163	450,675	5,577,090
Interest	3,762,243	3,638,318	123,925	3,566,103
Agents fees	4,862	5,150	(288)	4,949
Total debt service	<u>9,471,943</u>	<u>8,897,631</u>	<u>574,312</u>	<u>9,148,142</u>
Total expenditures	<u>9,471,943</u>	<u>8,897,631</u>	<u>574,312</u>	<u>9,148,142</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,900,000)</u>	<u>(1,280,025)</u>	<u>619,975</u>	<u>(1,749,966)</u>
Other Financing Sources (Uses)				
Transfers in	<u>1,900,000</u>	<u>1,309,604</u>	<u>(590,396)</u>	<u>1,507,312</u>
Total other financing sources (uses)	<u>1,900,000</u>	<u>1,309,604</u>	<u>(590,396)</u>	<u>1,507,312</u>
Net change in fund balance	-	29,579	29,579	(242,654)
Fund balance at beginning of year	<u>4,055,844</u>	<u>4,055,844</u>	-	<u>4,298,498</u>
Fund balance at end of year	<u>\$ 4,055,844</u>	<u>\$ 4,085,423</u>	<u>\$ 29,579</u>	<u>\$ 4,055,844</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HIGHER EDUCATION DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 101,486	\$ 72,172
Receivables, (net):		
Property taxes	4,775	3,780
Total assets	\$ 106,261	\$ 75,952
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 106,261	\$ 75,952
Total fund balance	106,261	75,952
Total liabilities and fund balance	\$ 106,261	\$ 75,952

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HIGHER EDUCATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
(with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Property taxes	\$ 840,350	\$ 845,575	\$ 5,225	\$ 815,077
Intergovernmental	10,638	10,638	-	10,638
Interest	-	3,196	3,196	-
Other	288	286	(2)	3,057
Total revenues	851,276	859,695	8,419	828,772
Expenditures				
Debt service:				
Principal	390,000	390,000	-	370,000
Interest	150,825	135,775	15,050	164,563
Agents fees	800	450	350	425
Indirect cost allocation	6,490	-	6,490	-
Total debt service	548,115	526,225	21,890	534,988
Current:				
Higher Education Commission	303,161	303,161	-	290,000
Total expenditures	851,276	829,386	21,890	824,988
Excess of revenues over expenditures	-	30,309	30,309	3,784
Other Financing Sources (Uses)				
Transfers in	-	-	-	540
Total other financing sources (uses)	-	-	-	540
Net change in fund balance	-	30,309	30,309	4,324
Fund balance at beginning of year	75,952	75,952	-	71,628
Fund balance at end of year	\$ 75,952	\$ 106,261	\$ 30,309	\$ 75,952

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 HORRY-GEORGETOWN TECH DEBT SERVICE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Equity in pooled cash and investments	\$ 206,401	\$ 106,542
Receivables, (net):		
Property taxes	12,937	10,167
Interest	6,095	-
Total assets	\$ 225,433	\$ 116,709
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 225,433	\$ 116,709
Total fund balance	225,433	116,709
Total liabilities and fund balance	\$ 225,433	\$ 116,709

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005			2004
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Property taxes	\$ 2,226,250	\$ 2,281,986	\$ 55,736	\$ 2,196,948
Intergovernmental	14,000	13,880	(120)	13,881
Interest	-	68,478	68,478	574
Other	1,000	777	(223)	8,296
Total revenues	<u>2,241,250</u>	<u>2,365,121</u>	<u>123,871</u>	<u>2,219,699</u>
Expenditures				
Debt service:				
Principal	-	-	-	200,000
Interest	75,000	102,994	(27,994)	13,000
Agents fees	840	-	840	444
Indirect cost allocation	12,007	-	12,007	-
Total debt service	<u>87,847</u>	<u>102,994</u>	<u>(15,147)</u>	<u>213,444</u>
Current:				
Horry Georgetown Tech	<u>2,153,403</u>	<u>2,153,403</u>	-	1,950,000
Total expenditures	<u>2,241,250</u>	<u>2,256,397</u>	<u>(15,147)</u>	<u>2,163,444</u>
Excess of revenues over expenditures	<u>-</u>	<u>108,724</u>	<u>108,724</u>	<u>56,255</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,001
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001</u>
Net change in fund balance	-	108,724	108,724	57,256
Fund balance at beginning of year	116,709	116,709	-	59,453
Fund balance at end of year	<u>\$ 116,709</u>	<u>\$ 225,433</u>	<u>\$ 108,724</u>	<u>\$ 116,709</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Cash and cash equivalents	\$ 2,326,031	\$ 2,220,750
Total assets	\$ 2,326,031	\$ 2,220,750
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 2,326,031	\$ 2,220,750
Total fund balance	2,326,031	2,220,750
Total liabilities and fund balance	\$ 2,326,031	\$ 2,220,750

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Interest	\$ 181,500	\$ 188,253	\$ 6,753	\$ 185,177
Total revenues	<u>181,500</u>	<u>188,253</u>	<u>6,753</u>	<u>185,177</u>
Expenditures				
Debt service:				
Principal	1,150,000	1,150,000	-	1,100,000
Interest	876,223	876,223	-	926,823
Agency fees	3,050	3,145	(95)	3,148
Total debt service	<u>2,029,273</u>	<u>2,029,368</u>	<u>(95)</u>	<u>2,029,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,847,773)</u>	<u>(1,841,115)</u>	<u>6,658</u>	<u>(1,844,794)</u>
Other Financing Sources (Uses)				
Transfers in - Hospitality Fund	1,847,773	1,946,396	98,623	1,866,292
Total other financing sources (uses)	<u>1,847,773</u>	<u>1,946,396</u>	<u>98,623</u>	<u>1,866,292</u>
Net change in fund balance	-	105,281	105,281	21,498
Fund balance at beginning of year	<u>2,220,750</u>	<u>2,220,750</u>	-	<u>2,199,252</u>
Fund balance at end of year	<u>\$ 2,220,750</u>	<u>\$ 2,326,031</u>	<u>\$ 105,281</u>	<u>\$ 2,220,750</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Funds held in trust (restricted):		
Loan Reserve Account	\$ 15,239,800	\$ 12,046,363
Due from other funds	5,903,260	5,590,547
Total assets	<u>\$ 21,143,060</u>	<u>\$ 17,636,910</u>
 Liabilities and Fund balance		
Fund balance:		
Reserved	\$ 21,143,060	\$ 17,636,910
Total fund balance	<u>21,143,060</u>	<u>17,636,910</u>
Total liabilities and fund balance	<u>\$ 21,143,060</u>	<u>\$ 17,636,910</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL - MAJOR FUND

YEAR ENDED JUNE 30, 2005
 (with comparative actual amounts year ended June 30, 2004)

	2005		Variance Positive (Negative)	2004
	Budget	Actual		Actual
Revenues				
Interest on investments	\$ 745,000	\$ 617,804	\$ (127,196)	\$ 644,385
Total revenues	<u>745,000</u>	<u>617,804</u>	<u>(127,196)</u>	<u>644,385</u>
Expenditures				
Debt service:				
Principal:				
Insured	15,088,020	10,050,976	5,037,044	9,651,060
Uninsured	11,221,077	1,953,112	9,267,965	1,343,373
Interest:				
Insured	-	5,031,436	(5,031,436)	5,348,939
Uninsured	-	6,803,229	(6,803,229)	6,800,679
Total debt service	<u>26,309,097</u>	<u>23,838,753</u>	<u>2,470,344</u>	<u>23,144,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,564,097)</u>	<u>(23,220,949)</u>	<u>2,343,148</u>	<u>(22,499,666)</u>
Other Financing Sources (Uses)			-	
Transfers in	25,564,097	26,727,099	1,163,002	24,648,460
Total other financing sources (uses)	<u>25,564,097</u>	<u>26,727,099</u>	<u>1,163,002</u>	<u>24,648,460</u>
Net change in fund balance	-	3,506,150	3,506,150	2,148,794
Fund balance at beginning of year	17,636,910	17,636,910	-	15,488,116
Fund balance at end of year	<u>\$ 17,636,910</u>	<u>\$ 21,143,060</u>	<u>\$ 3,506,150</u>	<u>\$ 17,636,910</u>

See accompanying independent auditors' report.

PROPRIETARY (ENTERPRISE) FUNDS

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 and Grand Strand general aviation airports, and the Myrtle Beach International Airport.

Baseball Stadium - accounts for revenue and expenses for the operation of a farm league professional baseball stadium jointly owned and operated with the City of Myrtle Beach.

Industrial Parks - accounts for revenue and expenses for the operation, development and property management of the Atlantic Center, Hwy. 701 (Pineridge Business Center) and the Hwy. 319 (Cool Spring) industrial parks.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEET

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,786,108	\$ 16,291,061
Investments	17,244,391	9,742,408
Accounts receivable (net of allowance of \$243,223 in 2005 and \$256,706 in 2004)	819,982	999,501
Accrued interest on investments	151,846	196,682
Due from other governments	2,051,176	1,234,364
Inventories	249,570	218,818
Prepaid expenses	242,207	225,180
Total current assets	<u>34,545,280</u>	<u>28,908,014</u>
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	5,555,091	5,470,421
Investments	17,780,277	14,812,225
Receivables - PFC's and CFC's	782,396	666,772
Total restricted assets	<u>24,117,764</u>	<u>20,949,418</u>
Capital assets:		
Land, easements and infrastructure	29,757,914	29,755,899
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	63,280,713	60,375,331
Construction-in-progress	11,188,383	6,734,539
Total capital assets, net	<u>104,227,010</u>	<u>96,865,769</u>
Bond issuance costs, net	729,478	793,768
Other non-current assets	-	30,000
Total assets	<u>\$ 163,619,532</u>	<u>\$ 147,546,969</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEET

- CONTINUED -

	<u>2005</u>	<u>2004</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 186,787	\$ 179,634
Construction accounts and retainage payable	1,452,198	807,041
Accrued salaries, wages and compensated absences	211,170	320,366
Other accrued expenses	384,831	170,160
Unearned revenue	224,188	117,018
Due to Horry County - General Fund	1,048,224	1,847,582
Capital leases payable - current portion	19,239	18,214
Amounts due to airlines and car rentals	642,783	443,970
Total current liabilities	<u>4,169,420</u>	<u>3,903,985</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,685,000	1,590,000
Accrued interest payable	838,794	886,505
Total current liabilities payable from restricted assets	<u>2,523,794</u>	<u>2,476,505</u>
Non-current liabilities:		
Revenue bonds payable	25,453,336	27,105,547
Compensated absences - long term	425,936	313,766
Capital leases	9,070	30,011
Total non-current liabilities	<u>25,888,342</u>	<u>27,449,324</u>
Total liabilities	<u>32,581,556</u>	<u>33,829,814</u>
Net assets:		
Investment in capital assets, net of related debt	76,337,645	68,915,765
Restricted for:		
Debt service	23,957,464	20,162,567
Unrestricted	30,742,867	24,638,823
Total net assets	<u>131,037,976</u>	<u>113,717,155</u>
Total liabilities and net assets	<u>\$ 163,619,532</u>	<u>\$ 147,546,969</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2005
(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Operating Revenues		
Landing fees	\$ 2,066,035	\$ 2,094,482
Airline terminal rents	3,625,778	3,541,526
Concessions and rentals	5,176,651	4,722,195
Security fees	305,606	263,584
Leases	928,205	708,506
Fuel sales - FBO	3,155,055	2,478,776
Other FBO services	793,720	981,371
Other	1,140,974	490,974
Total operating revenues	<u>17,192,024</u>	<u>15,281,414</u>
Less, signatory airline contract operating rebate	<u>(372,662)</u>	<u>(197,000)</u>
Net operating revenues	<u>16,819,362</u>	<u>15,084,414</u>
Operating Expenses		
Salaries and benefits	5,059,670	4,508,837
Utilities	750,238	667,723
Outside and professional services	889,178	731,211
Maintenance and supplies	569,788	476,366
Fuel cost of sales	2,074,183	1,517,630
Vehicle and equipment (non-capital) expense	314,628	293,948
Insurance	268,681	226,744
Business and travel related	136,098	87,149
Office supplies	25,918	24,656
Horry County administrative costs	325,000	265,986
Depreciation and amortization	4,644,041	4,168,259
Bad debt expense	18,302	4,075
Total operating expenses	<u>15,075,725</u>	<u>12,972,584</u>
Operating income	<u>1,743,637</u>	<u>2,111,830</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

- CONTINUED -

	<u>2005</u>	<u>2004</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	3,209,882	3,189,848
Contract Facility Charges (CFC's)	2,133,370	1,313,382
Intergovernmental revenues - City of Myrtle Beach	3,275,982	-
TSA grant revenue	343,400	567,517
Redevelopment Authority grant revenue	420,000	-
Grant expenditures	(1,028,796)	-
Interest income	968,402	571,017
Interest expense	(1,712,529)	(1,808,480)
Miscellaneous income	-	34,345
Net non-operating revenues (expenses)	<u>7,609,711</u>	<u>3,867,629</u>
Income before special item and capital contributions	9,353,348	5,979,459
Special Item:		
Compensated absences accrual	-	(190,285)
Income before capital contributions	<u>9,353,348</u>	<u>5,789,174</u>
Capital Contributions		
State grants - capital projects	166,360	412,860
Federal grants - capital projects	7,801,113	3,719,422
Net change in net assets	<u>17,320,821</u>	<u>9,921,456</u>
Net assets, beginning of year	<u>113,717,155</u>	<u>103,795,699</u>
Net assets, end of year	<u>\$ 131,037,976</u>	<u>\$ 113,717,155</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005
(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, concessions leases and other fees	\$ 12,673,410	\$ 11,080,469
FBO sales and services	3,500,563	3,020,874
FAA security operations grant	-	142,727
Other	1,130,891	502,544
Cash paid for:		
Salaries and benefits	(5,168,866)	(4,379,771)
Maintenance, supplies, fuel, utilities and equipment	(5,979,025)	(4,083,812)
Net cash provided by operating activities	<u>6,156,973</u>	<u>6,283,031</u>
Cash flows from non-capital financing activities		
Proceeds from miscellaneous receipts and change in compensation	142,170	(20,292)
Grant expenditures	(1,028,796)	-
Intergovernmental revenues and Transportation Safety Authority	414,543	-
Net cash used in non-capital financing activities	<u>(472,083)</u>	<u>(20,292)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	5,227,628	4,472,932
Acquisition and construction of fixed assets	(11,281,348)	(8,073,225)
Principal payments on bonds and notes	(1,590,000)	(1,500,000)
Interest paid on bonds and notes	(1,760,240)	(1,852,996)
Principal payments on capital lease obligation	(19,916)	(18,854)
Receipt from city of Myrtle Beach Trust Fund	3,275,982	-
Proceeds from AIP and TSA grants	7,499,518	3,831,689
Net cash provided by (used in) capital and related financing activities	<u>1,351,624</u>	<u>(3,140,454)</u>
Cash flows from investing activities		
Investment purchases	(35,024,668)	(24,554,633)
Investment sales	24,554,633	28,608,456
Interest on investments	1,013,238	542,544
Net cash provided by (used in) investing activities	<u>(9,456,797)</u>	<u>4,596,367</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,420,283)</u>	7,718,652
Cash and cash equivalents, beginning of year		
Unrestricted	16,291,061	8,508,513
Restricted	5,470,421	5,534,317
	<u>21,761,482</u>	<u>14,042,830</u>
Cash and cash equivalents, end of year		
Unrestricted	13,786,108	16,291,061
Restricted	5,555,091	5,470,421
	<u>\$ 19,341,199</u>	<u>\$ 21,761,482</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

- CONTINUED -

	2005	2004
Reconciliation of operating income to cash flows from operating activities		
Operating income	\$ 1,743,637	\$ 2,111,830
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	4,644,041	4,168,259
Bad debt expense	18,302	4,075
(Increase) decrease in certain assets:		
Accounts receivable	179,519	(363,210)
Accounts receivable - FAA grant	-	142,727
Prepaid expenses	(17,027)	(62,876)
Inventories	(30,752)	(39,102)
(Increase) decrease in certain liabilities:		
Accounts payable	7,153	56,402
Accrued salaries, wages and compensated absences	(109,196)	129,066
Other accrued expenses	214,671	40,546
Due to Horry County - General Fund	(799,358)	212,629
Unearned Revenue	107,170	(62,271)
Amounts due to airlines and car rental companies	198,813	(55,044)
Net cash provided by operating activities	\$ 6,156,973	\$ 6,283,031
Supplemental information-noncash investing, capital and financing activities		
Restricted accounts receivable - PFC's & CFC's	\$ 782,396	\$ 666,772
Construction accounts and retainage payable	\$ 1,452,198	\$ 807,041

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 BASEBALL STADIUM ENTERPRISE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Restricted assets:		
Cash and cash equivalents	\$ 283,512	\$ 276,461
Total restricted assets	283,512	276,461
Non-current assets:		
Capital assets:		
Land and improvements	2,693,320	2,693,320
Buildings and improvements	3,356,135	3,356,135
Equipment	326,892	326,892
Total non-current capital assets	6,376,347	6,376,347
Less, accumulated depreciation	(1,199,789)	(1,033,811)
Net capital assets	5,176,558	5,342,536
Total assets	\$ 5,460,070	\$ 5,618,997
Liabilities and Net Assets		
Current liabilities:		
Due to other governments	\$ 73,270	\$ 46,128
Total current liabilities	73,270	46,128
Current liabilities payable from restricted assets:		
Certificates of Participation - current portion	127,500	123,000
Accrued interest payable	57,491	60,043
Total current liabilities payable from restricted assets	184,991	183,043
Non-current liabilities:		
Certificates of Participation	2,295,000	2,422,500
Total liabilities	2,553,261	2,651,671
Net assets:		
Invested in capital assets, net of related debt	2,754,058	2,736,993
Restricted for debt service, renewals and replacements	283,512	276,461
Unrestricted	(130,761)	(46,128)
Total net assets	2,906,809	2,967,326
Total liabilities and net assets	\$ 5,460,070	\$ 5,618,997

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 BASEBALL STADIUM ENTERPRISE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2005
 (with comparative amounts year ended June 30, 2004)

	2005	2004
Operating Revenues		
Concessions and rentals	\$ 8,537	\$ 7,204
Other	3,265	2,189
Total operating revenues	11,802	9,393
Operating Expenses		
Management fee	3,000	-
Maintenance and supplies	54,171	21,343
Insurance	28,379	28,379
Depreciation	165,978	190,360
Other	2,697	4,953
Total operating expenses	254,225	245,035
Operating loss	(242,423)	(235,642)
Non-operating Revenues (Expenses)		
Interest income	6,245	4,463
Interest expense	(114,982)	(120,086)
Net non-operating revenues (expenses)	(108,737)	(115,623)
Loss before transfers	(351,160)	(351,265)
Transfers		
Operating transfers in - Hospitality Fund	290,643	251,235
Net change in net assets	(60,517)	(100,030)
Net assets at beginning of year	2,967,326	3,067,356
Net assets at end of year	\$ 2,906,809	\$ 2,967,326

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005
(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash paid for (received from):		
Baseball stadium operations	\$ (49,303)	\$ (9,123)
Net cash provided (used in) operating activities	<u>(49,303)</u>	<u>(9,123)</u>
Cash flows from non-capital financing activities		
Transfers in - Hospitality Fund	<u>290,643</u>	<u>251,235</u>
Net cash flows provided by non-capital financing activities	<u>290,643</u>	<u>251,235</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	-	(1,891)
Principal payments on Certificates of Participation	(123,000)	(117,000)
Interest paid on Certificates of Participation	<u>(117,534)</u>	<u>(122,455)</u>
Net cash used in capital and related financing activities	<u>(240,534)</u>	<u>(241,346)</u>
Cash flows from investing activities		
Interest on investment	<u>6,245</u>	<u>4,463</u>
Net cash provided by investing activities	<u>6,245</u>	<u>4,463</u>
Net increase in cash and cash equivalents	7,051	5,229
Cash and cash equivalents at beginning of year	<u>276,461</u>	<u>271,232</u>
Cash and cash equivalents at end of year	<u>\$ 283,512</u>	<u>\$ 276,461</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (242,423)	\$ (235,642)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	165,978	190,360
Increase in interfund borrowing	-	38,414
Increase (decrease) in due to other governments	<u>27,142</u>	<u>(2,255)</u>
Net cash provided by (used in) operating activities	<u>\$ (49,303)</u>	<u>\$ (9,123)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
INDUSTRIAL PARKS ENTERPRISE FUND
BALANCE SHEET

JUNE 30, 2005
(with comparative amounts June 30, 2004)

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,235,375	\$ 2,362,948
Receivables:		
Accounts receivable	11,493	13,001
Total current assets	3,246,868	2,375,949
Non-current assets:		
Capital assets:		
Land	445,955	445,955
Building and improvements	2,712,975	2,712,975
Total non-current capital assets	3,158,930	3,158,930
Less, accumulated depreciation	(1,003,846)	(934,748)
Net capital assets	2,155,084	2,224,182
Land held for investment	894,957	1,276,426
Total assets	\$ 6,296,909	\$ 5,876,557
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 66,860	\$ 4,806
Due to other funds	302,771	329,446
Total current liabilities	369,631	334,252
Total liabilities	369,631	334,252
Net assets:		
Invested in capital assets, net of related debt	2,155,084	2,224,182
Restricted for infrastructure development	464,147	516,000
Unrestricted	3,308,047	2,802,123
Total net assets	5,927,278	5,542,305
Total liabilities and net assets	\$ 6,296,909	\$ 5,876,557

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2005
(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Operating Revenues		
Rents	\$ 264,788	\$ 173,803
Fees-in-lieu of taxes	29,100	20,016
Donations for Capital	806,628	-
Other	92,301	45,855
Total operating revenues	<u>1,192,817</u>	<u>239,674</u>
Operating Expenses		
Depreciation	69,098	76,771
Contractual services	528,233	508,747
Capital Outlay	802,702	-
Other-cost allocation	-	27,058
Total operating expenses	<u>1,400,033</u>	<u>612,576</u>
Operating income (loss)	<u>(207,216)</u>	<u>(372,902)</u>
Non-operating revenues		
Gain on sale of property	592,644	1,261,136
Interest Income	28,645	15,132
Net non-operating revenues	<u>621,289</u>	<u>1,276,268</u>
Income before transfers	<u>414,073</u>	<u>903,366</u>
Transfers		
Operating transfer out	<u>(29,100)</u>	<u>(14,191)</u>
Net change in net assets	384,973	889,175
Net assets at beginning of year	5,542,305	4,653,130
Net assets at end of year	<u>\$ 5,927,278</u>	<u>\$ 5,542,305</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005

(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash received from:		
Rent	\$ 266,296	\$ 173,803
Donations	806,628	-
Service and miscellaneous charges	121,401	52,870
Cash paid for:		
Industrial park operations	(1,264,075)	(507,208)
Other supplies and miscellaneous costs	(31,481)	(27,058)
Net cash provided by (used in) operating activities	<u>(101,231)</u>	<u>(307,593)</u>
Cash flows from non-capital financing activities		
Returns to other funds	(29,100)	(14,191)
Net cash flows used in non-capital financing	<u>(29,100)</u>	<u>(14,191)</u>
Cash flows from investing activities		
Proceeds from sales of investments	974,113	1,793,168
Interest received	28,645	15,132
Net cash provided by investing activities	<u>1,002,758</u>	<u>1,808,300</u>
Net increase (decrease) in cash	872,427	1,486,516
Cash and cash equivalents at beginning of year	2,362,948	876,432
Cash and cash equivalents at end of year	<u>\$ 3,235,375</u>	<u>\$ 2,362,948</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ (207,216)	\$ (372,902)
Adjustments to reconcile operating income to net provided by operating activities:		
Depreciation	69,098	76,771
Change in certain assets and liabilities:		
Increase (decrease) in accounts receivable	1,508	(13,001)
Increase (decrease) in accounts payable	35,379	1,539
Net cash provided by operating activities	<u>\$ (101,231)</u>	<u>\$ (307,593)</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 service of all County vehicles including heavy and light equipment.

HORRY COUNTY, SOUTH CAROLINA
 FLEET SERVICE INTERNAL SERVICE FUND
 BALANCE SHEET

JUNE 30, 2005
 (with comparative amounts June 30, 2004)

	2005	2004
Assets		
Current assets:		
Equity in pooled cash and investments	\$ 5,306,173	\$ 4,736,886
Accounts receivable	100	-
Inventory	264,200	246,414
Total current assets	5,570,473	4,983,300
Non-current assets:		
Capital assets:		
Machinery and equipment	10,374,967	9,360,783
Less, accumulated depreciation	(6,869,608)	(6,351,043)
Net capital assets	3,505,359	3,009,740
Total assets	\$ 9,075,832	\$ 7,993,040
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 28,060	\$ 56,776
Accrued salaries, wages and compensated absences	10,990	5,441
Total current liabilities	39,050	62,217
Net Assets:		
Invested in capital assets	3,505,359	3,009,740
Unrestricted	5,531,423	4,921,083
Total net assets	9,036,782	7,930,823
Total liabilities and net assets	\$ 9,075,832	\$ 7,993,040

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 FLEET SERVICE INTERNAL SERVICE FUND
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2005
 (with comparative amounts year end June 30, 2004)

	2005	2004
Operating Revenues		
Charges for service	\$ 3,830,996	\$ 3,742,491
Other	99,677	-
Total operating revenues	3,930,673	3,742,491
Operating Expenses		
Personal services	804,232	749,871
Contractual services	1,143,036	1,148,616
Supplies and materials	29,094	29,938
Business and travel	37,631	40,796
Depreciation	1,042,644	1,293,082
Total operating expenses	3,056,637	3,262,303
Operating income	874,036	480,188
Non-operating revenues (expenses)		
Gain (loss) on disposal of assets	(612)	(60,000)
Interest income	45,562	49,059
Net non-operating revenue (expenses)	44,950	(10,941)
Income before transfers	918,986	469,247
Transfers		
Transfers in	186,973	205,945
Net change in net assets	1,105,959	675,192
Net assets, beginning of year	7,930,823	7,255,631
Net assets, end of year	\$ 9,036,782	\$ 7,930,823

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2005
(with comparative amounts year ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 3,830,896	\$ 3,742,491
Miscellaneous charges	99,677	-
Cash paid for:		
Fleet maintenance	(2,017,315)	(1,962,135)
Other supplies and miscellaneous costs	(37,631)	(40,796)
Net cash provided by operating activities	<u>1,875,627</u>	<u>1,739,560</u>
Cash flows from non-capital and related financing activities		
Transfers in	186,973	205,945
Net cash provided by non-capital and related financing activities	<u>186,973</u>	<u>205,945</u>
Cash flows from capital and related financing activities		
Contributed capital - General Fund	-	-
Purchase of fixed assets	(1,604,682)	(1,200,930)
Proceeds from disposition of property and equipment	65,907	(63,055)
Net cash used in capital and related financing activities	<u>(1,538,775)</u>	<u>(1,263,985)</u>
Cash flows from investing activities		
Interest income	45,462	49,059
Net cash provided by investing activities	<u>45,462</u>	<u>49,059</u>
Net increase in cash and cash equivalents	569,287	730,579
Cash and cash equivalents at beginning of year	4,736,886	4,006,307
Cash and cash equivalents at end of year	<u>\$ 5,306,173</u>	<u>\$ 4,736,886</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income	\$ 874,036	\$ 480,188
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,042,644	1,293,082
(Increase) decrease in assets:		
Accounts receivable	(100)	-
Inventories	(17,786)	(18,093)
Increase (decrease) in liabilities:		
Accounts payable	(28,716)	4,225
Accrued salaries, wages and compensated absences	5,549	(19,842)
Net cash provided by operating activities	<u>\$ 1,875,627</u>	<u>\$ 1,739,560</u>

See accompanying independent auditors' report.

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

ALL AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Totals-Agency Funds				
Assets:				
Cash	\$ 1,508,167	\$ 3,107,384	\$ 3,550,317	\$ 1,065,234
Equity in pooled cash and investments	68,735,976	436,194,560	350,866,475	154,064,061
Total assets	<u>\$ 70,244,143</u>	<u>\$ 439,301,944</u>	<u>\$ 354,416,792</u>	<u>\$ 155,129,295</u>
Liabilities:				
Due to agency	\$ 70,244,143	\$ 439,301,944	\$ 354,416,792	\$ 155,129,295
Total liabilities	<u>\$ 70,244,143</u>	<u>\$ 439,301,944</u>	<u>\$ 354,416,792</u>	<u>\$ 155,129,295</u>

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<u>City of Conway</u>				
Assets:				
Equity in pooled cash and investments	\$ 56,052	\$ 3,333,656	\$ 3,333,918	\$ 55,790
Liabilities:				
Due to agency	\$ 56,052	\$ 3,333,656	\$ 3,333,918	\$ 55,790
<u>City of Myrtle Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 141,539	\$ 16,899,541	\$ 16,921,062	\$ 120,018
Liabilities:				
Due to agency	\$ 141,539	\$ 16,899,541	\$ 16,921,062	\$ 120,018
<u>Town of Loris</u>				
Assets:				
Equity in pooled cash and investments	\$ 11,065	\$ 638,390	\$ 636,129	\$ 13,326
Liabilities:				
Due to agency	\$ 11,065	\$ 638,390	\$ 636,129	\$ 13,326
<u>City of North Myrtle Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 134,827	\$ 6,695,415	\$ 6,749,137	\$ 81,105
Liabilities:				
Due to agency	\$ 134,827	\$ 6,695,415	\$ 6,749,137	\$ 81,105
<u>Town of Surfside</u>				
Assets:				
Equity in pooled cash and investments	\$ 30,108	\$ 1,982,105	\$ 1,976,099	\$ 36,114
Liabilities:				
Due to agency	\$ 30,108	\$ 1,982,105	\$ 1,976,099	\$ 36,114

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>Town of Atlantic Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 5,896	\$ 131,193	\$ 134,021	\$ 3,068
Liabilities:				
Due to agency	\$ 5,896	\$ 131,193	\$ 134,021	\$ 3,068
<u>Town of Aynor</u>				
Assets:				
Equity in pooled cash and investments	\$ 3,050	\$ 123,570	\$ 124,126	\$ 2,494
Liabilities:				
Due to agency	\$ 3,050	\$ 123,570	\$ 124,126	\$ 2,494
<u>Town of Briarcliff</u>				
Assets:				
Equity in pooled cash and investments	\$ 4,564	\$ 220,775	\$ 221,982	\$ 3,357
Liabilities:				
Due to agency	\$ 4,564	\$ 220,775	\$ 221,982	\$ 3,357
<u>Horry County School District</u>				
<u>Operations/Debt</u>				
Assets:				
Cash	\$ 134,816	\$ 345,076	\$ 479,892	\$ -
Equity in pooled cash and investments	68,266,106	405,015,294	319,583,818	153,697,582
Total assets	<u>\$ 68,400,922</u>	<u>\$ 405,360,370</u>	<u>\$ 320,063,710</u>	<u>\$ 153,697,582</u>
Liabilities:				
Due to agency	<u>\$ 68,400,922</u>	<u>\$ 405,360,370</u>	<u>\$ 320,063,710</u>	<u>\$ 153,697,582</u>

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
<u>Murrells Inlet-Garden City</u>				
<u>Operation/Debt Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 69,379	\$ 1,123,149	\$ 1,155,482	\$ 37,046
Liabilities:				
Due to agency	\$ 69,379	\$ 1,123,149	\$ 1,155,482	\$ 37,046
<u>Grand Strand Water and Sewer</u>				
Assets:				
Equity in pooled cash and investments	\$ 977	\$ 30,115	\$ 30,701	\$ 391
Liabilities:				
Due to agency	\$ 977	\$ 30,115	\$ 30,701	\$ 391
<u>Fireman's Fund</u>				
Assets:				
Cash	\$ 312,269	\$ 1,087,040	\$ 1,206,351	\$ 192,958
Liabilities:				
Due to agency	\$ 312,269	\$ 1,087,040	\$ 1,206,351	\$ 192,958
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	\$ 132,165	\$ 238,713	\$ 258,481	\$ 112,397
Liabilities:				
Due to agency	\$ 132,165	\$ 238,713	\$ 258,481	\$ 112,397
<u>Police Fund</u>				
Assets:				
Cash	\$ 19,367	\$ 86,077	\$ 96,967	\$ 8,477
Liabilities:				
Due to agency	\$ 19,367	\$ 86,077	\$ 96,967	\$ 8,477

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ 100,354	\$ 17,838	\$ -	\$ 118,192
Liabilities:				
Due to agency	\$ 100,354	\$ 17,838	\$ -	\$ 118,192
<u>Environmental Services</u>				
Assets:				
Cash	\$ 42,072	\$ 16,189	\$ 13,805	\$ 44,456
Liabilities:				
Due to agency	\$ 42,072	\$ 16,189	\$ 13,805	\$ 44,456
<u>Library Endowment</u>				
Assets:				
Cash	\$ 7,256	\$ 8	\$ 3,800	\$ 3,464
Equity in pooled cash and investments	12,413	1,357	-	13,770
Total assets	\$ 19,669	\$ 1,365	\$ 3,800	\$ 17,234
Liabilities:				
Due to agency	\$ 19,669	\$ 1,365	\$ 3,800	\$ 17,234
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 21,275	\$ 591,730	\$ 582,217	\$ 30,788
Liabilities:				
Due to agency	\$ 21,275	\$ 591,730	\$ 582,217	\$ 30,788

ALL AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
<u>B&C MCBP - Infrastructure</u>				
Assets:				
Cash	\$ 738,593	\$ 724,713	\$ 908,804	\$ 554,502
Liabilities:				
Due to agency	\$ 738,593	\$ 724,713	\$ 908,804	\$ 554,502

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE

JUNE 30, 2005

(with comparative amounts June 30, 2004)

	<u>2005</u>	<u>2004</u>
Governmental funds - capital assets		
Land	\$ 13,097,387	\$ 13,163,496
Buildings	102,770,274	99,858,551
Furniture and equipment	50,554,803	38,333,922
Vehicles	6,263,984	3,569,401
Construction-in-progress	1,209,274	1,065,370
Infrastructure	345,900,049	333,972,649
Total governmental funds capital assets	<u>\$ 519,795,771</u>	<u>\$ 489,963,389</u>
Investment in governmental funds capital assets by source		
General obligations bonds	\$ 95,825,826	\$ 89,774,314
General fund revenue	55,585,705	44,527,728
Special revenue fund revenue	12,433,888	11,638,395
Certificates of participation	10,050,303	10,050,303
Capital projects fund	345,900,049	333,972,649
Total investment in governmental funds capital assets	<u>\$ 519,795,771</u>	<u>\$ 489,963,389</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY

JUNE 30, 2005

	Land	Buildings	Furniture And Equipment	Vehicles	Construction In Progress	Infrastructure	Totals
Functions and Activity:							
General government	\$ 7,609,869	\$ 61,090,381	\$ 11,638,726	\$ 338,599	\$ -	\$ -	\$ 80,677,575
Public safety	1,870,553	32,187,819	27,089,630	2,938,700	-	-	64,086,702
Public works	355,779	2,618,920	11,252,232	2,756,940	-	345,900,049	362,883,920
Health and social services	90,000	2,234,893	-	-	-	-	2,324,893
Cultural and recreation	3,171,187	4,638,261	574,215	229,745	-	-	8,613,408
Construction-in-progress	-	-	-	-	1,209,273	-	1,209,273
Total governmental funds capital assets	\$ 13,097,388	\$ 102,770,274	\$ 50,554,803	\$ 6,263,984	\$ 1,209,273	\$ 345,900,049	\$ 519,795,771

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY

YEAR ENDED JUNE 30, 2005

	Balances June 30, 2004	Reclassified	Additions	Deductions	Balances June 30, 2005
Functions and Activity:					
General government	\$ 80,095,422	\$ 84,674	\$ 1,149,646	\$ (652,168)	\$ 80,677,574
Public Safety	46,962,071	143,321	18,227,060	(1,245,751)	64,086,701
Infrastructure and Regulation	349,782,001	944,064	12,560,393	(402,537)	362,883,921
Health and Social Services	2,406,752	(31,254)	-	(50,605)	2,324,893
Cultural and Recreation	8,540,515	(29,547)	102,440	-	8,613,408
Economic Development	1,111,258	(1,111,258)	-	-	-
Construction-in-progress	1,065,370	-	3,593,506	(3,449,602)	1,209,274
Total governmental funds capital assets	\$ 489,963,389	\$ -	\$ 35,633,045	\$ (5,800,663)	\$ 519,795,771
Class:					
Land	\$ 13,163,496	\$ -	\$ 88,593	\$ (154,702)	\$ 13,097,387
Buildings	99,858,551	-	3,546,407	(634,684)	102,770,274
Furniture and equipment	38,333,922	-	12,754,855	(533,974)	50,554,803
Vehicles	3,569,401	-	3,722,284	(1,027,701)	6,263,984
Construction-in-progress	1,065,370	-	3,593,506	(3,449,602)	1,209,274
Infrastructure	333,972,649	-	11,927,400	-	345,900,049
Total governmental funds capital assets	\$ 489,963,389	\$ -	\$ 35,633,045	\$ (5,800,663)	\$ 519,795,771

See accompanying independent auditors' report.

VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2005

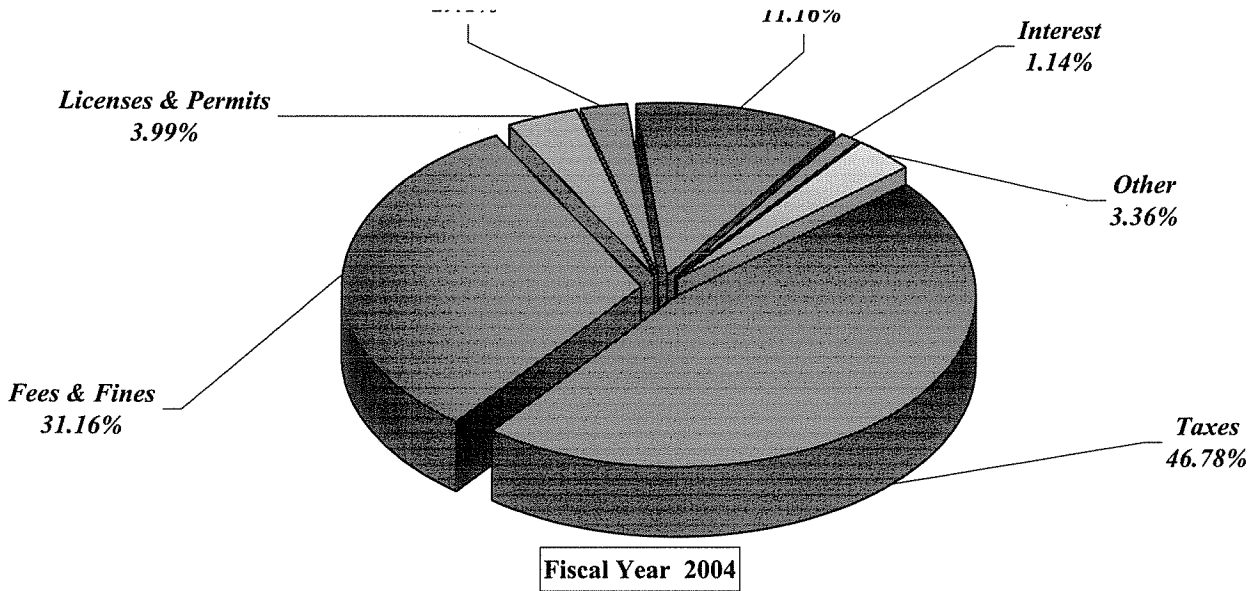
	<u>2005</u>
Court Fines and Assessments	
Court fines and assessments collected	\$ 1,680,262
Court fines and assessments remitted to State Treasurer	(1,545,525)
Total court fines and assessments retained	<u>\$ 134,737</u>
Surcharges and Assessments Retained by County	
Total surcharges collected	\$ 103,636
Total assessments	155,301
Total surcharges and assessments	<u>\$ 258,937</u>
Funds Allocated to Victims Service	
Carryover funds from prior year	\$ 165,552
Total surcharges and assessments	393,674
Transfers	2,098
Interest earned	596
Expenditures for victims service	(572,563)
Total unexpended victims rights assistance funds	<u>\$ (10,643)</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

HORRY COUNTY, SOUTH CAROLINA

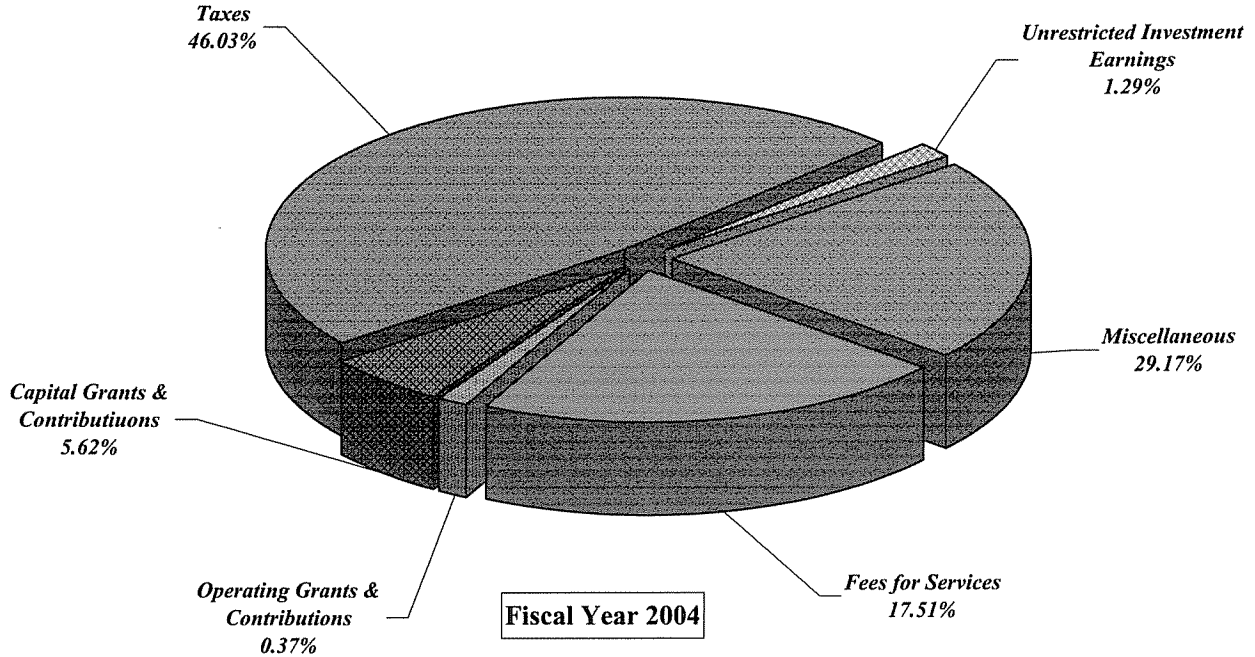
HORRY COUNTY, SOUTH CAROLINA
GENERAL GOVERNMENT REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
(expressed in thousands)



YEAR	TAXES	FEEES AND FINES	LICENSES & PERMITS	DOCUMENTARY STAMPS	INTERGOVERN- MENTAL	INVESTMENT INTEREST	OTHER	TOTAL
1995	\$32,881	\$9,974	\$1,138	\$934	\$10,235	\$2,058	\$957	\$58,177
% of total	56.52%	17.14%	1.96%	1.61%	17.59%	3.54%	1.64%	100.00%
1996	\$34,365	\$10,474	\$1,335	\$1,244	\$13,904	\$2,100	\$1,548	\$64,970
% of total	52.89%	16.12%	2.05%	1.91%	21.40%	3.23%	2.38%	100.00%
1997	\$36,358	\$19,784	\$1,907	\$1,385	\$12,954	\$1,309	\$994	\$74,691
% of total	48.68%	26.49%	2.55%	1.85%	17.34%	1.75%	1.33%	100.00%
1998	\$39,256	\$34,475	\$2,133	\$1,608	\$16,146	\$2,970	\$4,061	\$100,649
% of total	39.00%	34.25%	2.12%	1.60%	16.04%	2.95%	4.03%	100.00%
1999	\$41,898	\$35,364	\$2,309	\$1,945	\$17,533	\$2,956	\$1,159	\$103,162
% of total	40.61%	34.28%	2.24%	1.89%	17.00%	2.87%	1.12%	100.00%
2000	\$48,980	\$38,168	\$2,870	\$2,143	\$17,834	\$6,011	\$2,720	\$118,726
% of total	41.25%	32.15%	2.42%	1.80%	15.02%	5.06%	2.29%	100.00%
2001	\$54,757	\$42,570	\$3,927	\$1,980	\$21,976	\$6,622	\$2,501	\$134,333
% of total	40.76%	31.69%	2.92%	1.47%	16.36%	4.93%	1.86%	100.00%
2002	\$67,927	\$45,073	\$4,389	\$2,139	\$19,018	\$2,903	\$2,790	\$144,239
% of total	47.09%	31.25%	3.04%	1.48%	13.19%	2.01%	1.94%	100.00%
2003	\$72,818	\$46,874	\$4,982	\$2,443	\$16,891	\$2,168	\$4,512	\$150,688
% of total	48.32%	31.11%	3.31%	1.62%	11.21%	1.44%	2.99%	100.00%
2004	\$75,519	\$50,299	\$6,434	\$3,889	\$18,010	\$1,847	\$5,429	\$161,427
% of total	46.78%	31.16%	3.99%	2.41%	11.16%	1.14%	3.36%	100.00%

Note: Revenues Derived From General, Special Revenue, Debt Service, and Capital Projects Funds.

**HORRY COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE REVENUES
Fiscal Year 2002 thru 2004
(expressed in thousands)**

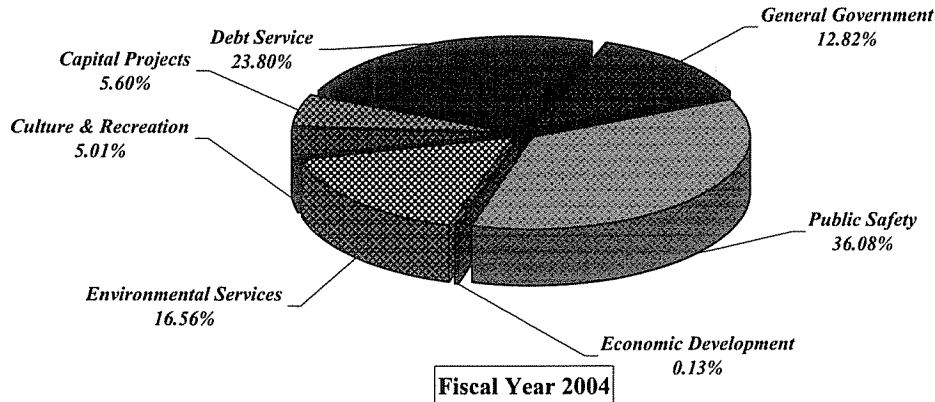


Year	PROGRAM REVENUES			GENERAL REVENUES			Total
	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes, State Shared Revenue, & Unallocated Intergovernmen	Unrestricted Investment Earnings	(1) Miscellaneous	
2002	\$33,710	\$1,210	\$11,667	\$83,856	\$3,751	\$36,855	\$171,049
% of total	19.71%	0.71%	6.82%	49.02%	2.19%	21.55%	100%
2003	\$38,927	\$2,473	\$10,176	\$87,558	\$2,862	\$39,449	\$181,445
% of total	21.45%	1.36%	5.61%	48.26%	1.58%	21.74%	100%
2004	\$32,952	\$688	\$10,587	\$86,647	\$2,437	\$54,909	\$188,220
% of total	17.51%	0.37%	5.62%	46.03%	1.29%	29.17%	100%

Note:

1) Includes Capital Contributions, Hospitality Fee, Road Maintenance, Accommodations Tax, and Miscellaneous Revenues.

**HORRY COUNTY, SOUTH CAROLINA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(expressed in thousands)**



YEAR	(1) ENVIRONMENTAL (2) (3) (4)							TOTAL
	GENERAL GOVERNMENT	PUBLIC SAFETY	ECONOMIC DEVELOPMENT	PROTECTION & CONTROL	CULTURE AND RECREATION	CAPITAL PROJECTS	DEBT SERVICE	
1995	\$14,804	\$20,479	\$1,009	\$9,911	\$3,518	\$9,299	\$3,606	\$62,626
% of total	23.64%	32.70%	1.61%	15.83%	5.62%	14.85%	5.76%	100.00%
1996	\$14,595	\$19,271	\$1,535	\$14,489	\$3,688	\$12,227	\$5,156	\$70,961
% of total	20.57%	27.16%	2.16%	20.42%	5.20%	17.23%	7.27%	100.00%
1997	\$17,312	\$20,794	\$1,167	\$12,069	\$4,277	\$1,874	\$5,802	\$63,295
% of total	27.35%	32.85%	1.84%	19.07%	6.76%	2.96%	9.17%	100.00%
1998	\$19,768	\$24,889	\$1,428	\$32,864	\$5,233	\$1,882	\$5,850	\$91,914
% of total	21.51%	27.08%	1.55%	35.76%	5.69%	2.05%	6.36%	100.00%
1999	\$21,260	\$28,676	\$3,798	\$41,652	\$6,297	\$5,556	\$6,091	\$113,330
% of total	18.76%	25.30%	3.35%	36.75%	5.56%	4.90%	5.38%	100.00%
2000	\$21,518	\$33,238	\$1,810	\$19,980	\$5,771	\$14,608	\$32,202	\$129,127
% of total	16.66%	25.74%	1.40%	15.47%	4.47%	11.31%	24.94%	100.00%
2001	\$22,814	\$37,584	\$1,957	\$21,864	\$8,218	\$26,621	\$31,868	\$150,926
% of total	15.12%	24.90%	1.30%	14.49%	5.45%	17.64%	21.11%	100.00%
2002	\$26,723	\$43,884	\$1,581	\$22,459	\$6,680	\$22,783	\$40,855	\$164,965
% of total	16.20%	26.60%	0.96%	13.61%	4.05%	13.81%	24.77%	100.00%
2003	\$28,250	\$44,177	\$1,895	\$21,575	\$7,264	\$15,161	\$39,291	\$157,613
% of total	17.92%	28.03%	1.20%	13.69%	4.61%	9.62%	24.93%	100.00%
2004	\$20,102	\$56,573	\$208	\$25,960	\$7,853	\$8,780	\$37,311	\$156,787
% of total	12.82%	36.08%	0.13%	16.56%	5.01%	5.60%	23.80%	100.00%

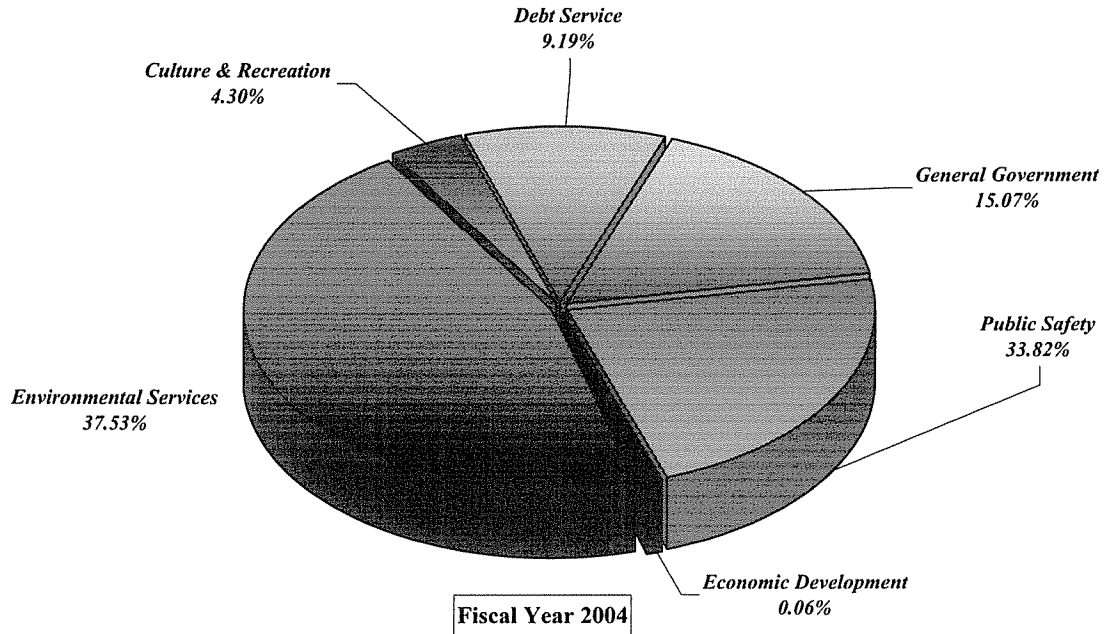
Note: General, Special Revenue, Debt Service, and Capital Projects Expenditures

- 1) Public Works, Health & Social Services, and Conservation & Natural Resources.
- 2) Culture & Recreation and Other.

- 3) Capital Outlay.
- 4) Debt Service, Bond Issue Cost, and RIDE Contribution. HG TECH and Higher Education disbursements

For FY 2004, certain departments were combined and therefore general government expenditures have been reclassified by function.

HORRY COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE EXPENDITURES BY FUNCTION
Fiscal Year 2002 thru 2004
(expressed in thousands)

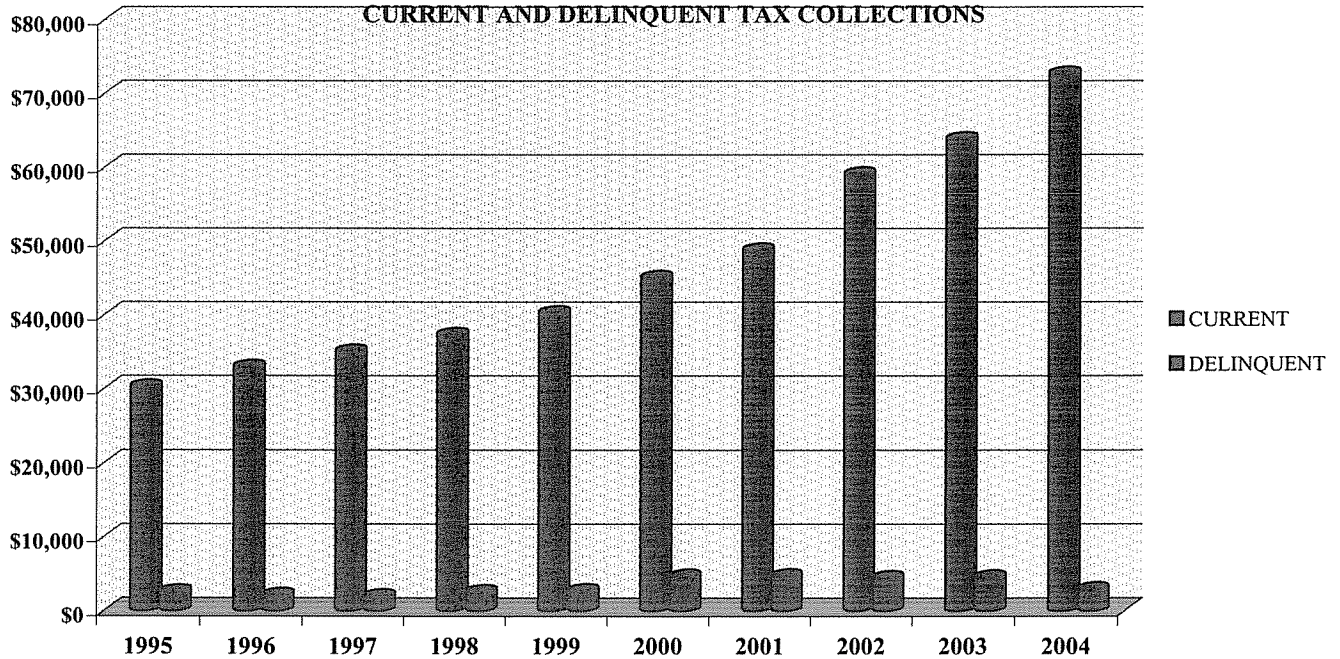


YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	ECONOMIC DEVELOPMENT	(1)	(2)	(3)	TOTAL
				ENVIRONMENTAL PROTECTION & CONTROL	CULTURE RECREATION AND TOURISM	DEBT SERVICE	
2002	\$31,070	\$46,827	\$1,584	\$23,090	\$11,668	\$9,282	\$123,521
% of total	25.15%	37.91%	1.28%	18.69%	9.45%	7.51%	100.00%
2003	\$32,590	\$44,667	\$1,626	\$89,809	\$7,337	\$20,934	\$196,963
% of total	16.55%	22.68%	0.83%	45.60%	3.71%	10.63%	100.00%
2004	\$22,498	\$50,483	\$88	\$56,021	\$6,454	\$13,720	\$149,264
% of total	15.07%	33.82%	0.06%	37.53%	4.30%	9.19%	100.00%

Note: General, Special Revenue, Debt Service, and Capital Project Expenditures.
1) Public Works, Health Social Services, and Conservation and Natural Resources.
2) Culture & Recreation and Other.
3) Debt Service Interest, Higher Education, Horry Georgetown Tech, and Ride Contribution.

For FY 2004, certain departments were combined and therefore general government expenditures have been reclassified by function.

HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
REAL & PERSONAL PROPERTY TAX, LAST TEN FISCAL YEARS
(expressed in thousands)



FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS
1995	\$36,238	\$30,241	83.45%	\$2,525	\$32,766
1996	\$39,503	\$32,911	83.31%	\$2,058	\$34,969
1997	\$39,383	\$35,020	88.92%	\$1,905	\$36,925
1998	\$41,673	\$37,311	89.53%	\$2,498	\$39,809
1999	\$43,793	\$40,241	91.89%	\$2,653	\$42,894
2000	\$50,889	\$45,010	88.45%	\$4,622	\$49,632
2001	\$53,313	\$48,751	91.44%	\$4,662	\$53,413
2002	\$62,665	\$59,068	94.26%	\$4,411	\$63,479
2003	\$67,605	\$63,812	94.39%	\$4,491	\$68,303
2004	\$75,692	\$72,650	95.98%	\$2,870	\$75,520

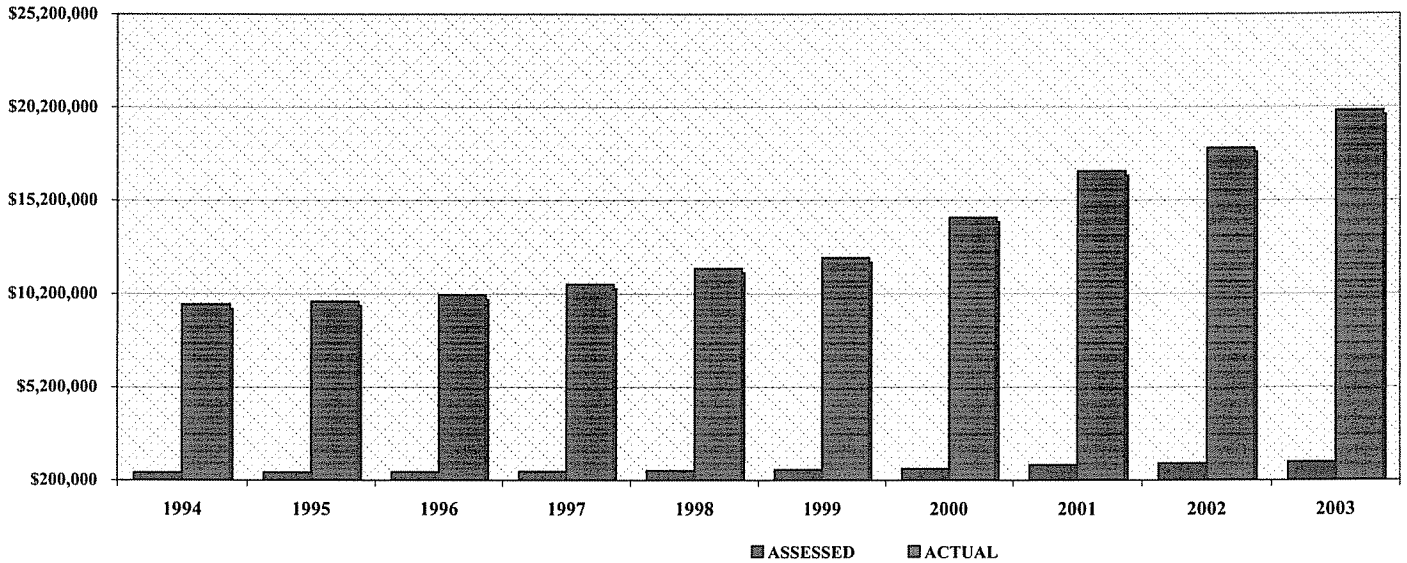
**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES PER \$1000 ASSESSED VALUE
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

GOVERNMENTAL UNIT	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Horry County	46	46	46	47	41	44	51	51	51	51
Horry County School District	119	130	131	128	113	116	116	125	130	130
Town of Atlantic Beach	110	110	110	110	110	110	110	110	90	90
Town of Aynor	70	80	85	90	90	90	90	90	90	90
Town of Briarcliffe Acres	42	42	38	58	55	75	75	42	57	56
City of Conway	93	95	95	95	94	94	94	94	94	97
City of Loris	125	125	125	125	115	115	115	115	115	115
City of Myrtle Beach	79	82	73	62	61	61	63	63	63	63
City of North Myrtle Beach	48	48	48	48	39	36	36	36	36	36
Town of Surfside Beach	63	63	63	63	44	44	44	44	55	55

Note: Above amounts are expressed in Mills.

HORRY COUNTY, SOUTH CAROLINA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(expressed in thousands)

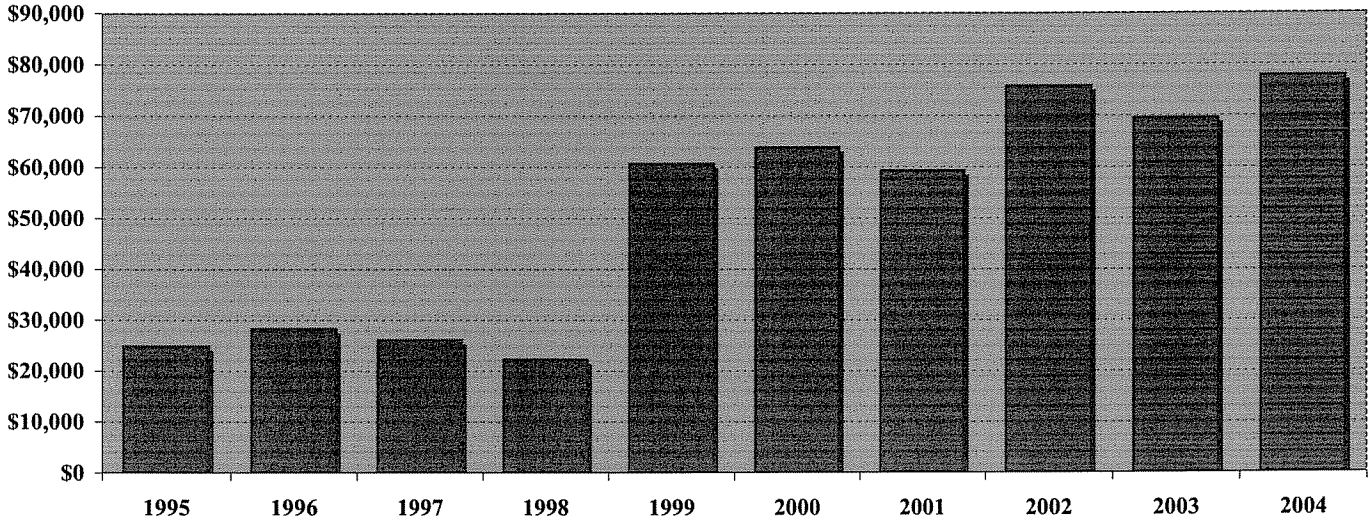
COMPARISON OF ASSESSED AND ACTUAL PROPERTY VALUE



TAX YEAR	FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1994	1995	\$ 460,929	\$ 8,513,132	\$ 177,866	\$ 1,593,276	\$ 638,795	\$ 10,106,408	6.32%
1995	1996	\$ 474,561	\$ 8,826,732	\$ 187,772	\$ 1,871,859	\$ 662,333	\$ 10,698,591	6.19%
1996	1997	\$ 503,759	\$ 9,343,347	\$ 198,372	\$ 2,204,469	\$ 702,131	\$ 11,547,816	6.08%
1997	1998	\$ 523,579	\$ 9,792,131	\$ 237,018	\$ 2,318,764	\$ 760,597	\$ 12,110,895	6.28%
1998	1999	\$ 559,380	\$ 11,878,415	\$ 251,089	\$ 2,391,328	\$ 810,469	\$ 14,269,743	5.68%
1999	2000	\$ 764,393	\$ 14,334,368	\$ 252,862	\$ 2,408,210	\$ 1,017,255	\$ 16,742,578	6.08%
2000	2001	\$ 823,166	\$ 15,327,755	\$ 278,909	\$ 2,656,276	\$ 1,102,075	\$ 17,984,031	6.13%
2001	2002	\$ 844,192	\$ 15,869,216	\$ 268,378	\$ 2,656,667	\$ 1,112,570	\$ 18,525,883	6.01%
2002	2003	\$ 879,525	\$ 16,546,185	\$ 268,597	\$ 2,658,780	\$ 1,148,122	\$ 19,204,965	5.98%
2003	2004	\$ 913,950	\$ 17,299,969	\$ 270,923	\$ 2,706,063	\$ 1,184,873	\$ 20,006,032	5.92%

HORRY COUNTY, SOUTH CAROLINA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(expressed in thousands)

NET BONDED DEBT



FISCAL YEAR	TOTAL OUTSTANDING	AMOUNT AVAILABLE IN D/S FUNDS	DEBT PAYABLE ENTERPRISE FUND	NET BONDED DEBT	ASSESSED VALUE	POPULATION	RATIO NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995	\$33,005	\$8,135	\$0	\$24,870	\$638,795	172	3.89%	\$145
1996	\$36,350	\$8,064	\$0	\$28,286	\$662,333	173	4.27%	\$161
1997	\$32,405	\$6,329	\$0	\$26,076	\$702,131	174	3.71%	\$139
1998	\$28,190	\$5,965	\$0	\$22,225	\$760,597	175	2.92%	\$115
1999	\$65,018	\$4,414	\$0	\$60,604	\$810,469	179	7.48%	\$311
2000	\$66,820	\$3,020	\$0	\$63,800	\$1,017,255	196	6.27%	\$326
2001	\$61,855	\$2,578	\$0	\$59,277	\$1,102,075	201	5.38%	\$295
2002	\$79,685	\$3,939	\$0	\$75,746	\$1,112,570	206	6.81%	\$368
2003	\$73,945	\$4,430	\$0	\$69,515	\$1,148,122	206	6.05%	\$337
2004	\$81,950	\$4,249	\$0	\$77,701	\$1,184,873	210	6.56%	\$370

Note: Population Figures are estimates in all years but 2000, source: U.S. Census Bureau

**HORRY COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2004**

Assessed value, as of June 30, 2004:		\$ 1,184,873
Debt limit - 8% of assessed value		94,790
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 63,315	
Less, issues existing prior to December 1, 1977	-0-	
Total amount of debt applicable to debt margin		\$ 63,315
Available Debt Limit		\$ 31,475

Debt Limit

The County's borrowing power is restricted by Article X, Section 14, as amended, of the State Constitution effective December 1, 1977. This section provides that a local unit cannot, at any time, have total debt outstanding in an amount that exceeds 8 percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and, bonded indebtedness existing on December 1, 1977, the effective date of amendment of Article X of the Constitution of the State of South Carolina pertaining to bonded debt. The assessed value above uses the tax base as of June 30, 2004. The total amount of debt applicable to the Debt Limit includes those general obligation bonds accounted for in the Enterprise Fund issued after December 1, 1977 and still outstanding June 30, 2004.

HORRY COUNTY, SOUTH CAROLINA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(expressed in thousands)

FISCAL YEAR	DEBT SERVICE EXPENDITURES			TOTAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1995	\$1,898	\$1,708	\$3,606	\$62,626	5.76%
1996	\$3,163	\$1,993	\$5,156	\$70,961	7.27%
1997	\$3,954	\$1,848	\$5,802	\$63,295	9.17%
1998	\$4,225	\$1,625	\$5,850	\$91,914	6.36%
1999	\$4,581	\$1,392	\$5,973	\$113,330	5.27%
2000	\$4,710	\$2,595	\$7,305	\$129,125	5.66%
2001	\$4,965	\$3,562	\$8,527	\$150,926	5.65%
2002	\$8,045	\$3,525	\$11,570	\$164,965	7.01%
2003	\$5,740	\$3,957	\$9,697	\$157,613	6.15%
2004	\$5,995	\$3,666	\$9,661	\$156,787	6.16%

Note: Total expenditures above represent total Governmental Fund expenditures.

**HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUE BOND COVERAGE
MYRTLE BEACH INTERNATIONAL AIRPORT
LAST THREE FISCAL YEARS
(expressed in thousands)**

	<u>FY 04</u>	<u>FY 03</u>	<u>FY 02</u>
Gross Revenue (1)	\$ 17,279	\$ 14,478	\$ 13,890
Less Operating Expenses (2)	<u>\$ 8,620</u>	<u>\$ 7,750</u>	<u>\$ 7,397</u>
Net Revenue Available for Debt Service	<u>\$ 8,659</u>	<u>\$ 6,728</u>	<u>\$ 6,493</u>
Debt Service	\$ 3,363	\$ 3,362	\$ 3,558
Percent of Coverage	257.48%	200.12%	182.49%

Note:

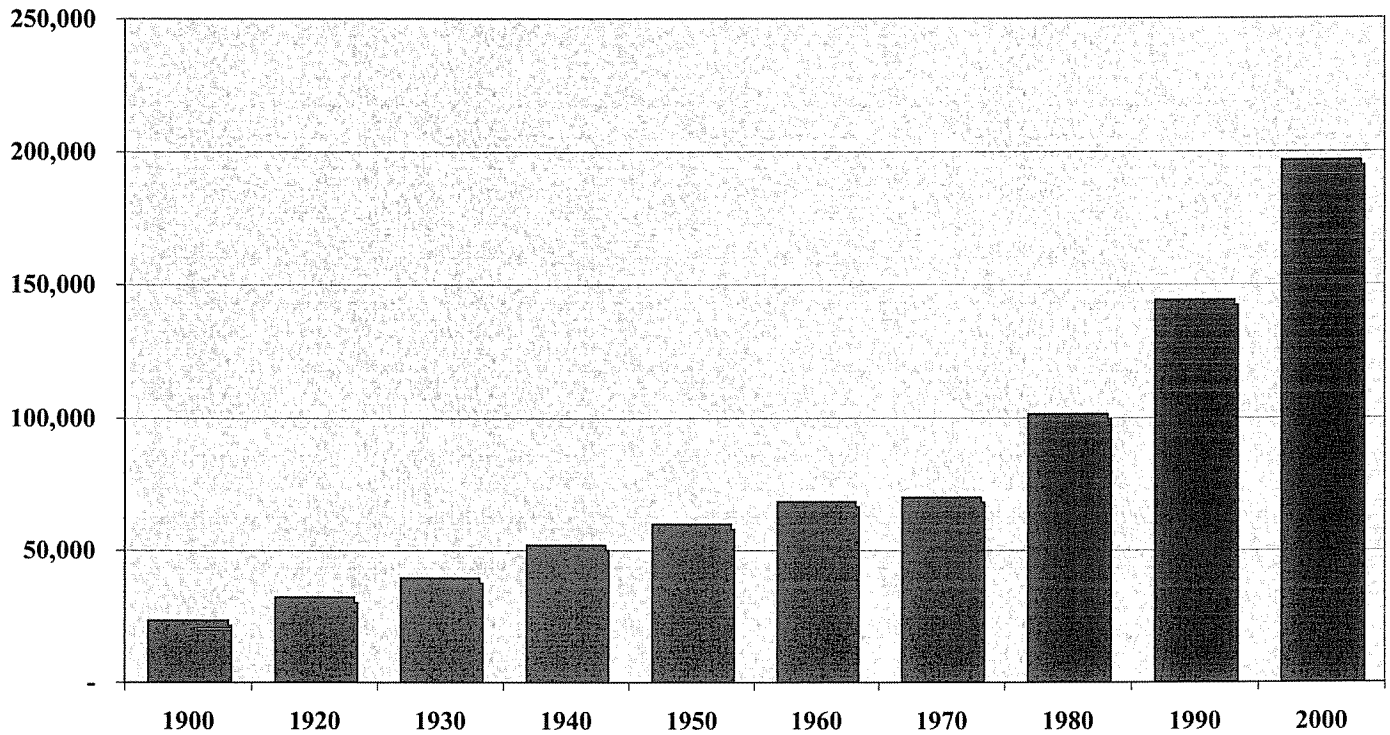
- 1) Includes only PFC applied by the County on payment of debt service, less other Airport revenues.
- 2) Total expenses exclude depreciation and debt service.

HORRY COUNTY, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL LONG-TERM DEBT
June 30, 2004
(expressed in thousands)

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO COUNTY</u>	<u>AMOUNT APPLICABLE TO COUNTY</u>
Horry County	\$ 81,950	100%	\$ 81,950
School District	230,510	100%	230,510
City of Myrtle Beach	55,045	100%	55,045
City of Conway	5,378	100%	5,378
City of North Myrtle Beach	5,449	100%	5,449
City of Loris	404	100%	404
Town of Surfside	3,165	100%	3,165
Total Direct and Overlapping Debt:	<u>\$ 381,901</u>	<u>100%</u>	<u>\$ 381,901</u>

**Note: Net Debt Outstanding includes General Obligation Bonds.
(Excludes Comp. for future absences, leases, intergovernmental
loans, and special revenue debt)**

HORRY COUNTY, SOUTH CAROLINA POPULATION



<u>YEAR</u>	<u>POPULATION</u>	<u>PERCENTAGE INCREASE</u>
1900	23,364	n/a
1920	32,077	37%
1930	39,376	23%
1940	51,951	32%
1950	59,820	15%
1960	68,247	14%
1970	69,998	3%
1980	101,419	45%
1990	144,053	42%
2000	196,629	36%

**HORRY COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>YEAR</u>	<u>COUNTY POPULATION (2)</u>	<u>PER CAPITA INCOME</u>	<u>UNEMP. RATE (%)</u>	<u>PUBLIC SCHOOL ENROLLMENT</u>	<u>GENERAL FUND PER PUPIL OPERATING EXPENDITURE</u>
1994	163,200	\$18,267 (1)	7.10 (3)	24,608	\$3,835
1995	172,000	\$19,380 (1)	5.00 (3)	25,090	\$3,981
1996	173,250	\$20,301 (1)	5.50 (3)	25,333	\$4,234
1997	174,000	\$21,185 (1)	4.60 (3)	25,947	\$4,452
1998	174,762	\$19,220 (3)	4.40 (3)	26,569	\$4,736
1999	178,550	\$24,492 (3)	4.20 (3)	27,043	\$5,089
2000	196,629	\$23,315 (3)	3.60 (3)	28,379	\$5,698
2001	201,088	\$24,021 (3)	4.70 (3)	29,009	\$5,704
2002	206,039	\$24,584 (3)	4.60 (3)	29,931	\$5,888
2003	210,757	unavailable	6.50 (3)	31,018	\$5,855

Note:

- 1) Source: S.C. Statistical Abstract
- 2) Estimated figures in all years but 2000 (U.S. Census Bureau)
- 3) S.C. Employment Security Commission,
Labor Market Research Division

**HORRY COUNTY, SOUTH CAROLINA
TEN LARGEST PRINCIPAL TAXPAYERS
June 30, 2004**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUE</u>	<u>TAXES PAID</u>
Myrtle Beach Farms	Real Estate	\$ 26,076,735	\$ 4,881,148
Horry Electric Coop.	Utility	10,285,790	2,105,495
Horry Telephone Coop.	Utility	7,394,074	1,509,595
Verizon South, Inc.	Utility	7,813,430	1,473,071
NFPS Inc.	Real Estate	4,718,340	855,729
Broadway at the Beach, Inc.	Sales	4,212,904	763,781
AVX Corporation	Manufacturer	4,545,182	713,574
Wal-Mart Real Estate Business Trust	Retailer	2,792,262	566,417
Ocean Lakes Family Campground	Resort	2,530,277	517,948
Time Warner/Advance NewHouse	Utility	2,636,900	506,860
		<u>\$ 73,005,894</u>	<u>\$ 13,893,618</u>

**HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF PROPERTY VALUE,
CONSTRUCTION AND BANK DEPOSITS**

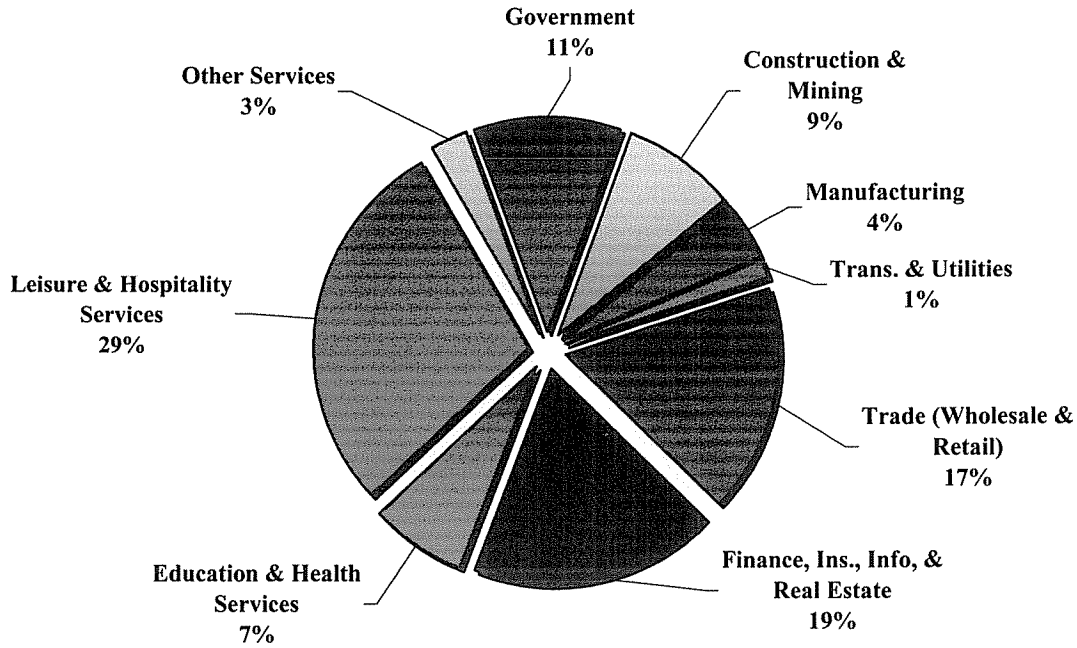
FISCAL YEAR	PROPERTY VALUE <i>(expressed in thousands)</i>			CONSTRUCTION		BANK (2) DEPOSITS <i>(in millions)</i>
	REAL	PERSONAL	TOTAL	PERMITS <i>(1)</i>	VALUE <i>(in thousands)</i>	
1995	\$8,513,132	\$1,593,276	\$10,106,408	5,821	\$268,739	\$1,393,995
1996	\$8,826,732	\$1,871,859	\$10,698,591	6,494	\$305,461	\$1,555,836
1997	\$9,343,347	\$2,204,467	\$11,547,816	6,878	\$350,554	\$1,726,533
1998	\$9,792,131	\$2,318,764	\$12,110,895	7,403	\$380,968	\$1,915,000
1999	\$11,878,415	\$2,391,328	\$14,269,743	7,307	\$539,791	\$2,683,000
2000	\$14,334,368	\$2,408,210	\$16,742,578	7,839	\$571,625	\$2,816,000
2001	\$15,327,755	\$2,656,276	\$17,984,031	7,749	\$294,865	\$2,967,000
2002	\$15,869,216	\$2,656,667	\$18,525,883	7,877	\$394,951	\$3,240,000
2003	\$16,546,185	\$2,658,780	\$19,204,965	7,545	\$457,096	\$3,497,000
2004	\$17,299,969	\$2,706,063	\$20,006,032	8,076	\$542,760	\$3,480,000

Note:

1) Reflects actual # of permits issued. The 000's have not been omitted.

2) Source: FDIC

**HORRY COUNTY, SOUTH CAROLINA
NONAGRICULTURAL EMPLOYMENT**



<u>CATEGORY</u>	<u>2003 TOTAL</u>	<u>% TOTAL 2003 EMP.</u>
Construction & Mining	8,774	9%
Manufacturing	4,485	4%
Trans. & Utilities	1,377	1%
Trade (Whole & Retail)	17,193	17%
Finance, Insurance, Information, & Real Estate	18,700	19%
Education & Health Services	7,223	7%
Leisure & Hospitality Services	28,862	29%
Other Services	2,864	3%
Government	11,199	11%
Total	<u>100,677</u>	<u>100%</u>

**HORRY COUNTY, SOUTH CAROLINA
MAJOR EMPLOYERS LOCATED WITHIN THE COUNTY, THEIR PRODUCT AND
APPROXIMATE NUMBER OF EMPLOYEES**

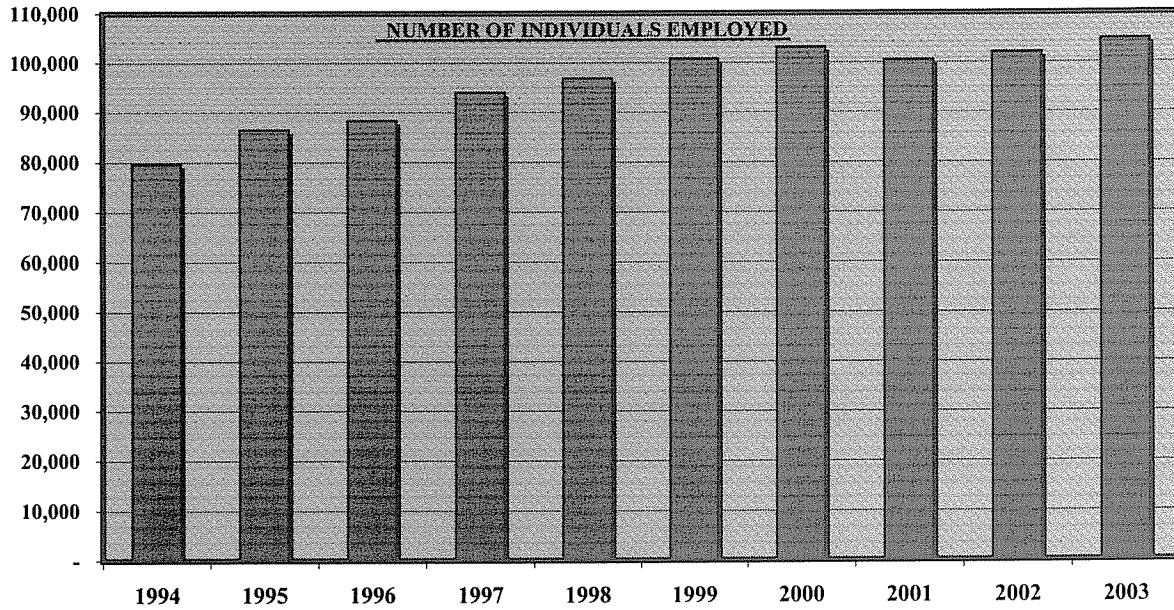
TEN LARGEST INDUSTRIES, COMMERCIAL ENTITIES, AND GOVERNMENTAL UNITS

Name	Product	Employees
1. Horry County School District	Public Education and Administration	4,000
2. Wal-mart Associates Inc.	Retail	1,885
3. Burroughs & Chapin	Real Estate/Tourism Industries	1,824
4. Horry County Government	Administration of County Government	1,606
5. AVX Corporation	Electronic components, electronic component research and design	1,290
6. Myrtle Beach National	Golf Course and Hotels	1,000
7. Blue Cross / Blue Shield	Insurance	1,000
8. Conway Hospital	Medical Services	1,000
9. Grand Strand Regional Medical	Medical Services	970
10. Coastal Carolina University	College Education	909

LARGEST MANUFACTURING EMPLOYERS

Name	Product	Employees
1. AVX Corporation	Electronic components, electronic component research and design	1,290
2. Conbraco Ind., Inc. -Steel Products division	Investment cast steel castings, Teflon component parts, industrial ball valves.	400
3. New South	Pine Lumber	250
4. CHF Industries	Comforters, bedspreads, shower curtains, drapes.	188
5. Wolverine Brass, Inc.	Brass plumbing fittings	150

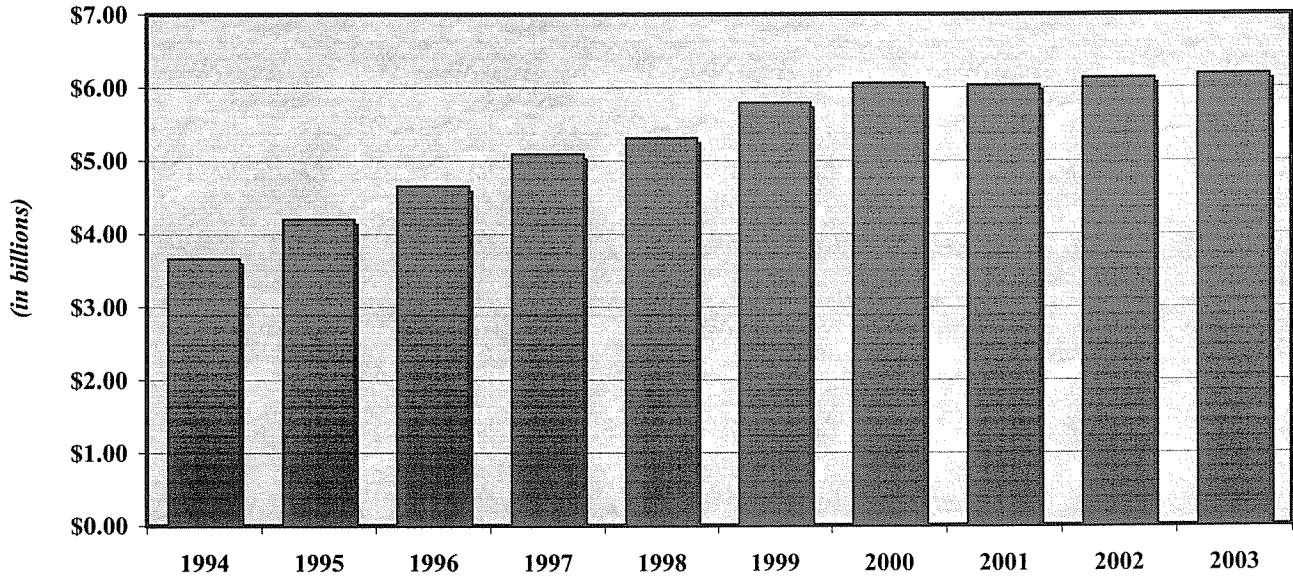
**HORRY COUNTY, SOUTH CAROLINA
LABOR FORCE STATISTICS**



<u>YEAR</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>HORRY COUNTY % UNEMPLOYMENT</u>	<u>SOUTH CAROLINA % UNEMPLOYMENT</u>
1994	85,720	79,630	7.1	6.3
1995	90,985	86,466	5.0	5.1
1996	92,689	88,300	5.5	6.0
1997	98,493	94,003	4.6	3.8
1998	100,260	96,797	4.4	4.4
1999	104,844	100,784	4.2	4.4
2000	104,960	103,100	3.6	3.9
2001	104,790	100,450	4.7	5.4
2002	106,930	102,030	4.6	6.0
2003	110,408	104,737	6.5	6.8

Source: S.C. Employment Security Commission, Labor Market Information Division and U.S. Bureau of Labor Statistics

**HORRY COUNTY, SOUTH CAROLINA
GROSS RETAIL SALES FIGURES**



<u>YEAR</u>	<u>GROSS SALES (in Billions)</u>	<u>PERCENTAGE CHANGE</u>
1994	\$3.66	13.3
1995	\$4.20	13.6
1996	\$4.65	10.7
1997	\$5.09	9.4
1998	\$5.31	4.3
1999	\$5.79	9.0
2000	\$6.06	4.7
2001	\$6.03	(1.0)
2002	\$6.13	1.7
2003	\$6.18	1.0

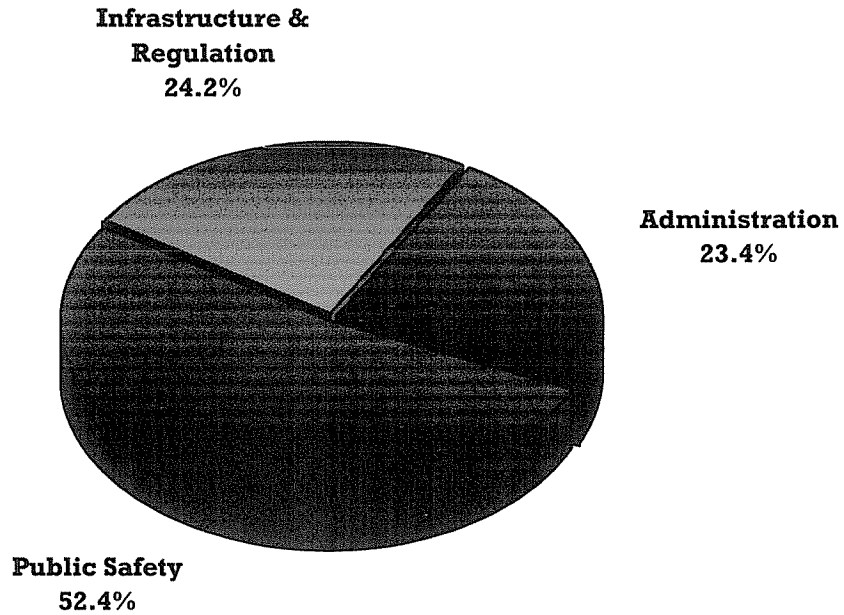
**HORRY COUNTY, SOUTH CAROLINA
BUDGETED EMPLOYEE POSITIONS BY DEPARTMENT
FIVE YEAR COMPARISON FY00 - FY04**

DEPT. #	DEPARTMENT	FY00	FY01	FY02	FY03	FY04
401	County Council	15	15	15	15	15
402	Administrator	10	11	6	5	5
403	Division Director of Administration	2	2	2	2	2
405	Finance	16	15	17	20	20
406	Human Resources/Risk Management	9	10	10	10	10
407	Procurement	6	6	6	6	6
408	Internal Audit	3	3	3	3	3
409	Information Technology	19	14	14	14	14
410	Assessor	57	56	56	56	55
412	Register of Deeds	21	21	21	21	21
413	Geographical Information Systems	0	5	5	5	5
414	Maintenance	65	65	69	69	72
415	Registration/Election Commission	6	6	6	5	5
416	Public Information Officer	2	1	1	4	4
417	Division Director of Finance	2	0	0	0	0
418	Budget and Revenue Management	0	2	2	2	2
422	Family Court Judge	1	1	1	0	0
423	Records Retention	4	4	4	4	4
425	Treasurer and Delinquent Tax	25	26	27	27	28
426	Auditor	21	21	22	22	23
427	Clerk of Court (Circuit, DSS, Family)	33	33	33	34	36
430	Circuit Judge	1	1	1	1	0
431	Probate Judge	15	15	15	15	16
432	Solicitor	58	60	59	59	61
433	Master in Equity	3	3	3	3	3
434	Magistrates (#434-35,437-41,443-45)	31	31	31	31	31
436	Attorney	0	0	5	5	4
442	Central Summary Court	10	10	9	9	9
446	Central Jury Court	0	0	1	1	1
447	Division Director of Public Safety	1	2	2	2	2
448	Pretrial Intervention	9	9	9	9	8
449	Central Processing - DSS	1	1	1	1	1
450	Sheriff	34	34	48	49	49
451	Police	172	208	210	213	215
453	Victim's Bill of Rights	6	6	5	5	5
454	Emergency Preparedness	2	2	1	1	1
455	Division Director of Human Services	1	0	0	0	0
456	Communications	43	43	44	44	44
457	Coroner	3	3	3	3	3
458	Detention	136	152	152	156	156

**HORRY COUNTY, SOUTH CAROLINA
BUDGETED EMPLOYEE POSITIONS BY DEPARTMENT
FIVE YEAR COMPARISON FY00 - FY04**

DEPT. #	DEPARTMENT	FY00	FY01	FY02	FY03	FY04
460	Emergency Medical Service	140	142	158	154	154
461	Code Enforcement	35	36	37	37	39
462	Beach Front Program	1	1	1	1	1
463	Juvenile Detention	7	0	0	0	0
490	Victim's Bill of Rights - Police	0	0	2	2	2
495	Victim's Bill of Rights - Solicitor	0	0	5	5	5
464	Summer Food	0	1	1	0	0
465	Division Director of Econ. Dev.	4	0	0	0	0
466	Division Director of Public Works	4	4	4	2	2
467	Employee Relations	0	0	0	0	0
475	Medically Indigent Assistance Program	1	1	1	1	1
476	Environmental Services	21	21	22	22	22
480	Library	40	41	42	47	47
481	Museum	4	4	4	4	4
482	Parks Maintenance	3	0	0	0	0
484	Parks & Recreation	4	7	8	12	15
485	Planning	17	17	17	16	16
486	Risk Management	0	0	0	0	0
488	Zoning	10	11	14	14	14
489	Grants Administration	2	2	2	2	2
491	Veteran Affairs	2	2	2	2	2
493	Delegation	2	2	2	2	2
497	Hospitality Fee (1%)	4	4	5	5	5
498	Business License	0	2	2	2	2
404	Engineering	17	17	17	17	17
452	Beach Patrol	9	9	9	9	11
459	Fire	52	85	104	104	104
470	Public Works Operation & Maintenance	101	101	91	91	91
471	Public Works - Construction	0	0	12	12	12
472	Stormwater Management	10	18	18	19	19
473	Fleet Maintenance	20	20	17	17	17
474	Beach & Street Clean-up	6	6	6	6	6
4	Solid Waste	128	123	124	125	121
70	Airport	99	101	105	100	102
	TOTAL	1,586	1,675	1,751	1,761	1,774

**HORRY COUNTY, SOUTH CAROLINA
TOTAL EMPLOYEES BY DIVISION
EMPLOYEES BUDGETED FOR FISCAL YEAR 2004**



<u>DIVISION</u>	<u>NUMBER OF EMPLOYEES</u>	<u>% EMPLOYEE POPULATION</u>
Administration	415	23.4%
Public Safety	929	52.4%
Infrastructure & Regulation	430	24.2%
Total	<u>1,774</u>	<u>100.0%</u>

**HORRY COUNTY, SOUTH CAROLINA
MULTI-COUNTY BUSINESS PARK
FILOT ASSESSED AND FILOT PAID
June 30, 2004**

<u>ALLOCATION</u>	<u>(1) ADDITIONS TO TAX ROLL</u>	<u>PAYMENTS RECEIVED FY 04</u>
Horry County	\$ 512,799	\$ 538,122
City of Myrtle Beach	95,405	100,123
Marion	11,926	12,533
Georgetown	11,926	12,533
School District	1,192,558	1,251,530
MCBP Infrastructure Fund	560,502	588,219
	<u>\$ 2,385,115</u>	<u>\$ 2,503,060</u>