

HORRY COUNTY, SOUTH CAROLINA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2008

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INTRODUCTORY SECTION

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**HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
NOVEMBER 26, 2008**

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, 2008. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

Horry County financial statements have been audited by Elliott Davis, LLC, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2008, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Horry County financial statements for the fiscal year ended June 30, 2008 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of the CAFR.

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

Profile of the Government

Horry County is the Northeastern most County in the State of South Carolina. Encompassing 1,134 square miles, it is also the largest. 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 overseeing 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, industrial park development, and other general administrative support services. In addition, air transportation and terminal support, 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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The County's 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 Little River to Pawley's Island 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 was the fourth-fastest-growing area in the nation between 2005 and 2006. The area was named number one on the 2005 list of "10 Most Desirable Second Home Markets according to *EscapeHomes.com* and *Forbes* magazine ranks the Myrtle Beach area the 29th best location for business and careers (among 200 U.S. metropolitan statistical areas). According to the Strom Thurmond Institute at Clemson University in Charleston, SC, most of the recent growth can be accounted for by the influx of retirees who are attracted to the area. *Where to Retire* magazine listed South Carolina as the 18th ranked area for retirees over the age of 60 to relocate to; this ranking is only expected to improve as the baby boomers retire.

The Travel Industry Association released a study in August 2007 which was prepared for the South Carolina Department of Parks, Recreation & Tourism entitled "The Economic Impact of Travel on South Carolina Counties 2006". The report states that domestic travelers spent more than \$9.1 billion in South Carolina during 2006, up 6.9% from 2005. This economic impact report states that Horry County led all counties in travel expenditures generated by domestic traveler spending in 2006, as was the case in 2005. Horry County's travel expenditures of \$2,882,220,000 for 2006 accounted for 31.6% of the state total. This was an increase of 7.6% over the 2005 amount of \$2,678,310,000, an increase that exceeded the state-wide total increase over 2005 of 6.9%. According to *Carolina Living* (2006), for the third year in a row, the Myrtle Beach area was voted "Most Family-Friendly Vacation Destination in South Carolina," by readers of *Palmetto Parent* magazine.

Among the amenities that create such a draw to the region, there are in excess of 90,000 rooms available for overnight guests, a variety of entertainment theaters and nearly 105 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, Rees 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 4.0 million rounds of golf each year. The Golf 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. According to Golf Digest, in its 2007 listing of "America's 100 Greatest Public Golf Courses," 10 of the 100 are on the Grand Strand. Myrtle Beach Golf Holiday has invested one million dollars in a major marketing campaign that will result in a series of shows featuring Myrtle Beach which will be airing on the cable Golf channel over a twelve week period. These shows will promote the Myrtle Beach "product", which will include hotels and dining – primary sources of hospitality fee revenue.

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.

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.

Commercial and Residential Development

In view of the economic slowdown the County's economy remains strong as a result of the residential and commercial development over the past ten years. This has contributed to the continued growth in the tax base.

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 10 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 as well as libraries and recreational facilities. 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. Due to this mass development, the County is continuing to analyze funding methods such as impact fees, admissions tax, Residential Improvement Districts, property taxes, and business license to ensure its ability to provide services into the future.

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 ships and restaurants are all part of the plan for the Marina Village section of the development, which is open to the public.

On September 16, 2008 Grande Dunes Marketplace celebrated its grand opening. Grande Dunes Marketplace offers more than 91,000 square-feet of retail space with room for 19 tenants as well as future out parcel spaces. Grande Dunes Marketplace is anchored by a 49,000 square-foot Lowes Foods. Grande Dunes Marketplace is Located across Highway 17 from the Grande Dunes community. Grande Dunes Marketplace provides an array of fine retailers and restaurants for Myrtle Beach visitors and residents.

Coastal Grand – Myrtle Beach Mall on US 501 and US 17 Bypass opened in March of 2004 and houses anchor stores such as Belk, Sears, Dillards, 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. Shopping opportunities continue to be bountiful by improvements to the Grand Strand – From the Tanger Outlet Stores on US 501 to the Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Outlet shops such as SAKS, GAP, Osh Kosh, Sketchers, and Croscill make either of these retail gems a must see. Myrtle Beach Mall (formerly known as Colonial Mall), Barefoot Landing and Broadway on the Beach continue to make enhancements to the shopping arena by adding specialty shops, the Pavillion Nostalgia Park and increasing the number of new restaurants.

Building Permits Issued

<u>Fiscal Year</u>	<u>Number</u>	<u>Revenue</u>
2005	9,647	\$7,095,552
2006	11,981	\$9,141,771
2007	9,909	\$6,905,055
2008	8,459	\$4,726,984

Long-term Financial Planning

Unreserved, undesignated fund balance in the general fund (19.7% of the FY09 general fund expenditure budget) continues to fall within the policy guidelines set by County Council for budgetary and planning purposes (15% of the general fund operating budget).

The outlook for the County is as exciting as the past has been. The Census 2006 results reflect a permanent population of 238,493 for Horry County with projections showing continued growth to a population of 296,000 by the year 2010.

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 policy calls for the County 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, 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 one of these parks.

On November 7, 2006, the voters of Horry County passed a one-cent capital projects sales tax that went into effect May 2007, and by state law, will end seven years later. Horry County is slated to receive \$425,539,087 over this seven-year period, which will be used to fund one of the largest local road improvement programs in the history of Horry County. The proceeds will be used for the following projects:

1. \$ 19,600,000: Pave 20 miles of County dirt roads;
2. \$ 945,000: Resurface 12 miles of County roads;
3. \$ 49,500,000: Construct grade separated interchange at the intersection of US Hwy. 17 Bypass and SC Hwy. 707 at the back gate of the former Myrtle Beach air base;
4. \$ 132,250,000: Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy. 544;
5. \$ 25,750,000: Pave 25 miles of County dirt roads;
6. \$ 990,000: Resurface 12 miles of County roads;
7. \$ 46,000,000: Construct Aynor overpass;
8. \$ 1,035,000: Resurface 12 miles of County roads;
9. \$ 76,000,000: Widen Glenns Bay Road to 3 lanes and construct grade separated interchange at US Hwy. 17 Bypass;
10. \$ 1,080,000: Resurface 12 miles of County roads;
11. \$ 27,750,000: Pave 25 miles of County dirt roads;
12. \$ 1,125,000: Resurface 12 miles of County roads;
13. \$ 6,500,000: Pave 2 lanes of International Drive from Carolina Forest to SC Hwy. 90;
14. \$ 682,500: Resurface 7 miles of County roads;
15. \$ 36,100,000: Pave 30 miles of County dirt roads.

With this approval, the County entered into an Intergovernmental Agreement with the State of South Carolina Department of Transportation (SCDOT) to manage the improvements to the four SCDOT facilities, i.e. the Backgate Interchange @Highway 17 & Highway 707; widening Highway 707 to five lanes; construct an Aynor Overpass; and to widen Glenns Bay Road including an interchange at Highway 17 and Glenns Bay Road. Horry County has also entered into an agreement with RPM Engineers to manage the construction of the first two groups of County dirt roads comprising of the paving of approximately 40 miles of County maintained paved roads which were included in the referendum.

Additionally, the Comprehensive Local Road Improvement Plan initiated in FY98 is beginning its twelfth year. In the first eleven years 162 miles of the designated 176 miles, or 92% have been paved. The roads are paved utilizing both private contractors and the Public Works construction crews.

CAPITAL PROJECTS COMPLETED AND UNDER CONSTRUCTION

The J. Reuben Long expansion program continued with the completion of the minimum security addition and the issuance of \$50 million in general obligation bonds in FY2008 for the project. The project consists of a 536 bed four-story detention building, an administration building, a food service and laundry facility, and renovations to the existing building. During fiscal year 2008 the county contracted with Brennan Management Services for design and construction management of Phase II of the jail expansion.

During fiscal year 2008 the James R. Frazier Community Center in the Bucksport community was completed.

The construction of the Loris nature park continued in fiscal year 2008.

Also during fiscal year 2008 the county began the selection process for the Cool Spring Industrial Park spec building.

The Horry County Museum project continued with an architect's exhibition cost analysis and conceptual design.

RIDE PLAN

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 17 of the basic financial statements.

The total committed for the RIDE project is \$1.4 billion. Pursuant to the Horry County Road Improvement and Development Effort Program (the “RIDE Program”), Horry County entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the “SIB”) to provide funding for various road construction projects in the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to Horry County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. Horry County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay loans #1 and #2. Loan #3 is being repaid from Admissions Tax revenue. Horry County is not obligated to make payments from any other source of funds and Horry County’s full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2008 is \$334 million. Future debt service payments for the RIDE project are expected to be \$417 million.

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

Major projects in RIDE are the Conway Bypass (Highway 22), a six-lane controlled access highway between Aynor and Conway to U.S. 17 near Myrtle Beach Mall (formerly named the Colonial Mall); and Carolina Bays Parkway (Highway 31); a six lane limited access highway between S.C. Highway 9 in the North and S.C. Highway 544 in the South; a four-lane bridge spanning the Intercoastal Waterway at Fantasy Harbour; and the North Myrtle Beach Connector, a four-lane road connecting S.C. Highway 90 and U.S. 17 to the Carolina Bays Parkway. Other road improvements will be funded with the County’s Capital Project Sales Tax.

In June of 2007, the County entered into an intergovernmental agreement with the State Infrastructure Bank in which the County received a funding commitment for the widening of Highway 707 of \$150 million from the State Infrastructure Bank. A portion of the local sales tax (\$93.6 million) serves as the local match for the funds. Additionally, in November of 2007 the State Infrastructure Bank approved to provide funding of \$85 million for the continued extension of Highway 707 widening; there is no matching requirement on these funds. All funds have been made available for construction of designated projects and Horry County has spent \$1.3 million of the matching funds on the widening of Highway 707.

GEOGRAPHIC INFORMATION SYSTEM (GIS) PROGRAM

The Information Technology GIS Department received a number of awards this fiscal year. These awards included the AIM Carl E. Nelson award for best practices and solutions of integrating Onbase with GIS applications, Onbase Solutions award for advanced use of content management in government, and the Center for Digital Government Digital Counties award for exceptional use of technology. The IT/GIS Department has successfully deployed a new Solicitor package for case management and Onbase for scanning and indexing of documents and provided expanded mobile units in the field for Police, Sheriff, and Fire/EMS. Successful deployment of our Computer Aided Dispatch program (county hosting) to the City of North Myrtle Beach, the Town of Surfside Beach, and the City of Conway. Aerial Photography was flown for the entire county in fiscal year 2008. The fiber loop connection between North Myrtle Beach and Myrtle Beach has been completed to provide redundancy to the County’s network to insure communications with all of the cities on the CAD system. Prototype AVL systems have been deployed for Non-Public Safety units to determine location and facilitate improved citizen service.

Current Projects in progress:

- CAMA (Computer Aided Mass Appraisal)
- AVL (Automated Vehicle Locators) in Public Works vehicles
- Energov Land Management Software Deployment (Code Enforcement, Public Works, Stormwater, Planning and Zoning)
- Coplink Investigative solution
- Road Centerline Management
- Parcel Layer Editing
- Census 2010
- Historical document scanning (Onbase)
- Aerial Photography receipt and deployment
- Network Infrastructure re-design and enhancement
- Internet Application Security
- VMWare deployment on servers
- DOT Traffic Camera's online in the EOC Center
- Exploration of a new Financial Solution

AIRPORT

The Department of Airports is responsible for the management of Horry County's Airport System, which consists of the Myrtle Beach International Airport (MYR), as well as the Conway/Horry County (HYW), Grand Strand (CRE) and Loris/Twin City Airports (5J9).

The County initiated commercial air service operations at Myrtle Beach Air Force Base under a joint use agreement with the U.S. Air Force in 1975 in response to the growing demand for air services to the Myrtle Beach area. In 1993, the Air Force Base closed and the airfield was given to the County and renamed Myrtle Beach International Airport. MYR consists of over 1,900 acres of land, located within the City of Myrtle Beach. MYR is a County facility consisting of a passenger terminal complex, a 9,500-foot runway and related taxiways, a general aviation apron and supporting buildings and hangers. Conway, Grand Strand and Loris Airports are general aviation airports.

The Department of Airports is moving forward with implementing its airports' Master Plans expansion projects to insure that sufficient capacity will be available to meet future aviation demands. Under the direction of County Council, the Department has also initiated a program to revise the Airport Layout Plan for Myrtle Beach International Airport to reflect recent decisions regarding the location of future facilities at that airport. A team of professionals, headed by MB Kahn Construction Co. and the LPA Group is completing work on the first phase of planning for the east side terminal capacity expansion program (TCEP). The Kahn team has developed alternatives for achieving the goals/objectives which have been submitted to County Council to determine the preferred approach to accomplishing the requirements to complete the program. The preferred alternative would enlarge the terminal from 7 to 12 gates and, according to MB Kahn, would bear design and construction costs of approximately \$130 million.

The Department of Airports is also developing various plans to meet the future demands of the general aviation system. The Airport is developing a new general aviation terminal complex on the westerly side of the Myrtle Beach International Airport with an approved budget of \$4.5 million, which will be funded through State of South Carolina grants, a Myrtle Beach Air Force Base Redevelopment Authority grant and Airport funds. T-hangars will be constructed at MYR, fuel farm improvements will be completed at HYW, obstruction removal at CRE is underway and purchasing of land in the runway protection zone at 5J9 will continue.

In February 2006, the South Carolina Department of Commerce, Division of Aeronautics released an economic impact study of the County's airports. That study, prepared by Wilbur Smith Assoc., estimates the direct and indirect economic impact of the four county airports is over \$776.3 million annually. The airports' existing tenants comprise of companies specializing in the handling, servicing, modification and repair of aircraft. The County's airports are ideally suited for these industries because of their excellent facilities and the quality and cost of living in the area.

FUNDING

The funding of the jail expansion and renovations was provided through the issuance of a \$62 million dollar General Obligation Bond issued in May of 2008, \$50 million of which is allocated for the jail project.

The funding of new libraries or other recreational facilities as deemed by County Council was provided through the remaining \$12 million of the above mentioned General Obligation Bonds issued in May of 2008.

A one-cent sales tax increase went into affect May 1, 2007 to pay for several major infrastructure road projects over a 7-year period.

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 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 is 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.

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 is 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, 2007. This was the thirteenth 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, 2007 for fiscal year ended June 30, 2008. This was the nineteenth 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 Elliott Davis, L.L.C. 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,



Alfred L. Liner
Chief Financial Officer

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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

MEMBERS OF COUNTY COUNCIL

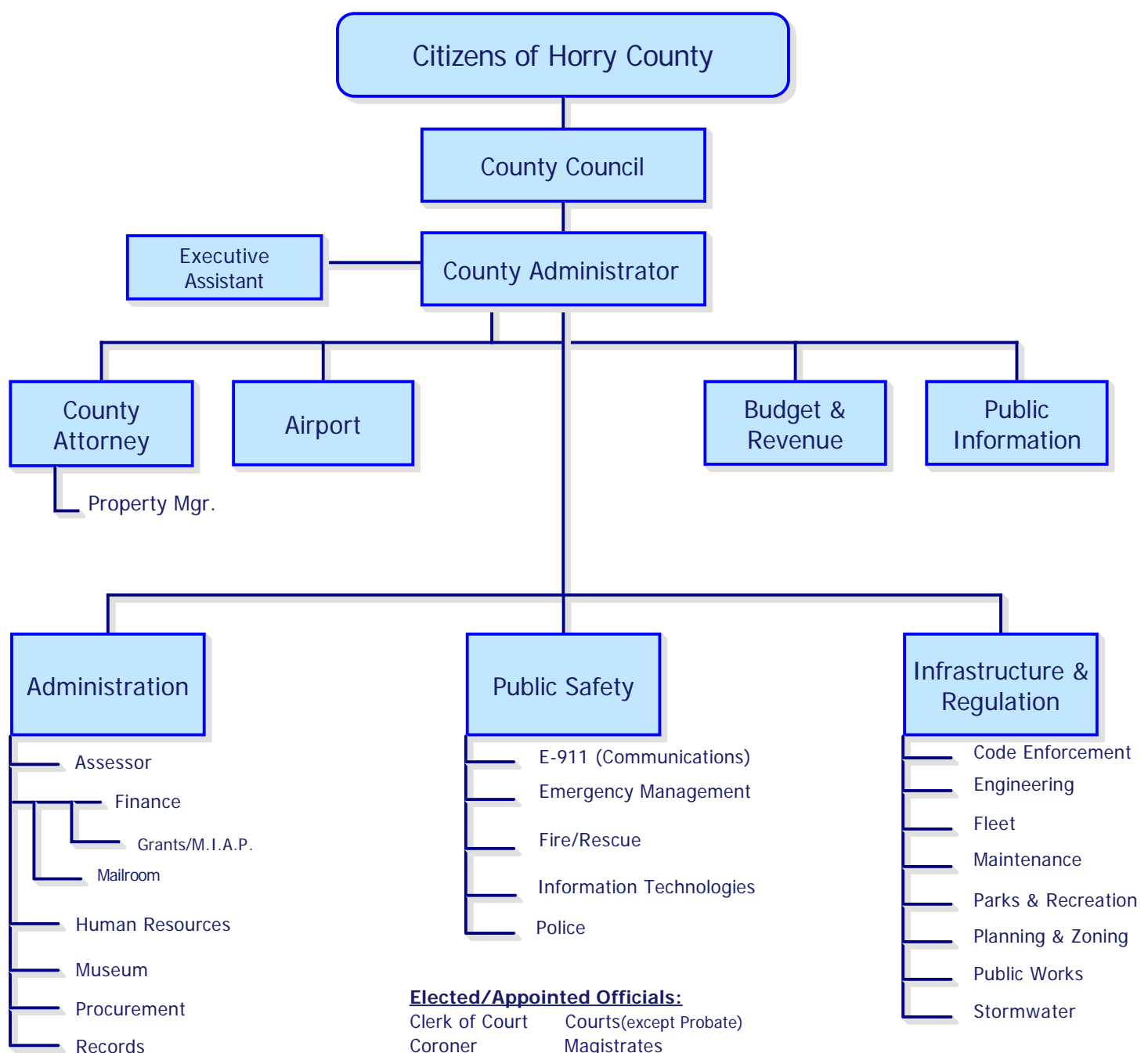
Elizabeth D. Gilland	Chairperson
Marion Foxworth	Vice Chairperson
Harold Worley	Member, District 1
Brent Shulz	Member, District 2
Marion Foxworth	Member, District 3
Michael L. Ryan	Member, District 4
Howard D. Barnard, III	Member, District 5
Bob Grabowski	Member, District 6
James R. Frazier	Member, District 7
Carl Schwartzkopf	Member, District 8
W. Paul Prince	Member, District 9
Kevin J. Hardee	Member, District 10
Al Allen	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
Roddy Dickinson	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



Elected/Appointed Officials:

Auditor
Library
Master-in-Equity
Registrations & Elections
Treasurer
Hospitality/Business License
Delinquent Tax

Boards & Commissions:

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

Supplemental Funded Agencies

Coastal Carolina College
Horry-Georgetown Technical College

Elected/Appointed Officials:

Clerk of Court
Coroner
Solicitor
Sheriff
Detention
Juvenile Detention

Boards & Commissions:

Shoreline Behavioral
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

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 Dev. Corp.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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 as of and for the year ended June 30, 2008 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Horry County Department of Airports' financial statements represent 97 percent of the assets, 98 percent of the net assets, and 99 percent of revenues of the business-type activities. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, the business-type activities, each major fund and the aggregate remaining fund information of Horry County as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 26, 2008 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Management's Discussion and Analysis and the Required Supplementary Information, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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, combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, fines and assessments, and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, and fines and assessments have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Eugene Davis, LLC

Greenwood, South Carolina
November 26, 2008

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, 2008. 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 the pages prior to 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 2008 by \$474,068 (net assets). This was an increase of \$115,597 from fiscal year 2007.
- At June 30, 2008, the County's governmental funds reported combined ending fund balances of \$270,816 in comparison with \$150,381 of the prior fiscal year, as restated.
- At June 30, 2008, unreserved fund balance for the General Fund was \$24,580 or 22.3% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2008 was \$65,576 compared to \$59,538 for fiscal year 2007, an increase of 10.1%.
- The County's outstanding governmental activities debt increased by \$41,314 during fiscal year 2007 compared to fiscal year 2006.

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. The Enterprise funds consist of the following: Department of Airports and Baseball Stadium. 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 further 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, measure Horry County's financial position. Over time, increases or decreases in Horry County's net assets are an indicator of whether its financial position has changed. To assess the overall financial position of Horry County you need to consider additional nonfinancial factors such as changes in Horry County's property tax base, changes in operations, 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 and regulation, and 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 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 demonstrate 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 five major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Hospitality 1.5% Special Revenue, General Improvement, Capital Projects, Capital Projects Sales Tax, and RIDE Program Debt Service, which are considered to be major funds. Data from the other 32 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, and 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 and Baseball Stadium.

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 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 - 85 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% Special Revenue Fund, 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 as well funding status of the County's post employment benefit obligation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial condition and position. In the case of the County as reflected in the primary government funds, assets exceeded liabilities by \$474,068 at the close of the fiscal year ended June 30, 2008.

At the end of fiscal year 2008, the County reflected the following net assets:

Horry County, South Carolina							
Net Assets							
(in thousands)							
	Governmental Activities		Business-type Activities		Total	Total	
	2008	2007	2008	2007	2008	2007	
Current and Other Assets	\$ 334,617	\$ 205,738	\$ 71,423	\$ 78,219	\$ 406,040	\$ 283,957	
Capital Assets, net	547,248	512,922	96,045	98,808	643,293	611,730	
Total Assets	881,865	718,660	167,468	177,027	1,049,333	895,687	
Current Liabilities	75,641	58,083	3,255	12,492	78,896	70,575	
Long-term Liabilities Outstanding	482,835	441,521	13,534	25,120	496,369	466,641	
Total Liabilities	558,476	499,604	16,789	37,612	575,265	537,216	
Net Assets:							
Invested in Capital Assets,							
Net of Related Debt	377,812	406,013	82,980	72,687	460,792	478,700	
Restricted	186,578	64,673	26,679	34,046	213,257	98,719	
Unrestricted (deficit)	(241,001)	(251,630)	41,020	32,682	(199,981)	(218,948)	
Total Net Assets	\$ 323,389	\$ 219,056	\$ 150,679	\$ 139,415	\$ 474,068	\$ 358,471	

Net assets of the County's governmental activities increased 47.6 percent from \$219,056 to \$323,389. However, all of those net assets are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so on). Unrestricted net assets showed a \$241,001 deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads. In 1996 the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within Horry County. The RIDE program debt is repaid from a 1.5% hospitality fee enacted locally in 1997. Net assets do not present the County's position regarding spending, which is presented in the governmental fund statements.

The net assets of our business-type activities increased 8.08 percent from \$139,415 in 2007 to \$150,679 in 2008, this was a result of higher operating and non-operating revenues as well as increased federal and state restricted capital project grant revenues.

The total fund balances for governmental funds was \$270,816 at the end of fiscal year 2008. 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 \$547,248. Long-term liabilities of \$482,835 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, \$316,695, 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, by 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 benefited 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 towards their construction and meet the infrastructure needs of the County.

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 \$104,333. This increase was mainly attributable to increased revenues from property taxes, one-cent sales tax increase for road improvements and continued growth in the County's taxable assessable base as well as controlled governmental expenditures. Key elements of this increase are on the following page:

Horry County, South Carolina

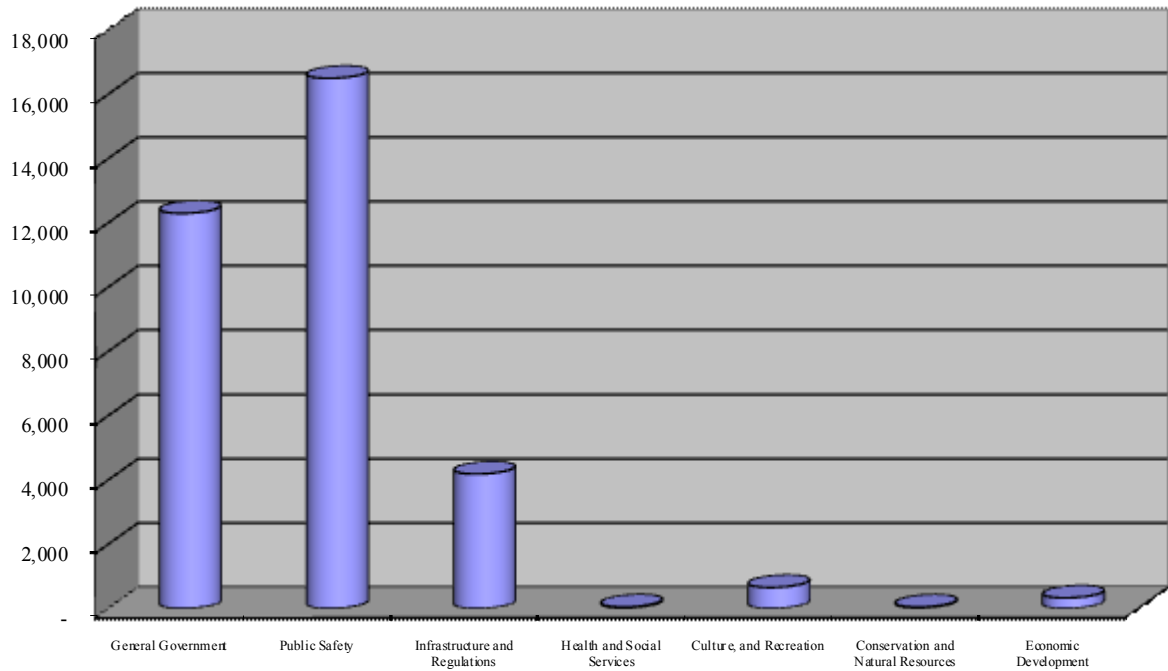
Changes in Net Assets

(in thousands)

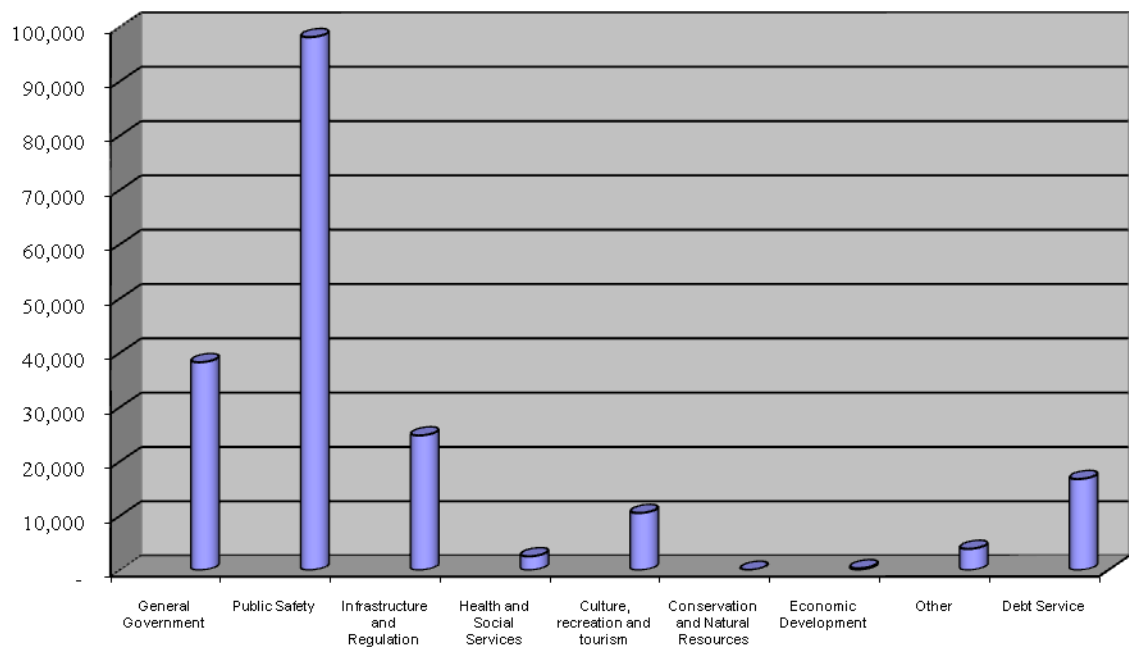
	Governmental Activities		Business-Type Activities		Total	Total
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Fees for services	\$ 32,798	\$ 26,899	\$ 24,637	\$ 26,548	\$ 57,435	\$ 53,447
Operating Grants and Contributions	597	641	-	-	597	641
Capital Grants and Contributions	666	358	-	-	666	358
General Revenues:						
Property Taxes and Shared Revenue and Unallocated Intergovernmental	198,818	123,766	-	-	198,818	123,766
Other	67,055	63,112	6,346	5,605	73,401	68,717
Total Revenues	299,934	214,776	30,983	32,153	330,917	246,929
Expenses:						
General Government	38,239	40,691	-	-	38,239	40,691
Public Safety	98,133	72,570	-	-	98,133	72,570
Infrastructure and Regulation	24,749	14,126	-	-	24,749	14,126
Health and Social Services	2,542	980	-	-	2,542	980
Culture, recreation and tourism	10,519	9,133	-	-	10,519	9,133
Conservation and Natural Resources	47	1	-	-	47	1
Economic Development	383	312	-	-	383	312
Other	3,910	3,210	-	-	3,910	3,210
Debt Service	16,767	16,193	-	-	16,767	16,193
Airports	-	-	19,714	26,663	19,714	26,663
Baseball Stadium	-	-	317	376	317	376
Total Expenses	195,289	157,216	20,031	27,039	215,320	184,255
Increase in Net Assets						
Before Extraordinary Item & Transfers	104,645	57,560	10,952	5,114	115,597	62,674
Extraordinary Item & Transfers	(312)	(305)	312	(16,148)	-	(16,453)
Increase (Decrease) in Net Assets	104,333	57,255	11,264	(11,034)	115,596	46,221
Net Assets - 7/1/07	219,056	161,801	139,415	150,449	358,471	312,250
Net Assets - 6/30/08	\$ 323,389	\$ 219,056	\$ 150,679	\$ 139,415	\$ 474,068	\$ 358,471

Program Revenues and Expenses - Governmental Activities

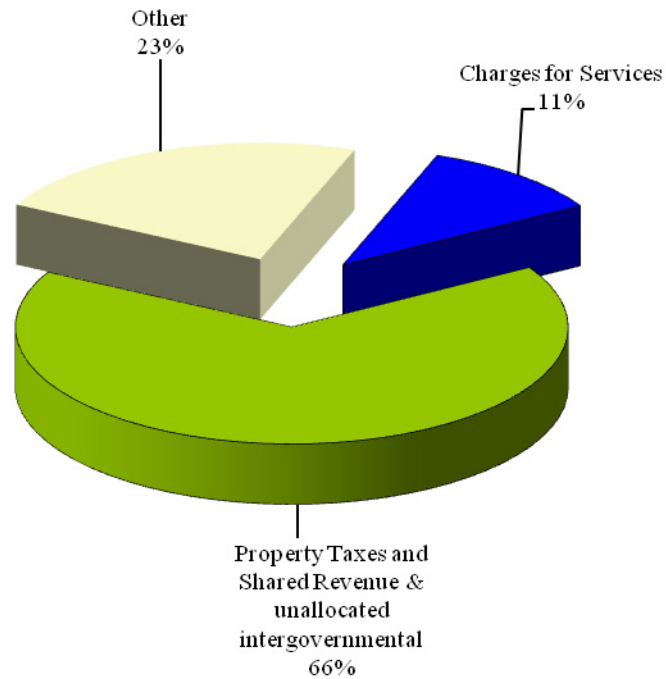
PROGRAM REVENUES



EXPENSES



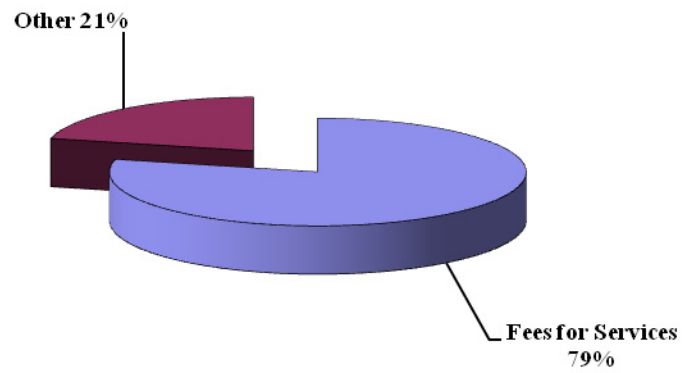
Revenues by Source-Governmental Activities



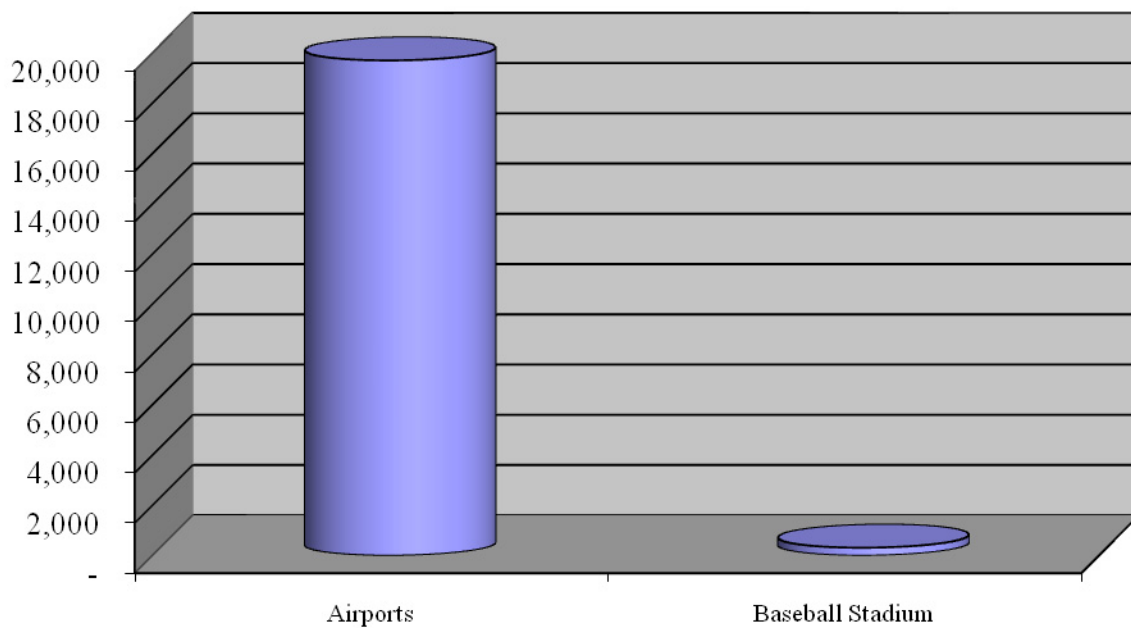
Business-type activities

Business-type activities increased the County's net assets by \$11,264, primarily the result of higher operating and non-operating revenues as well as increased federal and state restricted capital project grant revenues.

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 2008, the County's Governmental Funds reported combined ending fund balances of \$270,816, an increase of \$120,436 in comparison with the prior year. Unreserved Fund Balance in the Governmental Funds of \$53,106 is available for spending at the County's discretion. The remainder of the 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 (\$10,643), 2) for inventories (\$53), 3) for freight claims (\$51), 4) for prepaid items (\$32), 5) for debt service (\$19,528), 6) for underground storage tanks (\$50), 7) to pay for Fire Special Revenue Fund bonded capital projects (\$893), 8) to pay for projects in the Capital Projects Fund (\$66,906), 9) for maintenance and construction of County roads (\$390), 10) for future repairs and maintenance to the Baseball Stadium (\$235), 11) to pay for the RIDE Program Debt Service (\$38,584), 12) for DSS Federal Revenue (\$71), 13) for Cultural (\$70), 14) for Register of Deeds (\$5), 15) for Environmental services (\$462), 16) for Infrastructure development (\$59,333), 17) designated for General Fund (\$3,254), and 18) designated for other Governmental Funds (\$17,151).

The General, Hospitality 1.5%, General Improvements Capital Projects, Capital Project Sales Tax 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 2008, unreserved fund balance of the General Fund was \$24,580 while the total General Fund balance reached \$29,083. 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 22.3 percent of the total general fund expenditures, while total fund balance represents 26.4 percent of that same amount.

The total fund balance of the County's general fund increased by \$2,154 during the current fiscal year. The key factors in this increase were as follows:

- A decrease in expenditures of \$10,800 under fiscal year 2008 budget, primarily in the functional areas of General Government, Public Safety and Infrastructure and Regulation. In budget year 2008, it was projected that \$4.5 million of fund balance would be utilized.
- While revenues increased \$ 4,646 over fiscal year 2007.

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 \$41,020.

Fund	2007 Unrestricted Net Assets (Deficit)	2007 Unrestricted Net Assets (Deficit)
Department of Airports	\$ 41,103	\$ 32,772
Baseball Stadium	(83)	(90)
Internal Service Fund	<u>2,441</u>	<u>6,832</u>
Totals	<u>\$ 43,461</u>	<u>\$ 39,514</u>

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

General Fund Budgetary Highlights

The final budgeted revenues were increased by \$187 over the original budget. The primary reason was an increase in intergovernmental revenues of \$182 which consisted of \$80 for solicitor appropriations and \$83 from lottery funds for the library. The remaining \$19 was a result of increased donations and contributions for the library. The final budgeted expenditures were increased by \$8,921 over the original budget. The primary reasons for this change is a result of increased costs of \$3,993 in General Government, \$2,096 in increased costs for Public Safety and \$2,264 for Infrastructure and Regulation.

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, 2008 amounts to \$643,293 (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 5.1 percent (a 6.7 percent increase for governmental activities and a 2.9 percent decrease for business-type activities).

Most of this increase was in Public Safety and Infrastructure and Regulation. Some of the significant capital events that occurred during the current fiscal year were the new Health Department building for a total cost of \$1.5 million. The Public Works North Satellite was completed (\$245) with the Public Works South Satellite in progress. The jail renovations and minimum security additions completed in 2008 were over \$4 million dollars. Also, in 2008 the Bucksport Community Center was completed (\$2.5 million).

Horry County, South Carolina
Capital Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	Total
	2008	2007	2008	2007	2008	2007
Land, Easements, and Improvements	\$ 15,014	\$ 15,555	\$ 28,554	\$ 28,997	\$ 43,568	\$ 44,552
Infrastructure	400,936	383,345	9,182	9,182	410,118	392,527
Construction-in-Progress	5,209	6,407	1,001	517	6,210	6,924
Buildings and Improvements	93,788	80,267	28,986	30,811	122,774	111,078
Office Furniture	544	1,131	-	-	544	1,131
Vehicles	2,255	1,399	-	-	2,255	1,399
Machinery and Equipment	28,861	24,435	5,013	4,773	33,874	29,208
Runways and Taxiways	-	-	23,309	24,528	23,309	24,528
Other	641	383	-	-	641	383
Total	\$ 547,248	\$ 512,922	\$ 96,045	\$ 98,808	\$ 643,293	\$ 611,730

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

Modified Approach for Infrastructure

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 2008. FY 2008 represents Year 11 of the project, which endeavors to improve the County's roadways with paving, resurfacing or coquina/slag. The five-year extension covers years 2008-2012 in an effort to expedite easement acquisitions procedures and thereby enhance the programs effectiveness by approving a 5-year list of roads to be improved.

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

Debt Administration

At the end of fiscal year 2008, the County had total bonded debt outstanding of \$149,325. Of this amount, \$137,920 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 (in thousands)

	Governmental Activities		Business-type Activities		Total	Total
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 137,920	\$ 80,120	\$ -	\$ -	\$137,920	\$80,120
Special Obligation Bonds	11,405	12,725	-	-	11,405	12,725
Revenue Bonds	-	-	11,140	24,300	11,140	24,300
Baseball Stadium COPS	-	-	2,024	2,162	2,024	2,162
RIDE IGA Loans	334,103	350,132	-	-	334,103	350,132
Total	<u>\$ 483,428</u>	<u>\$ 442,977</u>	<u>\$13,164</u>	<u>\$26,462</u>	<u>\$496,592</u>	<u>\$469,439</u>

The County's outstanding notes and bonded debt increased by \$27,153 compared with fiscal year 2007.

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

- The County's predominantly tourist-based economy continues to thrive, in spite of the state of the national economy as a result of the residential and commercial development over the past ten years.. Thirty-eight percent of the state's hotel and motel rooms are located within Horry County and forty percent of the state's second homes are also located within the county. Horry County was the fourth-fastest-growing area in the nation between 2005 and 2006. The area was named number one on the 2005 list of "10 Most Desirable Second Home Markets according to *EscapeHomes.com* and *Forbes* magazine ranks the Myrtle Beach area the 29th best location for business and careers (among 200 U.S. metropolitan statistical areas). According to the Strom Thurmond Institute at Clemson University in Charleston, SC, most of the recent growth can be accounted for by the influx of retirees who are attracted to the area. According to *Golf Digest*, in its 2007 listing of "America's 100 Greatest Public Golf Courses," 10 of the 100 are on the Grand Strand. Gross retail sales were reported to be \$9.26 billion for 2007. This is a 1.3 percent increase over 2006 but shows the slowing of economic times compared to the prior year growth of 10.4 percent from.
- The taxable assessed value of real and personal property increased 10.8 percent in the 2008 fiscal year.
- Fees and fines revenues increased 7 percent, amounting to \$1,063 in added revenue for the 2008 fiscal year.
- The U.S. Census Bureau estimated a 5 percent population increase from July 1, 2006 to July 1, 2007. The estimated population for Horry County at July 1, 2007 was 249,925.

All of these factors were considered in preparing Horry County's budget for the 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased from \$19,101 to \$24,580. Projections at this time indicate that at the end of fiscal year 2009, the unreserved fund balance for the general fund will remain above the 15% of total general fund expenditures requirement set by the Financial Policy Ordinance.

Requests for Information

This financial report is designed to present users with a general overview of 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 Chief Financial Officer, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2008
(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	\$ 10,064	\$ 25,643	\$ 35,707	\$ 187	\$ 4,964
Equity in Pooled Cash and Investments	235,427	-	235,427	-	-
Investments	-	18,236	18,236	-	25,283
Funds held in trust	5,232	-	5,232	-	-
Receivables, net:					
Property taxes	4,891	-	4,891	-	-
Accounts and other	5,106	780	5,886	161	1,706
Fees	4,584	-	4,584	-	-
Interest receivable	1,414	153	1,567	-	-
Due from primary government	-	-	-	90	344
Due from component units	64	-	64	-	-
Due from other governments	34,755	310	35,065	22	-
Internal balances	1,143	(1,143)	-	-	-
Notes receivable - Horry County	-	-	-	-	25
Prepaid items	31	82	113	-	90
Inventories	343	388	731	-	70
Restricted - funds held in trust	31,563	-	31,563	-	-
Total current assets	334,617	44,449	379,066	460	32,482
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	1,962	1,962	-	-
Investments	-	24,393	24,393	-	-
Equity in pooled cash and investments	-	50	50	-	-
Accounts receivable	-	274	274	-	-
Total restricted assets	-	26,679	26,679	-	-
Capital assets:					
Land, easements and infrastructure	416,771	34,677	451,448	-	7,440
Depreciable capital assets, net	125,268	60,367	185,635	1,188	23,756
Construction-in-progress	5,209	1,001	6,210	-	1,365
Total capital assets, net	547,248	96,045	643,293	1,188	32,561
Deferred charges, net					
Bond issuance cost, net	-	295	295	16	-
Total non-current assets	547,248	123,019	670,267	1,204	32,561
Total assets	881,865	167,468	1,049,333	1,664	65,043

- 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	5,648	184	5,832	9	1,691
Accounts payable - other	526	-	526	-	-
Accrued salaries, related taxes and compensated absences	2,263	393	2,656	53	251
Accrued expenses	-	453	453	-	-
Due to other governments	2,417	83	2,500	-	-
Due to component units	90	-	90	-	-
Construction and retainage payable	376	359	735	-	94
Other liabilities	25,020	-	25,020	-	-
Deferred revenue	2,145	189	2,334	-	-
Accrued interest payable	6,619	-	6,619	-	-
Bonds, notes and contracts payable - current portion	8,080	-	8,080	97	-
Special obligation bonds payable - current portion	1,390	-	1,390	-	-
IGA #1 payable - current portion	11,347	-	11,347	-	-
IGA #2 payable - current portion	6,033	-	6,033	-	-
IGA #3 contribution payable - current portion	28	-	28	-	-
Capital lease obligations - current portion	3,659	39	3,698	-	-
Amounts due to tenants	-	542	542	-	-
Total current liabilities	75,641	2,242	77,883	159	2,036
Current liabilities payable from restricted assets	-	1,013	1,013	-	-
Non-current (long-term) liabilities:					
Certificates of Participation	-	1,880	1,880	-	-
General and special obligation bonds payable	139,855	-	139,855	-	-
Revenue bonds payable	-	10,172	10,172	436	-
IGA loans payable	315,760	-	315,760	-	-
IGA #3 contribution payable	935	-	935	-	-
Due to tenants for capital improvements	-	200	200	-	-
Capital lease obligations	9,455	306	9,761	-	-
Compensation for future absences	11,844	820	12,664	41	109
Net post employment benefit obligation	4,986	155	5,141	-	212
Landfill closures costs	-	-	-	-	8,878
Landfill post closure care costs	-	-	-	-	6,670
Total long-term liabilities	482,835	13,534	496,369	477	15,869
Total liabilities	558,476	16,789	575,265	636	17,905

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	377,812	82,980	460,792	671	32,561
Restricted For:					
Capital projects	66,906	2,304	69,210	-	-
Road maintenance	390	-	390	-	-
Register of Deeds	5	-	5	-	-
Fire special revenue	893	-	893	-	-
Infrastructure development	59,333	-	59,333	-	-
Debt service	19,528	24,375	43,903	-	-
RIDE program	38,584	-	38,584	-	-
DSS federal revenue	71	-	71	-	-
Freight claims	51	-	51	-	-
Substance abuse prevention	-	-	-	411	-
Cultural	70	-	70	-	-
Baseball	235	-	235	-	-
Underground storage tanks	50	-	50	-	-
Environmental services	462	-	462	-	-
Unrestricted (deficit)	(241,001)	41,020	(199,981)	(54)	14,577
Total net assets	323,389	150,679	474,068	1,028	47,138
Total liabilities and net assets	\$ 881,865	\$ 167,468	\$ 1,049,333	\$ 1,664	\$ 65,043

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008
(amounts expressed in thousands)

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental			Component Units	
					Governmental Activities	Business -type Activities	Totals	Shoreline Behavior	Solid Waste Authority
Primary government									
<u>Governmental activities:</u>									
General government	\$ (38,239)	\$ 12,295	\$ -	\$ -	\$ (25,944)	\$ -	\$ (25,944)	\$ -	\$ -
Public safety	(98,133)	15,687	518	291	(81,637)	-	(81,637)	-	-
Health and social services	(2,542)	49	-	-	(2,493)	-	(2,493)	-	-
Infrastructure and regulation	(24,749)	4,177	3	5	(20,564)	-	(20,564)	-	-
Culture, recreation and tourism	(10,519)	590	29	38	(9,862)	-	(9,862)	-	-
Economic development	(383)	-	-	332	(51)	-	(51)	-	-
Conservation/natural resources	(47)	-	47	-	(0)	-	(0)	-	-
Debt service	(16,767)	-	-	-	(16,767)	-	(16,767)	-	-
TECH and Higher Education Commission	(3,910)	-	-	-	(3,910)	-	(3,910)	-	-
Total governmental activities	(195,289)	32,798	597	666	(161,228)	-	(161,228)	-	-
<u>Business-type activities:</u>									
Airports	(19,714)	24,634	-	-	-	4,920	4,920	-	-
Baseball stadium	(317)	3	-	-	-	(314)	(314)	-	-
Total businss-type activities	(20,030)	24,637	-	-	-	4,606	4,606	-	-
Total primary government	<u>\$ (215,319)</u>	<u>\$ 57,435</u>	<u>\$ 597</u>	<u>\$ 666</u>	<u>\$ (161,228)</u>	<u>\$ 4,606</u>	<u>\$ (156,622)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units									
Health services	\$ (2,360)	\$ 2,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43)	\$ -
Landfill	(18,408)	16,430	184	-	-	-	-	-	(1,795)
Total component units	<u>\$ (20,768)</u>	<u>\$ 18,747</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43)</u>	<u>\$ (1,795)</u>
General Revenue and Transfers									
General Revenue									
Property taxes					104,702	-	104,702	-	-
Capital Road Sales Tax					77,123		77,123		
Fees-in-lieu of taxes					353	-	353	-	-
Intergovernmental- unrestricted					16,640	-	16,640	-	-
Accommodations tax					3,191	-	3,191	-	-
Local accommodations tax					996	-	996	-	-
Admissions tax					116	-	116	-	-
Road maintenance					4,720	-	4,720	-	-
Hospitality fees					37,051	-	37,051	-	-
RMC Documentary Stamps					4,356	-	4,356	-	-
Unrestricted investment earnings					7,880	2,844	10,724	3	1,460
Miscellaneous					7,270	-	7,270	96	94
Gain (loss) on disposal of asset					330	69	399	-	(43)
Capital Contributions					1,145	3,433	4,578	-	596
Transfers					(312)	312	-	-	-
Total general revenue and transfer					<u>265,561</u>	<u>6,658</u>	<u>272,220</u>	<u>99</u>	<u>2,107</u>
Changes in net assets					104,333	11,264	115,597	56	312
Net assets - beginning of year					<u>219,056</u>	<u>139,415</u>	<u>358,471</u>	<u>973</u>	<u>46,826</u>
Net assets - end of year					<u>\$ 323,389</u>	<u>\$ 150,679</u>	<u>\$ 474,068</u>	<u>\$ 1,029</u>	<u>\$ 47,138</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non- Major Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,261,548	\$ 2,500,285	\$ -	\$ -	\$ -	\$ 3,302,034	\$ 10,063,867
Equity in pooled cash and investments	47,313,860	182,043	82,857,356	43,792,980	-	54,016,521	228,162,760
Funds held in trust	-	-	2,555,219	-	-	2,676,544	5,231,763
Receivables, net:							
Property taxes	498,211	-	-	-	-	222,303	720,514
Accounts and other	3,902,217	-	62,759	-	-	1,140,537	5,105,513
Fees	-	4,481,523	-	-	-	101,972	4,583,495
Interest receivable	563,047	10,031	185,528	-	-	588,556	1,347,162
Due from other funds	3,179,684	-	387,001	-	7,020,798	780,634	11,368,117
Due from other governments	3,489,246	-	-	14,721,808	-	2,958,077	21,169,131
Due from component units	-	-	63,981	-	-	-	63,981
Inventories	52,767	-	-	-	-	-	52,767
Prepaid items	27,334	-	-	-	-	4,572	31,906
Restricted assets	-	-	-	-	31,562,765	-	31,562,765
Total Assets	\$ 63,287,913	\$ 7,173,882	\$ 86,111,844	\$ 58,514,788	\$ 38,583,563	\$ 65,791,751	\$ 319,463,741
Liabilities and Fund Balances							
Liabilities:							
Accounts payable - trade	\$ 2,360,525	\$ -	\$ 1,054,863	\$ 427,335	\$ -	\$ 1,757,672	\$ 5,600,395
Accounts payable - other	526,458	-	-	-	-	-	526,458
Construction and retainage payable	-	-	355,497	-	-	20,644	376,141
Accrued salaries and wages	1,904,533	-	-	-	-	341,538	2,246,071
Accrued compensated absences	1,367	-	-	-	-	-	1,367
Due to other funds	173,180	7,002,480	-	-	-	3,049,819	10,225,479
Due to component units	90,055	-	-	-	-	285	90,341

- CONTINUED -

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

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Other Non-Major Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances (cont.)							
Liabilities:							
Due to other governments	2,391,586	-	-	-	-	25,064	2,416,650
Proceeds from sales held by Master in Equity	3,797,458	-	-	-	-	-	3,797,458
Due to taxpayers for overpayment	3,982,920	-	-	-	-	-	3,982,920
Funds held in trust- delinquent taxes	5,731,803	-	-	-	-	-	5,731,803
Funds held in trust- Clerk of Court	6,634,067	-	-	-	-	-	6,634,067
Other liabilities	4,630,880	-	242,797	-	-	-	4,873,677
Deferred revenue	1,980,069	164,987	-	-	-	-	2,145,056
Total liabilities	34,204,900	7,167,467	1,653,157	427,335	-	5,195,022	48,647,881
Fund Balances:							
Reserved for:							
Encumbrances	530,812	-	5,700,179	2,338,408	-	2,073,261	10,642,660
Inventories	52,767	-	-	-	-	-	52,767
Debt service	-	-	-	-	-	19,528,368	19,528,368
Underground storage tanks	50,000	-	-	-	-	-	50,000
Environmental services	462,018	-	-	-	-	-	462,018
Register of Deeds	4,827	-	-	-	-	-	4,827
Fire Special Revenue Fund	-	-	893,244	-	-	-	893,244
Prepaid items	27,334	-	-	-	-	4,572	31,906
Road maintenance	-	-	-	-	-	389,814	389,814
Cultural	-	-	-	-	-	70,000	70,000
Baseball Park	-	-	-	-	-	235,132	235,132
RIDE Program	-	-	-	-	38,583,563	-	38,583,563
DSS federal revenue	70,507	-	-	-	-	-	70,507
Reserved for capital projects	-	-	66,905,757	-	-	-	66,905,757
Freight claims	51,471	-	-	-	-	-	51,471
Infrastructure Development	-	-	-	55,749,045	-	3,583,886	59,332,931
Unreserved/designated							
General fund	3,253,778	-	-	-	-	-	3,253,778
Special revenue fund	-	-	-	-	-	4,735,931	4,735,931
Capital projects fund	-	-	10,959,507	-	-	1,455,868	12,415,375
Unreserved/undesignated, reported in:							
General fund	24,579,499	-	-	-	-	-	24,579,499
Special revenue fund	-	6,415	-	-	-	28,519,897	28,526,312
Total fund balances	29,083,013	6,415	84,458,687	58,087,453	38,583,563	60,596,729	270,815,860
Total liabilities and fund balances	\$ 63,287,913	\$ 7,173,882	\$ 86,111,844	\$ 58,514,788	\$ 38,583,563	\$ 65,791,751	\$ 319,463,741

- CONTINUED -

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

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

	<i>(amounts expressed in thousands)</i>
Total fund balances - governmental funds	\$ 270,816
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.	542,488
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's expenditures.	17,756
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.	12,320
Long-term liabilities, including bonds payable that are not due and payable in the current period and, therefore, are not reported in these funds.	(519,991)
Net Assets, end of year - governmental activities	<u>\$ 323,389</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

		Hospitality	General	Capital	RIDE	Other Non-	Total
	General Fund	1.5 % Fee	Improvement	Project Sales	Program	Major	Governmental
Revenues			Capital	Tax	Debt Service	Funds	Funds
Real property taxes	\$ 55,381,163	\$ -	\$ -	\$ -	\$ -	\$ 32,022,149	\$ 87,403,312
Personal property taxes	5,193,398	-	-	-	-	3,493,018	8,686,416
Vehicle taxes	5,001,434	-	-	-	-	3,516,253	8,517,687
Intergovernmental	14,374,003	-	-	-	-	6,836,090	21,210,093
Sales tax	-	-	-	63,537,101	-	-	63,537,101
Accommodation tax	-	-	-	-	-	995,663	995,663
Fees and fines	15,832,437	30,418,755	725,893	-	-	17,593,125	64,570,210
Documentary stamps	4,355,593	-	-	-	-	-	4,355,593
License and permits	9,999,046	-	-	-	-	-	9,999,046
Interest on investments	1,884,319	128,935	1,203,751	389,409	1,632,329	2,641,460	7,880,203
Cost allocation	1,684,499	-	-	-	-	-	1,684,499
Other	2,402,698	-	96,755	-	-	3,085,471	5,584,924
Total revenues	<u>116,108,590</u>	<u>30,547,690</u>	<u>2,026,399</u>	<u>63,926,510</u>	<u>1,632,329</u>	<u>70,183,229</u>	<u>284,424,747</u>
Expenditures							
Current:							
General government	30,143,140	-	-	-	-	-	30,143,140
Public safety	62,360,671	-	-	-	-	16,756,695	79,117,366
Health and social services	132,084	-	-	-	-	689,580	821,664
Infrastructure and regulation	11,132,412	-	-	-	-	21,765,727	32,898,139
Culture, recreation and tourism	4,055,847	-	-	-	-	4,643,572	8,699,419
Economic development	-	-	-	48,261	-	334,870	383,131
Conservation and natural resources	-	-	-	-	-	46,590	46,590
TECH & Higher Education Commission	-	-	-	-	-	3,910,000	3,910,000
Other	1,643,362	-	3,742,191	5,539,097	-	-	10,924,650
Debt service	-	-	-	-	26,427,049	9,753,688	36,180,737
Capital outlay	528,173	-	26,568,585	-	-	1,724,995	28,821,753
Total expenditures	<u>109,995,689</u>	<u>-</u>	<u>30,310,776</u>	<u>5,587,358</u>	<u>26,427,049</u>	<u>59,625,717</u>	<u>231,946,589</u>

- 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 Capital Projects	Capital Project Sales Tax	RIDE Program Debt Service	Major Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	6,112,901	30,547,690	(28,284,377)	58,339,152	(24,794,720)	10,557,512	52,478,158
Other Financing Sources (Uses)							
Capital leases		-	4,442,258	-	-	-	4,442,258
Issuance of debt	-	-	62,000,000	-	-	-	62,000,000
Bond issue premium	-	-	-	-	-	1,496,310	1,496,310
Sales of capital assets	290,511	-	-	-	-	39,541	330,052
Transfers in	1,632,901	-	10,331,755	-	30,549,303	8,171,501	50,685,460
Transfers out	(5,881,978)	(30,666,792)	(211,300)	-	-	(14,236,840)	(50,996,910)
Total other financing sources (uses)	(3,958,566)	(30,666,792)	76,562,713	-	30,549,303	(4,529,488)	67,957,170
Net change in fund balance	2,154,335	(119,102)	48,278,336	58,339,152	5,754,583	6,028,024	120,435,328
Fund balances at beginning of year	26,928,678	125,517	36,180,351	(251,699)	32,828,980	54,568,705	150,380,532
Fund balances at end of year	<u>\$ 29,083,013</u>	<u>\$ 6,415</u>	<u>\$ 84,458,687</u>	<u>\$ 58,087,453</u>	<u>\$ 38,583,563</u>	<u>\$ 60,596,729</u>	<u>\$ 270,815,860</u>

- 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:

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ 120,435
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 depreciation expense exceeded capital outlay expenditures in the current period.	14,082
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	15,179
Because certain receivables will not be collected soon enough after the County's fiscal year end, the related revenues are not considered "available" and are deferred in the governmental funds.	2,145
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.	(8,374)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(40,287)
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	1,153
Change in Net Assets - Governmental Activities	<u>\$ 104,333</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 BALANCE SHEETS
 JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Totals	
Assets				
Current assets:				
Cash and cash equivalents	\$ 25,643,462	\$ -	\$ 25,643,462	\$ 100
Equity in pooled cash and investments	-	-	-	7,264,032
Investments	18,235,874	-	18,235,874	-
Accounts receivable, net	779,837	-	779,837	-
Interest receivable	152,667	-	152,667	67,624
Due from other governments	310,389	-	310,389	-
Inventories	387,944	-	387,944	291,799
Prepaid items	81,520	-	81,520	-
Total unrestricted current assets	<u>45,591,693</u>	<u>-</u>	<u>45,591,693</u>	<u>7,623,555</u>
Restricted current assets:				
Cash and cash equivalents	1,662,520	299,702	1,962,222	-
Investments	24,392,721	-	24,392,721	-
Equity in pooled cash and investments	-	49,612	49,612	-
Accounts receivable	274,056	-	274,056	-
Total restricted current assets	<u>26,329,297</u>	<u>349,314</u>	<u>26,678,611</u>	<u>-</u>
Total current assets	<u>71,920,990</u>	<u>349,314</u>	<u>72,270,304</u>	<u>7,623,555</u>
Non-current assets:				
Capital assets, net:				
Land, easements and infrastructure	31,983,581	2,693,320	34,676,901	-
Depreciable capital assets, net	58,381,936	1,984,521	60,366,457	4,758,730
Construction-in-progress	1,001,419	-	1,001,419	-
Total capital assets, net	<u>91,366,936</u>	<u>4,677,841</u>	<u>96,044,777</u>	<u>4,758,730</u>
Deferred charges				
Bond issuance costs, net	295,032	-	295,032	-
Total non-current assets	<u>91,661,968</u>	<u>4,677,841</u>	<u>96,339,809</u>	<u>4,758,730</u>
Total assets	<u>\$ 163,582,958</u>	<u>\$ 5,027,155</u>	<u>\$ 168,610,113</u>	<u>\$ 12,382,285</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	Totals	
Liabilities and Net Assets				
Current liabilities:				
Accounts payable-trade	\$ 183,940	\$ -	\$ 183,940	\$ 47,316
Construction accounts and retainage payable	358,757	-	358,757	-
Accrued salaries, wages and compensated absences	393,197	-	393,197	15,208
Due to other funds	1,142,638	-	1,142,638	-
Other accrued expenses	452,735	-	452,735	-
Unearned revenue	189,388	-	189,388	-
Due to other governments	-	83,459	83,459	-
Capital leases payable - current portion	39,025	-	39,025	-
Amounts due to tenants, airlines, car rentals	541,850	-	541,850	-
	<u>3,301,530</u>	<u>83,459</u>	<u>3,384,989</u>	<u>62,524</u>
Current liabilities payable from restricted assets:				
Certificates of Participation - current portion	-	144,000	144,000	-
Revenue bonds payable - current portion	520,000	-	520,000	-
Accrued interest payable	300,270	48,942	349,212	-
Total current liabilities payable from restricted assets	<u>820,270</u>	<u>192,942</u>	<u>1,013,212</u>	<u>-</u>
Total current liabilities	<u>4,121,800</u>	<u>276,401</u>	<u>4,398,201</u>	<u>62,524</u>
Non-current liabilities:				
Certificates of Participation	-	1,879,500	1,879,500	-
Compensated absences - long term	820,497	-	820,497	-
Revenue bonds payable	10,172,171	-	10,172,171	-
Net other post-employment benefits obligation	155,363	-	155,363	-
Due to tenants for capital improvements	200,000	-	200,000	-
Capital leases	305,895	-	305,895	-
Total non-current liabilities	<u>11,653,926</u>	<u>1,879,500</u>	<u>13,533,426</u>	<u>-</u>
Total liabilities	<u>15,775,726</u>	<u>2,155,901</u>	<u>17,931,627</u>	<u>62,524</u>
Net assets:				
Invested in capital assets, net of related debt	80,374,878	2,605,399	82,980,277	4,758,730
Restricted for:				
Debt service	24,025,631	349,314	24,374,945	-
Capital projects	2,303,666	-	2,303,666	-
Fleet replacement	-	-	-	5,119,334
Unrestricted (Deficit)	41,103,057	(83,459)	41,019,598	2,441,697
Total net assets	<u>147,807,232</u>	<u>2,871,254</u>	<u>150,678,486</u>	<u>12,319,761</u>
Total liabilities and net assets	<u>\$ 163,582,958</u>	<u>\$ 5,027,155</u>	<u>\$ 168,610,113</u>	<u>\$ 12,382,285</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Totals	
Operating Revenues				
Landing fees	\$ 2,271,303	\$ -	\$ 2,271,303	\$ -
Rents	3,971,709	-	3,971,709	-
Concessions and rentals	6,267,135	2,247	6,269,382	-
Security fees	200,826	-	200,826	-
Leases	1,164,700	-	1,164,700	-
Fuel sales - FBO	4,207,318	-	4,207,318	-
Other airline services	880,871	-	880,871	-
Charges for service	-	-	-	4,659,815
Other	685,409	720	686,129	15,007
Total operating revenues	<u>19,649,271</u>	<u>2,967</u>	<u>19,652,238</u>	<u>4,674,822</u>
Less, signatory airline contract operating rebate	<u>(754,539)</u>	<u>-</u>	<u>(754,539)</u>	<u>-</u>
Net operating revenues	<u>18,894,732</u>	<u>2,967</u>	<u>18,897,699</u>	<u>4,674,822</u>
Operating Expenses				
Salaries and benefits	5,955,075	14,256	5,969,331	879,611
Utilities	780,225	-	780,225	-
Outside and professional services	750,062	(35,211)	714,851	-
Maintenance and supplies	622,801	37,802	660,603	-
Fuel cost of sales	3,107,938	-	3,107,938	-
Vehicle and equipment expense	306,121	-	306,121	-
Insurance	235,848	35,497	271,345	-
Business and travel related	196,363	-	196,363	58,443
Office supplies	20,885	-	20,885	-
Supplies and materials	-	-	-	47,723
Horry County administrative costs	350,000	-	350,000	-
Depreciation and amortization	4,711,815	166,239	4,878,054	1,595,953
Indirect cost allocation	-	-	-	4,324
Contractual services	-	-	-	1,326,971
Capital Outlay	-	-	-	9,630
Other	-	78	78	-
Total operating expenses	<u>17,037,133</u>	<u>218,661</u>	<u>17,255,794</u>	<u>3,922,655</u>
Operating income (loss)	<u>1,857,599</u>	<u>(215,694)</u>	<u>1,641,905</u>	<u>752,167</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 - CONTINUED -

	Business-type Activities- Enterprise Funds			Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Totals	
Non-operating Revenues				
(Expenses)				
Passenger facility charges	256,368	-	256,368	-
Contract facility charges	2,929,086	-	2,929,086	-
Intergov't revenue City of Myrtle Beach	1,727,659	-	1,727,659	-
Redevelopment Authority grant revenue	71,250	-	71,250	-
Grant expenditures	(315,982)	-	(315,982)	-
Interest income	2,832,622	11,576	2,844,198	279,001
Interest expense	(1,607,144)	(97,883)	(1,705,027)	-
Gain on disposal/sale of property	68,772	-	68,772	121,278
Total non-operating revenues (expenses)	<u>5,962,631</u>	<u>(86,307)</u>	<u>5,876,324</u>	<u>400,279</u>
Net income (loss) before capital contributions and transfers	7,820,230	(302,001)	7,518,229	1,152,446
Capital Contributions	3,433,360	-	3,433,360	-
Transfers	<u>-</u>	<u>311,450</u>	<u>311,450</u>	<u>-</u>
Change in net assets	11,253,590	9,449	11,263,039	1,152,446
Net Assets				
Beginning of year	136,553,642	2,861,805	139,415,447	11,167,315
End of year	<u>\$ 147,807,232</u>	<u>\$ 2,871,254</u>	<u>\$ 150,678,486</u>	<u>\$ 12,319,761</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities -- Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Department of Airports</u>	<u>Baseball Stadium</u>	<u>Totals</u>	
Cash Flows From Operating Activities				
Cash received from:				
Landing fees, terminal rents, concessions leases and other fees	\$ 12,993,226	\$ -	\$ 12,993,226	\$ -
FBO sales and services	5,046,273	-	5,046,273	-
Service and miscellaneous charges	-	-	-	4,674,822
Other	695,002	-	695,002	-
Cash paid to (for):				
Salaries and benefits	(5,549,070)	-	(5,549,070)	-
Maintenance, supplies, fuel, utilities and equipment	(6,273,972)	-	(6,273,972)	(2,265,761)
Baseball stadium	-	(55,786)	(55,786)	-
Other supplies and miscellaneous costs	-	-	-	(58,443)
Net cash provided by (used in) operating activities	<u>6,911,459</u>	<u>(55,786)</u>	<u>6,855,673</u>	<u>2,350,618</u>
Cash Flows From Non-Capital Financing Activities				
Repayment to federal government	(7,051,452)	-	(7,051,452)	-
Grant expenditures	(315,982)	-	(315,982)	-
Intergovernmental revenues	71,250	-	71,250	-
Transfers in	-	311,450	311,450	-
Net cash flows provided by (used in) non-capital financing activities	<u>(7,296,184)</u>	<u>311,450</u>	<u>(6,984,734)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Receipt of passenger and contract facility charges	3,832,622	-	3,832,622	-
Acquisition and construction of capital assets	(2,298,946)	-	(2,298,946)	(2,069,897)
Bonds redeemed with airport cash	(11,270,000)	-	(11,270,000)	-
Call premium on cash redemption	(225,400)	-	(225,400)	-
Principal payments on bonds and notes	(1,890,000)	-	(1,890,000)	-
Interest paid on bonds and notes	(1,438,247)	-	(1,438,247)	-
Principal payments on Certificates of Participation	-	(138,000)	(138,000)	-
Interest paid on Certificates of Participation	-	(100,884)	(100,884)	-
Principal payments on capital lease obligation	(37,703)	-	(37,703)	-
Receipt of intergovernmental and private grants	1,668,315	-	1,668,315	-
Proceeds from AIP and TSA grants	3,424,972	-	3,424,972	-
Proceeds from disposition of property and equipment	68,772	-	68,772	171,427
Net cash used in capital and related financing activities	<u>(8,165,615)</u>	<u>(238,884)</u>	<u>(8,404,499)</u>	<u>(1,898,470)</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	Totals	
Cash Flow From Investing Activities				
Investment purchases	(42,628,595)	-	(42,628,595)	-
Investment sales	26,951,756	-	26,951,756	-
Interest on investments	3,046,200	11,576	3,057,776	319,730
Net cash provided by (used in) investing activities	(12,630,639)	11,576	(12,619,063)	319,730
Net increase (decrease) in cash and cash equivalents	(21,180,979)	28,356	(21,152,623)	771,878
Cash and cash equivalents at beginning of year (of which \$6,172,791 is restricted)	48,486,961	320,958	48,807,919	6,492,254
Cash and cash equivalents at end of year (of which \$1,962,222 is restricted)	<u>\$ 27,305,982</u>	<u>\$ 349,314</u>	<u>\$ 27,655,296</u>	<u>\$ 7,264,132</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 1,857,599	\$ (215,694)	\$ 1,641,905	\$ 752,167
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	4,711,815	166,239	4,878,054	1,595,953
Change in certain assets and liabilities:				
(Increase) in accounts receivable, net	(45,847)	-	(45,847)	-
(Increase) in inventories	(119,993)	-	(119,993)	(25,046)
Decrease in prepaid items	34,609	-	34,609	-
(Decrease) in accounts payable	(64,357)	-	(64,357)	24,941
Increase in accrued salaries, wages and compensated absences	250,642	-	250,642	2,603
Increase in net other post-employment benefit obligation	155,363	-	155,363	-
(Decrease) in other accrued expenses	(73,521)	-	(73,521)	-
Increase in due to other funds	319,533	-	319,533	-
Increase in unearned revenue	18,969	-	18,969	-
(Decrease) in due to other governments	-	(6,331)	(6,331)	-
(Decrease) in amounts due to airlines	(133,353)	-	(133,353)	-
Decrease in deferred revenue	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 6,911,459</u>	<u>\$ (55,786)</u>	<u>\$ 6,855,673</u>	<u>\$ 2,350,618</u>
Supplemental information-noncash investing, capital and financing activities:				
Donated assets	<u>\$ 33,526</u>	<u>\$ -</u>	<u>\$ 33,526</u>	<u>\$ -</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 18,967,482
Equity in pooled cash and investments	<u> 190,967,819</u>
Total Assets	<u><u>\$ 209,935,301</u></u>
 Liabilities	
Due to others	<u>\$ 209,935,301</u>
Total liabilities	<u><u>\$ 209,935,301</u></u>

See accompanying notes to the financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Horry County, (the "County") a political subdivision of the State of South Carolina, was incorporated in the year 1801. Horry County is located in the northeastern coastal area of South Carolina. It is bounded on the north by the North Carolina state line, east by the Atlantic Ocean, west by Dillon and Marion Counties of South Carolina, and south by Georgetown County, South Carolina. The County seat and administrative offices are located in the city of Conway, South Carolina.

The County operates under a Council-Administrator form of government and is governed by a chairman and eleven council members.

The financial statements of the County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the primary standard-setting body for governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, the basic financial statements of the County present the reporting entity of the County that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

Financial accountability involves either appointments of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported in separate columns in the government-wide financial statements to indicate that they are not as closely related to the operations of the primary government. A summary of the County's 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)

Blended Component Units

For the year ended June 30, 2008, 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 \$1.3 million capital lease agreement for the construction and lease of building cooling equipment to the County. 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
2404 Wise Road
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, 2008, 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 enterprise fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column displayed as "other".

The County reports the following major governmental funds: General Fund, Hospitality 1.5% Fund, General Improvement Capital Projects, Capital Projects Sales Tax, and RIDE Program Debt Service Fund. The County reports the following 'major' proprietary funds: Department of Airports and Baseball Stadium.

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 Witness Assistance, Senior Citizen, Railroad, Arcadian Shores, CDBG Revolving Loan Program, Stormwater Management, GIS/IT, B&C Multi-County Business Park, E-911, Local Atax, Recreation, and Industrial Parks. Hospitality 1.5% Fee Fund, a major special revenue fund, accounts for revenue derived from countywide fees on sale of prepared food, car rentals, admissions and accommodations. These funds are earmarked for road construction-RIDE Projects.

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). Capital projects funds consist of the General Improvement and the Capital Projects Sales Tax Fund, which are major funds and the Capital Projects Developer Contributions Fund. The Capital Projects Sales Tax fund accounts for the one cent increase in sales tax legally restricted for infrastructure improvements and the Capital Projects Developer Contributions accounts for the donations made by developers for specific land improvements or other designated capital uses.

Debt Service Funds - Debt service funds account for the accumulation of financial resources 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 (TECH), and Special Obligation Debt. The RIDE Program Fund, a major debt service fund, accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects.

Proprietary Fund Types

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds consist of the following: Department of Airports and Baseball Stadium, which are both considered major funds. The Department of Airports Fund accounts for revenue and expenses for the operations of the Conway, Loris and Grand Strand general aviation airports, and the Myrtle Beach International Airport. The Baseball Stadium Fund accounts for revenue and expenses for the operation of a minor league professional baseball stadium jointly owned and operated with the City of Myrtle Beach.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

Fiduciary Fund Type

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

Discretely Presented Component Units - For the government-wide financial statements, the accounts of the discretely presented component units SBHS and HCSWA are presented under the 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 and expenses are recorded when transactions occur, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effects of interfund activities are eliminated from the government-wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

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

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

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 proprietary fund types, 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 was 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, 2008, 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.

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, parts 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.

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, construction in progress and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used in the operations of governmental funds and are not specifically related to activities reported in proprietary or fiduciary funds, have been reported as assets in the governmental activities column of the government-wide financial statements. Capital assets are defined by the County as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The County has chosen the modified approach of accounting for infrastructure under GASB Statement No. 34. Under the modified approach, infrastructure is treated as an inexhaustible capital asset, thereby eliminating the need for depreciation accounting. The County must demonstrate that they are maintaining networks or subsystems of infrastructure assets at a selected condition level to qualify to use the modified approach.

All capital assets are valued at historical cost 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, 10-40 years; runways and taxiways, 40 years; and equipment, 3-15 years.

The County's discretely presented component units' capital assets are stated at cost less accumulated depreciation. Depreciation of HCSWA's Subtitle D landfill is calculated based on the percent of the landfill's capacity used times 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 elected not to capitalize interest on its general capital assets. During the year ended June 30, 2008, 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 8 and 17 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 or designations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose or has already been committed.

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 compensatory "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2008.

Property Taxes

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

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

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, 2005.

Future Landfill Closure and Postclosure Care Costs

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

E. Reclassification

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

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, and Fleet Services for fiscal year ended June 30, 2008, 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.

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, 2008, 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 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 2009 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting does 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.

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, 2008, reported amount of the primary government's deposits was \$501 million and the bank balance was \$496 million. Of the \$496 million bank balance exposed to custodial credit risk, \$3.6 million was covered by federal depository insurance, and \$492.4 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

Note 3. Deposits and Investments (continued)

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, 2008:

	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreements	<1 year	AAAm	\$18,820,287	84.06%
Repurchase Agreements	<1 year	Not Rated	\$ 1,538,724	6.87%
Mortgage Backed Securities	<1 year	AAA	<u>\$41,237,066</u>	9.07%
			<u>\$61,596,077</u>	

Custodial Credit Risk

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

Credit Risk

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 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, 2008, the County had 18.83% of its investments invested with The Bank of New York and 81.17% of its investments invested with U.S. Bank.

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, 2008, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$27,825,753 with corresponding bank balances of \$27,880,926. Of that balance, \$800,000 was covered by federal depository insurance and \$27,080,926 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 HCSWA uses quoted market prices to determine the fair value of investments.

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2008 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 6,143,384
Landfill Postclosure Care Costs	8,091,012
Equipment Replacement	2,994,493
Construction	9,897,037
	<hr/>
	\$ 27,125,926

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, 2008, the carrying amount of SBHS's deposits was \$95,305, with corresponding bank balances of \$186,791. 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, 2008, SBHS's investments, with a carrying and fair value of \$91,486, were in repurchase agreements and were collateralized 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:

	<i>(amounts shown in thousands)</i>				
	Primary	Fiduciary Fund	Total	Discretely Presented Component Units	
	Government	Agency		SBHS	HCSWA
Cash on hand	\$ 21	\$ -	\$ 21	\$ -	\$ 1
Carrying amount of deposits	309,920	190,968	500,888	95	27,826
Carrying amount of investments	42,629	18,967	61,596	92	2,420
Totals	\$ 352,570	\$ 209,935	\$ 562,505	\$ 187	\$ 30,247
Cash and cash equivalents	\$ 35,707	\$ 18,967	\$ 54,674	\$ 187	\$ 4,964
Equity in pooled cash and investments	235,427	190,968	426,395	-	-
Investments	18,236	-	18,236	-	25,283
Funds held in escrow	5,232	-	5,232	-	-
Cash and cash equivalents -restricted	1,962	-	1,962	-	-
Equity in pooled cash & investments- restricted	50	-	50	-	-
Investments-restricted	24,393	-	24,393	-	-
Funds held in trust - restricted	31,563	-	31,563	-	-
Totals	\$ 352,570	\$ 209,935	\$ 562,505	\$ 187	\$ 30,247

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, 2008, are as follows:

	<i>(amounts shown in thousands)</i>			
	Business-type Activities			
	Government Activities	Department of Airports	Baseball Stadium	Totals
Property taxes	\$ 12,764	\$ -	\$ -	\$ 12,764
Less, allowance for uncollectibles and amounts not available for current period	(7,873)	-	-	(7,873)
Net property taxes	4,891	-	-	4,891
Accounts and other	30,076	1,074	-	31,150
E911 fees	77	-	-	77
Hospitality 1.5% fees	4,482	-	-	4,482
Stormwater fees	25	-	-	25
Less, allowance for uncollectibles	(24,970)	(294)	-	(25,264)
	9,690	780	-	10,470
Net receivables	\$ 14,581	\$ 780	\$ -	\$ 15,361

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, 2008 for the discretely presented component unit HCSWA totaled \$1,705,953 and included amounts from trade accounts receivable, amounts due from other governments, interest and allowance for doubtful accounts.

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, 2008 were as follows:

	(amounts shown in thousands)	
	Interfund Receivable	Interfund Payable
General Fund	\$ 3,180	\$ 173
Major Special Revenue Fund- 1.5% Hospitality Fees	-	7,002
General Improvements Capital Projects	387	-
Major Debt Service Fund- Ride	7,021	-
Nonmajor Funds:		
Fire	4	-
Accommodations Tax	18	171
Road Maintenance	631	-
Beach Renourishment	127	821
Admissions Tax	-	28
Hospitality 1%	-	702
Victim Witness	-	153
Arcadian Shores	-	332
Emergency 911	-	162
Local Atax	-	467
Recreation	-	214
Total Nonmajor Funds	780	3,050
Enterprise Funds:		
Department of Airports	-	1,143
Total Enterprise Funds:	-	1,143
	<u>\$ 11,368</u>	<u>\$ 11,368</u>

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

	Interfund Receivable	Interfund Payable
Primary government:		
General Fund	\$ -	\$ 90
Waste Management Recycling Fund	-	408
General Improvement Capital Projects Fund	64	-
Component units:		
SHBS	90	-
HCSWA	344	-
	<u>\$ 498</u>	<u>\$ 498</u>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables (continued)

The following table summarizes interfund transfers during the year ended June 30, 2008:

Description/Fund(s)	Transfers From/To
Transfers from the General Fund	
Transfers to:	
Capital Projects	\$ 5,449,107
Victim Witness	121,925
Beach Renouishment	116,107
Grants	194,839
	<u>5,881,978</u>
Transfers from the Hospitality 1.5% For Special Revenue Fund	
Transfers to:	
Ride Program	30,174,250
General Fund	492,542
	<u>30,666,792</u>
Transfers from the General Improvements Capital Projects Fund	
Transfers to:	
General Fund	211,300
	<u>211,300</u>
Transfers from Other Governmental Funds	
Transfers to:	
Capital Projects	4,882,648
Debt Service	1,857,554
General Fund	1,125,316
Public Works	3,018,589
Beach Renourishment	706,403
Baseball	311,450
Special Revenue Debt	1,959,825
Local Accommodations Tax	289,863
Ride Program	85,192
	<u>14,236,840</u>
	<u>\$ 50,996,910</u>

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

Note 6. Due From Other Governments

Amounts due from other governments for the primary governments and discretely presented component units at June 30, 2008 are as follows:

	<i>(amounts shown in thousands)</i>						
	Governmental Activities				Business-type Activities	Component Units	
	General	Special Revenue	Capital Projects	Total	Department of Airports	SBHS	HCSWA
State	\$ 3,393	\$ 2,270	\$ 28,308	\$ 33,971	\$ 90	\$ 22	\$ -
City	-	-	-	-	59	-	-
Federal	96	688	-	784	161	-	-
Total	<u>\$ 3,489</u>	<u>\$ 2,958</u>	<u>\$ 28,308</u>	<u>\$ 34,755</u>	<u>\$ 310</u>	<u>\$ 22</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, 2008 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
Governmental Activities	June 30, 2007	Additions	Deletions	June 30, 2008
<u>General Capital Assets</u>				
Not subject to depreciation:				
Land and easements	\$ 14,097	\$ 167	\$ (796)	\$ 13,468
Infrastructure	383,345	18,036	(445)	400,936
	397,442	18,203	(1,241)	414,404
Construction-in-progress	6,407	15,839	(17,037)	5,209
Total capital assets not depreciated	403,849	34,042	(18,278)	419,613
Subject to depreciation:				
Land improvements	2,134	233	-	2,367
Buildings	96,660	17,189	-	113,849
Building improvements	12,671	228	-	12,899
Office furniture	5,088	69	(20)	5,137
Vehicles	4,083	2,783	(1,615)	5,251
Heavy equipment	29,373	279	(523)	29,129
Computer equipment	26,260	9,269	-	35,529
Other	1,980	427	-	2,407
Totals	178,249	30,477	(2,158)	206,568
Less, accumulated depreciation:				
Land improvements	(676)	(145)	-	(821)
Buildings	(27,426)	(3,416)	-	(30,842)
Building improvements	(1,638)	(480)	-	(2,118)
Office furniture	(3,957)	(656)	20	(4,593)
Vehicles	(2,684)	(1,904)	1,592	(2,996)
Heavy equipment	(21,238)	(712)	519	(21,431)
Computer equipment	(14,296)	(4,829)	-	(19,125)
Other	(1,597)	(169)	-	(1,766)
Totals	(73,512)	(12,311)	2,131	(83,692)
Net general capital assets	508,586	52,208	(18,305)	542,489
<u>Internal Service Fund Capital Assets</u>				
Machinery and equipment	11,512	2,069	(1,484)	12,097
Less, accumulated depreciation	(7,176)	(1,596)	1,434	(7,338)
Net internal service fund capital assets	4,336	473	(50)	4,759
Net capital assets - Governmental Activities	\$ 512,922	\$ 52,681	\$ (18,355)	\$ 547,248

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

	<i>(amounts shown in thousands)</i>			
Business-type Activities	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008
Not subject to depreciation:				
Land and easements	\$ 25,502	\$ -	\$ (7)	\$ 25,495
Infrastructure	9,182	-	-	9,182
	34,684	-	(7)	34,677
Construction in progress	518	2,082	(1,600)	1,001
Total capital assets not depreciated	35,202	2,082	(1,607)	35,678
Subject to depreciation:				
Buildings and improvements	53,521	50	(2)	53,569
Runways and taxiways	43,342	536	-	43,878
Machinery and equipment	10,903	1,003	(379)	11,527
Land improvements	6,659	9	-	6,668
Totals	114,425	1,598	(381)	115,642
Less accumulated depreciation:				
Buildings and improvements	(22,710)	(1,875)	2	(24,583)
Runways and taxiways	(18,814)	(1,755)	-	(20,569)
Machinery and equipment	(6,130)	(823)	379	(6,574)
Land improvements	(3,165)	(384)	-	(3,549)
Totals	(50,819)	(4,837)	381	(55,275)
Net capital assets - Business-type Activities	\$ 98,808	\$ (1,157)	\$ (1,607)	\$ 96,045

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2008, are as follows:

	<i>(amounts shown in thousands)</i>	
Component Units	SBHS	HCSWA
Land	\$ 138	\$ 7,440
Subtitle D landfill	-	19,139
Buildings	1,455	10,403
Vehicles, machinery and equipment	139	13,631
Other improvements	-	3,065
Construction-in-progress	-	1,365
Totals	1,732	55,043
Less, accumulated depreciation:		
Subtitled D landfill	-	(14,830)
Buildings	(423)	(1,228)
Vehicles, machinery and equipment	(121)	(5,867)
Other improvements	-	(557)
Totals	(544)	(22,482)
Net capital assets - Component Units	\$ 1,188	\$ 32,561

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>
Jail Renovation	\$ 3,835
Public Works South Satellite Building	176
Public Works Office expansion	538
EMS Loris Addition	8
Recreation	3
Horry County Museum	558
Fire Stations	16
Libraries	75
Total	<u>\$ 5,209</u>

Estimated total costs to complete these projects approximates \$16 million.

Business-type Activities: (Department of Airports)	<i>(amounts shown in thousands)</i>
T-Hangars at MYR	\$ 44
Update ALP	88
GA Terminal Complex	358
ARFF Building	61
Pavement Management Study	10
Fuel Farm Improvements at HWY	25
Terminal Capacity Enhancement Program	325
Other capital improvements	37
ARFF Equipment for new ARFF vehicle	10
Loris Land Purchase 1 & 2	43
Total	<u>\$ 1,001</u>

Estimated additional costs to complete these projects are estimated at \$7.1 million.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Capital assets of the proprietary funds at June 30, 2008, are as follows:

Proprietary Funds	(amounts shown in thousands)		
	Enterprise		Internal Service
	Department of Airports	Baseball Stadium	Fleet Service
Land and easements	\$ 22,802	\$ 2,693	\$ -
Buildings and improvements	56,882	3,356	-
Runways and taxiways	43,877	-	-
Machinery and equipment	11,200	327	12,097
Construction-in-progress	1,001	-	-
Infrastructure	9,182	-	-
Totals	144,944	6,376	12,097
Less, accumulated depreciation:			
Building and improvements	(26,648)	(1,698)	-
Runways and taxiways	(20,569)	-	-
Machinery and equipment	(6,360)	-	(7,338)
Totals	(53,577)	(1,698)	(7,338)
Net capital assets -proprietary funds	\$ 91,367	\$ 4,678	\$ 4,759

Department of Airport Facilities

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

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

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

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 Airport is scheduled to update the ALP in fiscal year 2009. 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, 2008 is as follows: general government (\$4,796,941); public safety (\$5,978,226); Infrastructure and regulation (\$1,050,568); culture and recreation (\$454,481) and health and social services (\$77,578). Capital assets held by the Internal Service Fund (\$1,595,953).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2008, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), 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 1.5% 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-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.

On September 1, 2005, the County issued \$30,000,000 of General Obligation Refunding Bonds, Series 2005A (the "2005A Bonds") with interest rates ranging from 3.500% to 4.125%. The net proceeds of the 2005A Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Judicial Center, including payment of the prepayment penalty on the Bonds. The 2005A Bonds are payable through March 2022, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$6,878,384 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$1,379,795. The outstanding principal balance of the 2005A Bonds at June 30, 2008 was \$30.00 million.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long Term Debt (continued)

The 2005B Bonds are not subject to redemption prior to their stated maturities.

On May 6, 2008, the County issued \$62,000,000 of General Obligation Bonds with interest rates ranging from 4.000% to 5.000%. The net proceeds of the 2008 Bonds can be utilized to (i) pay costs of acquiring, constructing, equipping, renovating and expanding the County's detention center including newly constructed additions; (ii) pay costs of acquiring, constructing, equipping, renovating and expanding libraries and/or County recreation centers in such order and priority as County Council shall determine; (iii) pay legal fees and other costs of issuance of the Bonds; and (iv) other such lawful purposes as the Council shall determine. The 2008 Bonds are payable through May 2028, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof.

A. Governmental Activities Debt

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

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
<u>General and Special Obligation Bonds:</u>				
G.O. Bonds of 2000 dated June 29 for \$38.3 million with interest at 5% to 7% - Judicial Center	\$ 1,530	\$ -	\$ (1,375)	\$ 155
G.O. Bonds of 2000 dated January 1 for \$9.5 million with interest at 5% to 6.75% - Fire Protection	1,275	-	(625)	650

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt (continued)

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
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%	12,725	-	(1,320)	11,405
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	16,335	-	(865)	15,470
G.O. Bonds of 2001 (Series B) dated September 15 for \$2.875 million with interest at 4.25% to 4.5% - Higher Education	2,265	-	(120)	2,145
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	10,000	-	(495)	9,505
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - TECH Bond	2,785	-	(115)	2,670
G.O. Bonds of 2005 (Series A) dated September 1 for \$5.01 million with interest at 3% to 3.8% - Fire Protection Refunding	4,930	-	(55)	4,875
G.O Bonds of 2005 (Series B) dated September 1 for \$30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	30,000	-	-	30,000
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% -Health Department/Museum	11,000	-	(550)	10,450
G.O. Bonds of 2008 dated May 20 for \$12 million with interest at 4% to 5% -Libraries	-	12,000	-	12,000
G.O. Bonds of 2008 dated May 20 for \$50 million with interest at 4% to 5% -Detention Center	-	50,000	-	50,000
Total general and special obligation bonds	92,845	62,000	(5,520)	149,325
Less, current portion	(5,520)	(9,470)	5,520	(9,470)
Net general and special obligation bond debt	<u>\$ 87,325</u>	<u>\$ 52,530</u>	<u>\$ -</u>	<u>\$ 139,855</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, 2008 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Other general long-term obligations:				
RIDE - IGA Loan #1	\$ 150,000	\$ -	\$ (15,000)	\$ 135,000
Less, amounts imputed for interest	(22,374)	-	4,015	(18,359)
Less, current portion	(10,985)	(11,347)	10,985	(11,347)
Net RIDE - IGA Loan #1	116,641	(11,347)	-	105,294
RIDE - IGA Loan #2	221,455	-	(4,956)	216,499
Less, current portion	(4,956)	(6,033)	4,956	(6,033)
Net RIDE - IGA Loan #2	216,499	(6,033)	-	210,466
RIDE - IGA #3 contribution payable	1,051	-	(88)	963
Less, current portion	(31)	(28)	31	(28)
Net RIDE - IGA #3 contribution Payable	1,020	(28)	(57)	935
Net RIDE - IGA Loans payable	334,160	(17,408)	(57)	316,695
Capital lease obligation - central energy	584	-	(154)	430
Capital lease obligation - phone systems	232	-	(86)	146
Capital lease obligation - IBM AS400 system	485	-	(185)	300
Capital lease obligation - archive writer	20	-	(20)	-
Capital lease obligation - fiber optic network	3,369	-	(640)	2,729
Capital lease obligation - fire suppression system	21	-	(11)	10
Capital lease obligation - core network	64	-	(21)	43
Capital lease obligation - 911 equipment	3,390	-	(906)	2,484
Capital lease obligation - Motorola CAD	3,772	-	(706)	3,066
Capital lease obligation - Dell	94	1,130	(629)	595
Capital lease obligation - fiber ring	-	3,311	-	3,311
Less, current portion	(2,785)	(3,659)	2,785	(3,659)
Net capital leases	9,246	782	(573)	9,455
Post employment benefit obligation, net	-	4,986	-	4,986
Accumulated compensation absences, net	10,790	8,354	(7,300)	11,844
Total other general long-term obligations	354,196	(3,286)	(7,930)	342,980
Total Net Governmental Activities Debt	\$ 441,521	\$ 49,244	\$ (7,930)	\$ 482,835

The current portion (amount due within one year) of accrual compensated absences at June 30, 2008 is \$6,967 (not expressed in thousands). This liability has typically been liquidated from the general fund, other governmental funds and the Internal Service fund.

RIDE Intergovernmental Agreements

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

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

In October 2000, the County issued \$9,745,000 in Airport Revenue Refunding Bonds with original issue discount of \$25,784 and bond issuance costs of \$321,892. These bonds were issued to refund the \$10,320,000 outstanding principal amount of the \$11,660,000 original principal amount of the Airport Revenue Bonds, Series 1990.

In May 1997, 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 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 expense over the shorter life of the two issuances. Accordingly, for the year ended June 30, 2008, amortization expense was \$29,603.

Cash Redemption - Department of Airports

On January 9, 2008, the County redeemed \$3,785,000 of Series 1997A bonds, \$6,935,000 of Series 1997B bonds and \$550,000 of Series 1997C for a total redemption of \$11,270,000 in principle amount of bonds. The redemption price for these bonds was equal to the principle amount plus a call premium of 2%. The sources of funds for the redemption were \$587,698 of airport cash, \$5,302,647 of PFC's, and \$3,348,440 of CFC's and \$2,273,263 of the reserve accounts held by the bond trustee, Bank of New York, for the redeemed bonds. The County has taken \$569,948 to interest expense for the bond issuance costs and the net original issue discount associated with the redeemed bonds and the call premium.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

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

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2008, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance 6/30/07	Additions	Deletions	Balance 6/30/08
Revenue Bonds:				
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	\$ 5,410	\$ -	\$ (3,930)	\$ 1,480
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	8,055	-	(8,055)	-
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	2,960	-	(630)	2,330
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	155	-	(155)	-
Revenue bond, Refunding Series 2000 dated October 15, 2000, for \$9.745 million with interest at 4.4% to 5.62%, due 2002- 2020	7,720	-	(390)	7,330
Total revenue bonded debt	24,300	-	(13,160)	11,140
Less, original issue discount	(175)	-	82	(93)
Less, current portion	(1,890)	(520)	1,890	(520)
Less, deferred charges (Series 1990 refunding loss of \$582 less amortization of \$197)	(385)	-	30	(355)
Net Revenue Bonds	\$ 21,850	\$ (520)	\$ (11,158)	\$ 10,172

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, 2008 is as follows:

<i>(amounts shown in thousands)</i>			
Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
Certificates of Participation dated September 1, 1998			
for \$3.088 million with interest at 3% to 5% - Baseball Stadium	\$ 2,162	\$ -	\$ (138)
Less, current portion	(138)	(144)	138
Total non-current portion	\$ 2,024	\$ (144)	\$ -
			\$ 1,880

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, 2008, are summarized as follows:

<i>(amounts shown in thousands)</i>								
Years Ending June 30,	G.O. Bonds		Special Obligation Bonds		Baseball Stadium COPS		Airport Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 8,080	\$ 5,356	\$ 1,390	\$ 641	\$ 144	\$ 98	\$ 520	\$ 588
2010	7,950	5,609	1,455	571	151	91	545	564
2011	8,180	5,271	1,530	498	158	85	575	537
2012	8,470	4,921	1,605	422	165	77	605	507
2013	8,775	4,554	1,705	325	173	69	635	474
2014-2018	46,345	16,830	3,720	338	1,002	213	3,700	1,803
2019-2023	45,490	6,384	-	-	231	12	3,195	718
2024-2028	4,630	571	-	-	-	-	1,365	199
Total	\$ 137,920	\$ 49,496	\$ 11,405	\$ 2,795	\$ 2,024	\$ 645	\$ 11,140	\$ 5,390

Total						
Years Ending June 30,	RIDE IGA Loan #1		RIDE IGA Loan #2		Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 11,347	\$ 3,653	\$ 6,034	\$ 6,227	\$ 27,515	\$ 16,563
2010	11,720	3,280	7,175	6,040	28,996	16,155
2011	12,105	2,895	8,527	5,817	31,075	15,103
2012	12,504	2,496	9,964	5,553	33,313	13,976
2013	12,915	2,085	11,491	5,246	35,694	12,753
2014-2018	56,050	3,949	84,644	19,922	195,461	43,055
2019-2023	-	-	88,664	5,563	137,580	12,677
2024-2028	-	-	-	-	5,995	770
Total	\$ 116,641	\$ 18,358	\$ 216,499	\$ 54,368	\$ 495,629	\$ 131,052

D. SBHBS

On June 18, 2003, the Commission issued \$960,000 in Hospital Revenue Bonds, Series 2003 with an interest rate of 4.46%.

	Interest Rate	Maturity Date	Balance 6/30/08
Hospital Revenue Bond	4.46%	6/18/2013	\$ 533,201

Scheduled maturities are as follows:

	Principal	Interest	Payment
Year Ending June 30, 2009	\$ 97,363	\$ 21,806	\$ 119,169
Year Ending June 30, 2010	101,795	17,374	119,169
Year Ending June 30, 2011	106,429	12,740	119,169
Year Ending June 30, 2012	111,274	7,895	119,169
Year Ending June 30, 2013	116,340	2,830	119,170
	\$ 533,201	\$ 62,645	\$ 595,846

The bond is secured by all revenue and receipts derived by the SBHBS.

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,	(amounts shown in thousands)					
	Central Energy	Phone System	IBM AS400 System	Fiber Ring	Fiber Optic Network	Fire Suppression System
2009	\$ 188	\$ 45	\$ 203	\$ 595	\$ 804	\$ 10
2010	188	44	120	595	804	-
2011	94	37	-	595	789	-
2012	-	37	-	595	663	-
2013	-	-	-	595	-	-
Thereafter	-	-	-	928	-	-
Total lease payments	470	163	323	3,903	3,060	10
Less, interest	(40)	(17)	(23)	(592)	(331)	-
Present value of future minimum lease payments	430	146	300	3,311	2,729	10
Less, current portion	(164)	(38)	(194)	(489)	(671)	(10)
Total non-current portion	<u>\$ 266</u>	<u>\$ 108</u>	<u>\$ 106</u>	<u>\$ 2,822</u>	<u>\$ 2,058</u>	<u>\$ -</u>

Year Ended June 30,	Core Network	911 Equipment	Motorola CAD	Dell	Total
2009	\$ 23	\$ 1,034	\$ 832	\$ 447	\$ 4,181
2010	23	896	832	208	3,710
2011	-	728	832	-	3,075
2012	-	-	833	-	2,128
2013	-	-	-	-	595
Thereafter	-	-	-	-	928
Total lease payments	46	2,658	3,329	655	14,617
Less, interest	(3)	(174)	(263)	(60)	(1,503)
Present value of future minimum lease payments	43	2,484	3,066	595	13,114
Less, current portion	(21)	(940)	(729)	(403)	(3,659)
Total non-current portion	<u>\$ 22</u>	<u>\$ 1,544</u>	<u>\$ 2,337</u>	<u>\$ 192</u>	<u>\$ 9,455</u>

Business-type Activities (Enterprise Funds):

During the year ended June 30, 2006, the Airport entered into a ten year non-cancelable lease for a generator for the Airport. The annual interest rate on the lease is 2.87% per annum. The cost and net book value on the generator as of June 30, 2008 is \$425,000 and \$329,375, respectively.

The present value of the minimum lease payments follows:

Year Ended June 30,	Total
2009	50,314
2010	50,314
2011	50,314
2012	50,314
2013	50,314
2014-2016	142,557
Total payments	394,127
Less, interest	(49,207)
Present value of future minimum lease payments	344,920
Less, current portion	(39,025)
Total non-current portion	<u>\$ 305,895</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases (continued)

The changes in the County's capital leases and compensated absences for its business-type activities for the year ended June 30, 2008 are as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Capital Leases	\$ 382,623	\$ -	\$ (37,703)	\$ 344,920
Compensated absences	\$ 867,356	\$ 226,639	\$ -	\$ 1,093,995

Long - term liabilities - HCSWA at June 30, 2008

Long - term liabilities of HCSWA are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	\$ 236,757	\$ 203,390	\$ 176,472	\$ 263,675	\$ 155,000
Net OPEB Obligation	-	216,936	5,212	211,724	-
Landfill Closure Costs	10,614,901	1,843,156	3,580,281	8,877,776	-
Landfill Postclosure Care Costs	5,879,254	791,291	-	6,670,545	-
	<u>\$ 16,730,912</u>	<u>\$ 3,054,773</u>	<u>\$ 3,761,965</u>	<u>\$ 16,023,720</u>	<u>\$ 155,000</u>

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, 2008:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2009	5,996
2010	5,966
2011	6,036
2012	4,240
2013	970
2014 to 2018	1,038
2019 to 2021	391
Total	<u>\$ 24,637</u>

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is \$42,470,183 and \$23,314,024, respectively at June 30, 2008.

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, 2008, totaling \$298,479, with a net amount due to the airlines at June 30, 2008, for current and prior year amounts totaling \$332,449. This is included in amounts due to tenants on the accompanying Statement of Net Assets. US Airways, Spirit Airlines, and ASA and Comair (including Delta) were signatory airlines as of June 30, 2008. DirectAir was a signatory indirect air carrier as of June 30, 2008.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when 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, 2008 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100%, 82.0%, and 32.0% utilization of the estimated total capacity of the unlined, and 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	\$ 1,230	\$ 4,407	\$ 3,241	\$ 8,878
Postclosure Care Costs	N/A	4,625	2,046	6,671
Total	\$ 1,230	\$ 9,032	\$ 5,287	\$ 15,549

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

	Closure Costs	Postclosure Care Costs
Construction and Demolition - East Hill	\$ 7,533	\$ N/A
Unlined / Construction and Demolition	N/A	1,347
Subtitle D	1,923	1,015
	\$ 9,456	\$ 2,362

The HCSWA 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 landfill is expected to be closed during the year ending June 30, 2019. The construction and demolition landfill is anticipated to be closed during the year end June 30, 2025. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. Actual costs ultimately incurred for closure and postclosure care may be higher due to inflation, changes in technology, or changes in regulations.

The HCSWA is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the SWA is the local government financial test. At June 30, 2008, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$6,143,384 and \$8,091,012 of cash, cash equivalents and investments at June 30, 2008 are designated for landfill closure and postclosure care costs, respectively. These amounts are included in unrestricted net assets on the balance sheet. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Assets and Fund Balances

Net assets:

Net assets of the government-wide and proprietary fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets are as follows at June 30, 2008:

	<i>(amount shown in thousands)</i>			
	Governmental Activities	Business-type Activities	Component Units	
			SHBS	HCSWA
<u>Invested in Capital Assets, Net of Related Debt:</u>				
Net capital assets:				
Primary Government	\$ 542,489	\$ 96,045	\$ -	\$ -
Internal Service Fund	-	-	-	-
Component units	-	-	1,188	32,561
Less, G.O., special revenue bonds payable and capital leases	(169,060)	(12,706)	(517)	-
Less, construction and retainage payable for capital items	(376)	(359)	-	-
Total invested in capital assets, net of related debt	<u>\$ 377,812</u>	<u>\$ 82,980</u>	<u>\$ 671</u>	<u>\$ 32,561</u>
<u>Restricted:</u>				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Capital projects	\$ 66,906	\$ 2,304	\$ -	\$ -
Road maintenance	390	-	-	-
Register of Deeds	5	-	-	-
Fire special revenue	893	-	-	-
Infrastructure development	59,333	-	-	-
Debt service	19,528	24,375	-	-
RIDE program	38,584	-	-	-
Freight claims	51	-	-	-
Substance abuse prevention	-	-	411	-
DSS federal revenue	71	-	-	-
Cultural	70	-	-	-
Baseball	235	-	-	-
Underground storage tanks	50	-	-	-
Environmental services	462	-	-	-
Total restricted net assets	<u>\$ 186,578</u>	<u>\$ 26,679</u>	<u>\$ 411</u>	<u>\$ -</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, 2008 consists of the following:

Reserved	\$ 1,249,736
Unreserved:	
Designated	<u>3,253,778</u>
Total Unreserved- designated for subsequent years' expenditures	3,253,778
Undesignated	<u>24,579,499</u>
Total fund balance	<u>\$ 29,083,013</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 2009 includes total expenditures and other uses of \$137,697,863. Reducing this total for the amount being funded by the designated fund balance of \$950,000, the currently required undesignated fund balance level is \$20,512,179. The undesignated fund balance as of June 30, 2008 is \$4,067,320 above this required level.

At June 30, 2008, the following funds had deficit fund balances: Victim Witness (\$123,212), E-911 (\$89,425), and Arcadian Shores (\$275,514). The Victim Witness Assistance, Arcadian Shores, and E-911 deficit fund balances will be repaid from future tax revenues and fee increases.

Note 13. Capital Contributions

Pursuant to the implementation of GASB Statement No. 33, contributed capital for the year ended June 30, 2008 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the governmental activities, capital contributions during the fiscal year ended June 30, 2008, is as follows:

	<i>(amount shown in thousands)</i>
	Governmental
	Activities
Donated land and equipment	\$ 1,145
Total	<u>\$ 1,145</u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2008, are as follows:

	<i>(amount shown in thousands)</i>
	Business -Type
	Activities
Grants and other cash contributions	\$ 3,433
Total	<u>\$ 3,433</u>

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2008, are as follows:

	<i>(amounts shown in thousands)</i>
	HCSWA
Grants and other cash contributions	\$ 596
Totals	<u>\$ 596</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, 2008, was approximately \$68,839, of which \$38,990 and \$30,484 were for employees covered by the SCRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2007, was approximately \$67,704, of which \$37,616 and \$29,303 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2006 was approximately \$62,395, of which \$34,778 and \$26,883 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, 2008 expressed as a dollar amount and as a percentage of covered payroll in 2008 were \$3,693 and 9.06% and \$2,592 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,226 and 10.3% and \$2,036 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2007, expressed as a dollar amount and as a percentage of covered payroll in 2007 were \$3,047 and 8.1% and \$2,445 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,018 and 10.3% and \$1,905 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2006 expressed as a dollar amount and as a percentage of covered payroll in 2006 were \$2,852 and 8.2% and \$2,261 and 6.5% respectively, and the contributions to the SCPORS for the employer and employee portions were \$2,867 and 10.7% and \$1,747 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, 2008 expressed as a dollar amount and as a percentage of covered payroll were approximately \$44 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 \$45 and 0.20%.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 9.06% and 6.50%, respectively. Total payroll for the year ended June 30, 2008 was \$1,255 of which \$1,091 was for employees covered by SCRS. SBHC's contributions for the three most recent fiscal years ended June 30, 2008, 2007 and 2006 were \$103, \$86 and \$83, respectively. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.50% and 9.21%. The HCSWA's contributions for the fiscal year ended June 30, 2008, 2007 and 2006 were \$330, \$275 and \$242, respectively.

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 2008, these costs totaled \$758 net of \$370 of retiree contributions. As of year-end, there were 154 employees that were receiving benefits.

Other post employment healthcare benefits –

Plan Description

Employees of Horry County Government are eligible to receive full retiree health care benefits. Members are eligible at the age of 60 or with 28 years of service for SCRS retirement and age 55 or with 25 years of service for PORS retirement. The vesting schedule for retirees is as follows:

Percentage of Insurance premiums Paid by Employer for Regular Retirees (SCRS)

Years of Service	Age of Retirement							
	55	56	57	58	59	60	61	62
15	50%	50%	50%	50%	50%	50%	50%	50%
23	75%	75%	75%	75%	75%	75%	75%	75%
28+	100%	100%	100%	100%	100%	100%	100%	100%

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

Percentage of Insurance premiums Paid by Employer for Police Retirees (PORS)

Years of Service	Age of Retirement							
	55	56	57	58	59	60	61	62
15	50%	50%	50%	50%	50%	50%	50%	50%
22	75%	75%	75%	75%	75%	75%	75%	75%
25+	100%	100%	100%	100%	100%	100%	100%	100%

Employees who terminate employment are not eligible for retiree health care benefits. Survivors of employees who die while actively employed are not eligible for retiree health benefits. However, they are eligible for survivors insurance for one year at no cost to the surviving spouse, after that, the member has the option of selecting other insurance or continuing coverage at surviving spouse's expense. Employees who retire under disability retirement are eligible for retiree health care benefits based on the years of service provide in the chart above, or at the member's expense depending on years of service. Spouses of retired employees are eligible to receive retiree health care benefits at member's cost. Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. Horry County Government coverage continues when retiree becomes eligible for Medicare. Once, actively retired county insurance becomes secondary. Employees and spouses retiring with retiree health care benefits are eligible for Horry County Government paid dental benefits. Retirees who decide to opt-out of health care plan will be eligible to opt back in when coverage from another entity ceases. There is no additional stipend provided for those who opt-out. The Airport currently has 116 active employees and no retired members.

HCSWA:

The HCSWA retiree health care plan is a single-employer defined benefit health care plan administered by the HCSWA. The plan provides medical and dental insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the HCSWA's Board of Directors. Employees retiring with at least twenty years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage at a cost established by the State Budget and Control Board. Employees retiring with at least ten years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage with fifty percent of the cost of coverage provided by the HCSWA and the remaining fifty percent provided by the retiree. Employees retiring at age sixty five or older with at least five years of service as an employee of the HCSWA and receiving benefits from the South Carolina Retirement System may elect to continue single coverage with one hundred percent of the cost of coverage provided by the retiree. If an eligible retiree accepts employment with another organization that provides health care benefits, the HCSWA coverage will no longer be provided.

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2008, the County contributed \$369,801 for current premiums of existing retirees. Horry County is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a paygo funding policy will continue.

HCSWA:

HCSWA currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2008, the County contributed \$5,212 for current premiums of existing retirees.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

Annual OPEB costs and Net OPEB Obligation

The County first had an actuarial valuation performed for the plan as of June 30, 2007 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2008. The County's annual OPEB cost of \$5,510,608 is equal to the ARC for the initial reporting year since the transition liability was set at zero as of June 30, 2007. The County's annual OPEB costs and the net OPEB obligation for June 30, 2008 was as follows (information for prior years is not available as the actuarial valuation was performed for the first time as of June 30, 2007):

	Governmental		Business-type		Component Unit
	General	Police	Airport	Total	HCSWA
Employer Normal Costs	\$1,689,640	\$1,591,889	\$105,909	\$3,387,438	\$216,936
Amortization of UAL*	<u>1,301,470</u>	<u>772,246</u>	<u>49,454</u>	<u>2,123,170</u>	<u>N/A</u>
Annual Required Contribution (ARC)	\$2,991,110	\$2,364,135	\$155,363	\$5,510,608	\$216,936
Interest on Net Obligation	-	-	-	-	-
Annual OPEB Costs	\$2,991,110	\$2,364,135	\$155,363	\$5,510,608	\$216,936
Contributions made	266,149	103,652	-	369,801	5,212
Net OPEB Obligation – end of year	\$2,724,961	\$2,260,483	\$155,363	\$5,140,807	\$211,724

* Unfunded Actuarial Accrued Liabilities (UAL) were amortized over 30 years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$5,510,608	6.71%	\$5,140,807

The HCSWA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$216,936	2.40%	\$211,724

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2008, was as follows:

	Governmental		Business-type	Component Unit
	General	Police	Airport	HCSWA
Actuarial accrued liability	\$30,307,044	\$17,983,147	\$1,151,637	\$1,651,842
Actuarial value of plan assets	-	-	-	-
Unfunded actuarial accrued liability	\$30,307,044	\$17,983,147	\$1,151,637	\$1,651,842
Funded Ratio	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$389,899,986	\$30,483,561	\$4,349,632	\$3,270,011
Unfunded actuarial accrued liability as a percentage of covered payroll	7.77%	58.99%	26.48%	50.50%

Actuarial Methods and Assumptions

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

In the June 30, 2007, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 9.0% health care trend inflation rate for 2008 and decreases 5% each year until 2017, for 2018 and thereafter 4.5% was assumed. General inflation is assumed to be 3.0% per year.

HCSWA:

In the June 30, 2007, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 10.0% health care trend inflation rate for 2008 and decreases to an ultimate rate of 4.5% after eleven years. General inflation is assumed to be 3.0% per year.

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 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

Significant airline revenues, leases concessions and rental car activity, generate approximately 74% of the Airport's revenues or just over \$14.0 million of \$18.9 million net operating revenue. Signatory Airlines generate \$4.6 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve the MYR, represented 24% and 24% in fiscal years 2008 and 2007, respectively, of the total operating revenues reported for the MYR. Of the leading Signatory Airline carriers, U.S. Airways represents 29% of the airline traffic, Spirit Airlines 40%, United Airlines 4%, and ASA (including Comair & Chautauqua) 15% and DirectAir 5%.

US Airways, Spirit Airlines, United Airlines, ASA and Comair are currently signatory airlines. DirectAir is a signatory indirect air carrier.

For the year ended June 30, 2008, three customers make up approximately 56% of the accounts receivable balance. For year ended June 30, 2007, three customers made up approximately 41% 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. In April 2004, the parties reached a new agreement through which the Airport received \$2,000,000 from the fund 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 Harrellson Blvd (a road that runs near the Airport). The Airport recognized \$1,727,659 and \$1,449,069, in non-operating revenues for funds received from this trust fund during the years ended June 30, 2008 and 2007, respectively.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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, 2008. 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 \$48.2 million loan for Table 1 projects in the RIDE plan, all secured by payments from Horry County.

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

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

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

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

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

Intergovernmental Agreement #3 - dated May 21, 2002

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

Term of Agreement and Contribution by Horry

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

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

Amendments to Previous Agreements

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements – RIDE Projects (continued)

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

Note 18. Commitments and Contingencies

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

The discretely presented component unit HCSWA is also a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable; however HCSWA's management 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

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

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

Major projects in RIDE are the Conway Bypass (Highway 22), a six-lane controlled access highway between Aynor and Conway at Highway 501 to U.S. 17 near the Myrtle Beach Mall (formerly known as the Colonial Mall); and Carolina Bays Parkway (Highway 31); a six-lane limited access highway between S.C. Highway 9 in the North and S.C. Highway 544 in the South; a four-lane bridge spanning the Intercoastal Waterway at Fantasy Harbour; and the North Myrtle Beach Connector, a four-lane road connecting S.C. Highway 90 and U.S. 17 to the Carolina Bays Parkway. Other projects resulted in improvements to S.C. Highway 544, S.C. Highway 501 and U.S. 17. In fiscal year 2007, the County received approval of a \$40,000,000 grant from the South Carolina Transportation Infrastructure Bank Board for engineering and environmental work and right of way acquisitions for extension of the Carolina Bays Parkway and the widening of S.C. 707. During fiscal year 2008, the County received notification that the State Infrastructure Bank approved a commitment to provide funding of \$85 million for the continued extension of Carolina Bays Parkway (Highway 31) to the southern portion of Horry County ending at S.C. Highway 707; there is no matching requirement on these funds.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies (continued)

During the year ended June 30, 2008, the Airport received grants from the FAA to fund certain improvements and expansions. In connection with these grants, the Airport is obligated to administer the program and spend the grant monies in accordance with regulatory restrictions and is subject to audit by the grantor agency. In the event of noncompliance, the agency may require the Airport to refund program awards. The Airport's management does not believe funds, if any, would have a material adverse effect on the Airport's financial position or results of operations.

The discretely presented component unit HCSWA entered into various contracts in conjunction with the horizontal expansion of the Subtitle D landfill. The costs of the contracts total \$6,906,557 of which \$839,211 had been incurred as of June 30, 2008.

Note 19. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and natural disasters for which commercial insurance is carried. The County and its component units carry commercial insurance to cover all losses, excluding vehicle comprehensive and collision coverage and including workers' compensation. During the year ended June 30, 2008, 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 20. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of differences between the governmental fund balance sheet and the government-wide statement of net 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	626,181,013
Less, accumulated depreciation	(83,693,482)
Net amount reported	<u>542,487,532</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	4,170,192
Capital Project Sales Tax	13,586,238
Net amount reported	<u>17,756,430</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.

12,319,761

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	(6,618,209)
Long-term bond and other obligations	(531,732,082)
Less: Net present value adjustment of RIDE loans	18,359,040
Net amount reported	<u>(519,991,251)</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of differences between the governmental statement of revenues, 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	\$ 26,439,753
Depreciation expense	<u>(12,357,794)</u>

Net amount reported	<u><u>\$ 14,081,959</u></u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.

Property taxes and capital project sales tax	\$ 14,033,849
Capital contributions (revenue)	<u>1,144,979</u>

Net amount reported	<u><u>\$ 15,178,828</u></u>
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Some receivables will not be collected soon enough after the County's fiscal year end to be considered "available", and accordingly are deferred in the governmental funds.

	<u><u>\$ 2,145,056</u></u>
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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.

Net post employment benefit obligation	\$ (4,985,443)
Change in accrued interest expense	(2,334,054)
Accrued compensated absences	<u>(1,054,486)</u>

Net amount reported	<u><u>\$ (8,373,983)</u></u>
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from bonds and capital lease obligations	\$ (62,000,000)
Principal repayments of long-term debt and transfers to escrow agents and other related costs	<u>21,713,293</u>

Net amount reported	<u><u>\$ (40,286,707)</u></u>
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The net revenue of certain activities of internal service funds reported with governmental activities.

	<u><u>\$ 1,152,446</u></u>
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HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21 New Accounting Pronouncements

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 is effective for the County for the year ended June 30, 2008 has a resulting government-wide liability stated of \$5,140,807.

In December of 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*, which 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 of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions.

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 September of 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments – generally, a single lump sum. The financial reporting question addressed by this Statement is whether that transaction should be regarded as a sale or as a collateralized borrowing resulting in a liability. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as a revenue or as a liability. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006. This Statement did not have an impact on the County's financial statements.

In December of 2006, the GASB issued Statement No. 49, *Accounting and Reporting for Pollution Remediation Obligations*. This Statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. According to the standard, a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted and certain recognition triggers occur. This Statement is effective for periods beginning after December 15, 2007. Management of the County does not expect this Statement to have a significant effect on the County's financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21. New Accounting Pronouncements (continued)

In May of 2007, the GASB issued Statement No. 50, *Pension Disclosures*. This statement will require notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan—in other words, the degree to which the actuarial accrued liabilities for benefits are covered by assets that have been set aside to pay the benefits—as of the most recent actuarial valuation date. Governments that use the aggregate actuarial cost method to disclose the funded status and present a multi-year schedule of funding progress using the entry age actuarial cost method as a surrogate; these governments previously were not required to provide this information. Disclosure by governments participating in multi-employer cost-sharing pension plans of how the contractually required contribution rate is determined. This statement is effective for periods beginning after June 15, 2007.

In July of 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. This statement is effective for periods after June 15, 2009.

Note 22. Subsequent Events

On September 19, 2008, a Stipulation of Dismissal along with a Settlement Agreement were filed in Civil Action No.:03-CP-26-5436, Horry County v. A-1 Masonry, et al., making the settlement of the case effective on that date. According to the settlement, in consideration of payment to it in the amount of \$952,000, Horry County has settled its claims against all parties except for Chao & Associates, Inc.

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for for the year ended June 30, 2007)

	2008				2007	
	Budget			Variance Positive (Negative)		
	Original	Final	Actual Amounts		Actual	
Revenues						
Real property taxes	\$ 54,871,194	\$ 54,871,194	\$ 55,381,163	\$ 509,969	\$ 49,442,733	
Personal property taxes	5,090,000	5,090,000	5,193,398	103,398	4,848,408	
Vehicle taxes	5,042,500	5,042,500	5,001,434	(41,066)	5,247,292	
Intergovernmental	13,623,001	13,804,687	14,374,003	569,316	13,297,522	
Fees and fines	14,853,525	14,853,525	15,832,437	978,912	14,769,563	
Documentary stamps	7,352,875	7,352,875	4,355,593	(2,997,282)	6,965,863	
License and permits	12,168,785	12,168,785	9,999,046	(2,169,739)	12,127,805	
Interest on investments	2,283,000	2,283,000	1,884,319	(398,681)	2,129,560	
Cost allocation	1,589,965	1,589,965	1,684,499	94,534	1,425,554	
Other	3,473,510	3,478,745	2,402,698	(1,076,047)	1,208,688	
Total revenues	120,348,355	120,535,276	116,108,590	(4,426,686)	111,462,988	
Expenditures						
General Government:						
County Council	1,968,071	2,130,676	1,585,604	545,072	894,702	
County Administrator	613,127	476,343	301,347	174,996	324,628	
Administration Division	187,346	182,421	161,406	21,015	138,910	
Finance	1,367,718	1,475,951	1,409,178	66,773	1,242,689	
Department overhead	6,189,902	4,027,740	2,996,963	1,030,777	2,869,458	
Human Resources	1,333,593	1,262,539	961,683	300,856	934,307	
Procurement	412,191	392,774	360,733	32,041	337,921	
County Engineer	1,273,231	1,395,642	1,221,010	174,632	1,140,479	
Information Technology	5,353,112	5,283,135	4,836,277	446,858	5,041,385	
Assessor	2,966,850	2,993,502	2,852,426	141,076	2,552,946	
Assessor Appeals Board	13,541	8,133	1,135	6,998	5,673	
Registrar of Mesne Conveyance	1,331,054	1,493,723	1,314,747	178,976	1,518,474	
Maintenance	4,550,638	4,619,922	4,099,913	520,009	3,752,366	
Voter Registration and Election	602,608	679,781	643,387	36,394	429,039	
Public Information/Employee Relation	299,624	307,103	283,620	23,483	267,810	
Budget and Revenue Management	183,961	193,563	191,116	2,447	167,138	
Treasurer	1,728,830	1,775,538	1,726,174	49,364	1,570,911	
Auditor	1,310,087	1,358,715	1,339,806	18,909	1,228,845	
Records Retention	266,956	275,652	263,102	12,550	251,928	
Probate Judge	852,490	891,424	856,892	34,532	754,068	
Master-in-equity	254,306	266,734	265,510	1,224	247,334	
Legal	923,200	1,059,196	979,160	80,036	567,645	
Grant Administration	1,573,644	1,383,840	1,267,397	116,443	1,203,818	
Delegation	91,793	95,304	94,017	1,287	89,017	
Hospitality	286,367	294,002	275,889	18,113	256,685	
Business License	217,253	217,394	193,840	23,554	144,317	
Total	36,151,493	34,540,747	30,482,332	4,058,415	27,932,493	
Less, capital outlay	(351,895)	(351,895)	(339,192)	(12,703)	(695,029)	
Net general government	35,799,598	34,188,852	30,143,140	4,045,712	27,237,464	

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for for the year ended June 30, 2007)
- CONTINUED -

	2008			2007	
	Budget			Variance Positive (Negative)	
	Original	Final	Actual Amounts		Actual
Public Safety:					
Solicitor	4,708,126	4,994,523	5,053,497	(58,974)	4,319,375
Clerk of Court - Circuit DSS Family	2,303,004	2,495,764	2,411,030	84,734	2,101,840
Magistrate No. 1 Conway	251,754	265,664	254,157	11,507	243,897
Magistrate No. 2 Aynor	180,193	182,441	173,777	8,664	171,139
Magistrate No. 4 Mt. Olive	193,648	199,733	189,030	10,703	160,727
Magistrate No. 5 Loris	210,599	165,660	99,109	66,551	209,932
Magistrate No. 6 Myrtle Beach	310,348	317,544	300,873	16,671	281,288
Magistrate No. 7 Steven Cross Road	216,501	225,645	206,494	19,151	198,168
Magistrate No. 11 Surfside	170,634	176,071	172,595	3,476	171,099
Magistrate at Large No. 1	100,048	103,143	100,572	2,571	97,053
Magistrate at Large No. 2	306,053	334,896	329,443	5,453	300,652
Central Summary Court	354,304	369,065	344,908	24,157	333,377
Central Jury Court	197,397	196,517	203,024	(6,507)	140,158
Public Safety Division Director	293,566	466,663	305,956	160,707	279,463
Sheriff	2,911,647	3,060,427	3,034,300	26,127	2,897,035
Police	18,383,627	18,928,231	18,268,267	659,964	17,335,498
Central Processing - DSS	55,883	61,000	60,227	773	54,073
Emergency Preparedness	358,547	334,412	330,127	4,285	309,844
Emergency 911 Communications	3,341,880	3,301,411	3,142,315	159,096	2,766,039
Coroner	653,105	650,674	657,979	(7,305)	604,567
Detention Center	13,162,005	13,275,675	12,981,233	294,442	12,165,657
Emergency Medical Services	13,614,830	14,232,077	12,309,582	1,922,495	12,988,194
Beach Front Program	45,796	47,212	41,325	5,887	42,600
Environmental Services	1,005,407	1,546,855	1,040,297	506,558	927,041
Pre-trial Intervention	461,038	475,722	512,547	(36,825)	517,528
Total	63,789,940	66,407,025	62,522,664	3,884,361	59,616,244
Less, capital outlay	(510,159)	(510,159)	(161,993)	(348,166)	(84,647)
Net public safety	63,279,781	65,896,866	62,360,671	3,536,195	59,531,597

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for for the year ended June 30, 2007)
- CONTINUED -

	2008			2007
	Budget		Variance Positive (Negative)	Actual
	Original	Final		
	Actual Amounts			
Expenditures (continued)				
Health and Social Services:				
Veteran Affairs	130,203	134,948	132,084	126,206
Total	130,203	134,948	132,084	126,206
Net health and social services	130,203	134,948	132,084	126,206
Infrastructure and Regulation:				
Public Works	7,775,347	8,459,852	6,331,259	6,148,806
Codes Enforcement	3,092,215	3,334,605	3,014,118	2,915,332
Planning	1,767,991	1,954,594	1,814,023	1,682,560
Total	12,635,553	13,749,051	11,159,400	10,746,698
Less, capital outlay	(418,188)	(418,188)	(26,988)	(69,236)
Net infrastructure and regulation	12,217,365	13,330,863	11,132,412	10,677,462
Culture, Recreation, and Tourism:				
Library	3,836,352	3,918,617	3,782,906	3,895,841
Museum	389,732	344,544	272,941	281,262
Total	4,226,084	4,263,161	4,055,847	4,177,103
Less, capital outlay	-	-	-	(17,756)
Net culture, recreation and tourism	4,226,084	4,263,161	4,055,847	4,159,347
Other:				
State Mandated Supplements:				
Health Department	216,922	216,922	193,816	235,825
Department of Social Services	113,295	113,295	93,263	92,440
Department of Juvenile Detention	-	-	-	-
Public Defender	-	-	-	-
Total	330,217	330,217	287,079	328,265
Other Agencies:				
Waccamaw Regional Planning Council	39,308	39,308	39,308	-
Rescue Squads:				
Aynor	12,000	12,000	12,000	-
Horry	12,000	12,000	12,000	-
Myrtle Beach	12,000	12,000	12,000	-
North Myrtle Beach	12,000	12,000	12,000	-
Northern Horry	12,000	12,000	12,000	-
Mount Olive	12,000	12,000	12,000	-
Surfside	12,000	12,000	12,000	-

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)
- CONTINUED -

	2008			2007	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
Expenditures (continued)					
Other (cont.):					
Other Agencies (cont.):					
Waccamaw EOC	-	-	-	-	1,250
Coastal Rapid Transit Authority	-	-	-	-	300,000
Waccamaw Center of Mental Health	30,000	30,000	30,000	-	30,000
Horry-Georgetown Youth Advocate	12,500	12,500	12,500	-	20,000
Disabilities and Special Needs	57,500	57,500	57,500	-	25,000
Cedar Branch	12,000	12,000	12,000	-	-
Childrens Museum of SC	11,000	11,000	11,000	-	-
Chapin Memorial Library	60,000	60,000	60,000	-	80,000
Conway Chamber of Commerce	1,875	1,875	1,875	-	2,500
Careteam	8,000	8,000	8,000	-	-
Cooperative Extension	5,000	5,000	5,000	-	5,000
Salvation Army	8,000	8,000	-	8,000	10,000
Public Defender	808,600	808,600	808,600	-	785,000
Shoreline Behavior	45,000	45,000	45,000	-	47,000
Citizens Against Spouse Abuse	20,000	20,000	20,000	-	25,000
Shelter Home	25,000	25,000	25,000	-	25,000
Children Recovery Center	15,000	15,000	15,000	-	18,000
Grand Strand Community Against Rape	10,000	10,000	10,000	-	10,000
Shared Care	27,500	27,500	27,500	-	50,000
Horry County Historical Society	5,000	5,000	5,000	-	-
Step Up	27,500	27,500	27,500	-	50,000
Friendship Medical Clinic	1,250	1,250	1,250	-	3,750
City of Character	6,000	6,000	6,000	-	-
Salvation Army- Boys & Girls Club	7,500	7,500	7,500	-	10,000
St Delight Community Outreach	3,750	3,750	3,750	-	5,000
Grand Strand Miracle League	10,000	10,000	10,000	-	10,000
Boys & Girls Club of the Grand Strand	8,000	8,000	8,000	-	-
Empowerment Kids café	7,500	7,500	7,500	-	-
A Father's Place	7,500	7,500	7,500	-	-
Friendship House Preschool	6,000	6,000	-	6,000	8,000
Total	1,370,283	1,370,283	1,356,283	14,000	1,637,808
Net other	1,700,500	1,700,500	1,643,362	57,138	1,966,073
Capital outlay	1,280,241	1,266,216	528,173	738,043	866,669
Total expenditures	118,633,773	120,795,432	109,995,689	10,799,743	104,564,818
Excess of revenues over expenditures	1,714,582	(260,156)	6,112,901	6,373,057	6,898,170
Other Financial Sources (Uses)					
Sale of assets	165,000	(6,111,643)	(5,881,978)	229,665	(16,165,138)
Transfers in	1,608,779	-	-	-	-
Transfers out	(5,817,030)	(4,337,864)	(3,958,566)	379,298	(15,013,589)
Total other financing sources (uses)	(4,043,251)	(10,449,507)	(9,840,544)	608,963	(31,178,727)
Net change in fund balance	(2,328,669)	(10,709,663)	(3,727,643)	6,982,020	(24,280,557)
Fund balance at beginning of year	26,928,678	29,083,013	29,083,013	-	26,928,678
Fund balance at end of year	\$ 24,600,009	\$ 18,373,350	\$ 25,355,370	\$ 6,982,020	\$ 2,648,121

See accompanying independent auditors's report.

Horry County, South Carolina
 Budgetary Comparison Schedules
 Hospitality 1.5% Fund
 For the Year Ended June 30, 2008
 (with comparative actual amounts for for the year ended June 30, 2007)

	2008				2007
	Budget		Actual	Variance	
	Original	Final	(GAAP Basis)	Positive (Negative)	Actual
Revenues					
Fees and fines	\$ 32,667,000	\$ 32,667,000	\$ 30,418,755	\$ (2,248,245)	\$ 29,383,812
Interest on investments	65,000	65,000	128,935	63,935	84,804
Total revenues	<u>32,732,000</u>	<u>32,732,000</u>	<u>30,547,690</u>	<u>(2,184,310)</u>	<u>29,468,616</u>
Excess of revenues over expenditures	32,732,000	32,732,000	30,547,690	(2,184,310)	29,468,616
Other financing sources (uses)					
Transfers out - RIDE debt service	(28,913,750)	(32,411,375)	(30,174,250)	2,237,125	(29,062,660)
Transfers out - general fund	(286,250)	(320,625)	(492,542)	(171,917)	(288,357)
Total other financing sources (uses)	<u>(29,200,000)</u>	<u>(32,732,000)</u>	<u>(30,666,792)</u>	<u>2,065,208</u>	<u>(29,351,017)</u>
Net change in fund balance	3,532,000	-	(119,102)	(119,102)	117,599
Fund balance at beginning of year	125,517	125,517	125,517	-	7,918
Fund balance at end of year	<u>\$ 3,657,517</u>	<u>\$ 125,517</u>	<u>\$ 6,415</u>	<u>\$ (119,102)</u>	<u>\$ 125,517</u>

See accompanying independent auditors's report.

HORRY COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENTS THAT USE THE
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS
FOR THE YEAR END JUNE 30, 2008

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

Horry County's road system consists of approximately 43.4% paved roads and 56.6% 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 goal to maintain at least 70 percent of its street system at fair or better condition level. No more than 30 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.

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

- 1) Horry County has experienced tremendous growth which has resulted in the growth of our paved road network by over 44%.
- 2) Asphalt costs have increased 50% as a result of rising oil prices, which has reduced the resurfacing program.
- 3) In May 2007, a one-cent sales tax was passed and is dedicated to specific road projects, included is the resurfacing of 67 miles over a 7 year period.
- 4) Horry County is in the process of implementing a formal pavement management system (MicroPaver) which will provide a more scientific analysis of the paved road network.
- 5) In FY09 County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

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

	Percentage of Miles in Fair or Better Condition		
	Condition		
	2008	2007	2006
Arterial	71%	80%	91%
Collector	66.9%	69.0%	69.0%
Access	71.4%	76.0%	84.0%
Overall system	71.0%	76.0%	83.0%

	Percentage of Miles in Substandard Condition		
	Condition		
	2008	2007	2006
Arterial	29%	20%	9%
Collector	33.1%	31.0%	31.0%
Access	28.6%	20.0%	16.0%
Overall System	29.0%	20.0%	17.0%

HORRY COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S 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				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Arterial:</u>					
Needed	\$ 225,145	\$ 206,555	\$ 92,950	\$ -	\$ -
Actual	205,436	-	-	-	-
<u>Collector:</u>					
Needed	833,136	816,000	816,000	295,800	590,000
Actual	102,718	56,821	78,477	90,091	380,000
<u>Access:</u>					
Needed	5,366,741	4,941,750	4,941,750	917,400	1,800,000
Actual	1,558,480	184,055	275,778	95,412	1,150,272
<u>Overall System:</u>					
Needed	6,425,022	5,964,305	5,850,700	1,213,200	2,390,000
Actual	1,866,634	240,876	354,255	185,503	1,530,272
Difference	\$ 4,558,388	\$ 5,723,429	\$ 5,496,445	\$ 1,027,697	\$ 859,728

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).

At June 30, 2008, the Airport's airfield infrastructure systems of MYR, Conway, Loris and Grand Strand are considered by management to be good or better condition. The Department completed a project that rehabilitated MYR Taxiway "J" South and a portion of MYR Runway 18-36 at a cost of approximately \$3.8 million. Work was also completed on the rehabilitation of the apron and runway 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 was completed in fiscal year 05. The Airport intends to preserve its eligible infrastructure in accordance with its current Airport Layout Plans (ALP) and as required by the FAA.

The Airport is obligated by the FAA to maintain a current ALP for its airports. In order to maintain a current ALP, the Airport reviews and updates its Master Plan approximately every five years. The Airport is updating the MYR ALP in fiscal year 2008. The Master Plan forecasts activities and needs of the Airport for a 20-year period. The current Master Plan anticipates that MYR Runway 18-36 will require a major overlayment in fiscal year 2010. Estimated costs exceed \$5 million.

The Airport began a PCI study for MYR in fiscal year 2008. The State of South Carolina has advised the Airport that they expect to complete a PCI study on the state's general aviation airports, including CRE, HYW and 5J9, within the next few years.

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS OTHER
POST EMPLOYMENT BENEFITS PLAN
- CONTINUED -

The County's annual Other Post Employment Benefits Plan (OPEB) cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$5,510,608	6.71%	\$5,140,807

Funded status and Funding Progress

The funded status of the plan as of June 30, 2008 was as follows:

	General	Police	Airport
Actuarial accrued liability	\$30,307,044	\$17,983,147	\$1,151,637
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	\$30,307,044	\$17,983,147	\$1,151,637
Funded ratio	0.00%	0.00%	0.00%
Covered payroll	\$389,899,986	\$30,483,561	\$4,349,632
Unfunded actuarial accrued liability as a percentage of covered payroll	7.77%	58.99%	26.48%

See accompanying independent auditors' report.

OTHER FINANCIAL INFORMATION

**COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS**

HORRY COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Equity in pooled cash and investments	137,035	1,711,413	16,618,416	18,466,864
Funds held in trust	-	-	2,676,544	2,676,544
Receivables, net:				
Property taxes	101,972	-	85,268	187,240
Accounts and other	423,025	-	-	423,025
Fees	4,572	-	-	4,572
Interest receivable	780,634	17,391	148,140	946,164
Due from other funds	44,534,579	-	-	44,534,579
Due from other governments	-	-	-	-
Prepaid items	2,958,077	-	-	2,958,077
Total Assets	<u>\$ -</u>	<u>\$ 1,728,804</u>	<u>\$ 19,528,368</u>	<u>\$ 70,197,066</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ 341,538	\$ -	\$ -	\$ 341,538
Retainage payable	-	20,644	-	20,644
Accrued salaries and wages	25,064	-	-	25,064
Due to other funds	285	-	-	285
Due to other governments	-	-	-	-
Due to component units	5,174,378	-	-	5,174,378
Total liabilities	<u>8,591,083</u>	<u>20,644</u>	<u>-</u>	<u>8,611,727</u>
Fund Balances:				
Reserved for:				
Encumbrances	235,132	252,292	-	487,424
Prepaid items	3,583,886	-	-	3,583,886
Debt service	-	-	19,528,368	19,528,368
Road maintenance	70,000	-	-	70,000
Cultural	-	-	-	-
Baseball Park	4,572	-	-	4,572
Infrastructure development	3,769,980	-	-	3,769,980
Designated for debt service	28,519,897	-	-	28,519,897
Unreserved/designated	39,360,201	1,455,868	-	40,816,069
Unreserved/undesignated	44,534,579	-	-	44,534,579
Total fund balances	<u>121,044,199</u>	<u>1,708,160</u>	<u>19,528,368</u>	<u>142,280,727</u>
Total liabilities and fund balances	<u>\$ 129,635,282</u>	<u>\$ 1,728,804</u>	<u>\$ 19,528,368</u>	<u>\$ 150,892,454</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues				
Real property taxes	\$ 2,438,865	\$ -	\$ 11,397,950	\$ 13,836,815
Personal property taxes	995,663	-	1,219,991	2,215,654
Vehicle taxes	6,694,822	-	1,077,388	7,772,210
Intergovernmental	1,694,485	-	141,268	1,835,753
Accommodations tax	17,593,125	-	-	17,593,125
Fees and fines	1,084,924	-	-	1,084,924
Interest on investments	53,399,110	99,877	847,098	54,346,085
Other	-	1,978,200	22,347	2,000,547
Total revenues	<u>83,900,994</u>	<u>2,078,077</u>	<u>14,706,042</u>	<u>100,685,113</u>
 Current:				
Public safety	689,580	-	-	689,580
Infrastructure and regulation	4,643,572	-	-	4,643,572
Health and social services	334,870	-	-	334,870
Culture, recreation and tourism	46,590	-	-	46,590
Economic development	1,249,193	-	-	1,249,193
Conservation and natural resources	45,486,227	-	-	45,486,227
TECH and Higher Education Commission	-	-	3,910,000	3,910,000
Capital outlay	-	475,802	-	475,802
Debt service	-	-	9,753,688	9,753,688
Total expenditures	<u>74,215,759</u>	<u>475,802</u>	<u>13,663,688</u>	<u>88,355,249</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>9,685,235</u>	<u>1,602,275</u>	<u>1,042,354</u>	<u>12,329,864</u>
 Other Financing Sources (Uses)				
Transfers in	(14,070,650)	-	3,817,380	(10,253,270)
Bond premium	-	-	1,496,310	1,496,310
Sale of capital assets	(9,676,988)	-	-	(9,676,988)
Transfers out	-	(166,190)	-	(166,190)
Total other financing sources (uses)	<u>(23,747,638)</u>	<u>(166,190)</u>	<u>5,313,690</u>	<u>(18,600,138)</u>
 Net change in fund balance	(14,062,403)	1,436,085	6,356,044	(6,270,274)
 Fund balances at beginning of year	-	272,075	13,172,324	13,444,399
Fund balances at end of year	<u>\$ (14,062,403)</u>	<u>\$ 1,708,160</u>	<u>\$ 19,528,368</u>	<u>\$ 7,174,125</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 SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 4,261,548	\$ 4,708,891
Equity in pooled cash and investments	47,313,860	40,133,057
Receivables, net:		
Property taxes	498,211	501,823
Accounts and other	3,902,217	3,087,186
Interest receivable	563,047	1,009,180
Due from other governments	3,489,246	3,113,415
Due from other funds	3,179,684	4,680,844
Inventories	52,767	33,243
Prepaid items	27,334	32,114
Total Assets	<u>\$ 63,287,913</u>	<u>\$ 57,299,753</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,360,525	\$ 2,003,464
Accounts payable - other	526,458	607,381
Due to other governments	2,391,586	2,590,836
Accrued salaries and wages	1,904,533	1,446,820
Due to component unit	90,055	111,614
Accrued compensated absences	1,367	21,433
Due to other funds	173,180	55,152
Proceeds from sales held by Master in Equity	3,797,458	2,588,044
Due to taxpayers for overpayment	3,982,920	3,589,260
Funds held in trust- delinquent taxes	5,731,803	5,700,532
Funds held in trust- Clerk of Court	6,634,067	6,331,384
Other accrued liabilities	4,630,880	3,654,969
Deferred revenues	1,980,069	1,670,186
Total Liabilities	<u>34,204,900</u>	<u>30,371,075</u>
Fund balance:		
Reserved for underground storage	50,000	50,000
Reserved for encumbrances	530,812	382,158
Reserved for inventories	52,767	33,243
Reserved for prepaid item	27,334	32,114
Reserved for environmental services	462,018	551,706
Reserved for freight claims	51,471	-
Reserved for DSS federal revenue	70,507	88,744
Reserved for Register of Deeds	4,827	135,008
Unreserved:		
Designated	3,253,778	3,567,044
Unreserved, undesignated	24,579,499	22,088,661
Total fund balance:	<u>29,083,013</u>	<u>26,928,678</u>
Total liabilities and fund balance	<u>\$ 63,287,913</u>	<u>\$ 57,299,753</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS

FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
<u>Property taxes</u>				
Real property taxes	\$ 54,871,194	\$ 55,381,163	\$ 509,969	\$ 49,442,733
Personal property taxes	5,090,000	5,193,398	103,398	4,848,408
Vehicle taxes	5,042,500	5,001,434	(41,066)	5,247,292
Total property taxes	65,003,694	65,575,995	572,301	59,538,433
<u>Intergovernmental:</u>				
Federal grants	645,406	666,712	21,306	621,327
Civil defense	32,500	-	(32,500)	-
Tax supplies	5,475	5,240	(235)	5,240
Inventory tax	306,284	306,286	2	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	10,005	14,480	4,475	13,859
Veteran affairs	8,575	9,097	522	8,832
State shared	10,900,000	11,332,594	432,594	10,190,103
State - Library	394,675	442,415	47,740	394,675
Accommodations tax	204,605	192,955	(11,650)	195,377
Other - state	401,345	439,329	37,984	645,745
Solicitors	845,442	916,815	71,373	888,509
Other	42,500	40,205	(2,295)	19,694
Total intergovernmental	13,804,687	14,374,003	569,316	13,297,522
<u>Fees and Fines:</u>				
Planning fees	435,000	318,892	(116,108)	358,804
EMS	4,380,550	4,919,917	539,367	4,609,800
RMC fees	2,600,000	2,496,669	(103,331)	2,745,109
Clerk of Court fees and fin	237,500	663,583	426,083	607,306
Library	95,000	81,718	(13,282)	95,659
Sheriff fines	57,500	68,169	10,669	59,435
Family court fees	590,000	583,112	(6,888)	585,995
Probate court fees	634,350	730,375	96,025	594,991
Magistrates' fees and fines	2,875,325	2,502,371	(372,954)	2,388,600
Prisoner Housing	67,500	70,628	3,128	71,993
Health department fees	80,000	48,814	(31,186)	101,109
Master in Equity fees	460,000	1,136,345	676,345	457,536
CATV fees	1,245,000	995,050	(249,950)	1,033,262
Beach franchise fees	49,000	48,000	(1,000)	50,034
Animal and insect fees	-	-	-	60
Other	224,610	318,794	94,184	206,310
Georgetown Solicitor fees	822,190	850,000	27,810	803,560
Total fees and fines	14,853,525	15,832,437	978,912	14,769,563

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	<u>7,352,875</u>	<u>4,355,593</u>	<u>(2,997,282)</u>	6,965,863
<u>Licenses and Permits</u>				
Business licenses	4,950,385	5,057,122	106,737	5,011,307
Building inspection permits	7,000,000	4,726,984	(2,273,016)	6,905,055
Mobile home permits	23,400	18,115	(5,285)	19,363
Marriage licenses	195,000	196,825	1,825	192,080
Total licenses and permits	<u>12,168,785</u>	<u>9,999,046</u>	<u>(2,169,739)</u>	12,127,805
<u>Interest on investments</u>	<u>2,283,000</u>	<u>1,884,319</u>	<u>(398,681)</u>	2,129,560
<u>Cost allocation:</u>	<u>1,589,965</u>	<u>1,684,499</u>	<u>94,534</u>	1,425,554
<u>Other:</u>				
Casino Boat	2,265,000	858,333	(1,406,667)	-
Rent	25,620	28,302	2,682	26,302
Other	727,087	1,014,088	287,001	581,139
Pre-Trial Intervention	461,038	501,975	40,937	601,247
Total other	<u>3,478,745</u>	<u>2,402,698</u>	<u>(1,076,047)</u>	1,208,688
Total revenue	<u>120,535,276</u>	<u>116,108,590</u>	<u>(4,426,686)</u>	111,462,988
Expenditures				
Current:				
<u>General Government</u>				
County Council:				
Personal services	486,818	485,827	991	454,625
Contractual services	304,000	116,978	187,022	115,704
Supplies and materials	374,030	96,235	277,795	56,570
Business and travel	165,828	87,064	78,764	57,881
Other	800,000	799,500	500	209,922
Total	<u>2,130,676</u>	<u>1,585,604</u>	<u>545,072</u>	894,702
County Administrator:				
Personal services	266,758	265,475	1,283	248,808
Contractual services	24,930	3,724	21,206	3,977
Supplies and materials	9,250	1,546	7,704	3,001
Business and travel	19,705	10,300	9,405	7,891
Contingency	155,700	20,302	135,398	60,951
Total	<u>476,343</u>	<u>301,347</u>	<u>174,996</u>	324,628

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
Expenditures(continued)	Final		Variance	
Current:	Budget	Actual	Positive	Actual
			(Negative)	
General Government (cont):				
Administration Division:				
Director:				
Personal services	158,341	155,243	3,098	135,645
Contractual services	17,580	1,017	16,563	404
Supplies and materials	2,840	1,666	1,174	1,461
Business and travel	3,660	3,480	180	1,400
Total	182,421	161,406	21,015	138,910
Finance:				
Personal services	1,313,376	1,313,255	121	1,086,604
Contractual services	104,898	49,410	55,488	106,155
Supplies and materials	45,396	37,187	8,209	42,875
Business and travel	12,281	9,326	2,955	7,055
Total	1,475,951	1,409,178	66,773	1,242,689
Department Overhead:				
Personal services	480,387	480,327	60	417,550
Contractual services	2,049,961	1,743,008	306,953	1,721,084
Supplies and materials	775,000	765,448	9,552	722,862
Business and travel	713,892	2,484	711,408	1,953
Other	8,500	5,696	2,804	6,009
Total	4,027,740	2,996,963	1,030,777	2,869,458
Human Resources/Risk Management:				
Personal services	927,879	868,502	59,377	790,866
Contractual services	115,235	46,644	68,591	85,461
Supplies and materials	199,370	37,743	161,627	24,942
Business and travel	16,255	4,994	11,261	11,030
Capital outlay	-	-	-	19,098
Other	3,800	3,800	-	2,910
Total	1,262,539	961,683	300,856	934,307
Procurement:				
Personal services	364,621	338,036	26,585	319,454
Contractual services	13,465	9,589	3,876	9,661
Supplies and materials	8,651	8,065	586	5,803
Business and travel	6,037	5,043	994	3,003
Total	392,774	360,733	32,041	337,921

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
Expenditures(continued)	Final		Variance	
Current:	Budget	Actual	Positive	Actual
			(Negative)	
General Government (cont):				
County Engineer				
Personal services	1,091,993	968,407	123,586	826,242
Contractual services	227,007	189,568	37,439	254,068
Supplies and materials	22,689	10,920	11,769	18,324
Business and travel	53,953	52,115	1,838	41,845
Total	1,395,642	1,221,010	174,632	1,140,479
Information Technology:				
Personal services	2,052,964	1,911,089	141,875	1,668,268
Contractual services	1,777,609	1,508,322	269,287	1,493,462
Supplies and materials	328,101	318,438	9,663	1,161,065
Business and travel	93,578	81,631	11,947	58,345
Capital outlay	295,685	292,028	3,657	660,245
Other	735,198	724,769	10,429	-
Total	5,283,135	4,836,277	446,858	5,041,385
Assessor:				
Personal services	2,766,780	2,718,951	47,829	2,443,261
Contractual services	111,900	37,893	74,007	20,717
Supplies and materials	40,725	29,117	11,608	23,812
Business and travel	71,397	63,800	7,597	61,798
Other	2,700	2,665	35	3,358
Total	2,993,502	2,852,426	141,076	2,552,946
Assessor Appeals Board:				
Personal services	5,658	1,135	4,523	5,673
Contractual services	475	-	475	-
Supplies and materials	2,000	-	2,000	-
Total	8,133	1,135	6,998	5,673
Registrar of Mense Conveyance:				
Personal services	1,073,738	1,067,037	6,701	957,306
Contractual services	120,742	78,264	42,478	57,941
Supplies and materials	283,228	155,283	127,945	493,368
Business and travel	16,015	14,163	1,852	9,859
Total	1,493,723	1,314,747	178,976	1,518,474

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
Expenditures(continued)	Final		Variance	
Current:	Budget	Actual	Positive	Actual
			(Negative)	
General Government (cont):				
Maintenance:				
Personal services	3,233,544	2,953,409	280,135	2,750,243
Contractual services	401,063	309,660	91,403	275,269
Supplies and materials	498,463	462,520	35,943	418,905
Business and travel	217,369	209,732	7,637	292,263
Capital outlay	56,210	83,807	(27,597)	15,686
Other	213,273	80,785	132,488	-
Total	4,619,922	4,099,913	520,009	3,752,366
Voter Registration and Election:				
Personal services	480,841	480,545	296	371,723
Contractual services	30,046	15,477	14,569	22,923
Supplies and materials	159,477	141,112	18,365	29,966
Business and travel	9,417	6,253	3,164	4,427
Total	679,781	643,387	36,394	429,039
Public Information:				
Personal services	216,373	216,182	191	195,492
Contractual services	28,120	15,622	12,498	13,341
Supplies and materials	60,985	50,792	10,193	58,654
Business and travel	1,625	1,024	601	323
Total	307,103	283,620	23,483	267,810
Budget and Revenue Management:				
Personal services	186,753	186,753	-	163,296
Supplies and materials	5,575	4,025	1,550	3,576
Business and travel	1,235	338	897	266
Total	193,563	191,116	2,447	167,138

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
General Government (cont):				
Treasurer:				
Personal services	1,387,640	1,386,501	1,139	1,312,905
Contractual services	189,605	164,924	24,681	125,907
Supplies and materials	170,055	151,861	18,194	118,052
Business and travel	28,238	22,888	5,350	14,047
Total	1,775,538	1,726,174	49,364	1,570,911
Auditor:				
Personal services	1,201,967	1,201,966	1	1,121,666
Contractual services	42,678	35,875	6,803	29,286
Supplies and materials	92,573	81,531	11,042	63,332
Business and travel	21,497	20,434	1,063	14,561
Total	1,358,715	1,339,806	18,909	1,228,845
Records Retention:				
Personal services	231,883	231,882	1	220,474
Contractual services	23,172	17,002	6,170	14,202
Supplies and materials	16,137	10,525	5,612	12,535
Business and travel	4,460	3,693	767	4,717
Total	275,652	263,102	12,550	251,928
Probate Judge:				
Personal services	803,294	803,135	159	695,533
Contractual services	36,040	13,460	22,580	15,617
Supplies and materials	37,520	27,392	10,128	31,930
Business and travel	14,570	12,905	1,665	10,988
Total	891,424	856,892	34,532	754,068
Master -in-Equity:				
Personal services	262,819	262,818	1	245,732
Contractual services	1,500	814	686	699
Supplies and materials	2,205	1,668	537	693
Business and travel	210	210	-	210
Total	266,734	265,510	1,224	247,334

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures(continued)				
Current:				
General Government (cont):				
Legal:				
Personal services	552,875	549,987	2,888	297,514
Contractual services	488,177	414,330	73,847	263,412
Supplies and materials	6,645	4,133	2,512	5,122
Business and travel	11,499	10,710	789	1,597
Total	1,059,196	979,160	80,036	567,645
Grants Administration:				
Personal services	171,129	168,662	2,467	157,637
Contractual services	110,001	1,809	108,192	2,543
Supplies and materials	1,099,010	1,096,346	2,664	1,042,776
Business and travel	3,700	580	3,120	862
Total	1,383,840	1,267,397	116,443	1,203,818
Delegation:				
Personal services	93,016	93,016	-	88,017
Contractual services	1,056	251	805	236
Supplies and materials	400	391	9	396
Business and travel	832	359	473	368
Total	95,304	94,017	1,287	89,017
Hospitality:				
Personal services	249,009	248,660	349	228,528
Contractual services	15,526	12,119	3,407	12,632
Supplies and materials	18,045	6,337	11,708	5,786
Business and travel	11,422	8,773	2,649	9,739
Total	294,002	275,889	18,113	256,685
Business License:				
Personal services	152,556	147,630	4,926	101,639
Contractual services	34,665	28,571	6,094	28,007
Supplies and materials	16,715	6,218	10,497	7,817
Business and travel	12,422	10,385	2,037	6,834
Other	1,036	1,036	-	20
Total	217,394	193,840	23,554	144,317
Total general government	34,540,747	30,482,332	4,058,415	27,932,493

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
<u>Public Safety:</u>				
Solicitor:				
Personal services	4,544,542	4,591,323	(46,781)	3,847,267
Contractual services	229,011	245,165	(16,154)	249,633
Supplies and materials	103,046	91,790	11,256	125,479
Business and travel	117,924	125,219	(7,295)	96,996
Total	4,994,523	5,053,497	(58,974)	4,319,375
Clerk of Court - DSS Family Court:				
Personal services	2,049,390	2,042,135	7,255	1,829,522
Contractual services	296,594	249,731	46,863	182,613
Supplies and materials	124,451	116,997	7,454	88,651
Business and travel	2,929	2,167	762	1,054
Other	22,400	-	22,400	-
Total	2,495,764	2,411,030	84,734	2,101,840
Magistrate No. 1 Conway:				
Personal services	249,064	249,064	-	236,268
Contractual services	3,300	822	2,478	1,260
Supplies and materials	6,500	2,694	3,806	2,014
Business and travel	6,800	1,577	5,223	4,355
Total	265,664	254,157	11,507	243,897
Magistrate No. 2 Aynor:				
Personal services	155,259	150,462	4,797	152,354
Contractual services	14,324	13,806	518	11,234
Supplies and materials	6,341	3,273	3,068	3,706
Business and travel	6,517	6,236	281	3,845
Total	182,441	173,777	8,664	171,139

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
Public Safety (cont):				
Magistrate No. 4 Mt. Olive:				
Personal services	174,733	174,732	1	149,816
Contractual services	12,000	8,770	3,230	7,486
Supplies and materials	10,000	3,508	6,492	1,461
Business and travel	3,000	2,020	980	1,964
Total	199,733	189,030	10,703	160,727
Magistrate No. 5 Loris:				
Personal services	148,860	90,783	58,077	201,173
Contractual services	7,100	4,216	2,884	3,544
Supplies and materials	6,600	3,241	3,359	2,385
Business and travel	3,100	869	2,231	2,830
Total	165,660	99,109	66,551	209,932
Magistrate No. 6 Myrtle Beach:				
Personal services	297,759	289,537	8,222	271,737
Contractual services	5,750	2,607	3,143	2,266
Supplies and materials	11,285	7,817	3,468	5,863
Business and travel	2,750	912	1,838	1,422
Total	317,544	300,873	16,671	281,288
Magistrate No. 7 Stevens Cross Road:				
Personal services	191,136	191,135	1	184,748
Contractual services	3,459	1,818	1,641	2,018
Supplies and materials	20,550	9,531	11,019	4,159
Business and travel	10,500	4,010	6,490	7,243
Total	225,645	206,494	19,151	198,168
Magistrate No. 11 Surfside:				
Personal services	166,404	166,191	213	162,876
Contractual services	1,380	1,213	167	1,056
Supplies and materials	5,987	4,602	1,385	5,960
Business and travel	2,300	589	1,711	1,207
Total	176,071	172,595	3,476	171,099

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
Public Safety (cont):				
Magistrate at Large No. 1:				
Personal services	97,006	96,978	28	92,499
Contractual services	237	-	237	-
Business and travel	5,900	3,594	2,306	4,554
Total	103,143	100,572	2,571	97,053
Magistrate at Large No. 2 - Detention:				
Personal services	308,156	308,155	1	284,625
Contractual services	6,840	5,256	1,584	7,322
Supplies and materials	11,500	9,006	2,494	2,847
Business and travel	8,400	7,026	1,374	5,858
Total	334,896	329,443	5,453	300,652
Central Summary Court:				
Personal services	344,665	335,294	9,371	314,194
Contractual services	4,300	1,877	2,423	1,431
Supplies and materials	18,500	6,863	11,637	11,265
Business and travel	1,600	874	726	837
Capital outlay	-	-	-	5,650
Total	369,065	344,908	24,157	333,377
Central Jury Court:				
Personal services	47,267	47,266	1	47,615
Contractual services	131,300	149,861	(18,561)	85,982
Supplies and materials	16,250	4,933	11,317	6,043
Business and travel	1,700	964	736	518
Total	196,517	203,024	(6,507)	140,158

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
Public Safety (cont):				
Public Safety Division Director:				
Personal services	276,863	275,131	1,732	242,015
Contractual services	2,800	2,797	3	3,456
Supplies and materials	165,763	5,057	160,706	5,574
Business and travel	19,326	19,285	41	28,418
Other	1,911	3,686	(1,775)	-
Total	466,663	305,956	160,707	279,463
Sheriff:				
Personal services	2,717,171	2,715,129	2,042	2,612,567
Contractual services	48,317	40,190	8,127	41,383
Supplies and materials	59,232	51,097	8,135	59,031
Business and travel	227,801	220,616	7,185	182,914
Other	7,906	7,268	638	1,140
Total	3,060,427	3,034,300	26,127	2,897,035
Police:				
Personal services	15,000,188	14,806,005	194,183	13,994,687
Contractual services	410,655	339,381	71,274	349,315
Supplies and materials	479,993	466,642	13,351	708,304
Business and travel	2,615,475	2,573,924	41,551	2,283,003
Capital outlay	419,420	82,165	337,255	-
Other	2,500	150	2,350	189
Total	18,928,231	18,268,267	659,964	17,335,498
Central Processing:				
Personal services	56,295	56,295	-	51,078
Contractual services	585	-	585	-
Supplies and materials	175	-	175	-
Business and travel	3,945	3,932	13	2,995
Total	61,000	60,227	773	54,073
Emergency Preparedness:				
Personal services	239,876	234,183	5,693	244,473
Contractual services	29,342	25,878	3,464	22,158
Supplies and materials	25,514	24,858	656	12,334
Business and travel	39,680	35,047	4,633	30,221
Other	-	10,161	(10,161)	658
Total	334,412	330,127	4,285	309,844

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
Public Safety (cont):				
Emergency 911 Communications:				
Personal services	2,531,531	2,405,469	126,062	2,211,607
Contractual services	749,280	721,508	27,772	538,525
Supplies and materials	16,595	12,194	4,401	10,858
Business and travel	4,005	3,144	861	5,049
Total	3,301,411	3,142,315	159,096	2,766,039
Coroner:				
Personal services	340,650	325,926	14,724	284,815
Contractual services	266,752	288,648	(21,896)	270,152
Supplies and materials	12,143	12,075	68	8,727
Business and travel	31,129	31,330	(201)	22,051
Capital outlay	-	-	-	18,822
Total	650,674	657,979	(7,305)	604,567
Detention Center:				
Personal services	10,241,168	9,941,015	300,153	9,364,065
Contractual services	706,869	706,600	269	831,127
Supplies and materials	1,954,770	1,971,675	(16,905)	1,701,663
Business and travel	282,129	282,115	14	208,626
Capital outlay	90,739	79,828	10,911	60,176
Total	13,275,675	12,981,233	294,442	12,165,657
Emergency Medical Services:				
Personal services	12,226,069	10,417,163	1,808,906	11,414,030
Contractual services	344,730	289,201	55,529	273,041
Supplies and materials	1,109,318	1,052,381	56,937	876,737
Business and travel	551,960	550,837	1,123	424,386
Total	14,232,077	12,309,582	1,922,495	12,988,194
Beach Front Program:				
Personal services	33,577	33,577	-	31,794
Contractual services	585	-	585	-
Supplies and materials	1,700	737	963	3,839
Business and travel	11,350	7,011	4,339	6,967
Total	47,212	41,325	5,887	42,600

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final		Variance	
Expenditures(continued)	Budget	Actual	Positive	Actual
Current:			(Negative)	
<u>Public Safety (cont)</u>				
Environmental Services:				
Personal services	138,282	119,250	19,032	202,169
Contractual services	864,383	743,935	120,448	613,847
Supplies and materials	519,418	154,819	364,599	94,152
Business and travel	24,772	22,293	2,479	16,873
Other	-	-	-	-
Total	1,546,855	1,040,297	506,558	927,041
Pre-Trial Intervention:				
Personal services	475,722	512,547	(36,825)	517,528
Total	475,722	512,547	(36,825)	517,528
Total public safety	66,407,025	62,522,664	3,884,361	59,616,244
<u>Infrastructure and Regulation Divisor</u>				
Public Works Division				
Personal services	4,480,462	4,003,010	477,452	3,963,075
Contractual services	273,339	179,284	94,055	162,202
Supplies and materials	1,068,522	528,314	540,208	635,148
Business and travel	2,246,329	1,620,651	625,678	1,388,381
Capital Outlay	391,200	-	391,200	-
Total	8,459,852	6,331,259	2,128,593	6,148,806
Code Enforcement:				
Personal services	2,821,759	2,714,697	107,062	2,623,646
Contractual services	103,441	31,125	72,316	29,840
Supplies and materials	180,333	43,081	137,252	70,957
Business and travel	229,072	225,215	3,857	190,889
Total	3,334,605	3,014,118	320,487	2,915,332
Planning:				
Personal services	1,651,482	1,633,117	18,365	1,462,235
Contractual services	177,585	63,542	114,043	61,445
Supplies and materials	71,830	65,237	6,593	67,905
Business and travel	26,709	25,139	1,570	21,739
Capital outlay	26,988	26,988	-	69,236
Total	1,954,594	1,814,023	140,571	1,682,560
Total infrastructure and regulation	13,749,051	11,159,400	2,589,651	10,746,698

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures(continued)				
Current:				
<u>Health and Social Services</u>				
Veteran Affairs:				
Personal services	129,813	129,813	-	123,288
Contractual services	1,470	1,256	214	1,190
Supplies and materials	1,450	860	590	739
Business and travel	2,215	155	2,060	989
Total	134,948	132,084	2,864	126,206
Total health and social services	134,948	132,084	2,864	126,206
<u>Culture, Recreation and Tourism</u>				
Library:				
Personal services	2,566,116	2,527,491	38,625	2,363,928
Contractual services	422,960	408,474	14,486	384,620
Supplies and materials	850,635	778,428	72,207	1,070,401
Business and travel	64,879	54,487	10,392	59,136
Construction contracts	14,027	14,026	1	17,756
Total	3,918,617	3,782,906	135,711	3,895,841
Museum:				
Personal services	266,054	213,777	52,277	228,666
Contractual services	33,085	24,900	8,185	32,265
Supplies and materials	27,015	20,580	6,435	12,436
Business and travel	13,731	10,260	3,471	4,554
Other	4,659	3,424	1,235	3,341
Total	344,544	272,941	71,603	281,262
Total culture, recreation and tourism	4,263,161	4,055,847	207,314	4,177,103
<u>Other:</u>				
State Mandated Supplements:				
Health Department	216,922	193,816	23,106	235,825
Department of Social Services	113,295	93,263	20,032	92,440
Total	330,217	287,079	43,138	328,265

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
Expenditures(continued)	Final		Variance	
Current:	Budget	Actual	Positive (Negative)	Actual
Other Agencies:				
Waccamaw Regional Planning Council	39,308	39,308	-	39,308
Rescue Squads:				
Aynor	12,000	12,000	-	13,000
Horry	12,000	12,000	-	13,000
Myrtle Beach	12,000	12,000	-	13,000
North Myrtle Beach	12,000	12,000	-	13,000
Northern Horry	12,000	12,000	-	13,000
Mount Olive	12,000	12,000	-	13,000
Surfside	12,000	12,000	-	-
Horry-Georgetown Youth Advocate	12,500	12,500	-	20,000
Conway Chamber of Commerce	1,875	1,875	-	2,500
Coastal Rapid Transit Authority	-	-	-	300,000
Waccamaw Center of Mental Health	30,000	30,000	-	30,000
Waccamaw EOC	-	-	-	1,250
Public Defender	808,600	808,600	-	785,000
Shared Care	27,500	27,500	-	50,000
Disabilities and Special Needs	57,500	57,500	-	25,000
Cedar Branch	12,000	12,000	-	-
Step Up	27,500	27,500	-	50,000
Chapin Memorial Library	60,000	60,000	-	80,000
Friendship Medical Clinic	1,250	1,250	-	3,750
Horry County Historical Society	5,000	5,000	-	-
Grand Strand Community Against Rape	10,000	10,000	-	10,000
Shelter Home	25,000	25,000	-	25,000
Children Recovery Center	15,000	15,000	-	18,000
Friendship House Preschool	6,000	-	6,000	8,000
Careteam	8,000	8,000	-	-
Salvation Army- Boys & Girls Club	7,500	7,500	-	10,000
Salvation Army	8,000	-	8,000	10,000
Cooperative Extension	5,000	5,000	-	5,000
St. Delight Community Outreach	3,750	3,750	-	5,000
Citizens Against Spouse Abuse	20,000	20,000	-	25,000
Grand Strand Miracle League	10,000	10,000	-	10,000
Shoreline Behavior	45,000	45,000	-	47,000
Childrens Museum of SC	11,000	11,000	-	-
City of Character Inc	6,000	6,000	-	-
Boys & Girls Club of the Grand Strand	8,000	8,000	-	-
Empowerment Kids café	7,500	7,500	-	-
A Father's Place	7,500	7,500	-	-
Total	1,370,283	1,356,283	14,000	1,637,808
Total other	1,700,500	1,643,362	57,138	1,966,073
Total expenditures	120,795,432	109,995,689	10,799,743	104,564,818
Excess of revenue over expenditures	(260,156)	6,112,901	6,373,057	6,898,170

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
- CONTINUED -

	2008			2007
	Final Budget	Actual	Variance Positive (Negative)	Actual
Other Financing Sources (Uses)				
Sale of assets	165,000	290,511	125,511	43,898
Transfers in	1,608,779	1,632,901	24,122	1,107,651
Transfers out	(6,111,643)	(5,881,978)	229,665	(16,165,138)
Total other financing sources (uses)	<u>(4,337,864)</u>	<u>(3,958,566)</u>	<u>379,298</u>	<u>(15,013,589)</u>
Net change in fund balance	(4,598,020)	2,154,335	6,752,355	(8,115,419)
Fund balance at beginning of year	26,928,678	26,928,678	-	35,044,097
Fund balance at end of year	<u>\$ 22,330,658</u>	<u>\$ 29,083,013</u>	<u>\$ 6,752,355</u>	<u>\$ 26,928,678</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 Sate 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 earmarked for all grants.

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

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, Baseball Fund and infrastructure and regulation services impacted by tourism.

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

Senior Citizen – accounts for revenue collected from .4 mills levied on real and personal property earmarked for Senior Citizen 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 expenditures 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 Multi-County 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.

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

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
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

Non-Major Funds												
	Fire	Accommodations Tax	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0%	Victim Witness Assistance
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,582,406	\$ -
Equity in pooled cash and investments	3,311,322	56	4,170,224	270,498	377,675	7,130	9,199,947	1,122,527	350,526	884	489,171	-
Receivables, net:												
Property taxes	74,661	-	31,692	489	-	1,249	-	-	-	-	-	-
Accounts and other	1,355	2,140	-	-	-	-	650	48,971	-	-	864,995	42,954
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	49,369	4,550	40,549	4,086	3,657	115	94,097	42,510	5,603	39	3,692	-
Prepaid items	1,727	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	4,466	17,545	-	-	-	-	631,123	127,500	-	-	-	-
Due from other governments	19,543	987,819	-	1,172	-	-	800,733	-	730,230	27,970	-	220
Total assets	<u>\$ 3,462,443</u>	<u>\$ 1,012,110</u>	<u>\$ 4,242,465</u>	<u>\$ 276,245</u>	<u>\$ 381,332</u>	<u>\$ 8,494</u>	<u>\$ 10,726,550</u>	<u>\$ 1,341,508</u>	<u>\$ 1,086,359</u>	<u>\$ 28,893</u>	<u>\$ 3,940,264</u>	<u>\$ 43,174</u>
Liabilities and Fund Balance												
Liabilities												
Accounts payable-trade	\$ 116,598	\$ 445,352	\$ 409,713	\$ -	\$ 1,284	\$ -	\$ 273,396	\$ 2,311	\$ 20,703	\$ -	\$ -	\$ 870
Accrued salaries and wages	224,982	26,859	-	-	-	-	9,695	-	4,898	-	-	12,882
Due to other funds	-	170,624	-	-	-	-	-	821,056	-	27,970	702,102	152,634
Due to other governments	-	-	25,064	-	-	-	-	-	-	-	-	-
Due to component unit	-	-	-	-	-	-	189	-	-	-	-	-
Total Liabilities	<u>341,580</u>	<u>642,835</u>	<u>434,777</u>	<u>-</u>	<u>1,284</u>	<u>-</u>	<u>283,280</u>	<u>823,367</u>	<u>25,601</u>	<u>27,970</u>	<u>702,102</u>	<u>166,386</u>
Fund balances:												
Reserved for encumbrances	-	-	-	-	-	-	963,433	55,005	112,990	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	389,814	-	-	-	-	-
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	235,132	-
Reserved for cultural	-	70,000	-	-	-	-	-	-	-	-	-	-
Reserved for prepaid items	1,727	-	-	-	-	-	-	-	-	-	-	-
Reserved for infrastructure development	-	-	-	-	-	-	-	-	-	-	2,030,550	-
Designated for debt service	965,951	-	-	-	-	-	-	-	-	-	-	-
Unreserved, designated	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	2,153,185	299,275	3,807,688	276,245	380,048	8,494	9,090,023	463,137	947,768	923	972,480	(123,212)
Total fund balances/(deficits)	<u>3,120,863</u>	<u>369,275</u>	<u>3,807,688</u>	<u>276,245</u>	<u>380,048</u>	<u>8,494</u>	<u>10,443,270</u>	<u>518,142</u>	<u>1,060,758</u>	<u>923</u>	<u>3,238,162</u>	<u>(123,212)</u>
Total liabilities and fund balances	<u>\$ 3,462,443</u>	<u>\$ 1,012,110</u>	<u>\$ 4,242,465</u>	<u>\$ 276,245</u>	<u>\$ 381,332</u>	<u>\$ 8,494</u>	<u>\$ 10,726,550</u>	<u>\$ 1,341,508</u>	<u>\$ 1,086,359</u>	<u>\$ 28,893</u>	<u>\$ 3,940,264</u>	<u>\$ 43,174</u>

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	Non-Major Funds											Total
	Senior Citizen	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater Management	GIS/IT	B&C MCBP	E-911	Local Atax	Recreation	Industrial Parks	Non-Major Funds
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,528	\$ 100	\$ -	\$ 3,302,034
Equity in pooled cash and investments	53,975	-	56,461	-	4,809,444	12,837	2,086,543	-	20,499	3,006,229	6,340,745	35,686,693
Receivables, net:												
Property taxes	4,316	-	498	-	-	-	-	-	-	24,130	-	137,035
Accounts and other	-	-	-	-	-	-	-	-	161,962	-	17,510	1,140,537
Fees	-	-	-	-	25,166	-	-	76,806	-	-	-	101,972
Interest Receivable	585	-	490	-	54,288	314	19,477	-	108	35,334	64,162	423,025
Prepaid items	-	-	-	-	133	-	-	1,387	-	1,325	-	4,572
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	780,634
Due from other governments	-	-	-	-	3,141	-	-	126	-	386,786	337	2,958,077
Total assets	<u>\$ 58,876</u>	<u>\$ -</u>	<u>\$ 57,449</u>	<u>\$ -</u>	<u>\$ 4,892,172</u>	<u>\$ 13,151</u>	<u>\$ 2,106,020</u>	<u>\$ 78,319</u>	<u>\$ 902,097</u>	<u>\$ 3,453,904</u>	<u>\$ 6,422,754</u>	<u>\$ 44,534,579</u>
Liabilities and Fund Balance												
Liabilities												
Accounts payable-trade	\$ 38,439	\$ -	\$ 487	\$ -	\$ 168,914	\$ 6,139	\$ -	\$ 2,346	\$ 149,147	\$ 116,988	\$ 4,985	\$ 1,757,672
Accrued salaries and wages	-	-	-	-	29,812	-	-	3,576	-	28,834	-	341,538
Due to other funds	-	-	332,476	-	-	-	-	161,822	467,314	213,821	-	3,049,819
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	25,064
Due to component unit	-	-	-	-	-	-	-	-	-	96	-	285
Total Liabilities	<u>38,439</u>	<u>-</u>	<u>332,963</u>	<u>-</u>	<u>198,726</u>	<u>6,139</u>	<u>-</u>	<u>167,744</u>	<u>616,461</u>	<u>359,739</u>	<u>4,985</u>	<u>5,174,378</u>
Fund balances:												
Reserved for encumbrances	-	-	-	-	305,128	-	-	-	-	384,413	-	1,820,969
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	-	-	389,814
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	-	235,132
Reserved for cultural	-	-	-	-	-	-	-	-	-	-	-	70,000
Reserved for prepaid items	-	-	-	-	133	-	-	1,387	-	1,325	-	4,572
Reserved for infrastructure development	-	-	-	-	-	-	-	-	-	-	1,553,336	3,583,886
Designated for debt service	-	-	-	-	-	-	-	-	-	-	-	965,951
Unreserved, designated	-	-	-	-	2,152,930	-	-	-	-	1,617,050	-	3,769,980
Unreserved, undesignated	20,436	-	(275,514)	-	2,235,255	7,012	2,106,020	(90,812)	285,636	1,091,377	4,864,433	28,519,897
Total fund balances/(deficits)	<u>20,436</u>	<u>-</u>	<u>(275,514)</u>	<u>-</u>	<u>4,693,446</u>	<u>7,012</u>	<u>2,106,020</u>	<u>(89,425)</u>	<u>285,636</u>	<u>3,094,165</u>	<u>6,417,769</u>	<u>39,360,201</u>
Total liabilities and fund balances	<u>\$ 58,876</u>	<u>\$ -</u>	<u>\$ 57,449</u>	<u>\$ -</u>	<u>\$ 4,892,172</u>	<u>\$ 13,151</u>	<u>\$ 2,106,020</u>	<u>\$ 78,319</u>	<u>\$ 902,097</u>	<u>\$ 3,453,904</u>	<u>\$ 6,422,754</u>	<u>\$ 44,534,579</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Non-Major Funds											
	Fire	Accommodations Tax	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0%	Victim Witness Assistance
Revenues												
Real property taxes	\$ 11,113,591	\$ -	\$ 4,883,638	\$ 85,533	\$ 63,889	\$ 164,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	1,327,338	-	560,163	252	85	376	-	-	-	-	-	-
Vehicle taxes	1,498,430	-	643,940	-	5,458	-	-	-	-	-	-	-
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	26,596	3,191,143	-	-	-	-	1,543,393	-	1,441,571	115,940	-	-
Fees	-	-	-	-	-	-	4,720,014	-	-	-	6,631,804	549,040
Interest	159,384	16,514	166,232	13,307	15,158	300	368,380	160,149	31,883	103	54,107	(768)
Other	20,733	19,997	41	-	-	-	1,271	-	5,436	-	-	-
Total revenues	<u>14,146,072</u>	<u>3,227,654</u>	<u>6,254,014</u>	<u>99,092</u>	<u>84,590</u>	<u>165,353</u>	<u>6,633,058</u>	<u>160,149</u>	<u>1,478,890</u>	<u>116,043</u>	<u>6,685,911</u>	<u>548,272</u>
Expenditures												
Current:												
Public safety	12,388,905	1,252,863	-	-	-	-	-	-	545,742	-	-	696,216
Infrastructure and regulation	-	-	5,037,210	13,136	22,946	-	7,872,087	4,058,403	5,130	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism	-	1,440,188	-	-	-	147,174	-	-	67,276	-	-	-
Economic development	-	-	-	-	-	-	-	-	334,870	-	-	-
Conservation and natural resources	-	-	-	-	-	-	-	-	46,590	-	-	-
Capital Outlay	553,214	40,894	96,094	-	-	-	26,304	-	263,235	-	-	-
Total expenditures	<u>12,942,119</u>	<u>2,733,945</u>	<u>5,133,304</u>	<u>13,136</u>	<u>22,946</u>	<u>147,174</u>	<u>7,898,391</u>	<u>4,058,403</u>	<u>1,262,843</u>	<u>-</u>	<u>-</u>	<u>696,216</u>
Excess (deficiency) of revenues over (under) expenditures	1,203,953	493,709	1,120,710	85,956	61,644	18,179	(1,265,333)	(3,898,254)	216,047	116,043	6,685,911	(147,944)
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	3,018,590	822,510	194,839	-	196,257	121,925
Sale of Property	39,541	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(4,117,554)	(510,000)	-	-	-	-	(110,000)	-	-	(85,192)	(6,493,163)	-
Total other financing sources (uses)	<u>(4,078,013)</u>	<u>(510,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,908,590</u>	<u>822,510</u>	<u>194,839</u>	<u>(85,192)</u>	<u>(6,296,906)</u>	<u>121,925</u>
Net change in fund balance	(2,874,060)	(16,291)	1,120,710	85,956	61,644	18,179	1,643,257	(3,075,744)	410,886	30,851	389,005	(26,019)
Fund balances (deficit), at beginning of year as restated	5,994,923	385,566	2,686,978	190,289	318,404	(9,685)	8,800,013	3,593,886	649,872	(29,928)	2,849,157	(97,193)
Fund balances (deficit), at end of year	<u>\$ 3,120,863</u>	<u>\$ 369,275</u>	<u>\$ 3,807,688</u>	<u>\$ 276,245</u>	<u>\$ 380,048</u>	<u>\$ 8,494</u>	<u>\$ 10,443,270</u>	<u>\$ 518,142</u>	<u>\$1,060,758</u>	<u>\$ 923</u>	<u>\$ 3,238,162</u>	<u>\$ (123,212)</u>

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	Non-Major Funds											
	Senior Citizen	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater	GIS/TT	B&C MCBP	E-911	Local Atax	Recreation	Industrial Parks	Total Non-Major Funds
Revenues												
Real property taxes	\$ 580,649	\$ -	\$ 57,443	\$ -	\$ -	\$ -	\$ 363,775	\$ -	\$ -	\$ 3,311,004	\$ -	\$ 20,624,199
Personal property taxes	57,852	-	88	-	-	-	-	-	-	326,873	-	2,273,027
Vehicle taxes	54,521	-	855	-	-	-	-	-	-	235,661	-	2,438,865
Accommodations tax	-	-	-	-	-	-	-	-	995,663	-	-	995,663
Intergovernmental	-	-	-	-	-	-	-	376,179	-	-	-	6,694,822
Fees	-	-	-	-	4,088,195	30,767	-	894,116	-	589,949	89,240	17,593,125
Interest	1,921	-	2,001	-	203,391	(582)	79,455	-	35,270	141,712	246,568	1,694,485
Other	-	-	-	-	-	-	-	-	-	437,112	600,334	1,084,924
Total revenues	<u>694,943</u>	<u>-</u>	<u>60,387</u>	<u>-</u>	<u>4,291,586</u>	<u>30,185</u>	<u>443,230</u>	<u>1,270,295</u>	<u>1,030,933</u>	<u>5,042,311</u>	<u>936,142</u>	<u>53,399,110</u>
Expenditures												
Current:												
Public safety	-	-	-	-	-	24,100	-	1,354,900	493,969	-	-	16,756,695
Infrastructure and regulation	-	-	33,037	-	4,043,179	-	-	-	-	-	680,599	21,765,727
Health and social services	689,580	-	-	-	-	-	-	-	-	-	-	689,580
Culture, recreation and tourism	-	-	-	-	-	-	-	-	294,605	2,694,329	-	4,643,572
Economic development	-	-	-	-	-	-	-	-	-	-	-	334,870
Conservation and natural resources	-	-	-	-	-	-	-	-	-	-	-	46,590
Capital Outlay	-	-	-	-	66,807	33,032	-	-	-	169,613	-	1,249,193
Total expenditures	<u>689,580</u>	<u>-</u>	<u>33,037</u>	<u>-</u>	<u>4,109,986</u>	<u>57,132</u>	<u>-</u>	<u>1,354,900</u>	<u>788,574</u>	<u>2,863,942</u>	<u>680,599</u>	<u>45,486,227</u>
Excess (deficiency) of revenues over (under) expenditures	5,363	-	27,350	-	181,600	(26,947)	443,230	(84,605)	242,359	2,178,369	255,543	7,912,883
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	4,354,121
Sale of Property	-	-	-	-	-	-	-	-	-	-	-	39,541
Transfers out	-	(51,471)	-	(489)	(402,192)	-	-	-	(206,323)	(2,094,266)	-	(14,070,650)
Total other financing sources (uses)	<u>-</u>	<u>(51,471)</u>	<u>-</u>	<u>(489)</u>	<u>(402,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,323)</u>	<u>(2,094,266)</u>	<u>-</u>	<u>(9,676,988)</u>
Net change in fund balance	5,363	(51,471)	27,350	(489)	(220,592)	(26,947)	443,230	(84,605)	36,036	84,103	255,543	(1,764,105)
Fund balances (deficit), at beginning of year as restated	15,073	51,471	(302,864)	489	4,914,038	33,959	1,662,790	(4,820)	249,600	3,010,062	6,162,226	41,124,306
Fund balances (deficit), at end of year	<u>\$ 20,436</u>	<u>\$ -</u>	<u>\$ (275,514)</u>	<u>\$ -</u>	<u>\$ 4,693,446</u>	<u>\$ 7,012</u>	<u>\$ 2,106,020</u>	<u>\$ (89,425)</u>	<u>\$ 285,636</u>	<u>\$ 3,094,165</u>	<u>\$ 6,417,769</u>	<u>\$ 39,360,201</u>

HORRY COUNTY, SOUTH CAROLINA
FIRE SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 3,311,322	\$ 6,016,983
Receivables, net:		
Property taxes	74,661	68,629
Other	1,355	-
Interest Receivable	49,369	106,374
Due from other funds	4,466	5,043
Due from other governments	19,543	861
Prepaid items	1,727	94
Total assets	<u><u>\$ 3,462,443</u></u>	<u><u>\$ 6,197,984</u></u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 116,598	\$ 84,351
Accrued salaries and wages	224,982	118,710
Total liabilities	<u>341,580</u>	<u>203,061</u>
 Fund balance:		
Reserved for prepaid items	1,727	94
Reserved for encumbrances	-	240,141
Unreserved, designated	-	1,110
Unreserved, designated for debt service	965,951	966,108
Unreserved, undesignated	2,153,185	4,787,470
Total fund balance	<u>3,120,863</u>	<u>5,994,923</u>
Total liabilities and fund balance	<u><u>\$ 3,462,443</u></u>	<u><u>\$ 6,197,984</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
FIRE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 11,592,775	\$ 11,113,591	\$ (479,184)	\$ 10,027,480
Personal property taxes	1,150,500	1,327,338	176,838	1,247,654
Vehicle taxes	1,300,000	1,498,430	198,430	1,589,006
Intergovernmental	26,584	26,596	12	26,596
Interest	115,000	159,384	44,384	247,873
Other	-	20,733	20,733	(159)
Total revenues	14,184,859	14,146,072	(38,787)	13,138,450
Expenditures				
Current:				
Public safety:				
Personal services	7,750,711	8,688,815	(938,104)	6,224,593
Contractual services	1,243,573	1,409,142	(165,569)	1,179,056
Supplies & Materials	749,975	704,406	45,569	747,487
Business & Travel	708,872	701,892	6,980	888,191
Capital outlay	553,713	553,214	499	80,129
Indirect cost allocation	800,000	884,650	(84,650)	754,420
Total expenditures	11,806,844	12,942,119	(1,135,275)	9,873,876
Excess of revenues over expenditures	2,378,015	1,203,953	(1,174,062)	3,264,574
Other Financing Sources (Uses)				
Sale of Capital Assets	-	39,541	39,541	-
Transfers out	(4,119,215)	(4,117,554)	1,661	(2,214,044)
Total other financing sources (uses)	(4,119,215)	(4,078,013)	41,202	(2,214,044)
Net change in fund balance	(1,741,200)	(2,874,060)	(1,132,860)	1,050,530
Fund balance at beginning of year	5,994,923	5,994,923	-	4,944,393
Fund balance at end of year	\$ 4,253,723	\$ 3,120,863	\$ (1,132,860)	\$ 5,994,923

See accompanying independent auditors' report.

Horry County, South Carolina
 Accommodations Tax Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

Assets	2008	2007
Equity in pooled cash and investments	\$ 56	\$ (77,962)
Accounts receivable, net:		
Other	2,140	-
Interest Receivable	4,550	9,834
Due from other funds	17,545	3,718
Due from other governments	987,819	1,047,882
Total assets	<u><u>\$ 1,012,110</u></u>	<u><u>\$ 983,472</u></u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 445,352	\$ 451,766
Accrued salaries and wages	26,859	18,640
Due to other funds	170,624	127,500
Total liabilities	<u><u>642,835</u></u>	<u><u>597,906</u></u>
 Fund balance:		
Reserved for cultural	70,000	119,870
Unreserved, undesignated	299,275	265,696
Total fund balance	<u><u>369,275</u></u>	<u><u>385,566</u></u>
Total liabilities and fund balance	<u><u>\$ 1,012,110</u></u>	<u><u>\$ 983,472</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 ACCOMODATIONS TAX SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 3,412,500	\$ 3,191,143	\$ (221,357)	\$ 3,237,159
Interest	20,500	16,514	(3,986)	21,225
Other	-	19,997	19,997	1,127
Total revenues	3,433,000	3,227,654	(205,346)	3,259,511
Expenditures				
Current:				
Public safety				
Beach Patrol:				
Personal services	902,205	781,538	120,667	499,260
Contractual services	119,276	88,835	30,441	3,099
Supplies & Materials	67,129	55,148	11,981	27,550
Business & Travel	201,280	202,774	(1,494)	107,229
Capital outlay	30,392	40,894	(10,502)	-
Total beach patrol	1,320,282	1,169,189	151,093	637,138
Beach Clean-up:				
Personal services	96,849	105,529	(8,680)	329,491
Contractual services	-	-	-	81,448
Supplies & Materials	2,381	2,724	(343)	14,172
Business & Travel	13,750	16,315	(2,565)	82,527
Capital outlay	-	-	-	7,206
Total beach clean-up	112,980	124,568	(11,588)	514,844
Total public safety	1,433,262	1,293,757	139,505	1,151,982
Culture, Recreation and Tourism:				
Contributions to other agencies	1,580,091	1,440,188	139,903	1,507,320
Total culture, recreation and tourism	1,580,091	1,440,188	139,903	1,507,320
Total expenditures	3,013,353	2,733,945	279,408	2,659,302
Excess of revenues over expenditures	419,647	493,709	74,062	600,209
Other Financing Sources (Uses)				
Transfers out	(510,000)	(510,000)	-	(510,000)
Total other financing sources (uses)	(510,000)	(510,000)	-	(510,000)
Net change in fund balance	(90,353)	(16,291)	74,062	90,209
Fund balance at beginning of year	385,566	385,566	-	295,357
Fund balance at end of year	\$ 295,213	\$ 369,275	\$ 74,062	\$ 385,566

See accompanying independent auditors' report.

Horry County, South Carolina
 Waste Management Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

Assets	2008	2007
Equity in pooled cash and investments	\$ 4,170,224	\$ 3,268,410
Receivables, net:		
Property taxes	31,692	29,147
Interest Receivable	40,549	59,664
Total assets	<u>\$ 4,242,465</u>	<u>\$ 3,357,221</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable -trade	\$ 409,713	\$ -
Due to component unit	-	623,746
Due to other governments	25,064	46,497
Total liabilities	<u>434,777</u>	<u>670,243</u>
Fund balance:		
Reserved for encumbrances	-	291,339
Unreserved, undesignated	3,807,688	2,395,639
Total fund balance	<u>3,807,688</u>	<u>2,686,978</u>
Total liabilities and fund balance	<u>\$ 4,242,465</u>	<u>\$ 3,357,221</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Waste Management Recycling Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 4,594,350	\$ 4,883,638	\$ 289,288	\$ 4,419,615
Personal property taxes	480,000	560,163	80,163	514,490
Vehicle taxes	611,225	643,940	32,715	685,935
Interest	40,000	166,232	126,232	151,754
Other	-	41	41	13
Total revenues	<u>5,725,575</u>	<u>6,254,014</u>	<u>528,439</u>	<u>5,771,807</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	5,584,090	4,614,464	969,626	4,454,221
Supplies & Materials	550,000	420,020	129,980	167,044
Capital outlay	122,300	96,094	26,206	93,737
Indirect cost allocation	-	-	-	4,856
Other	-	2,726	(2,726)	1,797
Total expenditures	<u>6,256,390</u>	<u>5,133,304</u>	<u>1,123,086</u>	<u>4,721,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530,815)</u>	<u>1,120,710</u>	<u>1,651,525</u>	<u>1,050,152</u>
Net change in fund balance	(530,815)	1,120,710	1,651,525	1,050,152
Fund balance at beginning of year	<u>2,686,978</u>	<u>2,686,978</u>	<u>-</u>	<u>1,636,826</u>
Fund balance at end of year	<u>\$ 2,156,163</u>	<u>\$ 3,807,688</u>	<u>\$ 1,651,525</u>	<u>\$ 2,686,978</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Watershed Special Revenue Funds
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 270,498	\$ 179,463
Receivables, net:		
Property taxes	489	576
Due from other governments	1,172	-
Interest receivable	4,086	10,250
Total assets	<u><u>\$ 276,245</u></u>	<u><u>\$ 190,289</u></u>
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 276,245	\$ 190,289
Total fund balance	<u>276,245</u>	<u>190,289</u>
Total liabilities and fund balance	<u><u>\$ 276,245</u></u>	<u><u>\$ 190,289</u></u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Watershed Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 81,454	\$ 85,533	\$ 4,079	\$ 78,269
Personal property taxes	-	252	252	549
Interest	8,675	13,307	4,632	26,457
Total revenues	<u>90,129</u>	<u>99,092</u>	<u>8,963</u>	<u>105,275</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	90,129	11,357	78,772	13,130
Indirect cost allocation	-	1,779	(1,779)	1,629
Total expenditures	<u>90,129</u>	<u>13,136</u>	<u>76,993</u>	<u>14,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>85,956</u>	<u>85,956</u>	<u>90,516</u>
Net change in fund balance	-	85,956	85,956	90,516
Fund balance at beginning of year	190,289	190,289	-	99,773
Fund balance at end of year	<u>\$ 190,289</u>	<u>\$ 276,245</u>	<u>\$ 85,956</u>	<u>\$ 190,289</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

Assets	2008	2007
Equity in pooled cash and investments	\$ 377,675	\$ 313,016
Receivables, net:		
Property taxes	-	272
Interest receivable	3,657	5,963
Total assets	<u>\$ 381,332</u>	<u>\$ 319,251</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,284	\$ 847
Total Liabilities	<u>1,284</u>	<u>847</u>
Fund balance:		
Unreserved, undesignated	380,048	318,404
Total Fund balance	<u>380,048</u>	<u>318,404</u>
Total liabilities and fund balance	<u>\$ 381,332</u>	<u>\$ 319,251</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Mt. Gilead Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 64,700	\$ 63,889	\$ (811)	\$ 63,556
Personal property taxes	-	85	85	87
Vehicle taxes	-	5,458	5,458	1,653
Interest	5,000	15,158	10,158	15,482
Total revenues	<u>69,700</u>	<u>84,590</u>	<u>14,890</u>	<u>80,778</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	21,144	19,759	1,385	17,741
Supplies and materials	2,500	-	2,500	-
Other	43,656	-	43,656	-
Indirect cost allocation	2,400	3,187	(787)	2,364
Total expenditures	<u>69,700</u>	<u>22,946</u>	<u>46,754</u>	<u>20,105</u>
Excess of revenues over expenditures	<u>-</u>	<u>61,644</u>	<u>61,644</u>	<u>60,673</u>
Net change in fund balance	-	61,644	61,644	60,673
Fund balance at beginning of year	318,404	318,404	-	257,731
Fund balance at end of year	<u>\$ 318,404</u>	<u>\$ 380,048</u>	<u>\$ 61,644</u>	<u>\$ 318,404</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Socastee Recreation Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 7,130	\$ -
Receivables, net:		
Property taxes	1,249	1,069
Interest Receivable	115	295
Total assets	<u>\$ 8,494</u>	<u>\$ 1,364</u>
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ -	\$ 11,049
Total liabilities	<u>-</u>	<u>11,049</u>
 Fund balance:		
Unreserved, undesignated	8,494	(9,685)
Total fund balance (deficit)	<u>8,494</u>	<u>(9,685)</u>
Total liabilities and fund balance	<u>\$ 8,494</u>	<u>\$ 1,364</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Socastee Recreation Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 157,600	\$ 164,677	\$ 7,077	\$ 144,484
Personal property taxes	-	376	376	132
Interest	450	300	(150)	975
Total revenues	158,050	165,353	7,303	145,591
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Contractual services	151,300	146,866	4,434	145,231
Indirect cost allocation	6,750	308	6,442	6,521
Total expenditures	158,050	147,174	10,876	151,752
Excess (deficiency) of revenues over (under) expenditures	-	18,179	18,179	(6,161)
Net change in fund balance	-	18,179	18,179	(6,161)
Fund balance (deficit) at beginning of year	(9,685)	(9,685)	-	(3,524)
Fund balance (deficit) at end of year	\$ (9,685)	\$ 8,494	\$ 18,179	\$ (9,685)

See accompanying independent auditors' report.

Horry County, South Carolina
 Road Maintenance & CTC Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 9,199,947	\$ 8,310,698
Receivables, net:		
Other	650	-
Interest Receivable	94,097	184,821
Due from other funds	631,123	444,545
Due from other governments	800,733	376,864
Total assets	<u>\$ 10,726,550</u>	<u>\$ 9,316,928</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 273,396	\$ 468,150
Accounts payable - other	-	40,335
Due to component unit	189	-
Accrued salaries and wages	9,695	8,430
Total liabilities	<u>283,280</u>	<u>516,915</u>
 Fund balance:		
Reserved for encumbrances	963,433	2,152,382
Reserved for road maintenance	389,814	433,592
Unreserved, undesignated	9,090,023	6,214,039
Total fund balance	<u>10,443,270</u>	<u>8,800,013</u>
Total liabilities and fund balance	<u>\$ 10,726,550</u>	<u>\$ 9,316,928</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Intergovernmental	\$ 2,583,751	\$ 1,543,393	\$ (1,040,358)
Fees	4,820,000	4,720,014	(99,986)
Interest	225,000	368,380	143,380
Other- CTC	1,429,056	1,271	(1,427,785)
Total revenues	9,057,807	6,633,058	(2,424,749)
Expenditures			
Current:			
Infrastructure and regulation			
Division director:			
Contractual services	72,316	1,405	70,911
Supplies & Materials	13	-	13
Business & Travel	3,120	-	3,120
Other	99,034	-	99,034
Total division director	174,483	1,405	173,078
Engineer:			
Contractual services	59,375	555	58,820
Supplies & Materials	15,249	13,927	1,322
Business & Travel	1,084	-	1,084
Capital outlay	27,000	26,304	696
Construction contracts	11,822,916	3,892,941	7,929,975
Other	861,527	-	861,527
Total engineer	12,787,151	3,933,727	8,853,424
Operations:			
Personal services	599,081	509,696	89,385
Contractual services	55,777	22,868	32,909
Supplies & Materials	26,371	11,731	14,640
Business & Travel	245,763	114,919	130,844
Capital outlay	203,626	-	203,626
Construction contracts	5,023,454	2,329,409	2,694,045
Distributions to Municipalities	979,890	936,296	43,594
Other	383,166	-	383,166
Indirect cost allocation	225,294	38,340	186,954
Total operations	7,742,422	3,963,259	3,779,163
Total expenditures	20,704,056	7,898,391	12,805,665
Excess (deficiency) of revenues over (under) expenditures	(11,646,249)	(1,265,333)	10,380,916
Other Financing Sources (Uses)			
Transfers in	3,199,063	3,018,590	(180,473)
Transfers out	(110,000)	(110,000)	-
Total other financing sources (uses)	3,089,063	2,908,590	(180,473)
Net change in fund balance	(8,557,186)	1,643,257	10,200,443
Fund balance at beginning of year	8,800,013	8,800,013	-
Fund balance at end of year	\$ 242,827	\$ 10,443,270	\$ 10,200,443

HORRY COUNTY, SOUTH CAROLINA
 BEACH NOURISHMENT SPECIAL REVENUE FUND
 BALANCE SHEETS
 JUNE 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 1,122,527	\$ 4,297,393
Receivables, net:		
Other	48,971	52,723
Interest receivable	42,510	89,181
Due from other funds	127,500	182,652
Total assets	<u>\$ 1,341,508</u>	<u>\$ 4,621,949</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 2,311	\$ 10,604
Due to other funds	821,056	1,017,459
Total liabilities	<u>823,367</u>	<u>1,028,063</u>
 Fund balance:		
Reserved for Beach Renourishment	-	2,572,638
Reserved for encumbrances	55,005	75,321
Unreserved, undesignated	463,137	945,927
Total fund balance	<u>518,142</u>	<u>3,593,886</u>
Total liabilities and fund balance	<u>\$ 1,341,508</u>	<u>\$ 4,621,949</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 BEACH NOURISHMENT SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 693,000
Interest	75,000	160,149	85,149	246,798
Other	-	-	-	332,641
Total revenues	75,000	160,149	85,149	1,272,439
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	4,280,607	4,058,403	222,204	1,430,339
Other	774,162	-	774,162	-
Total expenditures	5,054,769	4,058,403	996,366	1,430,339
Excess (deficiency) of revenues over (under) expenditures	(4,979,769)	(3,898,254)	1,081,515	(157,900)
Other Financing Sources (Uses)				
Transfers in	904,448	822,510	(81,938)	880,211
Total other financing sources (uses)	904,448	822,510	(81,938)	880,211
Net change in fund balance	(4,075,321)	(3,075,744)	999,577	722,311
Fund balance at beginning of year	3,593,886	3,593,886	-	2,871,575
Fund balance at end of year	\$ (481,435)	\$ 518,142	\$ 999,577	\$ 3,593,886

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 350,526	\$ 325,516
Interest receivable	5,603	2,460
Due from other governments	730,230	646,880
Prepaid items	-	2,000
Total assets	<u>\$ 1,086,359</u>	<u>\$ 976,856</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 20,703	\$ 4,194
Accrued salaries and wages	4,898	3,613
Due to other funds	-	298,391
Due to other governments	-	12,003
Deferred revenue	-	8,783
Total liabilities	<u>25,601</u>	<u>326,984</u>
 Fund balance:		
Reserved for encumbrances	112,990	50,876
Reserved for prepaid items	-	2,000
Unreserved, undesignated	947,768	596,996
Total fund balance	<u>1,060,758</u>	<u>649,872</u>
Total liabilities and fund balance	<u>\$ 1,086,359</u>	<u>\$ 976,856</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GRANTS SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008		2007	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 3,107,013	\$ 1,441,571	\$ (1,665,442)	\$ 1,001,418
Interest	-	31,883	31,883	7,113
Other	6,592	5,436	(1,156)	17,938
Total revenues	3,113,605	1,478,890	(1,634,715)	1,026,469
Expenditures				
Current:				
General Government:				
Personal services	-	-	-	6,813
Total general government	-	-	-	6,813
Public safety:				
Personal services	324,265	203,513	120,752	192,698
Contractual services	154,987	143,174	11,813	27,326
Supplies & Materials	298,624	179,222	119,402	263,397
Business & Travel	29,475	19,833	9,642	3,092
Capital outlay	342,055	263,235	78,820	354,879
Other	75,927	-	75,927	19,291
Total public safety	1,225,333	808,977	416,356	860,683
Infrastructure and Regulation:				
Construction contracts	12,830	5,130	7,700	6,790
Total Infrastructure and Regulation	12,830	5,130	7,700	6,790
Health and Social Services:				
Personal services	-	-	-	29,131
Contractual services	-	-	-	11,327
Supplies & Materials	-	-	-	70,782
Business & Travel	-	-	-	1,834
Total health and social services	-	-	-	113,074
Culture, Recreation and Tourism				
Personal services	45,547	21,279	24,268	-
Contractual services	14,759	360	14,399	-
Supplies & Materials	44,344	7,578	36,766	15,436
Grant projects	45,193	38,059	7,134	-
Total culture, recreation and tourism	149,843	67,276	82,567	15,436
Economic Development:				
Supplies & Materials	2,500	2,500	-	-
Grant projects	-	-	-	3,475
Construction contracts	1,933,076	332,370	1,600,706	51,491
Total economic development	1,935,576	334,870	1,600,706	54,966
Conservation and Natural Resources:				
Personal services	3,954	4,537	(583)	(10)
Contractual services	5,800	800	5,000	-
Supplies & Materials	42,074	40,553	1,521	1,465
Business & Travel	700	700	-	-
Capital outlay	53,030	-	53,030	-
Total conservation and natural resources	105,558	46,590	58,968	1,455
Total expenditures	3,429,140	1,262,843	2,166,297	1,059,217
Excess (deficiency) of revenues over (under) expenditures	(315,535)	216,047	531,582	(32,748)
Other Financing Sources (Uses)				
Transfers in	194,839	194,839	-	90,105
Total other financing sources (uses)	194,839	194,839	-	90,105
Net change in fund balance	(120,696)	410,886	531,582	57,357
Fund balance at beginning of year	649,872	649,872	-	592,515
Fund balance at end of year	\$ 529,176	\$ 1,060,758	\$ 531,582	\$ 649,872

See accompanying independent auditors' report.

Horry County, South Carolina
 Admissions Tax Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

Assets	2008	2007
Equity in pooled cash and investments	\$ 884	\$ 651
Interest receivable	39	169
Due from other governments	27,970	-
Total assets	<u>\$ 28,893</u>	<u>\$ 820</u>
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 27,970	\$ 30,748
Total liabilities	<u>27,970</u>	<u>30,748</u>
Fund balance		
Unreserved, undesignated	923	(29,928)
Total fund balance	<u>923</u>	<u>(29,928)</u>
Total liabilities and fund balance	<u>\$ 28,893</u>	<u>\$ 820</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Admissions Tax Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 84,365	\$ 115,940	\$ 31,575	\$ 55,054
Interest	-	103	103	601
Total revenues	84,365	116,043	31,678	55,655
Excess (deficiency) of revenues over (under) expenditures	84,365	116,043	31,678	55,655
Other Financing Sources (Uses)				
Transfers out	(84,365)	(85,192)	(827)	(85,802)
Total other financing sources (uses)	(84,365)	(85,192)	(827)	(85,802)
Net change in fund balance	-	30,851	30,851	(30,147)
Fund balance (deficit) at beginning of year	(29,928)	(29,928)	-	219
Fund balance (deficit) at end of year	<u>\$ (29,928)</u>	<u>\$ 923</u>	<u>\$ 30,851</u>	<u>\$ (29,928)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 2,582,406	\$ 2,757,071
Equity in pooled cash and investments	489,171	576,639
Receivables, net:		
Accounts	864,995	838,844
Interest receivable	3,692	28,782
Total assets	<u><u>\$ 3,940,264</u></u>	<u><u>\$ 4,201,336</u></u>
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 702,102	\$ 1,352,179
Total liabilities	<u><u>702,102</u></u>	<u><u>1,352,179</u></u>
 Fund balance:		
Reserved for Baseball Stadium Park	235,132	300,000
Reserved for Infrastructure	2,030,550	2,027,000
Unreserved, undesignated	972,480	522,157
Total fund balance	<u><u>3,238,162</u></u>	<u><u>2,849,157</u></u>
Total liabilities and fund balance	<u><u>\$ 3,940,264</u></u>	<u><u>\$ 4,201,336</u></u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Hospitality 1.0% Fee Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 7,040,500	\$ 6,631,804	\$ (408,696)	\$ 6,638,496
Interest	27,000	54,107	27,107	183,319
Total revenues	<u>7,067,500</u>	<u>6,685,911</u>	<u>(381,589)</u>	<u>6,821,815</u>
Expenditures				
Current:				
General Government:				
Contractual services	-	-	-	10,000
Other	402,326	-	402,326	-
Total expenditures	<u>402,326</u>	<u>-</u>	<u>402,326</u>	<u>10,000</u>
Excess of revenues over expenditures	<u>6,665,174</u>	<u>6,685,911</u>	<u>20,737</u>	<u>6,811,815</u>
Other Financing Sources (Uses)				
Transfers in	-	196,257	(196,257)	-
Transfers out	(6,665,174)	(6,493,163)	172,011	(5,994,216)
Total other financing sources (uses)	<u>(6,665,174)</u>	<u>(6,296,906)</u>	<u>(24,246)</u>	<u>(5,994,216)</u>
Net change in fund balance	-	389,005	(3,509)	817,599
Fund balance at beginning of year	<u>2,849,157</u>	<u>2,849,157</u>	<u>-</u>	<u>2,031,558</u>
Fund balance at end of year	<u>\$ 2,849,157</u>	<u>\$ 3,238,162</u>	<u>\$ (3,509)</u>	<u>\$ 2,849,157</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Victim Witness Assistance Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Receivables, net:		
Accounts	\$ 42,954	\$ 36,847
Due from other governments	220	-
Interest receivable	-	768
Total assets	<u>\$ 43,174</u>	<u>\$ 37,615</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 870	\$ 2,957
Accrued salaries and wages	12,882	10,768
Due to other funds	152,634	121,083
Total liabilities	<u>166,386</u>	<u>134,808</u>
 Fund balance:		
Unreserved, undesignated	<u>(123,212)</u>	<u>(97,193)</u>
Total fund balance (deficit)	<u>(123,212)</u>	<u>(97,193)</u>
Total liabilities and fund balance	<u>\$ 43,174</u>	<u>\$ 37,615</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 572,971	\$ 549,040	\$ (23,931)	\$ 510,681
Interest	300	(768)	(1,068)	2,955
Total revenues	573,271	548,272	(24,999)	513,636
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	245,298	242,817	2,481	228,653
Contractual services	4,956	4,535	421	1,313
Supplies & Materials	3,900	1,913	1,987	2,412
Business & Travel	7,264	4,137	3,127	5,165
Total detention	261,418	253,402	8,016	237,543
Police:				
Personal services	86,077	87,035	(958)	82,447
Supplies & Materials	1,200	998	202	50
Business & Travel	1,710	-	1,710	300
Total police	88,987	88,033	954	82,797
Victim Witness:				
Personal services	53,421	53,078	343	50,168
Contractual services	-	-	-	228
Supplies & Materials	1,710	1,680	30	4,504
Business & Travel	2,840	2,543	297	274
Total victim witness	57,971	57,301	670	55,174
Solicitor:				
Personal services	263,598	274,255	(10,657)	263,537
Contractual services	16,128	16,168	(40)	15,156
Business & Travel	5,505	5,504	1	8,437
Other	1,589	1,553	36	107
Total solicitor	286,820	297,480	(10,660)	287,237
Total expenditures	695,196	696,216	(1,020)	662,751
Excess (deficiency) of revenues over (under) expenditures	(121,925)	(147,944)	(26,019)	(149,115)
Other Financing Sources (Uses)				
Transfers in	121,925	121,925	-	179,657
Total other financing sources (uses)	121,925	121,925	-	179,657
Net change in fund balance	-	(26,019)	(26,019)	30,542
Fund balance (deficit) at beginning of year	(97,193)	(97,193)	-	(127,735)
Fund balance (deficit) at end of year	<u>\$ (97,193)</u>	<u>\$ (123,212)</u>	<u>\$ (26,019)</u>	<u>\$ (97,193)</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Senior Citizen Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 53,975	\$ 30,589
Receivables, net:		
Property taxes	4,316	4,162
Interest receivable	585	957
Total assets	<u>\$ 58,876</u>	<u>\$ 35,708</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 38,439	\$ 20,635
Total liabilities	<u>38,439</u>	<u>20,635</u>
 Fund balance:		
Unreserved, undesignated	20,436	15,073
Total fund balance	<u>20,436</u>	<u>15,073</u>
Total liabilities and fund balance	<u>\$ 58,876</u>	<u>\$ 35,708</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Senior Citizen Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 542,100	\$ 580,649	\$ 38,549	\$ 518,949
Personal property taxes	50,275	57,852	7,577	52,757
Vehicle taxes	59,000	54,521	(4,479)	57,159
Interest	-	1,921	1,921	1,655
Other	-	-	-	328
Total revenues	<u>651,375</u>	<u>694,943</u>	<u>43,568</u>	<u>630,848</u>
Expenditures				
Current:				
Health and Social Services:				
Contractual services	650,825	689,265	(38,440)	621,086
Indirect cost allocation	550	315	235	537
Total expenditures	<u>651,375</u>	<u>689,580</u>	<u>(38,205)</u>	<u>621,623</u>
Excess of revenues over expenditures	<u>-</u>	<u>5,363</u>	<u>5,363</u>	<u>9,225</u>
Net change in fund balance	-	5,363	5,363	9,225
Fund balance at beginning of year	<u>15,073</u>	<u>15,073</u>	-	<u>5,848</u>
Fund balance at end of year	<u>\$ 15,073</u>	<u>\$ 20,436</u>	<u>\$ 5,363</u>	<u>\$ 15,073</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Railroad Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ -	\$ 51,471
Total assets	<u>\$ -</u>	<u>\$ 51,471</u>
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ -	\$ 51,471
Total fund balance	<u>-</u>	<u>51,471</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 51,471</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Railroad Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Indirect cost allocation	\$ -	\$ -	\$ -	\$ 5,221
Total expenditures	-	-	-	5,221
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(5,221)
Other Financing Sources (Uses)				
Transfers out	-	(51,471)	51,471	-
Total other financing sources (uses)	-	(51,471)	51,471	-
Net change in fund balance	-	(51,471)	(51,471)	(5,221)
Fund balance at beginning of year	51,471	51,471	-	56,692
Fund balance at end of year	<u>\$ 51,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,471</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Arcadian Shores Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 56,461	\$ 49,520
Receivables, net:		
Property taxes	498	327
Interest receivable	490	725
Total assets	<u>\$ 57,449</u>	<u>\$ 50,572</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 487	\$ 1,082
Due to other funds	332,476	352,354
Total liabilities	<u>332,963</u>	<u>353,436</u>
 Fund balance (deficit) :		
Unreserved, undesignated	(275,514)	(302,864)
Total fund balance (deficit)	<u>(275,514)</u>	<u>(302,864)</u>
Total liabilities and fund balance	<u>\$ 57,449</u>	<u>\$ 50,572</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Arcadian Shores Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 55,650	\$ 57,443	\$ 1,793	\$ 54,811
Personal property taxes	375	88	(287)	454
Vehicle taxes	-	855	855	1,104
Interest	800	2,001	1,201	1,634
Other	-	-	-	2,000
Total revenues	<u>56,825</u>	<u>60,387</u>	<u>3,562</u>	<u>60,003</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal Services	845	707	138	742
Contractual services	21,818	1,600	20,218	1,640
Supplies and materials	12,435	11,016	1,419	7,083
Indirect cost allocation	1,000	2,515	(1,515)	960
Other	20,727	17,199	3,528	18,148
Total expenditures	<u>56,825</u>	<u>33,037</u>	<u>23,788</u>	<u>28,573</u>
Excess of revenues over expenditures	<u>-</u>	<u>27,350</u>	<u>27,350</u>	<u>31,430</u>
Net change in fund balance	-	27,350	27,350	31,430
Fund balance (deficit) at beginning of year	<u>(302,864)</u>	<u>(302,864)</u>	-	<u>(334,294)</u>
Fund balance (deficit) at end of year	<u>\$ (302,864)</u>	<u>\$ (275,514)</u>	<u>\$ 27,350</u>	<u>\$ (302,864)</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 CDBG Revolving Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash held in trust	<u>\$ -</u>	<u>\$ 489</u>
Total assets	<u><u>\$ -</u></u>	<u><u>\$ 489</u></u>
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	<u>\$ -</u>	<u>\$ 489</u>
Total fund balance	<u>-</u>	<u>489</u>
Total liabilities and fund balance	<u><u>\$ -</u></u>	<u><u>\$ 489</u></u>

See accompanying independent auditors' report.

Horry County, South Carolina
 CDBG Revolving Loan Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Other Financing Sources				
Transfers out	\$ -	\$ (489)	\$ 489	\$ -
Total other financing sources	-	(489)	489	-
Net change in fund balance	-	(489)	489	-
Fund balance at beginning of year	-	489	-	489
Fund balance at end of year	\$ -	\$ -	\$ 489	\$ 489

See accompanying independent auditors' report.

Horry County, South Carolina
 Stormwater Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 4,809,444	\$ 4,958,028
Receivables, net:		
Fees	25,166	27,143
Interest receivable	54,288	105,361
Due from other governments	3,141	-
Prepaid items	133	1,827
Total assets	<u>\$ 4,892,172</u>	<u>\$ 5,092,359</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 168,914	\$ 67,851
Accrued salaries and wages	29,812	20,021
Due to other funds	-	90,449
Total liabilities	<u>198,726</u>	<u>178,321</u>
 Fund balance:		
Reserved for encumbrances	305,128	259,093
Reserved for prepaid items	133	1,827
Unreserved, designated	2,152,930	2,831,357
Unreserved, undesignated	2,235,255	1,821,761
Total fund balance	<u>4,693,446</u>	<u>4,914,038</u>
Total liabilities and fund balance	<u>\$ 4,892,172</u>	<u>\$ 5,092,359</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Storm Water Management Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees	\$ 3,800,000	\$ 4,088,195	\$ 288,195	\$ 3,865,537
Interest	80,000	203,391	123,391	263,174
Total revenues	<u>3,880,000</u>	<u>4,291,586</u>	<u>411,586</u>	<u>4,128,711</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal services	1,570,782	1,409,656	161,126	1,145,636
Contractual services	630,473	223,220	407,253	341,525
Supplies & Materials	1,067,332	329,174	738,158	96,592
Business & Travel	201,639	190,121	11,518	144,127
Construction contracts	2,508,363	1,734,234	774,129	1,626,698
Capital Outlay	430,536	66,807	363,729	375,416
Indirect cost allocation	156,524	156,524	-	139,190
Other	2,410	250	2,160	90
Total expenditures	<u>6,568,059</u>	<u>4,109,986</u>	<u>2,458,073</u>	<u>3,869,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,688,059)</u>	<u>181,600</u>	<u>2,869,659</u>	<u>259,437</u>
Other Financing Sources (Uses)				
Transfers out	(402,192)	(402,192)	-	(150,000)
Total other financing sources (uses)	<u>(402,192)</u>	<u>(402,192)</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balance	(3,090,251)	(220,592)	2,869,659	109,437
Fund balance at beginning of year	4,914,038	4,914,038	-	4,804,601
Fund balance at end of year	<u>\$ 1,823,787</u>	<u>\$ 4,693,446</u>	<u>\$ 2,869,659</u>	<u>\$ 4,914,038</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 GIS/IT Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 12,837	\$ 31,574
Interest receivable	314	2,465
Total assets	<u>\$ 13,151</u>	<u>\$ 34,039</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 6,139	\$ 80
Total liabilities	<u>6,139</u>	<u>80</u>
Fund balance:		
Unreserved, undesignated	<u>7,012</u>	<u>33,959</u>
Total fund balance	<u>7,012</u>	<u>33,959</u>
Total liabilities and fund balance	<u>\$ 13,151</u>	<u>\$ 34,039</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 GIS/IT Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 58,200	\$ 30,767	\$ (27,433)	\$ 23,811
Interest	1,800	(582)	(2,382)	6,594
Total revenues	60,000	30,185	(29,815)	30,405
Expenditures				
Current:				
Public safety:				
Contractual services	25,000	24,100	900	31,425
Capital outlay	35,000	33,032	1,968	75,889
Total expenditures	60,000	57,132	2,868	107,314
Excess (deficiency) of revenues over (under) expenditures	-	(26,947)	(26,947)	(76,909)
Net change in fund balance	-	(26,947)	(26,947)	(76,909)
Fund balance at beginning of year	33,959	33,959	-	110,868
Fund balance at end of year	\$ 33,959	\$ 7,012	\$ (26,947)	\$ 33,959

See accompanying independent auditors' report.

Horry County, South Carolina
 Multi-County Business Park Rollback Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 2,086,543	\$ 1,629,986
Interest receivable	19,477	32,804
Total assets	<u>\$ 2,106,020</u>	<u>\$ 1,662,790</u>
 Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ 2,106,020	\$ 1,662,790
Total fund balance	<u>2,106,020</u>	<u>1,662,790</u>
Total liabilities and fund balance	<u>\$ 2,106,020</u>	<u>\$ 1,662,790</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Multi-County Business Park Rollback Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues				
Property taxes	\$ -	\$ 363,775	\$ 363,775	\$ 96,476
Interest	-	79,455	79,455	77,218
Total revenues	-	443,230	443,230	173,694
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Cal Ripken Baseball Field	-	-	-	45,908
Total expenditures	-	-	-	45,908
Excess (deficiency) of revenues over (under) expenditures	-	443,230	443,230	127,786
Net change in fund balance	-	443,230	443,230	127,786
Fund balance at beginning of year	1,662,790	1,662,790	-	1,535,004
Fund balance at end of year	\$ 1,662,790	\$ 2,106,020	\$ 443,230	\$ 1,662,790

See accompanying independent auditors' report.

Horry County, South Carolina
 E-911 Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Receivables, net:		
Accounts receivable	\$ 76,806	\$ 74,475
Due from other governments	126	107,169
Prepaid items	<u>1,387</u>	<u>1,387</u>
Total assets	<u><u>\$ 78,319</u></u>	<u><u>\$ 183,031</u></u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,346	\$ 16,786
Accrued salaries and wages	3,576	2,842
Due to other funds	<u>161,822</u>	<u>168,223</u>
Total liabilities	<u><u>167,744</u></u>	<u><u>187,851</u></u>
 Fund balance:		
Reserved for encumbrances	-	236
Reserved for prepaid items	1,387	1,387
Unreserved, undesignated (Deficit)	<u>(90,812)</u>	<u>(6,443)</u>
Total fund balance	<u><u>(89,425)</u></u>	<u><u>(4,820)</u></u>
Total liabilities and fund balance	<u><u>\$ 78,319</u></u>	<u><u>\$ 183,031</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
E-911 SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues				
Intergovernmental	\$ 420,000	\$ 376,179	\$ (43,821)	\$ 444,956
Fees and fines	850,000	894,116	44,116	894,302
Total revenues	<u>1,270,000</u>	<u>1,270,295</u>	<u>295</u>	<u>1,339,258</u>
Expenditures				
Current:				
Public safety:				
Personal services	184,513	181,647	2,866	139,533
Contractual services	1,066,000	1,162,208	(96,208)	1,252,716
Supplies & Materials	6,455	2,107	4,348	7,333
Business & Travel	8,100	8,938	(838)	8,871
Other	4,932	-	4,932	-
Total expenditures	<u>1,270,000</u>	<u>1,354,900</u>	<u>(84,900)</u>	<u>1,408,453</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(84,605)</u>	<u>(84,605)</u>	<u>(69,195)</u>
Net change in fund balance	-	(84,605)	(84,605)	(69,195)
Fund balance (deficit) at beginning of year	<u>(4,820)</u>	<u>(4,820)</u>	<u>-</u>	<u>64,375</u>
Fund balance (deficit) at end of year	<u><u>\$ (4,820)</u></u>	<u><u>\$ (89,425)</u></u>	<u><u>\$ (84,605)</u></u>	<u><u>\$ (4,820)</u></u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Local Accommodations Tax Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 719,528	\$ 960,504
Equity in pooled cash and investments	20,499	7,843
Receivables, net:		
Other	161,962	172,176
Interest receivable	108	-
Total assets	<u>\$ 902,097</u>	<u>\$ 1,140,523</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 149,147	\$ 157,850
Due to other funds	467,314	733,073
Total liabilities	<u>616,461</u>	<u>890,923</u>
 Fund balance:		
Reserved for encumbrances	-	525
Unreserved, undesignated	285,636	249,075
Total fund balance	<u>285,636</u>	<u>249,600</u>
Total liabilities and fund balance	<u>\$ 902,097</u>	<u>\$ 1,140,523</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 LOCAL ACCOMODATIONS TAX SPECIAL REVENUE FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Accomodations tax	\$ 1,032,900	\$ 995,663	\$ (37,237)	\$ 1,013,666
Interest	22,500	35,270	12,770	37,243
Total revenues	1,055,400	1,030,933	(24,467)	1,050,909
Expenditures				
Current:				
Public safety:				
Contractual services	78,050	75,975	2,075	70,600
Other	433,236	417,994	15,242	383,942
Total public safety	511,286	493,969	17,317	454,542
Culture, Recreation and Tourism:				
Capital outlay	-	-	-	50,061
Other	318,942	294,605	24,337	299,753
Total culture, recreation and tourism	318,942	294,605	24,337	349,814
Total expenditures	830,228	788,574	41,654	804,356
Excess of revenues over expenditures	225,172	242,359	17,187	246,553
Other Financing Sources (Uses)				
Transfers out	(225,172)	(206,323)	18,849	(209,928)
Total other financing sources (uses)	(225,172)	(206,323)	18,849	(209,928)
Net change in fund balance	-	36,036	36,036	36,625
Fund balance at beginning of year	249,600	249,600	-	212,975
Fund balance at end of year	\$ 249,600	\$ 285,636	\$ 36,036	\$ 249,600

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 100	\$ 100
Equity in pooled cash and investments	3,006,229	2,750,438
Receivables, net:		
Property taxes	24,130	13,541
Interest receivable	35,334	58,934
Due from other governments	386,786	460,230
Prepaid items	1,325	25
Total assets	<u>\$ 3,453,904</u>	<u>\$ 3,283,268</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 116,988	\$ 33,430
Accrued salaries and wages	28,834	19,289
Due to other funds	213,821	220,455
Due to component units	96	32
Total liabilities	<u>359,739</u>	<u>273,206</u>
 Fund balance:		
Reserved for encumbrances	384,413	103,344
Reserved for prepaid items	1,325	25
Unreserved, designated	1,617,050	2,364,334
Unreserved, undesignated	1,091,377	542,359
Total fund balance	<u>3,094,165</u>	<u>3,010,062</u>
Total liabilities and fund balance	<u>\$ 3,453,904</u>	<u>\$ 3,283,268</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
RECREATION SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 3,207,415	\$ 3,311,004	\$ 103,589	\$ 1,675,280
Personal property taxes	250,000	326,873	76,873	171,587
Vehicle taxes	258,500	235,661	(22,839)	185,960
Fees and fines	420,000	589,949	169,949	11,619
Interest	55,000	141,712	86,712	151,426
Other	311,000	437,112	126,112	1,031,390
Total revenues	4,501,915	5,042,311	540,396	3,227,262
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Personal services	985,902	983,527	2,375	758,321
Contractual services	81,173	78,674	2,499	37,146
Supplies & Materials	246,173	244,198	1,975	152,673
Business & Travel	125,560	125,558	2	105,993
Construction contracts	1,380,044	370,108	1,009,936	6,545
Capital Outlay	171,539	169,613	1,926	-
Indirect cost allocation	238,332	238,332	-	233,084
Other	1,636,712	653,932	982,780	914,217
Total expenditures	4,865,435	2,863,942	2,001,493	2,207,979
Excess (deficiency) of revenues over (under) expenditures	(363,520)	2,178,369	2,541,889	1,019,283
Other Financing Sources (Uses)				
Transfers out	(2,094,266)	(2,094,266)	-	(470,291)
Total other financing sources (uses)	(2,094,266)	(2,094,266)	-	(470,291)
Net change in fund balance	(2,457,786)	84,103	2,541,889	548,992
Fund balance at beginning of year	3,010,062	3,010,062	-	2,461,070
Fund balance at end of year	\$ 552,276	\$ 3,094,165	\$ 2,541,889	\$ 3,010,062

See accompanying independent auditors' report.

Horry County, South Carolina
 Industrial Parks Special Revenue Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 6,340,745	\$ 6,006,094
Receivables, net:		
Other	17,510	35,424
Due from other governments	337	-
Interest receivable	64,162	128,083
Total assets	<u>\$ 6,422,754</u>	<u>\$ 6,169,601</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 4,985	\$ 7,375
Total liabilities	<u>4,985</u>	<u>7,375</u>
 Fund balance:		
Reserved for infrastructure development	1,553,336	993,846
Unreserved, undesignated	4,864,433	5,168,380
Total fund balance	<u>6,417,769</u>	<u>6,162,226</u>
Total liabilities and fund balance	<u>\$ 6,422,754</u>	<u>\$ 6,169,601</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Industrial Parks Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees	\$ 101,350	\$ 89,240	\$ (12,110)	\$ 100,080
Interest	131,000	246,568	115,568	370,988
Rural Development Act contribution	-	600,000	600,000	300,000
Other	-	334	334	129,500
Total revenues	232,350	936,142	703,792	900,568
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	615,900	634,932	(19,032)	558,173
Materials and supplies	42,300	39,257	3,043	20,405
Indirect cost allocation	-	-	-	3,550
Other	4,550	6,410	(1,860)	-
Total expenditures	662,750	680,599	(17,849)	582,128
Excess (deficiency) of revenues over (under) expenditures	(430,400)	255,543	685,943	318,440
Net change in fund balance	(430,400)	255,543	685,943	318,440
Fund balance at beginning of year	5,843,786	6,162,226	-	5,843,786
Fund balance at end of year	\$ 5,413,386	\$ 6,417,769	\$ 685,943	\$ 6,162,226

See accompanying independent auditors' report.

Horry County, South Carolina
 Hospitality 1.5% Fee Special Revenue Fund- Major Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 2,500,285	\$ 2,837,108
Equity in pooled cash and investments	182,043	-
Receivables, net:		
Fees	4,481,523	4,197,749
Due from other funds	-	690,430
Interest receivable	10,031	-
Total assets	<u><u>\$ 7,173,882</u></u>	<u><u>\$ 7,725,287</u></u>
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 7,002,480	\$ 7,479,460
Deferred revenue	164,987	120,310
Total liabilities	<u><u>7,167,467</u></u>	<u><u>7,599,770</u></u>
 Fund balance:		
Unreserved, undesignated	6,415	125,517
Total fund balance	<u><u>6,415</u></u>	<u><u>125,517</u></u>
Total liabilities and fund balance	<u><u>\$ 7,173,882</u></u>	<u><u>\$ 7,725,287</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY 1.5% FEE SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - MAJOR FUND

For the Year ended June 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 32,667,000	\$ 30,418,755	\$ (2,248,245)	\$ 29,383,812
Interest	65,000	128,935	63,935	84,804
Total revenues	<u>32,732,000</u>	<u>30,547,690</u>	<u>(2,184,310)</u>	<u>29,468,616</u>
Excess of revenues over expenditures	<u>32,732,000</u>	<u>30,547,690</u>	<u>(2,184,310)</u>	<u>29,468,616</u>
Other Financing Sources (Uses)				
Transfers out - RIDE Debt Service	(32,411,375)	(30,174,250)	2,237,125	(29,062,660)
Transfers out - General Fund	(320,625)	(492,542)	(171,917)	(288,357)
Total other financing sources (uses)	<u>(32,732,000)</u>	<u>(30,666,792)</u>	<u>2,065,208</u>	<u>(29,351,017)</u>
Net change in fund balance	-	(119,102)	(119,102)	117,599
Fund balance at beginning of year	<u>125,517</u>	<u>125,517</u>	-	<u>7,918</u>
Fund balance at end of year	<u>\$ 125,517</u>	<u>\$ 6,415</u>	<u>\$ (119,102)</u>	<u>\$ 125,517</u>

See accompanying independent auditors' report.

CAPITAL PROJECTS FUNDS

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

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

Capital Project Sales Tax Fund – accounts for the one cent sales tax increase that is to be used to upgrade specific roads over a seven year period beginning May 1, 2007.

Voluntary Developer Contributions – accounts for the monies donated by the developers to help offset the impact to the community because of increased housing and development in certain areas of the County. These contributions have designated uses as stated in the agreements. These designated uses can range from park developments/improvements, road improvements or support for fire protection in the developed area.

HORRY COUNTY, SOUTH CAROLINA
MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2008

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Assets			
Equity in pooled cash and investments	\$ 82,857,356	\$ 43,792,980	\$ 126,650,336
Funds held in escrow	2,555,219	-	2,555,219
Receivables, net:			
Accounts and other	62,759	-	62,759
Interest receivable	185,528	-	185,528
Due from other funds	387,001	-	387,001
Due from component unit	63,981	-	63,981
Due from other governments	-	14,721,808	14,721,808
Total assets	<u>\$ 86,111,844</u>	<u>\$ 58,514,788</u>	<u>\$ 144,626,632</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable - trade	\$ 1,054,863	\$ 427,335	\$ 1,482,198
Retainage payable	355,497	-	355,497
Other accrued liabilities	<u>242,797</u>	<u>-</u>	<u>242,797</u>
Total liabilities	<u>1,653,157</u>	<u>427,335</u>	<u>2,080,492</u>
Fund balance :			
Reserved for encumbrances	5,700,179	2,338,408	8,038,587
Reserved for Fire Special Revenue Fund	893,244	-	893,244
Reserved for bonded capital projects	66,905,757	-	66,905,757
Reserved for infrastructure development	-	55,749,045	55,749,045
Unreserved			
Designated	<u>10,959,507</u>	<u>-</u>	<u>10,959,507</u>
Total fund balance	<u>84,458,687</u>	<u>58,087,453</u>	<u>142,546,140</u>
Total liabilities and fund balance	<u>\$ 86,111,844</u>	<u>\$ 58,514,788</u>	<u>\$ 144,626,632</u>

See accompanying independent auditors' report.

Note: Separation is for presentation purposes only.

HORRY COUNTY, SOUTH CAROLINA
MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Revenues			
Sales Tax	\$ -	\$ 63,537,101	\$ 63,537,101
Disposal Fee	725,893	-	725,893
Interest	1,203,751	389,409	1,593,160
Other- donations	96,755	-	96,755
Total revenues	2,026,399	63,926,510	65,952,909
Expenditures			
Economic Development:			
Personal services	-	48,261	48,261
Construction contracts	3,706,418	5,539,097	9,245,515
Capital Outlay	26,568,585	-	26,568,585
Other	35,773	-	35,773
Total expenditures	30,310,776	5,587,358	35,898,134
Excess (deficiency) of revenue over expenditures	(28,284,377)	58,339,152	30,054,775
Other Financing Sources (Uses)			
Bond Proceeds	62,000,000	-	62,000,000
Capital lease	4,442,258	-	4,442,258
Transfers in	10,331,755	-	10,331,755
Transfers out	(211,300)	-	(211,300)
Total other financing sources (uses)	76,562,713	-	76,562,713
Net change in fund balance	48,278,336	58,339,152	106,617,488
Fund balance (Deficit) at beginning of year	36,180,351	(251,699)	35,928,652
Fund balance at end of year	\$ 84,458,687	\$ 58,087,453	\$ 142,546,140

See accompanying independent auditors' report.

Note: Separation is for presentation purposes only.

Horry County, South Carolina
 General Improvement Capital Projects Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 82,857,356	\$ 34,156,074
Funds held in escrow	2,555,219	2,227,096
Receivables, net:		
Accounts and other	62,759	2,000
Interest Receivable	185,528	398,546
Due from other funds	387,001	220,455
Due from component unit	63,981	70,993
Total assets	<u>\$ 86,111,844</u>	<u>\$ 37,075,164</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,054,863	\$ 339,172
Retainage payable	355,497	312,844
Other accrued liabilities	242,797	242,797
Total liabilities	<u>1,653,157</u>	<u>894,813</u>
Fund balance :		
Reserved for encumbrances	5,700,179	5,701,190
Reserved for Fire Special Revenue Fund	893,244	3,219,852
Reserved for bonded capital projects	66,905,757	8,178,884
Unreserved		
Designated	10,959,507	19,080,425
Total fund balance	<u>84,458,687</u>	<u>36,180,351</u>
Total liabilities and fund balance	<u>\$ 86,111,844</u>	<u>\$ 37,075,164</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GENERAL IMPROVEMENTS CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008
(With comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Disposal fee	\$ 885,000	\$ 725,893	\$ (159,107)	\$ 825,196
Intergovernmental	115,375	-	(115,375)	1,666,820
Interest	295,000	1,203,751	908,751	1,429,726
Other -Donations	3,291,755	96,755	(3,195,000)	189,490
Total revenues	<u>4,587,130</u>	<u>2,026,399</u>	<u>(2,560,731)</u>	<u>4,111,232</u>
Expenditures				
Capital Outlay:				
Construction contracts	55,423,691	3,706,418	51,717,273	3,484,609
Capital Outlay	70,553,857	26,568,585	43,985,272	8,454,728
Other	863,598	35,773	827,825	967,795
Total expenditures	<u>126,841,146</u>	<u>30,310,776</u>	<u>96,530,370</u>	<u>12,907,132</u>
Excess (deficiency) of revenue over expenditures	<u>(122,254,016)</u>	<u>(28,284,377)</u>	<u>93,969,639</u>	<u>(8,795,900)</u>
Other Financing Sources (Uses)				
Bond proceeds	74,000,000	62,000,000	(12,000,000)	11,000,000
Capital lease	4,442,258	4,442,258	-	-
Transfers in	10,423,656	10,331,755	(91,901)	16,530,291
Transfers out	(211,300)	(211,300)	-	(198,793)
Total other financing sources (uses)	<u>88,654,614</u>	<u>76,562,713</u>	<u>(12,091,901)</u>	<u>27,331,498</u>
Net change in fund balance	<u>(33,599,402)</u>	<u>48,278,336</u>	<u>81,877,738</u>	<u>18,535,598</u>
Fund balance at beginning of year	<u>36,180,351</u>	<u>36,180,351</u>	<u>-</u>	<u>17,644,753</u>
Fund balance at end of year	<u>\$ 2,580,949</u>	<u>\$ 84,458,687</u>	<u>\$ 81,877,738</u>	<u>\$ 36,180,351</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Capital Projects Sales Tax Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 43,792,980	\$ -
Due from other governments	14,721,808	-
Total assets	<u>\$ 58,514,788</u>	<u>\$ -</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 427,335	\$ 86,232
Due to other funds	-	165,467
Total liabilities	<u>427,335</u>	<u>251,699</u>
Fund balance :		
Reserved for encumbrances	2,338,408	-
Reserved for infrastructure development	55,749,045	-
Unreserved:		
Undesignated (Deficit)	-	(251,699)
Total fund balance	<u>58,087,453</u>	<u>(251,699)</u>
Total liabilities and fund balance	<u>\$ 58,514,788</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS SALES TAX FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Sales Tax	\$ 425,000,000	\$ 63,537,101	\$ (361,462,899)	\$ -
Interest	-	389,409	389,409	-
Total revenues	<u>425,000,000</u>	<u>63,926,510</u>	<u>(361,073,490)</u>	<u>-</u>
Expenditures				
Economic Development:				
Personal services	-	48,261	(48,261)	-
Construction contracts	424,748,301	5,539,097	419,209,204	251,699
Total expenditures	<u>424,748,301</u>	<u>5,587,358</u>	<u>419,160,943</u>	<u>251,699</u>
Excess (deficiency) of revenue over expenditures	<u>251,699</u>	<u>58,339,152</u>	<u>58,087,453</u>	<u>(251,699)</u>
Net change in fund balance	<u>251,699</u>	<u>58,339,152</u>	<u>58,087,453</u>	<u>(251,699)</u>
Fund balance (Deficit) at beginning of year	<u>(251,699)</u>	<u>(251,699)</u>	<u>-</u>	<u>-</u>
Fund balance (Deficit) at end of year	<u>\$ -</u>	<u>\$ 58,087,453</u>	<u>\$ 58,087,453</u>	<u>\$ (251,699)</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Developer Contributions Capital Projects Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 1,711,413	\$ 309,772
Interest receivable	17,391	1,993
Total assets	<u>\$ 1,728,804</u>	<u>\$ 311,765</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ -	\$ 39,690
Retainage payable	20,644	-
Total liabilities	<u>20,644</u>	<u>39,690</u>
 Fund balance :		
Reserved for encumbrances	252,292	-
Unreserved		
Designated	<u>1,455,868</u>	<u>272,075</u>
Total fund balance	<u>1,708,160</u>	<u>272,075</u>
Total liabilities and fund balance	<u>\$ 1,728,804</u>	<u>\$ 311,765</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(With comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Interest	\$ 5,028	\$ 99,877	\$ 94,849	\$ 5,565
Other- donations	2,041,937	1,978,200	(63,737)	311,200
Total revenues	<u>2,046,965</u>	<u>2,078,077</u>	<u>31,112</u>	<u>316,765</u>
Expenditures				
Economic Development:				
Construction contracts	-	-	-	5,000
Capital Outlay	2,152,850	475,802	1,677,048	39,690
Total expenditures	<u>2,152,850</u>	<u>475,802</u>	<u>1,677,048</u>	<u>44,690</u>
Excess of revenue over expenditures	<u>(105,885)</u>	<u>1,602,275</u>	<u>1,708,160</u>	272,075
Other Financing Sources (Uses)				
Transfers out	(166,190)	(166,190)	-	-
Total other financing sources (uses)	<u>(166,190)</u>	<u>(166,190)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(272,075)</u>	<u>1,436,085</u>	<u>1,708,160</u>	272,075
Fund balance at beginning of year	<u>272,075</u>	<u>272,075</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,708,160</u>	<u>\$ 1,708,160</u>	<u>\$ 272,075</u>

See accompanying independent auditors' report.

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, 2008

	Non-Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
ASSETS					
Equity in pooled cash and investments	\$ 16,099,710	\$ 245,445	\$ 273,261	\$ -	\$ 16,618,416
Funds held in trust - restricted	-	-	-	2,676,544	2,676,544
Receivables, net:					
Taxes	57,267	7,555	20,446	-	85,268
Interest receivable	132,632	5,369	10,139	-	148,140
Total Assets	<u>\$ 16,289,609</u>	<u>\$ 258,369</u>	<u>\$ 303,846</u>	<u>\$ 2,676,544</u>	<u>\$ 19,528,368</u>
LIABILITIES AND FUND BALANCE					
Fund Balance:					
Reserved for Debt Service	\$ 16,289,609	\$ 258,369	\$ 303,846	\$ 2,676,544	\$ 19,528,368
Total Fund Balance	<u>16,289,609</u>	<u>258,369</u>	<u>303,846</u>	<u>2,676,544</u>	<u>19,528,368</u>
Total Liabilities and Fund Balance	<u>\$ 16,289,609</u>	<u>\$ 258,369</u>	<u>\$ 303,846</u>	<u>\$ 2,676,544</u>	<u>\$ 19,528,368</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Non- Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
Revenues					
Real property taxes	\$ 7,698,200	\$ 1,015,810	\$ 2,683,940	\$ -	\$ 11,397,950
Personal property taxes	769,521	101,578	348,892	-	1,219,991
Vehicle taxes	722,546	95,650	259,192	-	1,077,388
Intergovernmental	116,752	10,636	13,880	-	141,268
Interest	586,796	19,419	35,576	205,307	847,098
Other	22,347	-	-	-	22,347
Total revenues	9,916,162	1,243,093	3,341,480	205,307	14,706,042
Expenditures					
Debt service:					
Principal	4,119,722	120,000	115,000	1,320,000	5,674,722
Interest	3,127,929	106,700	130,338	706,550	4,071,517
Agents fees	3,513	426	400	3,110	7,449
Total debt service	7,251,164	227,126	245,738	2,029,660	9,753,688
Current:					
Horry Georgetown TECH	-	-	3,000,000	-	3,000,000
Higher Education Commission	-	910,000	-	-	910,000
Total current	-	910,000	3,000,000	-	3,910,000
Total expenditures	7,251,164	1,137,126	3,245,738	2,029,660	13,663,688
Excess (deficiency) of revenues over expenditures	2,664,998	105,967	95,742	(1,824,353)	1,042,354
Other Financing Sources (Uses)					
Transfers in	1,857,555	-	-	1,959,825	3,817,380
Bond Premium	1,496,310	-	-	-	1,496,310
Total other financing sources (uses)	3,353,865	-	-	1,959,825	5,313,690
Net change in fund balance	6,018,863	105,967	95,742	135,472	6,356,044
Fund balance at beginning of year	10,270,746	152,402	208,104	2,541,072	13,172,324
Fund balance at end of year	\$ 16,289,609	\$ 258,369	\$ 303,846	\$ 2,676,544	\$ 19,528,368

See accompanying independent auditors' report.

Horry County, South Carolina
 General Debt Service Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 16,099,710	\$ 10,047,551
Receivables, net:		
Property taxes	57,267	55,371
Other	-	897
Interest receivable	132,632	166,927
Total assets	<u>\$ 16,289,609</u>	<u>\$ 10,270,746</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	\$ 16,289,609	\$ 10,270,746
Total fund balance	<u>16,289,609</u>	<u>10,270,746</u>
Total liabilities and fund balance	<u>\$ 16,289,609</u>	<u>\$ 10,270,746</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 General Debt Service Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 7,281,500	\$ 7,698,200	\$ 416,700	\$ 6,887,285
Personal property taxes	677,500	769,521	92,021	697,212
Vehicle taxes	700,000	722,546	22,546	758,481
Intergovernmental	137,216	116,752	(20,464)	113,396
Interest	135,000	586,796	451,796	457,618
Other	22,347	22,347	-	26,688
Total revenues	<u>8,953,563</u>	<u>9,916,162</u>	<u>962,599</u>	<u>8,940,680</u>
Expenditures				
Debt Service:				
Principal	4,119,722	4,119,722	-	3,425,684
Interest	4,730,504	3,127,929	1,602,575	2,901,148
Agents fees	3,747	3,513	234	1,877
Other- Contingency	1,958,805	-	1,958,805	-
Total expenditures	<u>10,812,778</u>	<u>7,251,164</u>	<u>3,561,614</u>	<u>6,328,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,859,215)</u>	<u>2,664,998</u>	<u>4,524,213</u>	<u>2,611,971</u>
Other Financing Sources (Uses)				
Transfers in	1,859,215	1,857,555	(1,660)	1,879,044
Bond Premium	-	1,496,310	1,496,310	-
Total other financing sources	<u>1,859,215</u>	<u>3,353,865</u>	<u>1,494,650</u>	<u>1,879,044</u>
Net change in fund balance	-	6,018,863	6,018,863	4,491,015
Fund balance at beginning of year	<u>10,270,746</u>	<u>10,270,746</u>	<u>-</u>	<u>5,779,731</u>
Fund balance at end of year	<u>\$ 10,270,746</u>	<u>\$ 16,289,609</u>	<u>\$ 6,018,863</u>	<u>\$ 10,270,746</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Higher Education Debt Service Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 245,445	\$ 136,987
Receivables, net:		
Property taxes	7,555	7,286
Interest Receivable	5,369	8,129
Total assets	<u>\$ 258,369</u>	<u>\$ 152,402</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	\$ 258,369	\$ 152,402
Total fund balance	<u>258,369</u>	<u>152,402</u>
Total liabilities and fund balance	<u>\$ 258,369</u>	<u>\$ 152,402</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HIGHER EDUCATION DEBT SERVICE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 945,594	\$ 1,015,810	\$ 70,216	\$ 908,536
Personal property taxes	87,500	101,578	14,078	91,987
Vehicle taxes	95,000	95,650	650	100,311
Intergovernmental	10,640	10,636	(4)	10,636
Interest	9,000	19,419	10,419	22,556
Other	-	-	-	571
Total revenues	<u>1,147,734</u>	<u>1,243,093</u>	<u>95,359</u>	<u>1,134,597</u>
Expenditures				
Debt Service:				
Principal	120,000	120,000	-	410,000
Interest	106,700	106,700	-	121,913
Agents fees	400	426	(26)	-
Total debt service	<u>227,100</u>	<u>227,126</u>	<u>(26)</u>	<u>531,913</u>
Current:				
Higher Ed Commission-student grants	<u>920,634</u>	<u>910,000</u>	<u>10,634</u>	<u>575,000</u>
Total expenditures	<u>1,147,734</u>	<u>1,137,126</u>	<u>10,608</u>	<u>1,106,913</u>
Excess of revenues over expenditures	<u>-</u>	<u>105,967</u>	<u>105,967</u>	<u>27,684</u>
Net change in fund balance	-	105,967	105,967	27,684
Fund balance at beginning of year	<u>152,402</u>	<u>152,402</u>	-	<u>124,718</u>
Fund balance at end of year	<u>\$ 152,402</u>	<u>\$ 258,369</u>	<u>\$ 105,967</u>	<u>\$ 152,402</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Horry Georgetown Tech Debt Service Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Equity in pooled cash and investments	\$ 273,261	\$ 171,460
Receivables, net:		
Property taxes	20,446	19,765
Interest Receivable	10,139	16,879
Total assets	<u>\$ 303,846</u>	<u>\$ 208,104</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	<u>\$ 303,846</u>	<u>\$ 208,104</u>
Total fund balance	<u>303,846</u>	<u>208,104</u>
Total liabilities and fund balance	<u>\$ 303,846</u>	<u>\$ 208,104</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Horry-Georgetown Tech Debt Service Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 2,666,370	\$ 2,683,940	\$ 17,570	\$ 2,466,141
Personal property taxes	236,450	348,892	112,442	249,538
Vehicle taxes	270,000	259,192	(10,808)	271,781
Intergovernmental	13,880	13,880	-	13,880
Interest	25,000	35,576	10,576	46,116
Other	-	-	-	1,556
Total revenues	<u>3,211,700</u>	<u>3,341,480</u>	<u>129,780</u>	<u>3,049,012</u>
Expenditures				
Debt Service:				
Principal	115,000	115,000	-	110,000
Interest	130,338	130,338	-	133,913
Agents fees	840	400	440	-
Total debt service	<u>246,178</u>	<u>245,738</u>	<u>440</u>	<u>243,913</u>
Current:				
Horry Georgetown Tech	<u>2,965,522</u>	<u>3,000,000</u>	<u>(34,478)</u>	<u>2,800,000</u>
Total expenditures	<u>3,211,700</u>	<u>3,245,738</u>	<u>(34,038)</u>	<u>3,043,913</u>
Excess (deficit) of revenues over (under) expenditures	-	95,742	95,742	5,099
Net change in fund balance	-	95,742	95,742	5,099
Fund balance at beginning of year	<u>208,104</u>	<u>208,104</u>	<u>-</u>	<u>203,005</u>
Fund balance at end of year	<u>\$ 208,104</u>	<u>\$ 303,846</u>	<u>\$ 95,742</u>	<u>\$ 208,104</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Special Obligation Debt Service Fund
 Balance Sheets
 June 30, 2008
 (with comparative total amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Funds held in trust (restricted)	\$ 2,676,544	\$ 2,541,072
Total assets	<u>\$ 2,676,544</u>	<u>\$ 2,541,072</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	\$ 2,676,544	\$ 2,541,072
Total fund balance	<u>2,676,544</u>	<u>2,541,072</u>
Total liabilities and fund balance	<u>\$ 2,676,544</u>	<u>\$ 2,541,072</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Special Obligation Debt Service Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2008
 (with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Interest	\$ 192,000	\$ 205,307	\$ 13,307	\$ 195,238
Total revenues	<u>192,000</u>	<u>205,307</u>	<u>13,307</u>	<u>195,238</u>
Expenditures				
Debt Service:				
Principal	1,320,000	1,320,000	-	1,260,000
Interest	706,550	706,550	-	766,400
Agent fees	3,150	3,110	40	3,196
Total debt service	<u>2,029,700</u>	<u>2,029,660</u>	<u>40</u>	<u>2,029,596</u>
Excess (deficiency) of revenues over expenditures	<u>(1,837,700)</u>	<u>(1,824,353)</u>	<u>13,347</u>	<u>(1,834,358)</u>
Other Financing Sources				
Transfers in - Hospitality	<u>1,837,700</u>	<u>1,959,825</u>	<u>122,125</u>	<u>1,867,443</u>
Total other financing sources	<u>1,837,700</u>	<u>1,959,825</u>	<u>122,125</u>	<u>1,867,443</u>
Net change in fund balance	-	135,472	135,472	33,085
Fund balance at beginning of year	<u>2,541,072</u>	<u>2,541,072</u>	-	<u>2,507,987</u>
Fund balance at end of year	<u>\$ 2,541,072</u>	<u>\$ 2,676,544</u>	<u>\$ 135,472</u>	<u>\$ 2,541,072</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 RIDE Program Debt Service Fund - Major Fund
 Balance Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Funds held in trust (restricted):		
Loan Reserve Account	\$ 31,562,765	\$ 26,010,519
Due from other funds	7,020,798	6,818,461
Total assets	<u>\$ 38,583,563</u>	<u>\$ 32,828,980</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved	\$ 38,583,563	\$ 32,828,980
Total fund balance	<u>38,583,563</u>	<u>32,828,980</u>
Total liabilities and fund balance	<u>\$ 38,583,563</u>	<u>\$ 32,828,980</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
RIDE PROGRAM DEBT SERVICE FUND- MAJOR FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative actual amounts for the year ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Interest	\$ 1,025,000	\$ 1,632,329	\$ 607,329	\$ 1,393,629
Total revenues	<u>1,025,000</u>	<u>1,632,329</u>	<u>607,329</u>	<u>1,393,629</u>
Expenditures				
Debt Service:				
Principal				
Insured	10,985,131	10,985,130	1	10,635,249
Uninsured	5,040,238	5,043,843	(3,605)	4,024,144
Interest				
Insured	4,014,869	4,014,869	-	4,364,751
Uninsured	6,383,208	6,383,207	1	6,508,730
Contingency	7,487,294	-	7,487,294	-
Total debt service	<u>33,910,740</u>	<u>26,427,049</u>	<u>7,483,691</u>	<u>25,532,874</u>
Excess (deficiency) of revenue over expenditures	<u>(32,885,740)</u>	<u>(24,794,720)</u>	<u>8,091,020</u>	<u>(24,139,245)</u>
Other Financing Sources (Uses)				
Transfers in - Hospitality	32,801,375	30,464,111	(2,337,264)	29,501,002
Transfers in-Admissions Tax	84,365	85,192	827	85,802
Total other financing sources (uses)	<u>32,885,740</u>	<u>30,549,303</u>	<u>(2,336,437)</u>	<u>29,586,804</u>
Net change in fund balance	-	5,754,583	5,754,583	5,447,559
Fund balance, beginning of year	<u>32,828,980</u>	<u>32,828,980</u>	<u>-</u>	<u>27,381,421</u>
Fund balance, end of year	<u>\$ 32,828,980</u>	<u>\$ 38,583,563</u>	<u>\$ 5,754,583</u>	<u>\$ 32,828,980</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, 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.

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEETS
JUNE 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,643,462	\$ 42,635,128
Investments	18,235,874	-
Accounts receivable (net of allowance of \$294,357 in 2008 and 2007)	779,837	733,990
Interest receivable	152,667	366,245
Due from other governments	310,389	276,185
Inventories	387,944	267,951
Prepaid items	81,520	116,129
Total current assets	<u>45,591,693</u>	<u>44,395,628</u>
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	1,662,520	5,851,833
Investments	24,392,721	26,951,756
Receivables - PFC's and CFC's	274,056	921,224
Total restricted assets	<u>26,329,297</u>	<u>33,724,813</u>
Capital assets:		
Land, easements and infrastructure	31,983,581	31,990,915
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	58,381,936	61,455,154
Construction-in-progress	1,001,419	517,771
Total capital assets, net	<u>91,366,936</u>	<u>93,963,840</u>
Bond issuance costs, net	295,032	600,897
Total assets	<u>\$ 163,582,958</u>	<u>\$ 172,685,178</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEETS
- CONTINUED -

	<u>2008</u>	<u>2007</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 183,940	\$ 248,297
Construction accounts and retainage payable	358,757	567,419
Accrued salaries, wages and compensated absences	393,197	312,535
Other accrued expenses	452,735	526,256
Unearned revenue	189,388	170,419
Due to Federal government	-	7,051,452
Due to Horry County - General Fund	1,142,638	823,105
Capital leases payable - current portion	39,025	37,703
Amounts due to tenants	541,850	675,203
Total current liabilities	<u>3,301,530</u>	<u>10,412,389</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	520,000	1,890,000
Accrued interest payable	300,270	733,281
Total current liabilities payable from restricted assets	<u>820,270</u>	<u>2,623,281</u>
Non-current liabilities:		
Revenue bonds payable	10,172,171	21,850,429
Compensated absences - long term	820,497	650,517
Net other post-employment benefits obligation	155,363	-
Due to tenants for capital improvements	200,000	250,000
Capital leases	305,895	344,920
Total non-current liabilities	<u>11,653,926</u>	<u>23,095,866</u>
Total liabilities	<u>15,775,726</u>	<u>36,131,536</u>
Net assets:		
Investment in capital assets, net of related debt	80,374,878	70,056,542
Restricted for:		
Debt service	24,025,631	33,452,969
Capital projects	2,303,666	271,844
Unrestricted	41,103,057	32,772,287
Total net assets	<u>147,807,232</u>	<u>136,553,642</u>
Total liabilities and net assets	<u>\$ 163,582,958</u>	<u>\$ 172,685,178</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Department of Airports Enterprise Fund
 Statements of Revenues, Expenses and Changes in Net Assets
 For the Year Ended June 30, 2008
 (with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Operating Revenues		
Landing fees	\$ 2,271,303	\$ 2,135,513
Airline terminal rents	3,971,709	4,059,647
Concessions and rentals	6,267,135	5,905,315
Security fees	200,826	192,654
Leases	1,164,700	1,089,293
Fuel sales - FBO	4,207,318	3,937,361
Other Airline Services	880,871	903,927
Federal revenue- TSA LEO reimbursement program	156,080	-
Other	529,329	682,748
Total operating revenues	<u>19,649,271</u>	<u>18,906,458</u>
Less, signatory airline contract operating rebate	<u>(754,539)</u>	<u>(378,336)</u>
Net operating revenues	<u>18,894,732</u>	<u>18,528,122</u>
Operating Expenses		
Salaries and benefits	5,955,075	5,435,472
Utilities	780,225	794,181
Outside and professional services	750,062	1,225,178
Maintenance and supplies	622,801	589,395
Fuel cost of sales	3,107,938	2,628,907
Vehicle and equipment (non-capital) expense	306,121	285,633
Insurance	235,848	279,005
Dues, memberships, and travel	196,363	157,243
Office supplies	20,885	24,895
Horry County administrative costs	350,000	195,245
Depreciation and amortization	4,711,815	4,730,767
Total operating expenses	<u>17,037,133</u>	<u>16,345,921</u>
Operating income	<u>1,857,599</u>	<u>2,182,201</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
- CONTINUED -

	<u>2008</u>	<u>2007</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	256,368	3,308,886
Contract Facility Charges (CFC's)	2,929,086	2,743,754
Intergovernmental revenues - City of Myrtle Beach	1,727,659	1,449,069
Sale of assets	68,772	1,126,170
Redevelopment Authority grant revenue	71,250	131,250
Grant expenses	(315,982)	(269,671)
Reimbursement of funds to the FAA	-	(8,154,369)
Interest income	2,832,622	3,607,028
Interest expense	(1,607,144)	(1,514,360)
Net non-operating revenues (expenses)	<u>5,962,631</u>	<u>2,427,757</u>
Income before extraordinary item and capital contributions	<u>7,820,230</u>	<u>4,609,958</u>
Extraordinary Item	-	(16,453,255)
Capital Contributions		
State grants - capital projects	2,085,833	41,542
State contributed capital	33,526	-
Federal grants - capital projects	1,314,001	811,638
Net change in net assets	<u>11,253,590</u>	<u>(10,990,117)</u>
Net assets, beginning of year	<u>136,553,642</u>	<u>147,543,759</u>
Net assets, end of year	<u><u>\$ 147,807,232</u></u>	<u><u>\$ 136,553,642</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 12,993,226	\$ 13,185,652
FBO sales and airline services	5,046,273	4,786,704
Other	695,002	749,989
Cash paid for:		
Salaries and benefits	(5,549,070)	(5,220,018)
Maintenance, supplies, fuel, utilities and equipment	(6,273,972)	(6,178,699)
Net cash provided by operating activities	<u>6,911,459</u>	<u>7,323,628</u>
Cash flows from non-capital financing activities		
Repayment to the federal government	(7,051,452)	-
Grant expenditures	(315,982)	(269,671)
Intergovernmental revenues	71,250	131,250
Net cash (used in) non-capital financing activities	<u>(7,296,184)</u>	<u>(138,421)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	3,832,622	5,919,185
Acquisition and construction of capital assets	(2,298,946)	(8,556,831)
Sale of capital assets	68,772	1,126,170
Principal payments on bonds and notes	(1,890,000)	(1,780,000)
Interest paid on bonds and notes	(1,438,247)	(1,535,518)
Bonds redeemed with airport cash	(11,270,000)	-
Call premium on cash redemption	(225,400)	-
Principal payments on capital lease obligation	(37,703)	(43,699)
Receipt of intergovernmental and private grants	1,668,315	1,449,069
Proceeds from Airport Improvement Program and State grants	3,424,972	1,452,401
Net cash provided by (used in) capital and related financing activities	<u>(8,165,615)</u>	<u>(1,969,223)</u>
Cash flows from investing activities		
Investment purchases	(42,628,595)	(26,951,756)
Investment sales	26,951,756	38,257,670
Interest on investments	3,046,200	3,796,842
Net cash (used in) investing activities	<u>(12,630,639)</u>	<u>15,102,756</u>
Net increase (decrease) in cash and cash equivalents	(21,180,979)	20,318,740
Cash and cash equivalents, beginning of year		
Unrestricted	42,635,128	22,743,814
Restricted	5,851,833	5,424,407
	<u>48,486,961</u>	<u>28,168,221</u>
Cash and cash equivalents, end of year		
Unrestricted	25,643,462	42,635,128
Restricted	1,662,520	5,851,833
	<u>\$ 27,305,982</u>	<u>\$ 48,486,961</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
- CONTINUED -

	<u>2008</u>	<u>2007</u>
Reconciliation of operating income to cash flows from operating activities		
Operating income	\$ 1,857,599	\$ 2,182,201
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	4,711,815	4,730,767
(Increase) decrease in certain assets:		
Accounts receivable	(45,847)	(13,329)
Prepaid items	34,609	167,775
Inventories	(119,993)	11,233
(Increase) decrease in certain liabilities:		
Accounts payable	(64,357)	(39,870)
Accrued salaries, wages and compensated absences	250,642	215,454
Net other post-employment benefit obligation	155,363	-
Other accrued expenses	(73,521)	147,254
Due to Horry County - General Fund	319,533	(285,409)
Unearned Revenue	18,969	56,455
Amounts due to airlines and car rental companies	(133,353)	151,097
Net cash provided by operating activities	<u>\$ 6,911,459</u>	<u>\$ 7,323,628</u>
Supplemental information-noncash investing, capital and financing activities		
Total investment (current & prior years) on capital project writeoff - termination of new terminal project	<u>\$ -</u>	<u>\$ (16,453,255)</u>
Donated assets	<u>\$ 33,526</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
BASEBALL STADIUM ENTERPRISE FUND
BALANCE SHEETS
June 30, 2008
(with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Restricted assets:		
Equity in pooled cash and investments	\$ 49,612	\$ 21,191
Cash and cash equivalents	<u>299,702</u>	<u>299,767</u>
Total restricted assets	<u>349,314</u>	<u>320,958</u>
Non-current assets:		
Capital assets:		
Land and improvements	2,693,320	2,693,320
Buildings and improvements	3,356,135	3,356,135
Equipment	<u>326,891</u>	<u>326,891</u>
	6,376,346	6,376,346
Less, accumulated depreciation	<u>(1,698,505)</u>	<u>(1,532,266)</u>
Net capital assets	<u>4,677,841</u>	<u>4,844,080</u>
Total assets	<u>\$ 5,027,155</u>	<u>\$ 5,165,038</u>
Liabilities and Net Assets		
Current Liabilities:		
Due to other governments	\$ 83,459	\$ 89,790
Total current liabilities	<u>83,459</u>	<u>89,790</u>
Current liabilities payable from restricted assets:		
Certificates of Participation Payable - current portion	144,000	138,000
Accrued interest payable	<u>48,942</u>	<u>51,943</u>
Total current liabilities payable from restricted assets	<u>192,942</u>	<u>189,943</u>
Certificates of Participation payable	<u>1,879,500</u>	<u>2,023,500</u>
Total liabilities	<u>2,155,901</u>	<u>2,303,233</u>
Net Assets:		
Invested in capital assets, net of related debt	2,605,399	2,630,637
Restricted for debt service, renewals & replacements	349,314	320,958
Unrestricted (Deficit)	<u>(83,459)</u>	<u>(89,790)</u>
Total net assets	<u>2,871,254</u>	<u>2,861,805</u>
Total liabilities and net assets	<u>\$ 5,027,155</u>	<u>\$ 5,165,038</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Baseball Stadium Enterprise Fund
 Statement of Revenues, Expenses and Changes in Fund Assets
 For the Year Ended June 30, 2008
 (with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Operating Revenues		
Concessions and rentals	\$ 2,247	\$ 7,790
Other	720	932
Total operating revenues	<u>2,967</u>	<u>8,722</u>
Operating Expenses		
Management Fee	(35,211)	43,395
Salaries	14,256	11,988
Maintenance & Supplies	37,802	20,915
Insurance	35,497	28,380
Depreciation	166,239	166,239
Other	78	1,223
Total operating expenses	<u>218,661</u>	<u>272,140</u>
Operating (loss)	(215,694)	(263,418)
Non-operating Revenue (Expenses)		
Interest income	11,576	18,579
Interest expense	(97,883)	(103,885)
Net non-operating revenue (expenses)	<u>(86,307)</u>	<u>(85,306)</u>
Loss before transfers	(302,001)	(348,724)
Transfers		
Operating transfers in - Hospitality Fund	311,450	304,761
Net change in net assets	9,449	(43,963)
Net assets at beginning of year	2,861,805	2,905,768
Net assets at end of year	<u>\$ 2,871,254</u>	<u>\$ 2,861,805</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Baseball Stadium
 Statement of Cash Flow
 For the Year Ended June 30, 2008
 (with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Cash paid for:		
Baseball Stadium Operations	\$ (55,786)	\$ (56,648)
Net cash used in operating activities	<u>(55,786)</u>	<u>(56,648)</u>
Cash flows from non-capital financing activities		
Transfers in - Hospitality Fund	<u>311,450</u>	<u>304,761</u>
Net cash provided by non-capital financing activities	<u>311,450</u>	<u>304,761</u>
Cash flows from capital and related financing activities		
Principal payments on Certificates of Participation	(138,000)	(133,500)
Interest paid on Certificates of Participation	<u>(100,884)</u>	<u>(106,755)</u>
Net cash used in capital and other related financing activities	<u>(238,884)</u>	<u>(240,255)</u>
Cash flows from investing activities		
Interest earned	<u>11,576</u>	<u>18,579</u>
Net cash provided by investing activities	<u>11,576</u>	<u>18,579</u>
Net increase in cash and cash equivalents	<u>28,356</u>	<u>26,437</u>
Cash and cash equivalents, beginning of year	<u>320,958</u>	<u>294,521</u>
Cash and cash equivalents, end of year	<u><u>\$ 349,314</u></u>	<u><u>\$ 320,958</u></u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (215,694)	\$ (263,418)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	166,239	166,239
(Increase)decrease in due from other funds	-	73,270
Increase(decrease) in due to other governments	<u>(6,331)</u>	<u>(32,739)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (55,786)</u></u>	<u><u>\$ (56,648)</u></u>

See accompanying independent auditors' report.

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 Sheets
 June 30, 2008
 (with comparative amounts for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Current assets:		
Equity in pooled cash and investments	\$ 7,264,032	\$ 6,492,154
Petty Cash	100	100
Interest receivable	67,624	108,353
Inventory	291,799	266,753
Total current assets	<u>7,623,555</u>	<u>6,867,360</u>
Non-current assets:		
Capital assets:		
Machinery and Equipment	12,097,397	11,511,365
Less, accumulated depreciation	<u>(7,338,667)</u>	<u>(7,176,430)</u>
Net capital assets	<u>4,758,730</u>	<u>4,334,935</u>
Total assets	<u><u>\$ 12,382,285</u></u>	<u><u>\$ 11,202,295</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 47,316	\$ 22,375
Accrued salaries, wages and compensated absences	<u>15,208</u>	<u>12,605</u>
Total current liabilities	<u>62,524</u>	<u>34,980</u>
Net Assets:		
Invested in capital assets	4,758,730	4,334,935
Restricted for fleet replacement	5,119,334	4,483,437
Unrestricted	<u>2,441,697</u>	<u>2,348,943</u>
Total net assets	<u>12,319,761</u>	<u>11,167,315</u>
Total liabilities and net assets	<u><u>\$ 12,382,285</u></u>	<u><u>\$ 11,202,295</u></u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Fleet Service Internal Service Fund
 Statement of Revenues, Expenses and Changes in Net Assets
 For the Year Ended June 30, 2008
 (with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Operating Revenues		
Charges for services	\$ 4,659,815	\$ 4,344,981
Other	<u>15,007</u>	<u>15,205</u>
Total operating revenues	<u>4,674,822</u>	<u>4,360,186</u>
Operating Expenses		
Personal services	879,611	797,253
Contractual services	1,326,971	1,262,249
Supplies and materials	47,723	36,558
Business and travel	58,443	65,706
Indirect Cost Allocation Plan	4,324	4,227
Depreciation	1,595,953	1,368,097
Capital Outlay	<u>9,630</u>	<u>-</u>
Total operating expenses	<u>3,922,655</u>	<u>3,534,090</u>
Operating income	<u>752,167</u>	<u>826,096</u>
Non-operating revenues (expenses)		
Gain (loss) on disposal of assets	121,278	48,025
Interest	<u>279,001</u>	<u>299,941</u>
Net non-operating revenues (expenses)	<u>400,279</u>	<u>347,966</u>
Net change in net assets	1,152,446	1,174,062
Net assets, beginning of year	<u>11,167,315</u>	<u>9,993,253</u>
Net assets, end of year	<u><u>\$ 12,319,761</u></u>	<u><u>\$ 11,167,315</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
FLEET SERVICE INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008
(with comparative amounts for the year ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 4,659,815	\$ 4,344,981
Miscellaneous charges	15,007	15,205
Cash paid for:		
Fleet maintenance	(2,265,761)	(2,089,194)
Other supplies and miscellaneous costs	(58,443)	(65,706)
Net cash provided by operating activities	<u>2,350,618</u>	<u>2,205,286</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,069,897)	(1,841,231)
Proceeds from disposition of capital assets	171,427	123,081
Net cash provided by (used in) capital and other related financing activities	<u>(1,898,470)</u>	<u>(1,718,150)</u>
Cash flows from investing activities		
Interest income	319,730	191,588
Net cash provided by investing activities	<u>319,730</u>	<u>191,588</u>
Net change in cash and cash equivalents	771,878	678,724
Cash and cash equivalents, beginning of year	6,492,254	5,813,530
Cash and cash equivalents, end of year	<u>\$ 7,264,132</u>	<u>\$ 6,492,254</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 752,167	\$ 826,096
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,595,953	1,368,097
(Increase) decrease in assets:		
Inventories	(25,046)	23,517
Increase (decrease) in liabilities		
Accounts payable	24,941	(13,461)
Accrued salaries, wages and compensated absences	2,603	1,037
Net cash provided by operating activities	<u>\$ 2,350,618</u>	<u>\$ 2,205,286</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 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Totals-Agency Funds				
Assets:				
Cash	\$ 24,978,327	\$ 10,547,451	\$ 16,558,296	\$ 18,967,482
Equity in pooled cash and investments	140,414,309	557,837,425	507,283,915	190,967,819
Total assets	<u>\$ 165,392,636</u>	<u>\$ 568,384,876</u>	<u>\$ 523,842,211</u>	<u>\$ 209,935,301</u>
 Liabilities:				
Due to others	\$ 165,392,636	\$ 568,384,876	\$ 523,842,211	\$ 209,935,301
Total liabilities	<u>\$ 165,392,636</u>	<u>\$ 568,384,876</u>	<u>\$ 523,842,211</u>	<u>\$ 209,935,301</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
-CONTINUED-

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>City of Conway</u>				
Assets:				
Equity in pooled cash and investments	\$ 53,002	\$ 4,422,942	\$ 4,426,744	\$ 49,200
Liabilities:				
Due to others	\$ 53,002	\$ 4,422,942	\$ 4,426,744	\$ 49,200
<u>City of Myrtle Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 122,557	\$ 23,250,770	\$ 23,138,590	\$ 234,737
Liabilities:				
Due to others	\$ 122,557	\$ 23,250,770	\$ 23,138,590	\$ 234,737
<u>Town of Loris</u>				
Assets:				
Equity in pooled cash and investments	\$ 113,613	\$ 772,102	\$ 771,888	\$ 113,827
Liabilities:				
Due to others	\$ 113,613	\$ 772,102	\$ 771,888	\$ 113,827
<u>City of North Myrtle Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 87,614	\$ 9,522,322	\$ 9,515,209	\$ 94,727
Liabilities:				
Due to others	\$ 87,614	\$ 9,522,322	\$ 9,515,209	\$ 94,727
<u>Town of Surfside</u>				
Assets:				
Equity in pooled cash and investments	\$ 46,745	\$ 2,166,647	\$ 2,191,169	\$ 22,223
Liabilities:				
Due to others	\$ 46,745	\$ 2,166,647	\$ 2,191,169	\$ 22,223
<u>Town of Atlantic Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 4,570	\$ 196,329	\$ 189,675	\$ 11,224
Liabilities:				
Due to others	\$ 4,570	\$ 196,329	\$ 189,675	\$ 11,224

HORRY COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
-CONTINUED-

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Town of Aynor</u>				
Assets:				
Equity in pooled cash and investments	\$ 2,106	\$ 142,047	\$ 142,175	\$ 1,978
Liabilities:				
Due to others	\$ 2,106	\$ 142,047	\$ 142,175	\$ 1,978
<u>Town of Briarcliff</u>				
Assets:				
Equity in pooled cash and investments	\$ 3,330	\$ 259,180	\$ 259,866	\$ 2,644
Liabilities:				
Due to others	\$ 3,330	\$ 259,180	\$ 259,866	\$ 2,644
<u>Horry County School District</u>				
<u>Operations/Debt</u>				
Assets:				
Equity in pooled cash and investments	\$ 139,946,456	\$ 511,189,873	\$ 465,415,781	\$ 185,720,548
Liabilities:				
Due to others	\$ 139,946,456	\$ 511,189,873	\$ 465,415,781	\$ 185,720,548
<u>Murrells Inlet-Garden City</u>				
<u>Operation/Debt Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 40,330	\$ 1,217,047	\$ 1,206,452	\$ 50,925
Liabilities:				
Due to others	\$ 40,330	\$ 1,217,047	\$ 1,206,452	\$ 50,925
<u>Grand Strand Water and Sewer</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,387	\$ 22,403	\$ 23,790	\$ -
Liabilities:				
Due to others	\$ 1,387	\$ 22,403	\$ 23,790	\$ -
<u>Fireman's Fund</u>				
Assets:				
Cash	\$ 75,957	\$ 7,044,796	\$ 6,766,926	\$ 353,827
Liabilities:				
Due to others	\$ 75,957	\$ 7,044,796	\$ 6,766,926	\$ 353,827

HORRY COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
-CONTINUED-

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	\$ 181,627	\$ 98,097	\$ 167,594	\$ 112,130
Liabilities:				
Due to others	\$ 181,627	\$ 98,097	\$ 167,594	\$ 112,130
<u>Police Fund</u>				
Assets:				
Cash	\$ 19,062	\$ 105,619	\$ 100,971	\$ 23,710
Liabilities:				
Due to others	\$ 19,062	\$ 105,619	\$ 100,971	\$ 23,710
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ 61,334	\$ 44,173	\$ 65,210	\$ 40,297
Liabilities:				
Due to others	\$ 61,334	\$ 44,173	\$ 65,210	\$ 40,297
<u>Environmental Services</u>				
Assets:				
Cash	\$ 42,556	\$ 1,466	\$ -	\$ 44,022
Liabilities:				
Due to others	\$ 42,556	\$ 1,466	\$ -	\$ 44,022
<u>Library Endowment</u>				
Assets:				
Cash	\$ 23,902	\$ 1,849	\$ -	\$ 25,751
Liabilities:				
Due to others	\$ 23,902	\$ 1,849	\$ -	\$ 25,751

HORRY COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
-CONTINUED-

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 47,153	\$ 777,740	\$ 758,448	\$ 66,445
Liabilities:				
Due to others	\$ 47,153	\$ 777,740	\$ 758,448	\$ 66,445
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ -	\$ 43,248	\$ 35,156	\$ 8,092
Liabilities:				
Due to others	\$ -	\$ 43,248	\$ 35,156	\$ 8,092
<u>Solicitor DEU Forfeiture</u>				
Assets:				
Cash	\$ -	\$ 185,596	\$ 67,703	\$ 117,893
Liabilities:				
Due to others	\$ -	\$ 185,596	\$ 67,703	\$ 117,893
<u>Police Counterfeit Program</u>				
Assets:				
Cash	\$ -	\$ 1,236	\$ -	\$ 1,236
Liabilities:				
Due to others	\$ -	\$ 1,236	\$ -	\$ 1,236
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Equity in pooled cash and investments	\$ (7,401)	\$ -	\$ 2,576	\$ (9,977)
Cash	24,526,736	2,243,631	8,596,288	18,174,079
Total	\$ 24,519,335	\$ 2,243,631	\$ 8,598,864	\$ 18,164,102
Liabilities:				
Due to others	\$ 24,519,335	\$ 2,243,631	\$ 8,598,864	\$ 18,164,102
<u>Developer LOC</u>				
Assets:				
Equity in pooled cash and investments	\$ -	\$ 4,675,763	\$ -	\$ 4,675,763
Liabilities:				
Due to others	\$ -	\$ 4,675,763	\$ -	\$ 4,675,763

See accompanying independent auditors' report.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represents actual costs of construction, and/or estimated values of deeded properties by developers.

HORRY COUNTY, SOUTH CAROLINA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY SOURCE

June 30, 2008

(With comparative amounts for June 30, 2007)

Governmental funds- capital assets	2008	2007
Land	\$ 15,835,201	\$ 16,231,374
Buildings	126,745,900	109,328,754
Furniture and equipment	72,205,017	62,703,835
Vehicles	5,250,326	4,082,711
Infrastructure	400,935,322	383,344,360
Construction -in-progress	5,209,238	6,406,918
	<hr/>	<hr/>
Total governmental funds capital assets	\$ 626,181,004	\$ 582,097,952
	<hr/>	<hr/>
Investment in governmental funds		
capital assets by source		
General Obligations Bonds	\$ 108,178,285	\$ 103,146,493
General Fund Revenue	82,577,027	66,705,152
Special Revenue Fund Revenue	24,440,067	18,851,644
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	400,935,322	383,344,360
	<hr/>	<hr/>
Total investment in governmental funds capital assets	\$ 626,181,004	\$ 582,097,952
	<hr/>	<hr/>

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 30,2008

	Land	Buildings	Furniture and Equipment	Vehicles	Construction in Progress	Infrastructure	Totals
Function and Activity:							
General government	\$ 6,813,635	\$ 61,090,381	\$ 22,683,022	\$ 292,936	\$ -	\$ -	\$ 90,879,974
Public safety	2,329,583	47,444,271	35,469,095	3,614,547	-	-	88,857,496
Infrastructure	2,799,706	3,022,496	12,739,560	1,221,812	-	400,935,322	420,718,896
Health and social services	90,000	2,281,127	-	-	-	-	2,371,127
Cultural and recreation	3,802,277	12,907,625	1,313,340	121,031	-	-	18,144,273
Construction-in-progress	-	-	-	-	5,209,238	-	5,209,238
Total governmental funds capital assets	\$ 15,835,201	\$ 126,745,900	\$ 72,205,017	\$ 5,250,326	\$ 5,209,238	\$ 400,935,322	\$ 626,181,004

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
SCHEDULES OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2008

	Balances June 30, 2007	Additions	Deductions	Balances June 30, 2008
Functions and Activity:				
General government	\$ 86,487,970	\$ 5,321,464	\$ (929,460)	\$ 90,879,974
Public Safety	69,494,695	20,546,513	(1,183,712)	88,857,496
Infrastructure & Regulation	403,278,848	18,708,438	(1,268,390)	420,718,896
Health and Social Services	2,371,127	-	-	2,371,127
Cultural and Recreation	14,058,393	4,104,776	(18,896)	18,144,273
Construction-in-progress	6,406,919	15,839,407	(17,037,088)	5,209,238
Total governmental funds				
capital assets	<u>\$ 582,097,952</u>	<u>\$ 64,520,598</u>	<u>\$ (20,437,546)</u>	<u>\$ 626,181,004</u>
Class:				
Land	\$ 16,231,374	\$ 400,062	\$ (796,235)	\$ 15,835,201
Buildings	109,328,752	17,417,146	-	126,745,898
Furniture and equipment	62,703,835	10,044,238	(543,055)	72,205,018
Vehicles	4,082,712	2,783,023	(1,615,408)	5,250,327
Infrastructure	383,344,360	18,036,722	(445,760)	400,935,322
Construction-in-progress	6,406,919	15,839,407	(17,037,088)	5,209,238
Total governmental funds				
capital assets	<u>\$ 582,097,952</u>	<u>\$ 64,520,598</u>	<u>\$ (20,437,546)</u>	<u>\$ 626,181,004</u>

See accompanying independent auditors' report.

VICTIMS' RIGHTS

Horry County, South Carolina
 Schedule of Court Fines, Assessments and Surcharges
 For the Year Ended June 30, 2008
 (with comparison for the year ended June 30, 2007)

	Clerk of Court	Magistrate	Probate	Total 2008	Total 2007
Fines collected	\$ 1,698,277	\$ 1,803,814	\$ 69,900	\$ 3,571,991	\$ 3,141,564
Assessments collected	95,389	482,101	-	577,490	562,200
Surcharges collect	134,253	1,082,542	-	1,216,795	1,078,583
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fines and assessments collected	\$ 1,927,919	\$ 3,368,457	\$ 69,900	\$ 5,366,276	\$ 4,782,347
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assessments retained by County	33,467	226,809	-	260,276	240,454
Surcharges retained by County	107,255	123,259	-	230,514	214,591
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fines and assessments retained by County	\$ 140,722	\$ 350,068	\$ -	\$ 490,790	\$ 455,045
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fines remitted to State Treasurer	1,698,277	1,803,814	69,900	3,571,991	3,141,564
Assessments remitted to State Treasurer	61,922	255,292	-	317,214	321,746
Surcharges remitted to State Treasurer	26,998	959,283	-	986,281	863,992
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fines and assessments remitted to State Treasurer	\$ 1,787,197	\$ 3,018,389	\$ 69,900	\$ 4,875,486	\$ 4,327,302
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See accompanying independent auditors' report.

STATISTICAL SECTION

This part of Horry County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	206
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	212
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	217
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	222
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	226
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

HORRY COUNTY, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> as restated	<u>2007</u>	<u>2008</u>
Governmental activities							
Invested in capital assets, net of related debt	\$305,896	\$339,241	\$360,367	\$364,396	\$387,935	\$406,013	\$377,812
Restricted	51,500	30,647	41,368	27,465	38,317	64,674	186,578
Unrestricted	(388,949)	(343,802)	(346,365)	(298,109)	(264,451)	(251,630)	(241,001)
Total governmental activities net assets	<u><u>(\$31,553)</u></u>	<u><u>\$26,086</u></u>	<u><u>\$55,370</u></u>	<u><u>\$93,752</u></u>	<u><u>\$161,801</u></u>	<u><u>\$219,057</u></u>	<u><u>\$323,389</u></u>
Business-type activities							
Invested in capital assets, net of related debt	\$68,475	\$68,768	\$73,877	\$81,247	\$84,760	\$72,687	\$82,980
Restricted	16,116	18,149	20,955	24,705	29,635	34,046	26,679
Unrestricted	19,918	24,599	27,395	33,920	36,054	32,682	41,020
Total business-type activities net assets	<u><u>\$104,509</u></u>	<u><u>\$111,516</u></u>	<u><u>\$122,227</u></u>	<u><u>\$139,872</u></u>	<u><u>\$150,449</u></u>	<u><u>\$139,415</u></u>	<u><u>\$150,679</u></u>
Primary government							
Invested in capital assets, net of related debt	\$374,371	\$408,009	\$434,244	\$445,643	\$472,695	\$478,700	\$460,792
Restricted	67,616	48,796	62,323	52,170	67,952	98,719	213,257
Unrestricted	(369,031)	(319,203)	(318,970)	(264,189)	(228,397)	(218,948)	(199,981)
Total primary government net assets	<u><u>\$72,956</u></u>	<u><u>\$137,602</u></u>	<u><u>\$177,597</u></u>	<u><u>\$233,624</u></u>	<u><u>\$312,250</u></u>	<u><u>\$358,471</u></u>	<u><u>\$474,068</u></u>

(1) Trend data is only available for the last seven fiscal years due to the implementation of GASB Statement 34 in fiscal year 2002. Ten years of data, however, will be accumulated over time.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> as restated	<u>2007</u>	<u>2008</u>
Expenses							
Governmental activities:							
General government	\$ 25,805	\$ 32,590	\$ 27,978	\$ 25,724	\$ 27,960	\$ 40,691	\$ 38,239
Public safety	44,839	44,667	54,201	63,171	68,799	72,570	98,133
Health and social services	3,296	3,457	1,987	2,089	920	980	2,542
Infrastructure and regulation	26,209	85,910	23,631	25,797	30,145	14,126	24,749
Culture, recreation and tourism	4,959	5,985	6,497	8,211	8,534	9,133	10,519
Economic development	1,581	1,626	209	58	843	312	383
Conservation/natural resources	961	442	342	213	561	1	47
Other	6,589	1,352	-	-	4,077	-	-
RIDE IGA #3 contribution	2,280	-	-	-	-	-	-
Debt service	7,002	18,714	11,480	16,180	15,454	16,193	16,767
Horry-Georgetown TECH	-	1,950	1,950	2,154	2,591	2,800	3,000
Higher Education Commission	-	270	290	303	500	410	910
Total governmental activities expenses	<u>123,521</u>	<u>196,963</u>	<u>128,565</u>	<u>143,900</u>	<u>160,384</u>	<u>157,216</u>	<u>195,289</u>
Business-type activities:							
Airport	13,519	13,917	14,978	18,190	18,483	26,663	19,714
Industrial Parks	568	577	612	1,400	-	-	-
Baseball Stadium	390	372	365	369	334	376	317
Total business-type activities expenses	<u>14,477</u>	<u>14,866</u>	<u>15,955</u>	<u>19,959</u>	<u>18,817</u>	<u>27,039</u>	<u>20,030</u>
Total primary government expenses	<u>137,998</u>	<u>211,829</u>	<u>144,520</u>	<u>163,859</u>	<u>179,201</u>	<u>184,255</u>	<u>215,319</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	2,139	11,410	7,702	7,822	20,635	2,206	12,295
Public safety	13,396	7,748	4,733	4,807	4,002	12,559	15,687
Health and social services	-	100	-	-	-	101	49
Infrastructure and regulation	5,641	6,627	5,546	12,729	10,596	11,936	4,177
Culture, recreation and tourism	55	288	-	-	-	97	590
Economic Development	-	-	-	-	-	-	-
Operating grants and contributions	1,210	2,330	688	2,462	1,991	641	597
Capital grants and contributions	2,593	732	1,384	1,344	2,400	358	666
Total governmental activities program revenues	<u>25,034</u>	<u>29,235</u>	<u>20,053</u>	<u>29,164</u>	<u>39,624</u>	<u>27,898</u>	<u>34,061</u>

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Business-type activities:							
Charges for services:							
Airport	12,157	12,469	14,790	21,394	23,403	26,539	24,634
Industrial Parks	322	277	174	265	-	-	-
Baseball Stadium	-	8	7	9	-	9	3
Operating grants and contributions	-	143	-	-	-	-	-
Capital grants and contributions	9,074	9,444	9,203	8,731	7,031	-	-
Total business-type activities program revenues	<u>21,553</u>	<u>22,341</u>	<u>24,174</u>	<u>30,399</u>	<u>30,434</u>	<u>26,548</u>	<u>24,637</u>
Total primary government program revenues	<u>46,587</u>	<u>51,576</u>	<u>44,227</u>	<u>59,563</u>	<u>70,058</u>	<u>54,446</u>	<u>58,698</u>
Net (Expense)/Revenues							
Governmental activities	(98,487)	(167,728)	(108,512)	(114,736)	(120,760)	(129,318)	(161,228)
Business-type activities	7,076	7,475	8,219	10,440	11,617	(491)	4,607
Total primary government program net expense	<u>(91,411)</u>	<u>(160,253)</u>	<u>(100,293)</u>	<u>(104,296)</u>	<u>(109,143)</u>	<u>(129,809)</u>	<u>(156,622)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes and Fees-in-lieu of taxes	83,856	73,218	73,217	81,679	86,459	105,141	104,702
Investment earnings	2,903	2,168	1,847	2,945	5,676	8,030	7,880
Other	35,046	54,835	61,930	68,756	75,504	73,706	153,291
Transfers	207	(43)	(237)	(262)	(313)	(305)	(312)
Total governmental activities	<u>122,012</u>	<u>130,178</u>	<u>136,757</u>	<u>153,118</u>	<u>167,326</u>	<u>186,572</u>	<u>265,561</u>
Business-type activities:							
Other	1,809	(1,127)	1,664	5,940	2,224	(14,474)	3,502
Investment earnings	848	694	591	1,003	2,350	3,626	2,844
Transfers	(207)	124	237	262	313	305	312
Total business-type activities	<u>2,450</u>	<u>(309)</u>	<u>2,492</u>	<u>7,205</u>	<u>4,887</u>	<u>(10,543)</u>	<u>6,658</u>
Total primary government	<u>124,462</u>	<u>129,869</u>	<u>139,249</u>	<u>160,323</u>	<u>172,213</u>	<u>176,029</u>	<u>272,219</u>
Change in Net Assets							
Governmental activities:	23,525	(37,549)	28,245	38,382	46,566	57,255	104,333
Business-type activities:	9,526	7,166	10,711	17,645	16,504	(11,034)	11,264
Total primary government	<u>\$ 33,051</u>	<u>\$ (30,383)</u>	<u>\$ 38,956</u>	<u>\$ 56,027</u>	<u>\$ 63,070</u>	<u>\$ 46,221</u>	<u>\$ 115,597</u>

(1) Trend data is only available for the last seven fiscal years due to the implementation of GASB 34 in fiscal year 2002. Ten years of data, however, will be accumulated over time.

(2) The Industrial Park has been moved from a Business-type activity to a Governmental activity in the Special Revenue Funds.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 702	\$ 1,832	\$ 1,720	\$ 794	\$ 828	\$ 620	\$ 482	\$ 2,395	\$ 1,273	\$ 1,250
Unreserved/designated	-	586	757	651	1,592	5,758	10,910	13,547	3,567	3,254
Unreserved/undesignated	14,374	13,650	14,700	15,137	17,597	19,832	18,962	19,102	22,089	24,579
Total general fund	<u>15,076</u>	<u>16,068</u>	<u>17,177</u>	<u>16,582</u>	<u>20,017</u>	<u>26,210</u>	<u>30,354</u>	<u>35,044</u>	<u>26,929</u>	<u>29,083</u>
 All other governmental funds										
Reserved	44,829	159,046	56,472	58,204	38,997	50,819	38,048	50,751	57,528	196,056
Unreserved for:										
Special revenue funds	21,065	4,516	9,574	10,705	20,595	22,970	22,985	23,092	33,671	33,262
Debt service funds	-	-	-	-	-	-	6,743	5,983	13,172	-
Capital project funds	579	-	-	-	-	-	6,347	7,944	19,080	12,415
Total all other governmental funds	<u>66,473</u>	<u>163,562</u>	<u>66,046</u>	<u>68,909</u>	<u>59,592</u>	<u>73,789</u>	<u>74,123</u>	<u>87,770</u>	<u>123,451</u>	<u>241,733</u>
 Total governmental fund balances	<u>\$ 81,549</u>	<u>\$ 179,630</u>	<u>\$ 83,223</u>	<u>\$ 85,491</u>	<u>\$ 79,609</u>	<u>\$ 99,999</u>	<u>\$ 104,477</u>	<u>\$ 122,814</u>	<u>\$ 150,380</u>	<u>\$ 270,816</u>

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Property Taxes	\$ 41,897	\$ 48,980	\$ 54,757	\$ 67,928	\$ 72,818	\$ 75,519	\$ 78,844	\$ 87,680	\$ 93,557	\$ 104,607
Licenses and permits	2,309	2,870	3,927	4,389	4,982	6,434	9,348	13,841	12,128	9,999
Intergovernmental	18,417	19,063	23,320	19,018	16,890	18,010	18,093	18,913	22,570	21,210
Sales Tax Major Capital Projects (8)	-	-	-	-	-	-	-	-	-	63,537
Fees and fines	36,092	38,737	43,062	45,073	46,874	51,030	54,003	58,817	61,679	64,570
Documentary stamps	1,945	2,143	1,980	-	-	-	-	-	-	-
Charges for services (1)	-	-	-	2,139	2,443	3,889	6,472	8,962	6,966	4,356
Interest on investments	2,956	6,032	6,633	2,903	2,168	1,847	2,945	5,650	8,030	7,880
Accommodation tax (2)	-	-	-	214	787	834	861	969	1,014	996
Cost allocation	1,301	1,109	1,058	1,122	991	2,115	1,142	1,697	1,426	1,685
Other	1,159	1,669	1,539	1,453	2,734	1,749	1,652	2,368	3,553	5,585
Total revenues	<u>106,076</u>	<u>120,603</u>	<u>136,276</u>	<u>144,239</u>	<u>150,687</u>	<u>161,427</u>	<u>173,360</u>	<u>198,897</u>	<u>210,923</u>	<u>284,425</u>
Expenditures										
General government	19,262	21,518	22,813	25,966	28,250	20,102	20,866	23,570	27,254	30,143
Public safety	28,676	33,238	37,584	43,353	44,177	56,573	60,478	67,878	73,533	79,117
Public works	31,381	17,789	20,590	18,198	17,144	-	-	-	-	-
Infrastructure and regulation (3)	-	-	-	-	-	23,631	28,367	29,028	31,078	32,898
Economic development	3,797	1,810	1,957	1,581	1,895	208	58	774	312	383
Health and social services	3,947	3,054	2,852	3,296	3,475	1,987	2,069	894	861	822
Culture and recreation	6,297	7,566	4,410	4,959	5,912	6,497	7,825	8,033	8,387	8,699
Capital outlay	5,556	14,608	26,985	24,298	15,161	8,780	20,563	13,544	11,175	28,822
Conservation and natural resources	7,892	477	263	962	955	342	517	561	1	47
Intergovernmental agreement draws (4)	-	-	98,988	-	-	-	-	-	-	-
Horry-Georgetown Tech	-	-	-	1,825	1,950	1,950	2,153	2,591	2,800	3,000
Higher Education	-	-	-	3,267	270	290	303	500	410	910
Debt service:										-
Principal (5)	4,571	23,712	24,809	30,043	32,033	30,391	18,798	20,150	19,455	21,704
Interest and fees	1,520	6,695	7,157	4,867	5,038	4,680	16,597	15,659	15,377	14,477
Other charges	1,998	1,526	3,808	2,349	1,352	1,356	1,371	1,457	6,419	10,925
Total expenditures	<u>114,897</u>	<u>131,993</u>	<u>252,216</u>	<u>164,964</u>	<u>157,612</u>	<u>156,787</u>	<u>179,965</u>	<u>184,639</u>	<u>197,062</u>	<u>231,947</u>
Excess of revenues over (under) expenditures	<u>(8,821)</u>	<u>(11,390)</u>	<u>(115,940)</u>	<u>(20,725)</u>	<u>(6,925)</u>	<u>4,640</u>	<u>(6,605)</u>	<u>14,258</u>	<u>13,861</u>	<u>52,478</u>

HORRY COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Transfers in	16,425	30,347	38,274	37,971	37,092	41,013	47,638	57,682	55,044	50,686
Transfers out	(16,425)	(30,620)	(38,337)	(38,806)	(37,216)	(41,470)	(48,087)	(57,995)	(55,349)	(50,997)
Intergovernmental loan agreement draws: (4)									-	-
Ride Table 1 Projects (6)	-	(218,603)	-	-	-	-	-	-	-	-
Ride Table 3 Projects (6)	-	(10,899)	-	-	-	-	-	-	-	-
Administrative costs - Airport	-	-	-	-	-	-	-	-	-	-
Proceeds from note payable	-	554	493	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	1,290	-	-	-	35,326	-	-
Bond proceeds	38,300	9,500	19,905	24,585	-	14,000	-	-	11,000	62,000
Premium on bonds issued	-	-	-	211	-	47	-	(439)	-	1,496
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(2,866)	-	-	-	(34,883)	-	-
Capital leases	-	1,370	-	507	985	1,032	11,606	7,488	-	4,442
Sale of assets	347	146	332	101	182	89	176	101	44	330
Other	-	-	-	-	-	-	(250)	(3,111)	-	-
Total other financing sources (uses)	38,647	(218,205)	20,667	22,993	1,043	14,711	11,083	4,169	10,739	67,957
Net change in fund balances (6) (7)	<u>\$ 29,826</u>	<u>\$ (229,595)</u>	<u>\$ (95,273)</u>	<u>\$ 2,268</u>	<u>\$ (5,882)</u>	<u>\$ 19,351</u>	<u>\$ 4,478</u>	<u>\$ 18,427</u>	<u>\$ 24,600</u>	<u>\$ 120,435</u>
Debt service as a percentage of noncapital expenditures	5.6%	25.9%	14.2%	24.8%	26.0%	23.7%	22.2%	20.9%	18.7%	17.8%

(1) Prior to fiscal year ended June 30, 2002, revenues for Charges for Services were classified as Documentary Stamps.

(2) Accommodation taxes are considered Special Assessments.

(3) Prior to fiscal year ended June 30, 2004, expenses for Infrastructure and Regulation were classified as Public Works.

(4) Intergovernmental loan agreement draws for fiscal year ended June 30, 2000 are listed by RIDE project under Other Financing Sources (Uses). For fiscal year ended June 30, 2001, the total expense is listed under Expenditures. (Detail: RIDE Table 1 Project \$66,466,356 and RIDE Table 3 Project \$32,521,341).

(5) The fluctuation in debt service principal and interest payments for fiscal years ended June 30, 2000 forward are due to issuance of new bonds, subsequent advance refunding of bonds and retirement of bonded debt.

(6) The large decrease in net change in fund balances for fiscal year ended June 30, 2000 is due to a restatement of advanced loan funds to Horry County for the funding of RIDE Projects.

(7) The net change in fund balances for fiscal year ended June 30, 1999 was due to the bond issue of \$38.3M during this fiscal year.

(8) Major Capital Projects Sales Tax added 2008.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

FOR THE FISCAL YEAR ENDED JUNE 30	REAL PROPERTY (1) (2) (3)			PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (8)	TOTAL DIRECT TAX RATE (6) (8)	ESTIMATED ACTUAL TAXABLE VALUE (5) (8)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER				
1999	134,954	416,833	4,934	125,126	84,111	765,958	45.6	12,429,684	6.16%
2000	189,673	559,166	4,975	137,396	95,389	986,599	40.2	16,395,190	6.02%
2001	202,603	592,077	4,914	143,546	107,786	1,050,926	44.5	17,442,481	6.03%
2002	214,406	622,014	4,917	145,638	110,911	1,097,886	50.9	18,327,452	5.99%
2003	225,111	647,943	4,917	141,518	119,455	1,138,944	50.9	19,177,387	5.94%
2004	238,038	663,391	4,953	146,019	115,338	1,167,739	50.9	19,882,193	5.87%
2005	249,986	681,439	4,919	144,584	116,445	1,197,373	50.9	20,592,643	5.81%
2006	309,446	888,857	5,068	146,222	132,501	1,482,094	46.3	25,877,845	5.73%
2007	326,176	980,924	5,031	148,820	145,614	1,606,565	46.3	28,190,764	5.70%
2008	354,361	1,107,275	5,647	142,105	170,159	1,779,547	47.3	31,167,641	5.71%

Notes:

- (1) Property in the County is reassessed every five years.
- (2) Tax-exempt property has already been deducted.
- (3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
- (4) The County assessed personal property at 6.0%, 6.75% or 10.5% of estimated taxable market value for FY2007.
- (5) Estimated actual taxable value = appraised value.
- (6) Direct tax rates are per \$1,000 of assessed value.
- (7) Taxes for each tax year are due and payable the following fiscal year.
- (8) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.

Source/s:

Horry County Finance Department
Horry County Assessor
Horry County Auditor

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	Tax Year (1)									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
County Direct Rates (4)										
General Fund	33.5	35.8	39.4	39.4	40.2	40.2	36.7	36.7	36.7	36.7
Debt Retirement	4.9	5.7	7.0	7.0	6.2	6.2	5.3	5.3	5.3	5.3
Senior Citizens Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.4	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Higher Education (Began in 2000)	-	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation (Began in 2001)	-	-	1.5	1.5	1.5	1.5	1.3	1.3	2.3	2.3
Total Direct Rate	40.2	44.5	50.9	50.9	50.9	50.9	46.3	46.3	47.3	47.3
Unincorp. County Rates (4)										
Rural Fire (Began in 2003)	-	-	-	-	18.3	18.3	16.3	16.3	16.3	16.3
Waste Management (Began in 2003)	-	-	-	-	5.1	7.1	6.4	6.4	6.4	6.4
School District Rates (4)	113.7	116.4	124.9	124.9	130.4	130.4	129.7	135.3	143.3	143.3
Other Fire Districts Rates (4)										
Aynor Fire Contract (Began in 2003)	-	-	-	-	18.3	18.3	16.3	16.3	16.3	16.3
Atlantic Beach Fire Contract (Began in 2003)	-	-	-	-	18.3	18.3	16.3	16.3	16.3	16.3
Murrells Inlet /Garden City Contract (Began in 2003)	-	-	-	-	10.0	10.0	10.0	10.0	10.0	10.0
City Rates (4)										
Town of Atlantic Beach	0.1100	0.1100	0.1100	0.1100	0.0900	0.0900	0.0900	0.0900	0.0945	0.0945
Town of Aynor	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0708	0.0708	0.0722	0.0722
Town of Briarcliff Acres	0.0550	0.0750	0.0750	0.0420	0.0570	0.0560	0.0470	0.0500	0.0528	0.0556
City of Conway	0.0939	0.0939	0.0939	0.0939	0.0939	0.0967	0.0866	0.0866	0.0866	0.0866
City of Loris	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1050	0.1050	0.1050	0.1050
City of Myrtle Beach	0.0610	0.0609	0.0632	0.0632	0.0632	0.0632	0.0614	0.0614	0.0614	0.0644
City of N. Myrtle Beach	0.0387	0.0357	0.0357	0.0357	0.0357	0.0357	0.0305	0.0305	0.0305	0.0322
City of Surfside Beach	0.0440	0.0440	0.0440	0.0440	0.0550	0.0550	0.0440	0.0440	0.0440	0.0440

HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS (Continued)
LAST TEN FISCAL YEARS

	Tax Year (1)									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Special District Rates (4)										
Conway	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Crabtree	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0263	0.0263	0.0263	0.0263
Loris	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Todd Swamp	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0262	0.0262	0.0262	0.0262
Buck Creek	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0265	0.0265	0.0265	0.0265
Simpson Creek	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0261	0.0261	0.0261	0.0261
Green Sea	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Aynor	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Little River	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Socastee	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Mt Gilead	0.0451	0.0451	0.0451	0.0391	0.0391	0.0411	0.0338	0.0338	0.0338	0.0238
Socastee Rec	0.0171	0.0171	0.0229	0.0254	0.0254	0.0274	0.0247	0.0247	0.0247	0.0247
Murrells Inlet/G.C.	0.0151	0.0151	0.0151	0.0151	0.0151	0.0171	0.0164	0.0164	0.0164	0.0164
Floyds	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Cartwheel	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0266	0.0266	0.0266	0.0266
Gapway	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0265	0.0265	0.0265	0.0265
Myrtle Beach	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227
Arcadian Shores (Began in 2000)	-	0.0501	0.0559	0.0584	0.0584	0.0604	0.0577	0.0577	0.0577	0.0577

Notes:

- (1) Taxes for each tax year are due and payable the following fiscal year.
- (2) A property reappraisal was performed in Tax Year 2005. This reappraisal was delayed by one (1) tax year.
- (3) A reappraisal is performed every five years. The County's next scheduled reappraisal date is Tax Year 2009.
- (4) Rates are per \$1,000 of assessed value.

Source/s: Horry County Assessor and Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	Fiscal Year 2008 (Tax Year 2007)			Fiscal Year 1999 (Tax Year 1998)			
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)	
Myrtle Beach Farms Company Inc.	\$ 28,735,479	1	1.62%	\$ 13,393,218	1	1.75%	
Horry Electric Co-operative	14,953,495	2	0.85%	5,443,550	4	0.71%	
Horry Telephone Co-operative	7,422,940	3	0.42%				
Verizon South Inc.	6,705,700	4	0.38%				
Lawyers Title Insurance Corp	4,587,252	5	0.26%				
Broadway at the Beach Inc.	4,489,506	6	0.25%	3,366,486	6	0.44%	
SC Coastal Development Inc.	3,676,884	7	0.21%				
Bluegreen Vacations Unlimited Inc.	3,889,483	8	0.22%				
Wal-Mart Real Estate Business Trust/Sam's	3,629,676	9	0.21%				
AVX Corporation	3,675,874	10	0.21%	7,880,688	3		
GTE South (General Telephone)				7,031,660	2	0.92%	
Montgomery Construction				3,413,200	5	0.45%	Abated 3/07
Carolina Equipment				3,373,780	7	0.44%	Abated 1/02
Justice, Inc.				3,164,910	8	0.41%	Abated 9/04
Conbraco Industries				2,824,594	9	0.37%	
Golden Greek Enterprises				2,274,380	10	0.30%	Abated 11/02
Totals	<u>\$ 81,766,289</u>		<u>4.62%</u>	<u>\$ 52,166,466</u>		<u>6.81%</u>	

Notes:

(1) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value.

Source: Horry County Treasurer

**HORRY COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
1998	1999	\$ 43,793	\$ 40,241	91.89%	\$ 2,653	\$ 42,894	97.95%
1999	2000	50,889	45,010	88.45%	4,622	49,632	97.53%
2000	2001	53,313	48,751	91.44%	4,662	53,413	100.19%
2001	2002	62,665	59,068	94.26%	4,411	63,479	101.30%
2002	2003	67,605	63,812	94.39%	4,491	68,303	101.03%
2003	2004	75,692	72,650	95.98%	2,870	75,520	99.77%
2004	2005	78,211	75,544	96.59%	3,300	78,844	100.81%
2005	2006	86,977	85,237	98.00%	2,448	87,685	100.81%
2006	2007	93,573	91,215	97.48%	2,334	93,549	99.97%
2007	2008	104,866	101,674	96.96%	2,933	104,607	99.75%

Notes:

(1) Taxes for each tax year are due and payable the following fiscal year.

Sources:

Horry County property tax database

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (2)	PER CAPITA (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	REVENUE BONDS	BASEBALL STADIUM COPS BONDS	CAPITAL LEASES			
2002	\$ 79,685	\$ 18,490	\$ 425,086	\$ 1,435	\$ 31,551	\$ 2,775	\$ 69	\$ 559,091	11.04%	2,714
2003	73,945	17,440	396,623	1,875	30,855	2,662	50	523,450	9.83%	2,484
2004	81,950	16,340	387,234	2,402	29,355	2,546	30	519,857	9.13%	2,389
2005	76,435	15,190	376,159	10,872	27,765	2,423	9	508,853	8.37%	2,242
2006	72,920	13,985	364,791	14,722	26,080	2,295	383	495,176	7.47%	2,076
2007	80,120	12,725	350,132	12,027	24,300	2,162	345	481,811	not available	not available
2008	137,920	11,405	334,103	13,115	11,140	2,024	306	510,013	not available	not available

Notes:

(1) Trend data is only available for the last seven fiscal years due to the implementation of GASB 34 in fiscal year 2002. Ten years of data; however, will be accumulated over time.

(2) See the schedule of Demographic and Economic Statistics for personal income and population data.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
1998	\$ 28,190	\$ 5,965	\$ 22,225	6.15%	115
1999	65,018	4,414	60,604	6.16%	311
2000	66,820	3,020	63,800	6.02%	326
2001	61,855	2,578	59,277	6.03%	295
2002	79,685	3,939	75,746	5.99%	368
2003	73,945	4,430	69,515	5.94%	337
2004	81,950	4,249	77,701	5.87%	370
2005	76,435	4,417	72,018	5.81%	330
2006	72,920	6,107	66,813	5.73%	294
2007	80,120	10,631	69,489	5.70%	292
2008	122,890	15,441	107,449	5.71%	not available

Notes:

- (1) The restricted for debt service principal column has not been included because there are no restricted assets for general obligation bonds.
- (2) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for Estimated Actual Taxable Value
- (3) See the schedule of Demographic and Economic Statistics for population data.

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30,2008
(AMOUNTS EXPRESSED IN THOUSANDS)

ENTITY	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
School District	\$ 451,410	100.00%	\$ 451,410
City of Myrtle Beach	51,460	100.00%	51,460
City of Conway	2,075	100.00%	2,075
City of North Myrtle Beach	1,895	100.00%	1,895
City of Loris	243	100.00%	243
Town of Surfside	1,905	100.00%	1,905
Subtotal, overlapping debt			508,988
Horry County direct debt	122,890	100.00%	122,890
Total direct and overlapping debt		100.00%	\$ 631,878

Notes:

- (1) Debt Outstanding is all general obligation long-term debt (excluding compensation for future absences, revenue bonds, other "user fee" bonds, and capital leases.)

Source: Finance Department of each entity.

**HORRY COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)**

	For the Fiscal Year Ended June 30									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 62,993	\$ 87,167	\$ 91,405	\$ 89,006	\$ 91,850	\$ 94,790	\$ 97,281	\$ 119,413	\$ 129,015	\$ 142,364
Total net debt applicable to limit	<u>59,800</u>	<u>55,470</u>	<u>51,335</u>	<u>70,080</u>	<u>65,310</u>	<u>63,315</u>	<u>58,178</u>	<u>55,565</u>	<u>54,609</u>	<u>107,449</u>
Legal debt margin	<u>3,193</u>	<u>31,697</u>	<u>40,070</u>	<u>18,926</u>	<u>26,540</u>	<u>31,475</u>	<u>39,103</u>	<u>63,848</u>	<u>74,406</u>	<u>34,915</u>
Total net debt applicable to the limit as a percentage of debt limit	94.93%	63.64%	56.16%	78.74%	71.11%	66.80%	59.80%	46.53%	42.33%	75.47%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 1,772,812
Less: Exempt industrial personal and real property	(3,836)
Plus: Assessed value - Merchant's inventory	<u>10,572</u>
Total assessed value	\$ 1,779,547
Debt limit(8% of total assessed value)	\$ 142,364
Debt application to limit:	
General obligation bonds	122,890
Less: Amount set aside for repayment of general obligation debt	<u>15,441</u>
Total net debt application to limit	<u>107,449</u>
Legal debt margin	<u>\$ 34,915</u>

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS						HOSPITALITY FEE SPECIAL OBLIGATION BONDS			
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST			PRINCIPAL	INTEREST	
1999	\$ 13,187,103	\$ 5,577,515	\$ 7,609,588	\$ 1,140,000	\$ 2,419,062	2.14	-	-	-	-
2000	13,664,824	6,029,216	7,635,608	1,210,000	2,350,151	2.14	-	-	-	-
2001	15,527,532	6,852,820	8,674,712	1,330,000	2,147,951	2.49	4,763	415	484	5.30
2002	13,889,728	7,397,052	6,492,676	1,420,000	1,945,227	1.93	5,132	1,000	1,029	2.53
2003	14,478,453	7,750,046	6,728,407	1,500,000	1,862,042	2.00	5,063	1,050	979	2.50
2004	17,278,746	8,619,635	8,659,111	1,590,000	1,773,010	2.57	5,351	1,100	927	2.64
2005	19,595,565	9,967,999	9,627,566	1,685,000	1,677,588	2.86	5,642	1,150	876	2.78
2006	22,238,758	11,525,965	10,712,793	1,780,000	1,575,513	3.19	6,159	1,205	823	3.04
2007	23,858,953	11,196,684	12,662,269	1,890,000	1,466,564	3.77	6,638	1,260	766	3.28
2008 (3)	21,627,977	11,913,538	9,714,439	520,000	991,797	6.43	6,632	1,320	707	3.27

Notes:

- (1) Does not include interest, fund balance usage or transfers in.
(2) Hospitality Fee Special Obligation Bonds began in FY2001 and are applicable to the 1.0% Hospitality Fund collections.
(3) On January 9, 2008, Horry County Redeemed \$11,270,000 of Airport Revenue Bonds

Source: Horry County Airport Finance and Horry County Finance Departments

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

YEAR	COUNTY POPULATION (5B)	PERSONAL INCOME (2A) (AMOUNTS EXPRESSED IN THOUSANDS)	PER CAPITA PERSONAL INCOME	SCHOOL ENROLLMENT (1A) (4B)	LABOR FORCE (6B)	EMPLOYMENT (2B) (6B)	COUNTY % UNEMP. (6B)	STATE % UNEMP. (6B)
1998	174,762	\$ 3,358,926	\$ 19,220 (2B)	26,569	100,015	96,425	3.6	3.6
1999	178,550	4,373,047	24,492 (2B)	27,043	103,936	100,234	3.6	4.1
2000	196,629	4,584,405	23,315 (2B)	28,379	105,607	101,874	3.5	3.6
2001	201,088	4,830,335	24,021 (2B)	29,009	102,816	97,773	4.9	5.2
2002	206,039	5,065,263	24,584 (2B)	29,931	106,326 *	100,832 *	5.2 *	5.9 **
2003	210,757	5,324,986	25,266 (2B)	31,018	112,353 *	105,991 *	5.7 *	6.7 **
2004	217,608	5,694,801	26,170 (3B)	32,840	116,679 *	109,788 *	5.9 *	6.8 **
2005	226,992	6,080,889	26,789 (3B)	34,480	122,008 *	115,010 *	5.7 *	6.7 **
2006	238,493	6,632,252	27,809 (3B)	36,068	129,708 *	122,651 *	5.4 *	6.5 **
2007	249,925	not available	not available (3B)	36,068	131,188 *	124,459 *	5.6	7.6

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Personal Income = County Population (above) x Per Capita Personal Income (above).

Sources (B):

- (1) S. C. Statistical Abstract
- (2) S. C. Employment Security Commission, Labor Market Research Division
- (3) Bureau of Economic Analysis
- (4) Horry County Schools 2007
- (5) U.S. Census Bureau
- (6) U.S. Department of Labor
 - * Reflects revised inputs, reestimation, and new statewide controls through 2006
 - **Reflects revised population controls and model reestimation for 2002-2006.

**HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)**

EMPLOYER	2008			1999 (3)		
	EMPLOYEES (1) & (2)	RANK (1) & (2)	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County Dept. of Education	4,853	1	3.44%	3,312	1	3.00%
Burroughs and Chapin	3,000	2	2.13%	-	-	0.00%
Wal-Mart	2,100	3	1.49%	-	-	0.00%
Horry County Government (4)	1,927	4	1.37%	1,508	3	1.37%
AVX Corporation	1,200	5	0.85%	2,223	2	2.01%
Conway Hospital	1,050	6	0.74%	825	5	0.75%
Grand Strand Regional Medical Center	975	7	0.69%	820	6	0.74%
City of Myrtle Beach	927	8	0.66%	700	7	0.63%
Horry Telephone Cooperative	700	9	0.50%	-	-	0.00%
Conbraco	400	10	0.28%	-	-	0.00%
Ocean Dunes Resort	-	-	-	935	4	0.85%
Loris Hospital	-	-	-	608	8	0.55%
Kingston Plantation	-	-	-	600	9	0.54%
Uni-Blend Spinners	-	-	-	424	10	0.38%
Totals	<u>17,132</u>		<u>12.15%</u>	<u>11,955</u>		<u>11.24%</u>

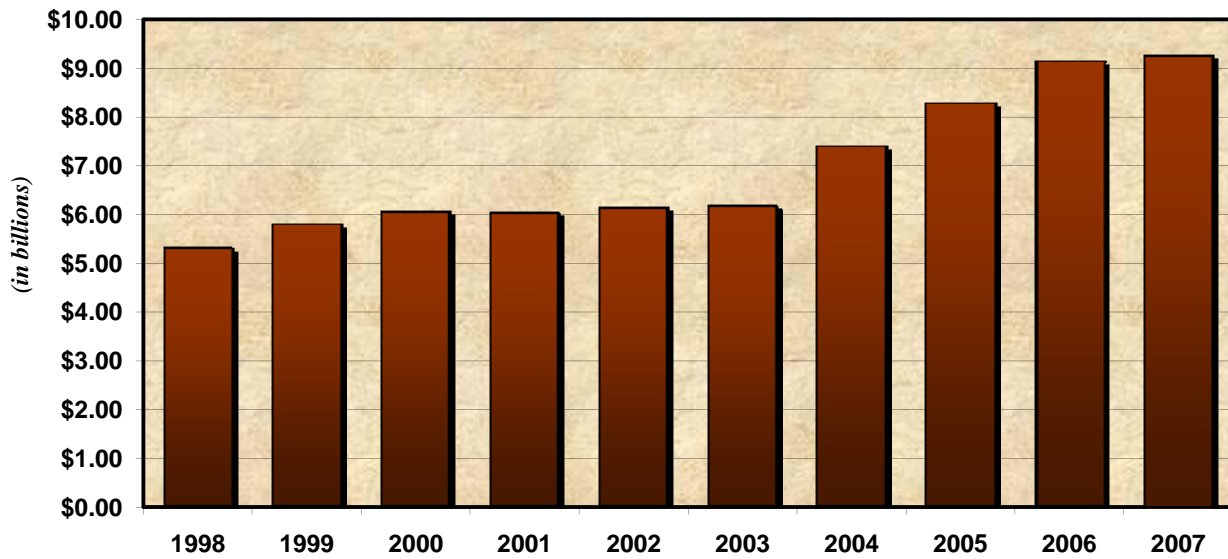
Notes:

The Total Employment is as of June of that year

Source:

- (1) Myrtle Beach Regional Economic Development - total employees data is estimated based upon reports of 1st quarter 2008, June data is no longer available.
- (2) U.S Department of Labor Bureau of Labor Statistics- website disclosure stating that data no longer available because of confidentiality reasons
- (3) 1999 Horry County Comprehensive Annual Financial Report
- (4) Horry County Human Resources Department

**HORRY COUNTY, SOUTH CAROLINA
GROSS RETAIL SALES FIGURES
LAST TEN YEARS**



CALENDAR YEAR	GROSS SALES (in Billions)	PERCENTAGE CHANGE
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
2004	\$7.39	19.5
2005	\$8.28	12.0
2006	\$9.14	10.4
2007	\$9.26	1.3

Sources:

HORRY COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30							
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Functions and Programs								
<u>Governmental Activities:</u>								
General Government	806	801	794	831	865	921	940	964
Public Safety								
Police	267	289	288	299	320	337	342	347
Fire	262	259	258	273	272	279	291	288
Health and Social Services	none	none	none	none	none	none	none	none
Infrastructure and Regulation								
Public Works	121	122	122	122	121	122	136	127
Fleet	17	17	17	17	17	17	17	15
Culture, Recreation and Tourism								
Libraries	41	42	42	47	48	48	57	50
Parks	6	8	12	15	18	18	18	18
Economic Development	none	none	none	none	none	none	none	none
Conservation/Natural Resources	none	none	none	none	none	none	none	none
Debt Service	none	none	none	none	none	none	none	none
Horry-Georgetown TECH	none	none	none	none	none	none	none	none
Higher Education Commission	none	none	none	none	none	none	none	none
<u>Business-type Activities:</u>								
Airports	104	104	132	132	131	132	133	118
Industrial parks	none	none	none	none	none	none	none	none
Baseball stadium	none	none	none	none	none	none	none	none
Total Primary Government	<u>1624</u>	<u>1642</u>	<u>1665</u>	<u>1736</u>	<u>1792</u>	<u>1874</u>	<u>1934</u>	<u>1927</u>

Notes:

(1) Full-time equivalent employee data is not available by function prior to FY2001; however, ten years of data will be accumulated over time.

Source: Horry County Human Resources Department

**HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Functions and Programs	For the Fiscal Year Ended June 30						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Governmental Activities:</u>							
General Government							
Information Technology/GIS:							
# of GIS Parcels Maintained	N/A	177,603	187,924	199,653	210,710	218,282	227,572
# of Servers Maintained	7	15	35	52	81	98	98
Register of Deeds:							
Total Documents Filed	124,906	147,773	176,586	196,108	209,675	184,043	177,261
Assessor:							
Assessments of Building Permits	9,723	11,635	9,235	11,314	13,561	16,630	15,294
Special Assessments	17,774	23,722	23,434	26,206	22,998	19,391	21,054
Real Property Parcels	172,472	177,906	184,466	189,956	203,304	207,221	226,799
Human Resources:							
# of Applications Taken	5,000	5,500	6,456	5,637	7,500	8,735	7,392
Public Safety							
Police:							
# of Calls for Service	98,612	102,765	100,389	114,269	117,079	132,328	139,302
# of Index Crimes (1)	7,911	8,228	8,374	9,312	Not available	8,586	9,752
Index Crime Clearance Rate (1)	28.50%	25.04%	22.30%	24.70%	Not available	16.85%	20.45%
# of Call Responsive Officers Per Shift	15	17	17	17	18	18	18
Fire:							
# of Calls for Service	31,640	32,313	33,597	35,210	38,424	40,910	43,188
# of Structure Fires	641	631	620	617	667	654	721
# of Ambulance Transports	9,880	15,117	14,989	16,171	18,138	21,478	20,510
# of Career Fire Fighters Per Shift	48	57	61	73	73	81	85
Emergency 911:							
# of 911 Calls	196,385	193,045	222,345	204,195	212,511	228,418	225,530
# of Radio Dispatches	162,889	162,943	162,576	173,537	177,758	170,482	189,244
# of Telecommunicators per shift	8	8	9	10	10	10	10
Sheriff's Office/Jail:							
# of Bookings	12,927	12,546	12,782	13,934	13,867	14,804	16,172
Average daily population	475	502	525	550	619	650	632
Health and Social Services							
	none	none	none	none	none	none	none
Infrastructure and Regulation							
Code Enforcement:							
# Building Permits	7,873	7,544	8,070	9,647	11,981	9,909	8,459
Public Works:							
Miles of Dirt Road Scraped	994	1,025	843	843	900	880	793
Dirt Roads Paved	11.64	5.43	16.00	1.76	11.13	11.63	2.69
Signage Replaced/Installed	Not available	Not available	Not available	802	849	968	1,364
Miles of Ditches Cleaned	2,658	2,660	2,660	2,666	2,666	2,666	2,700
Engineering:							
Dirt Roads Paved	7.39	2.52	4.05	11.07	4.30	9.19	9.07
Fleet:							
# Vehicles Maintained	538	550	573	608	649	659	695
# Heavy Equipment Vehicles Maintained	217	220	223	223	306	310	259
# Vehicles Repaired or Work Orders	8,060	8,324	7,284	8,190	7,849	8,236	8,501
Culture, Recreation and Tourism							
Library:							
Circulation	678,703	740,816	824,341	903,583	943,501	969,542	1,041,436
Patron Traffic Count	464,646	500,199	561,870	653,643	652,584	662,494	758,719
New Patrons Registered	12,679	15,345	21,757	24,371	25,125	28,487	28,780
Parks & Recreation:							
# Programs	57	68	84	91	141	153	161
Economic Development							
	none	none	none	none	none	none	none
Conservation/Natural Resources							
	none	none	none	none	none	none	none
Debt Service							
	none	none	none	none	none	none	none

HORRY COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION (Continued)
LAST TEN FISCAL YEARS

Functions and Programs	For the Fiscal Year Ended June 30						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Governmental Activities (Continued):</u>							
Horry-Georgetown TECH	none	none	none	none	none	none	none
Higher Education Commission	none	none	none	none	none	none	none
<u>Business-type Activities:</u>							
Airports							
Deplanements	644,834	622,251	748,225	777,936	719,744	783,241	835,496
Industrial parks - (Four Parks)							
Loris Commerce Center - # of Tenants/Owners	Not available	Not available	Not available	Not available	5	6	Not available
Loris Commerce Center - % of Occupancy	Not available	Not available	Not available	Not available	29.41%	35.29%	Not available
Atlantic Business Center - # of Tenants/Owners	" "	" "	" "	" "	25	25	" "
Atlantic Business Center - % of Occupancy	" "	" "	" "	" "	100.00%	100.00%	" "
Cool Springs Business Park - # of Tenants/Owners	" "	" "	" "	" "	4	6	" "
Cool Springs Business Park - % of Occupancy	" "	" "	" "	" "	16.67%	25.00%	" "
Pineridge Business Center - # of Tenants/Owners	" "	" "	" "	" "	1	1	" "
Pineridge Business Center - % of Occupancy	" "	" "	" "	" "	3.03%	3.03%	" "
Total # of Tenants/Owners	Not available	Not available	Not available	Not available	35	38	Not available
Total % of Occupancy	Not available	Not available	Not available	Not available	35.35%	38.38%	Not available
Baseball Stadium							
Paid Tickets (2)	171,192	174,211	176,659	167,293	170,285	163,056	187,009

Notes:

- (1) # of Index Crimes & Clearance Rates not available due to software migration issues.
- (2) Fiscal Year is January through December. Revenue months are April through September.
- (3) Operating indicators are not available by function prior to FY2002; however, ten years of data will be accumulated over time.

Source: Various County Departments

**HORRY COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	For the Fiscal Year Ended June 30			
	<u>2005 (1)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Functions and Programs				
<u>Governmental Activities:</u>				
General Government				
Building Complexes	4	4	4	4
Public Safety				
Police:				
Patrol units	213	315	351	368
Fire/Rescue:				
Stations	40	40	40	41
Trucks(Fire/Pumpers)	59	61	67	66
Ambulances	21	27	33	32
Health and Social Services				
Health Departments (bldg)	3	3	3	4
Social Services (bldg)	1	1	1	1
Infrastructure and Regulation				
Highways and streets:				
Roads (miles)	1281	1271	1369	1334
Heavy equipment:				
Motorgraders	23	23	25	25
Dump trucks	20	23	22	21
Other	87	92	133	139
Culture, Recreation and Tourism				
Museums	1	1	1	1
Libraries	9	9	9	9
Bookmobile	1	1	1	1
Parks:				
Parks	20	20	20	20
Tennis Courts	15	15	15	15
Ball Fields	28	28	28	28
Soccer Fields	15	15	15	15
Economic Development	none	none	none	none
Conservation/Natural Resources				
Off Site Facilities:				
Boat Landings	27	27	27	27
Watersheds	6	6	6	6
Debt Service	none	none	none	none
Horry-Georgetown TECH	none	none	none	none
Higher Education Commission	none	none	none	none
<u>Business-type Activities:</u>				
Airports				
Locations	4	4	4	4
Runways	4	4	4	4
Industrial Parks				
Locations	4	4	4	4
Baseball Stadium				
Baseball field (1/3 ownership)	1	1	1	1

(1) Capital Asset data is not available prior to FY2005; however, ten years of data will be accumulated over time.

Source: Horry County Finance Department