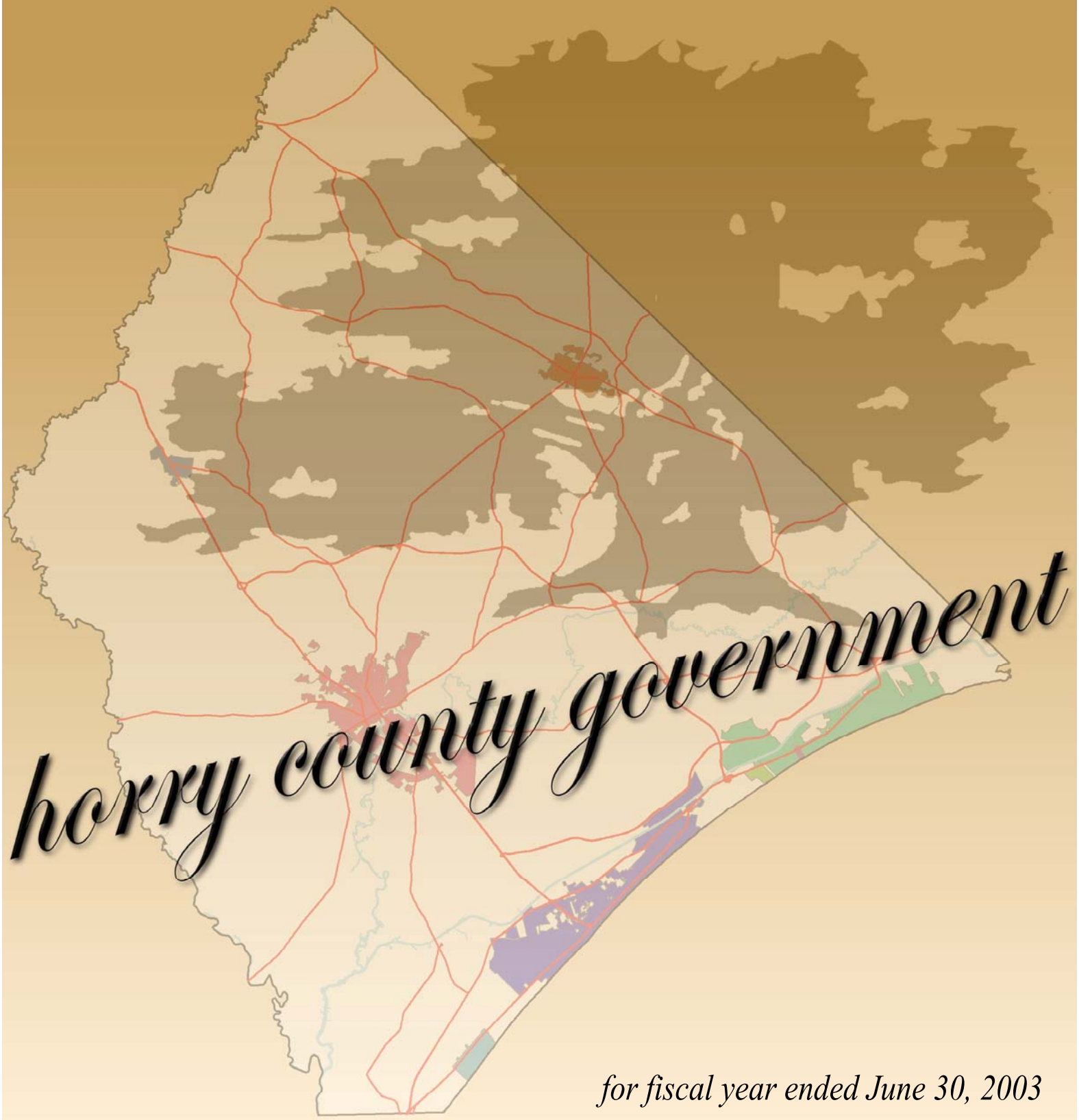
Comprehensive Annual Financial Report



for fiscal year ended June 30, 2003

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2003

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2003

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INTRODUCTORY SECTION

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HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
OCTOBER 30, 2003

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

The Comprehensive Annual Financial Report of Horry County for the year ended June 30, 2003, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Horry County issue, on an annual basis, a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This statement, in its entirety, was prepared by the staff of the County's Finance Department. The report, presented in three sections: Introductory, Financial, and Statistical, is the primary means of reporting the County government's financial activities. The CAFR has been prepared in conformance with Governmental Accounting Standards Board (GASB) Statement 34. The objective of the new reporting model is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund based financial statements. The Financial Section contains Management's Discussion and Analysis, Government Wide Financial Statements, Fund Financial Statements for Governmental Funds, Proprietary Funds, Fiduciary Funds and Component Units. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are prepared in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of Horry County. All disclosures necessary to enable the reader to gain an in-depth knowledge and understanding of the County's financial affairs have been included.

The Financial Section also includes the Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information. The Statistical Section contains selected financial, demographic, and miscellaneous information presented, where applicable, on a multi-year basis. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of Horry County's principal elected and appointed officials.

Horry County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, Non-Profit Organizations.*

Information related to the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditors' reports on the internal control over financial reporting and compliance and the County's compliance with applicable laws, regulations and internal controls are included in a separate report.

GENERAL INFORMATION

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 who's 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.

While other South Carolina counties boasted aristocratic plantations with crops such as cotton and rice, Horry County's geography was prohibitive to such endeavors. Turpentine, timber, tobacco and tourism have marked the stages of Horry's development.

The flourishing tourism economy of the twentieth century transformed Horry County from a rural hamlet into perhaps one of South Carolinas leading revenue generators. Boasting 60 miles of white, sandy beaches and countless golf courses, entertainment complexes, shopping centers and restaurants, it is no wonder that the County's tourism grows at a rate that is three times the national average.

The residential population of Horry is on the rise as well. In addition to a healthy job market, Horry County offers a beautiful place to live and enjoy the unique combination of the pleasant tranquility of country living and the abundant amenities of a dynamic resort community.

THE REPORTING ENTITY

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. 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 and the Registrar of Deeds.

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

Services provided by the county under the general governmental functions include public safety, public works, health and social services, culture and recreation, economic development, and other general administrative support services. In addition, air transportation and terminal support, industrial park development, and operation of a baseball stadium jointly owned with the City of Myrtle Beach, are provided under an Enterprise Fund concept, with charges set to provide adequate coverage of operating expenses and payments on outstanding debt.

The County's reporting entity has been defined in accordance with the Government Accounting Standards Board codification section 2100 and the financial statements contained within this Comprehensive Annual Financial Report include all funds, agencies, boards, and commissions for which the County elected officials are financially accountable. A complete discussion of the County's reporting entity is provided in Note 1 (A) in the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK
(Primary Government Only)

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

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

Horry County's biggest development, Carolina Forest, was opened by International Paper in 2000. Carolina Forest is approximately 17 square miles or 10,850 acres. To compare, the City of Myrtle Beach is also approximately 17 square miles or 10,700 acres. In thirty years, 50,000 to 60,000 people could live in Carolina Forest. There will be 37 subdivisions, eight to ten golf courses, and five million square feet of commercial space. Horry County is striving to make this the County's first fully zoned and planned community. The overall concept is to intersperse houses with sidewalks, arranged by subdivisions with matching signage, all planned around a downtown district with an old-fashioned Main Street called "Town Centre". Plans are being prepared for a precinct police department, fire stations and equipment, school construction and controlled commercial development. The population is estimated to be approximately 60 percent retirees and 40 percent younger families. The growth is expected to take place over the next 20 to 30 years and Carolina Forest is expected to be 50 percent occupied by 2005.

In 1999 Burroughs and Chapin began development of the Grande Dunes Resort project, a high profile, full service resort stretching from the beach to the Intracoastal Waterway between 82nd Avenue North and the Dunes Golf and Beach Club in Myrtle Beach. The residential resort, touting classic Mediterranean architecture, will provide numerous upscale amenities to include golf and tennis facilities, an ocean club, and private marina. Accommodations, upscale shops and restaurants are all part of the plan for the Marina Village section of the development, and will be open to the public.

The company also broke ground on Horry County's newest growth endeavor currently in development – The Multi-County Business Park, which will be home to the 1.4 million square foot Coastal Grand – Myrtle Beach Mall on US 501 and US 17 Bypass. The metropolitan-size shopping mall will open in March of 2004 and will house anchor stores such as Belks, Sears, Dillards, Dick's Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 outparcels for free standing business.

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

The County is ranked first in tourism among the 46 counties in the State. The estimated number of tourist and permanent residents on any given day during the tourist season is 645,000. Myrtle Beach, according to a regional profile of U.S. visitation to South Carolina, estimates that approximately 13.7 million tourists visit the Grand Strand each year.

Government and industry are continually working to expand upon our tourist base, and the City of Myrtle Beach made a great effort to draw convention business by building a four-star convention center hotel, which opened in 2003. While convention business currently accounts for only 1% of the visitors to our area, the addition of adequate facilities to this already desirable destination is sure to heighten growth in this market.

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

With area courses designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Ree Jones, Greg Norman, and Tom Fazio, Horry County boasts one of the largest concentrations of golf facilities in the nation. Golfers will be able to tee off on any of 1,800 golf holes in the county- playing nearly 4.3 million rounds of golf each year. Golf generates more than $644 million annually for the state's economy and employs more than 14,000 full time workers. The industry has also been instrumental in the expansion of the tourist season, including early spring and late fall to our regular May through October peak.

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.

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

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

The outlook for the County is as exciting as the past has been. The Census 2000 results reflect a permanent population of 196,629 for Horry County with projections showing continued growth to a population of 296,000 by the year 2010.

MAJOR INITIATIVES
(Primary Government only)

Expanding transportation, infrastructure, and service needs are a constant strain on the government entity. In spite of the difficulty of predicting such needs, an attempt has been made to anticipate the County's growth and to create opportunities and expand services to accommodate the demands of the citizens. In the area of Public Safety, the expansion and merger of our Fire and EMS departments facilitate desirable response time; in Libraries, the expansion plans facilitate customer service. Major equipment (fire, trucks, ambulances, and books) is included in the Capital Improvement Plan because of the high dollar impact of these items. In addition to the primary government's Capital

Improvements Plan, Airport and major road projects are in progress or are planned for the near future. The county has also taken great steps to manage stormwater issues and is using strong initiative in the area of geographical information system development.

ECONOMIC DEVELOPMENT

A strong commitment to building and diversifying our economy is evident through our emphasis on economic development. The county currently operates three (3) industrial parks. Overall community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of these parks.

CAPITAL PROJECTS UNDER CONSTRUCTION

In January, 1995, Horry County Council requested that the staff begin the process of defining capital improvements that will be necessary to accommodate the citizens of Horry County for the next 10 years. Since then, staff has been involved in a number of efforts to determine the necessity for construction of new facilities and how existing facilities will need to be expanded into the future to meet the demands of such a dynamic, rapidly growing community.

County Council's charges included possible consolidation in order to improve efficiency and effectiveness in providing facilities for the transaction of County business, while maintaining service level demands in a period of constant growth. As a result of this effort from the mid 1990's, the County has completed several major projects and currently remains involved with its largest capital effort ever.

Among the completed projects envisioned in the comprehensive plan is the M.L. Brown Public Safety building. The complex was completed several years ago to house the main headquarters of public safety operations.

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

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

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

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

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

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

Also serving the Socastee area, as well as the Southern end of Horry County, the South Strand Complex will be completed in the later part of calendar year of 2003. This facility houses offices for a magistrate, the Treasurer, Auditor, building inspectors, septic tank permitting, County Council, law enforcement, DMV, the Department of Social Services, and a Health Clinic to provide convenient service to the citizens of this Southernmost region. The facility is scheduled to be open for business in 2004.

Several of the buildings vacated upon the completion of the Judicial/Governmental Complex, *the Administrative Complex*, *County Courthouse*, and the *Burroughs School*, were slated for renovation as a component of the overall capital plan.

In 2003, the former Administrative Complex was refurbished and now houses Information Technology, E-911, Voter Registration, Veterans Affairs, and secondary EOC operations. The "new" facility is called the Horry County Technology Center.

The Burroughs School is currently being used to house the Horry County Museum. Demolition of the lunchroom area and construction of a new two (2) story Conway Library are also planned with expected completion in December of 2004.

The Horry County Courthouse is currently being renovated and will be used for Central Traffic and Summary Court, the Conway Magistrate, Probation and Parole, SLED, congressional offices, Delegation, the Department of Juvenile Justice, and Sheriffs offices for these courts. The location, directly across the street from the Judicial/Governmental Complex, is convenient for the citizenry, as intended. Completion is expected in fiscal year 2004.

A remote Emergency 911 Center was completed in April 2003. A six station 911 call center was installed at the M.L. Brown Public Safety building. In addition, the fiscal year 2004 budget includes plans for further enhancement to our E-911 system.

Four (4) of the five (5) fire stations previously budgeted were completed this year, and eight (8) additional stations, as well as fire apparatus, have been budgeted for 2004. These new stations are crucial to the County's goal to serve the public safety needs of our growing community and improve our Insurance Service Organization (ISO) rating.

STORMWATER MANAGEMENT

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

Additionally, the County has established a regular maintenance system to clean and maintain existing drainage outfalls. Through new stormwater projects and major improvements to certain existing systems, long neglected stormwater problems are being addressed and capacity for future projects is being built into overall planning. Currently, the Horry County Stormwater Program is preparing for compliance with mandated National Pollutant Discharge Elimination System (NPDES) and establishing various public education programs to be in place in 2004. Among the tools proposed to educate and inform the public, the following are currently being considered:

1) Carolina Clear Program – An educational program developed by Clemson University Extension to focus on stormwater pollution prevention.
2) County Web Site – Post educational information with links to Carolina Clear web site and other pertinent Web pages.
3) Public Access Television Station – Broadcast of educational information and videos regarding the stormwater program.

Our Stormwater department is working to increase public participation and involvement. Through a Stormwater Advisory Committee, Watershed Boards, alliances with Winyah Rivers Foundation, and Murrells Inlet Special Area Management Plan participation the County is or will be involving the community in the planning and ongoing construction and maintenance of stormwater infrastructure county wide.

RIDE PLAN

Several State and US Highways offer direct routes from Horry County to Interstate Highways 95 and 20. However, as tourism and population has expanded, so have the County's efforts to provide an efficient transportation infrastructure.

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

The participating parties for the RIDE project are Horry County, the South Carolina Transportation Infrastructure Bank and the South Carolina Department of Transportation. The role of the South Carolina Transportation Infrastructure Bank is to provide the necessary financing and funding for the RIDE project. More detailed information about the technical aspects of the intergovernmental agreement is provided in Note 18 of the basic financial statements.

The RIDE project includes a series of interconnected highway construction and road enhancements that will improve the overall transportation network in Horry County over a period of several years. These include:

- Conway Bypass- A new location roadway. 6 lanes from US 17 near Briarcliffe Mall to Carolina Bays Parkway, 6 lanes from Carolina Bays to US 501 just east of S-97, approximately halfway between Aynor and Conway. This project is complete and has been open to traffic since May, 2001.

- Carolina Bays Parkway- New location roadway from SC 9 near Stephens Crossroads to US 501 near Myrtle Beach Factory Stores. The phase including a 4 lane divided main line section with interim interchanges at US 501, Conway Bypass, Bob Grissom parkway connector, and SC 9 was completed and opened in December of 2002. An interchange has been added at Grissom Parkway and US 17 to the scope of the project. Ultimate project would extend south of US 501 to US 17 north of Holmestown Road.

- Conway Perimeter Road- New location roadway from US 501 following Dunn Shortcut Road (S-26-165) to US 378. This project was completed and opened to the public in 2003.

- SC 544- Widen existing 2-lane road to 5 lane curb and gutter section from Intracoastal Waterway to US 501 (approximately 10 miles).

  Environmental document complete. Right-of-way plans complete (10 months. Ahead of schedule). Approximately 475 tracts total on the entire 10-mile segment from Intracoastal Waterway to US 501. The first entrance section is under construction under two separate contracts. Completion is anticipated for late 2004.

- SC 544- Widen existing 2-lane road to 5-lanes, adding curbing and guttering to the section from Hwy. 17 Bypass to just east of Intracoastal Waterway. This project has been completed.

- US 501 Accel/Decel Lanes- Intersection improvements along US 501 from the Waccamaw River to Intracoastal Waterway: 1) Intersection improvements at Singleton Ridge Road, 2) Intersection improvements at Gardner Lacey Road, and 3) Median paving between Waccamaw River and SC 544. This project is complete and open to traffic.

- US 17/US 501 Interchange and US 17 widening south of US 501 to Fantasy Harbour Interchange- construction of a loop ramp in the northwest quadrant and construct and align frontage roads. Additionally, widening of US 17 Bypass from just north of US 501 to just south of Fantasy Harbour interchange is planned.

Environmental study complete. Have added a portion of additional widening on US 17 Bypass from US 501 south to Jetport road into these plans. Construction is underway and completion is anticipated for late summer 2003.

- US 501 Frontage Roads/George Bishop Grade Separation- Five lane frontage roads along both sides of US 501 from Forestbrook Road (S-26-137) to the Intracoastal Waterway, with interchange at Forestbrook Road and a grade separation at G. Bishop Parkway. Includes five 150-ft. bridges over Socastee Swamp.

  Right-of-way acquisition ongoing. Construction is underway. Utility coordination ongoing. The completion is anticipated for spring 2004.

- SC 90 Intersection Improvements

  Two projects, US 17/SC 90 intersection and the SC 90/S-57 intersection, are complete and open to the public.

- S-26-31/S-26-66 Interchange Improvements- Various safety and capacity improvements along each route. Construction is complete and the road is open to traffic.

- Carolina Bays Parkway SC 9 to US 501- Project modification includes upgrading to a 6 lane facility, interchange at US 17/Bob Grissom connector, and various right of way settlement requirements. The project and modifications are complete and open to the public.

- Carolina Bays Parkway US 501 to SC 544- This will be a new location extending original Carolina Bays project, which was constructed between US 501 and SC 9. this will be a 6 lane divided main line section with an interchange at SC 544 and completion of the interchange at US 501. A design/build contract was awarded in May 2003 with an anticipated completion date of December 2004.

- Fantasy Harbour Bridge- A four lane bridge spanning the Intracoastal Waterway from the Fantasy Harbour interchange west to tie into existing roadways within the fantasy Harbour Development. Ralph, Whitehead & Associates have been selected to design the bridge. Right of way, permitting and preliminary design are underway.

- North Myrtle Beach Connector- 2.5 mile 4 lane facility connecting SC 90 and US 17 to Carolina Bays Parkway in North Myrtle Beach. Project includes a bridge crossing the Intracoastal Waterway. Wilbur, Smith & Associates have been selected to design the project. Right of way, permitting and preliminary design are underway.

- Carolina Bays Parkway Extension to SC 57- Extend the Carolina Bays Parkway northwest to tie into SC 57. SCDOT is currently conducting an environmental study to determine possible alignments.

GEOGRAPHIC INFORMATION SYSTEM (GIS) PROGRAM

In November of 2002, a new e-government site was launched, giving citizens and the public ready access to county services and records that had been previously unavailable except in physical office locations. Interactive mapping tools are used to locate public service information based on address, parcel number, or street intersections and ZIP codes. The Web site was created using GIS (Geographical Information System) data collected throughout the County in recent years.

AIRPORT

The Myrtle Beach International Airport ("the Airport") was constructed in 1975 in response to the growing demand for commercial air services to the Myrtle Beach area. The Airport consists of over 1,900 acres of land, located within the City of Myrtle Beach. The Airport 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. The Airport has several current capital development projects, as required to implement its master plan, including development of a new terminal complex on the westerly side of the airport, several airfield pavement rehabilitation projects, acquisition of additional boarding bridges, expansion of the commercial fuel farm, and terminal security. Currently, twenty-five companies/organizations employ over five hundred people at the County's airports. Tenants contribute more than $42 million dollars a year to the local economy. Prospective future tenants include companies specializing in the 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 Judicial/Governmental Complex was funded through the issuance of a $38.3 million dollar General Obligation Bond.

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

The Fire projects/equipment require separate Special Tax District General Obligation Bonding. In January of 2000, a GO Bond of $9.5 million was issued with a 15 year repayment plan. A new bond issue of $11 million is planned for additional funding in fiscal year 2004.

A 1.5% Hospitality Fee was 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 was used to issue revenue bonds to fund portions of the county's local road improvement plan, Public Safety, GIS, and Stormwater project star-up in 2001. The fee was also used to fund the construction of the Drug Lab.

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

The County will impose a Solid Waste fee in fiscal year 2004, which will be used to fund E-911 enhancements.
Projects not provided for by debt, grant funding, or user fees will require transfers from the General Fund or a millage assessment.

FINANCIAL INFORMATION

ACCOUNTING SYSTEMS AND BUDGETARY CONTROL

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity, therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund". A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together will all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The basis of accounting and presentation of various funds utilized by Horry County are fully described in Note 1 of the basic financial statements. Additional budgetary information can be found in Note 2.

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A) for an overview and analysis of the financial statements, presented herein, for the year ended June 30, 2003.

INTERNAL ACCOUNTING CONTROLS

The accounting system of the County of Horry is dependent upon a strong foundation of internal accounting controls to ensure that financial information generated is both accurate and reliable. As such the County places a great deal of emphasis on the continuing development and monitoring of its system of internal control.

In conjunction with this goal, an Internal Audit Department was established in 1985 to assist in the review and upgrading of the County's accounting controls. The results of the department's work have generally confirmed the belief that the county's system of

internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of transactions.

The concept of reasonable assurance requires evaluation and judgment by management in order to determine if the cost of control exceeds the benefits likely to be derived. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In order to provide credible and timely information in the most efficient manner, accounting policies, procedures and systems, along with internal controls are constantly monitored and revised to meet changing requirements.

As a recipient of federal and state financial assistance, management is also responsible for enacting adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. As a part of the County's Single Audit, described earlier, tests are done to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs as well as to determine the county's compliance with certain applicable laws and regulations. The results of the Single Audit for the fiscal year ended June 30, 2003 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations related to federal awards.

CASH MANAGEMENT (Primary Government Only)
The management of cash and investments is the responsibility of the County Treasurer. The County implemented an in-house comprehensive cash management system in 1987 recognizing the need to make optimum use of idle funds while also acknowledging the necessity to control credit risks, to avoid the risk of depreciation of investment value in the contemporary volatile financial markets, and to maintain liquidity sufficient to fund current operations from current revenues. The purpose of this system is (1) to provide greater internal controls over County cash and (2) to maximize the pool of cash available for investment. Cash in excess of that required to meet the compensating balance is invested in an overnight repurchase agreement.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, and repurchase agreements. The County's investment policy is to minimize market risks while maintaining a competitive yield on its investment portfolio. Therefore, substantially all deposits were either insured by Federal Depository Insurance or registered. Substantially all collateral was held in the pledging financial institution's trust department in the County's name.

RISK MANAGEMENT (Primary Government Only)
The County has a limited risk management program for worker's compensation. Various control techniques, including employee accident prevention training, have been implemented annually to minimize accident-related losses. This is not a self insurance program but a program that is designed to reduce the County's workers' compensation premiums by reducing claims. All of the County's insurance is purchased commercially.

RETIRMENT PLAN (Primary Government Only)
The police employees of the County participate in the South Carolina Police Officers Retirement System, a cost-sharing, multiple-employer, public employee retirement system. All other county employees participate in the South Carolina Retirement System, a cost sharing, multiple-employer, public employee retirement system.

INDEPENDENT AUDIT

The general purpose financial statements have been prepared in compliance with governmental and financial reporting guidelines issued by the Government Finance Officers Association of the United States and Canada and generally accepted accounting principles attributed to governmental accounting.

The South Carolina Code requires an annual audit of all financial records and transactions of the County by an independent certified public accountant selected by County Council.

The County selected the accounting firm of Scott McElveen, L.L.P., and their report on the general purpose financial statements is included in the FINANCIAL SECTION of this report. This audit was performed in accordance with "Government Auditing Standards," issued by the Comptroller General of The United States. Additionally, an audit of federal awards has been performed in accordance with the Single Audit Act Amendments of 1996 and the Office of Management and Budget circular A-133, and is under separate cover.

AWARDS

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, 2002. This was the sixteenth 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 Award for Distinguished Budget Presentation for its annual Financial Plan dated July 1, 2002 for fiscal year ended June 30, 2003. This was the thirteenth consecutive year that Horry County has received this prestigious award. In order to qualify for this award governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the various division directors, department heads and employees who contributed to its preparation. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation and to the staff of Scott McElveen, L.L.P. who diligently strived to provide technical guidance and assistance. We would also like to thank Horry County Council and the County Administrator for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

Elizabeth L. Fryar, CPA
Director of Finance

Michelle B. Shumpert, CPA
Deputy Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Horry County, South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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.

President

Executive Director

MEMBERS OF COUNTY COUNCIL

Terry B. Cooper	Acting Chairman, District 5
James R. Frazier	Vice Chairman, District 7
Harold Worley	Member, District 1
Mark Lazarus	Member, District 2
Marion Foxworth	Member, District 3
Michael L. Ryan	Member, District 4
Gene R. Smith, Jr.	Member, District 6
Elizabeth D. Gilland	Member, District 8
W. Paul Prince	Member, District 9
Kevin J. Hardee	Member, District 10
John Boyd	Member, District 11

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

COUNTY COUNCIL
Terry Cooper, Acting Chairman

COUNTY ADMINISTRATOR
Danny Knight

Executive Assistant
Alice Wilson
- Administrative Staff
- Mail Room

County Attorney
John Weaver

Budget/Revenue Mgmt.
Westley Sawyer

Public Information Officer
Lisa Bourcier

Airport Director - Bob Kemp

Boards/Commissions:
MBAFB Redevelopment Authority

ADMINISTRATION
DIRECTOR – VACANT

- Assessor – Rendel Mincey
- Finance - Beth Fryar
  - MIAP – Dwayne Graham
- Grants Administration – Mike Davis
- Human Resources – Patrick Owens
- I. T. – Sheila Butler
- Internal Audit – Caroline Shipley
- Maintenance/Construction - Allen Wrenn (I)
  - Parks and Recreation - Allen Wrenn
- Museum – Stewart Pabst
- Procurement – Lynda Davis
- Records Management – James Sine

Elected/Appointed Officials:
- Auditor – Lois Eargle
- Delegation – Connie Turner
- Library – John Gaumer
- Probate Judge – Deidre Edmonds
- Master in Equity – J. Stanton Cross
- Registration/Elections – Sandra Martin
- Registrar of Deeds – Ballery Skipper
- Treasurer – Johnny Allen
- *Hospitality/Business License/Delinquent Tax*

Boards/Commissions:
- Assessment Appeals
- Accommodations Tax Advisory Committee
- Horry County Board of Fee Appeals
- Horry County Memorial Library
- Horry County Museum
- Registration/Elections
- Socastee Recreation District
- Vereen Memorial Gardens

Supplemental Funded Agencies:
- *Coastal Carolina University, Horry Georgetown Techn. Col.*

PUBLIC SAFETY
DIRECTOR – PAUL WHITTEN

- E-911 – Toni Bessent
- Emergency Management– Randy Webster
- EMS/Fire – Garry Alderman (Interim)
- Environmental Services – Joe Clardy
- Police – Paul Goward

Elected/Appointed Officials:
- Clerk of Court – Jeanne Roberts
- Coroner – Robert Edge
- Courts (except Probate)
- Magistrates – Gerald Whitley, Chief
- Sheriff – Phillip E. Thompson
  - Detention – Tom Fox
- Solicitor – Greg Hembree
- Veterans Affairs – Greg Hucks

Boards/Commission:
- Shoreline Behavioral Health Services
- Council on Aging

Supplemental Funded Agencies:
- Horry County Health Department
- South Carolina Dept. of Probation & Parole
- Public Defender – Orrie West
- Horry County Dept. of Social Services

INFRASTRUCTURE & REGULATION
DIRECTOR – STEVE GOSNELL

- Code Enforcement – David Jacobs
- Engineering
  - *Property Management.*
  - *Railroad*
- Fleet Maintenance – Don Foote
- Planning – Janet Carter
- Public Works – Bill Shannon
- Stormwater – Tom Garigen
- Zoning – Roland Meyer

Elected/Appointed Officials:
- None

Boards/Commissions:
- Arcadian Shores Special Tax District
- Board of Adjustment & Zoning Appeals
- Board of Architectural Review
- Board of Construction Adjustment Appeals
- Cool Springs Business Park
- Mount Gilead Special Tax District
- Open Space
- PARTNERS
- Planning Commission
- RIDE II
- Solid Waste Authority
- Stormwater Advisory Committee

Supplemental Funded Agencies:
- PARTNERS
- Solid Waste Authority

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

AND

MANAGEMENT'S DISCUSSION AND ANALYSIS

SCOTT McELVEEN L.L.P.

Independent Auditors' Report

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

We have audited the accompanying basic financial statements of Horry County, South Carolina (the "County"), as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, which represent 100% of the assets and revenue of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of Horry County, South Carolina, at June 30, 2003, the results of its operations and its cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in *Note 3* to the financial statements, the County changed its capitalization limits for recording its long-lived capital assets and removed assets on hand at June 30, 2002, which did not meet the new capitalization limits; recorded corrections to prior year net assets related to long-term debt and interest expense amounts for governmental activities; changed the method of accounting for the baseball stadium in business-type activities and enterprise funds; and changed the accounting of its Victims Assistance Fund from the General Fund to a special revenue fund. Accordingly, we audited the adjustments described in *Note 3* that were applied to restate the year 2002 net assets. In our opinion, such adjustments are appropriate and have been properly applied.

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

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FAX (803) 256-8346
www.scottmcelveen.com

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

Our audit was conducted for the purpose of forming an opinion on the 2003 basic financial statements taken as a whole. The accompanying statements and schedules as listed in the Table of Contents as Other Financial Information are presented for purposes of additional analysis and are not a required part of the basic financial statements of Horry County, South Carolina. These financial statements and schedules are also the responsibility of the management of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements takes as a whole.

In accordance with *Government Auditing Standards*, we have also issued our reports, dated October 30, 2003, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We did not audit the introductory and statistical sections of this report, and accordingly, do not express an opinion or any other form of assurance on this information.

Scott McElveen, L.L.P.

October 30, 2003
Columbia, South Carolina

Management's Discussion and Analysis

This section of Horry County's annual financial report presents our discussion and analysis of the County's performance during the fiscal year ended June 30, 2003. This discussion has been prepared by management. Please read it in conjunction with the Transmittal Letter at the front of this report and the County's financial statements.

FINANCIAL HIGHLIGHTS

- The total assets of Horry County reflected in the primary government funds exceeded its liabilities at the close of fiscal year 2003 by *$137,602,000* (net assets). This was a decrease of *$30,355,000* from fiscal year 2002 (as restated).
- At June 30, 2003, the County's governmental funds reported combined ending fund balances or *$79,609,039* in comparison with *$85,491,405* of the prior fiscal year.
- At June 30, 2003, unreserved fund balance for the General Fund was *$17,597,171* or 25.5% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2003 was *$45,494,881* compared to *$43,294,933* for fiscal year 2002, an increase of 5.1%.
- The County's outstanding governmental activities debt increased by $69,451,000 during fiscal year 2003 compared to fiscal year 2002 (as restated). The major factor in this increase was road improvements financed through the County's RIDE debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB) principles. The financial statements were audited by the independent certified public accounting firm of Scott McElveen, L.L.P. of Columbia, South Carolina.

The financial statements consist of three parts - *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 first two statements are government-wide financial statements that provide readers with both long-term and short-term information about Horry County's finances. The remaining statements are fund financial statements that focus on individual parts of Horry County government, reporting Horry County's operations in more detail than the government-wide statements.

The governmental funds financial statements tell how government services are financed as well as what remains for future spending. Proprietary fund statements consist of enterprise and internal service funds. Enterprise funds are used to 1) account for operations financed and operated similar to private business enterprises and 2) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds consist of the following: Department of Airports, Baseball Stadium, and Industrial Parks. Internal service funds are used to account for operations that provide goods and services to other departments or agencies of the primary government, or to other governments, on a cost-reimbursement basis. This consists of Fleet Services.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about Horry County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

FUND FINANCIAL STATEMENTS

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

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether

there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

The County maintains four individual 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%, General improvement capital projects, and RIDE program debt service which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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.

Proprietary funds - The County maintains two different types of proprietary funds.

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

Internal Service Funds are used to account for operations that provide goods and services to other departments or agencies of the primary government, or to other governments on a cost-reimbursement basis. This consists of Fleet Services, which is for the maintenance and service of all county vehicles including heavy equipment and light equipment.

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

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County as reflected in the primary government funds, assets exceeded liabilities by $137,602,000 at the close of the fiscal year ended June 30, 2003.

At the end of fiscal year 2003, the County reflected the following net assets:

Horry County, South Carolina
Net Assets

	Governmental Activities 2003	Business-type Activities 2003	Total 2003	Total 2002 (as restated)
Current and Other Assets	$ 115,590,000	$ 48,535,000	$ 164,125,000	$ 159,145,000
Capital Assets	433,033,000	100,865,000	533,898,000	509,157,000
Total Assets	548,623,000	149,400,000	698,023,000	668,302,000
Long-term Liabilities Outstanding	467,694,000	31,259,000	498,953,000	436,964,000
Other Liabilities	54,843,000	6,625,000	61,468,000	63,353,000
Total Liabilities	522,537,000	37,884,000	560,421,000	500,317,000
Net Assets:				
Invested in Capital Assets, Net of Related Debt	339,241,000	68,768,000	408,009,000	480,567,000
Restricted	30,647,000	18,149,000	48,796,000	67,616,000
Unrestricted (deficit)	(343,802,000)	24,599,000	(319,203,000)	(380,198,000)
Total Net Assets (deficit)	$ 26,086,000	$ 111,516,000	$ 137,602,000	$ 167,985,000

Net assets of the County's governmental activities decreased 59.0 percent from *$63,635,000 (as restated)* to *$26,086,000*. However, all of those net assets are restricted as to the purpose they can be used for or are invested in capital assets (buildings, roads, bridges, and so on). Unrestricted net assets showed a *$343,802,000* deficit at the end of this year. This deficit does not mean that the County does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. 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.

Although the net assets of our business-type activities increased from 2002 (as restated) to 2003 by 6.9 percent to *$111,516,000*, these resources cannot be used to make up for the net asset deficit in governmental activities. The County generally can only use these net assets to finance the continuing operations of the Department of Airports, Industrial Parks and Baseball Stadium.

The total fund balances for governmental funds was *$79,609,039* at the end of fiscal year 2003. 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 *$433,033,000*. Long-term liabilities of *$467,694,000* 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, *$396,623,000*, 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. The citizens of Horry County have reaped benefits from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997 and the intergovernmental agreements by which the County agreed to partner with the State in funding over *$650,000,000* towards their construction and meet the infrastructure needs of the County. The Conway By-Pass and Carolina Bays Parkway are now open, providing needed means of transportation throughout Horry County for the demand of increased tourism throughout the area. By increased tourism and much needed infrastructure, we feel this will entice additional revenues in the future

Governmental activities

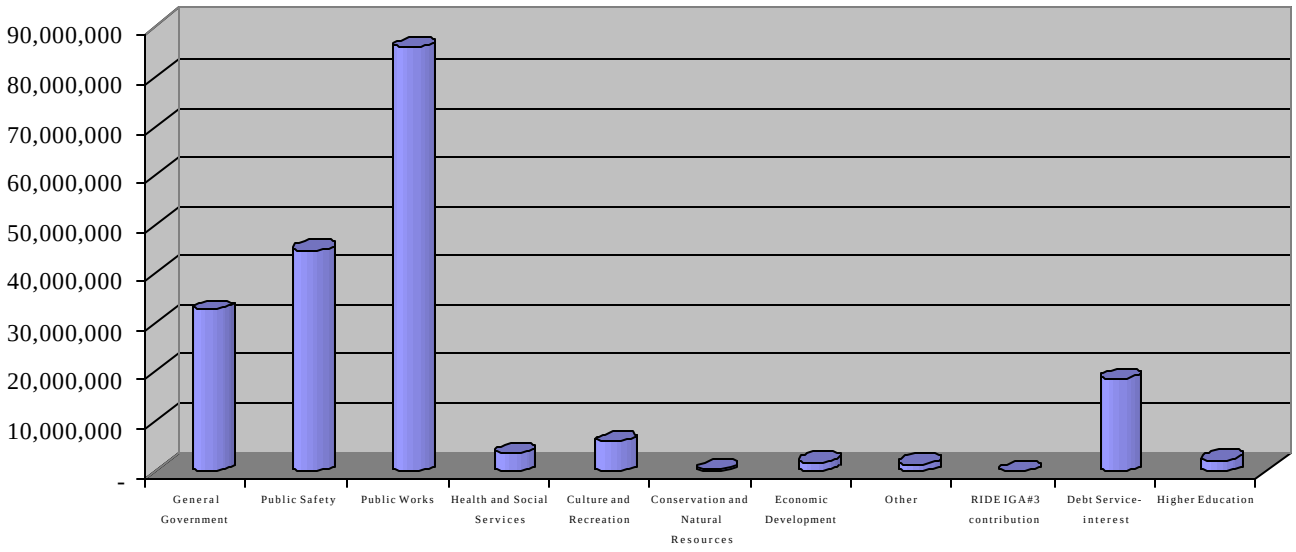
Governmental activities decreased the County's net assets during the year by *$(37,549,000)*. This decrease was mainly attributable to expenses for road improvements financed through the RIDE intergovernmental agreements.

Horry County, South Carolina
Changes in Net Assets

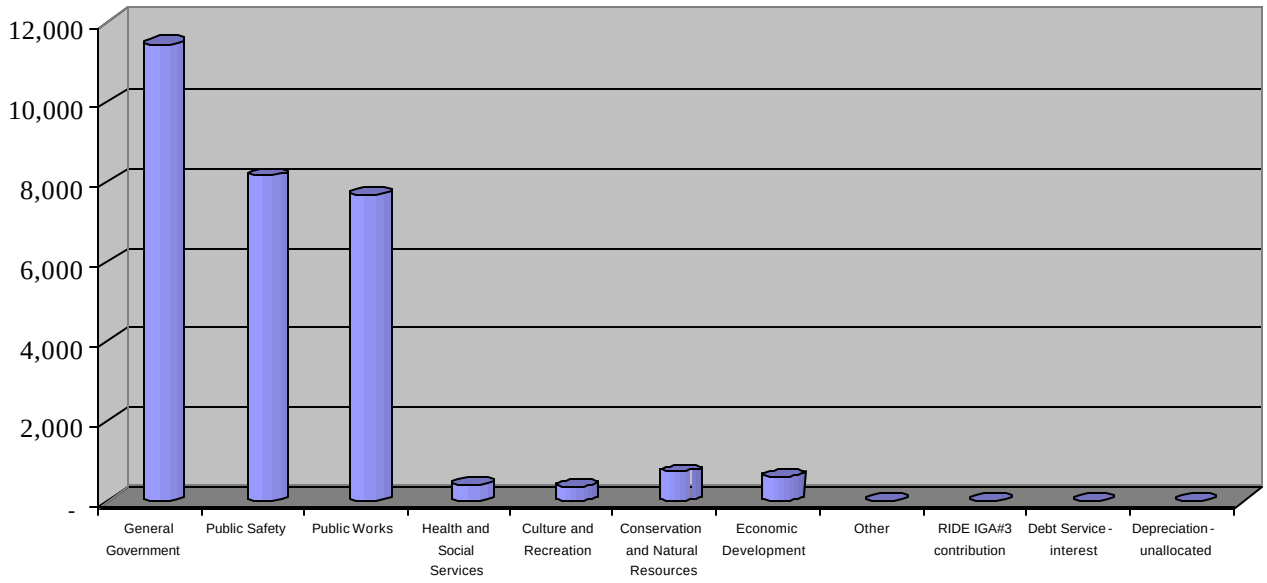
	Governmental Activities	Business-type Activities	Total	(As Restated) Total
	2003	**2003**	**2003**	**2002**
Revenues:				
Program Revenues:				
Fees for services	$ 26,173,000	$ 12,754,000	$ 38,927,000	$ 33,710,000
Operating Grants and Contributions	2,330,000	143,000	2,473,000	1,210,000
Capital Grants and Contributions	732,000	9,444,000	10,176,000	11,667,000
General Revenues:				
Property Taxes and Shared Revenue and Unallocated Intergovernmental	87,558,000	-	87,558,000	83,856,000
Other	42,664,000	1,481,000	44,145,000	40,606,000
Total Revenues	159,457,000	23,822,000	183,279,000	171,049,000
Expenses:				
General Government	32,590,000	-	32,590,000	31,070,000
Public Safety	44,667,000	-	44,667,000	46,827,000
Public Works	85,910,000	-	85,910,000	128,792,000
Health and Social Services	3,457,000	-	3,457,000	3,296,000
Culture and Recreation	5,985,000	-	5,985,000	5,079,000
Conservation and Natural Resources	442,000	-	442,000	961,000
Economic Development	1,626,000	-	1,626,000	1,584,000
Other	1,352,000	-	1,352,000	6,589,000
RIDE IGA#3 contribution	-	-	-	2,280,000
Debt Service-interest	18,714,000	-	18,714,000	18,078,000
Higher Education	2,220,000	-	2,220,000	-
Airports	-	5,831,000	15,831,000	13,519,000
Industrial Parks	-	577,000	577,000	568,000
Baseball Stadium	-	372,000	372,000	390,000
Total Expenses	196,963,000	16,780,000	213,743,000	259,033,000
Increase in Net Assets Before Transfers	(37,506,000)	[illegible]	(30,464,000)	(87,984,000)
Transfers	(43,000)	[illegible]	81,000	-
Increase (Decrease) in Net Assets	(37,549,000)	7,166,000	(30,383,000)	(87,984,000)
Net Assets - 7/1/02 (as restated)	63,635,000	104,350,000	167,985,000	255,969,000
Net Assets - 6/30/03	$ 26,086,000	$ 111,516,000	$137,602,000	$ 167,985,000

Expenses and Program Revenues- Governmental Activities

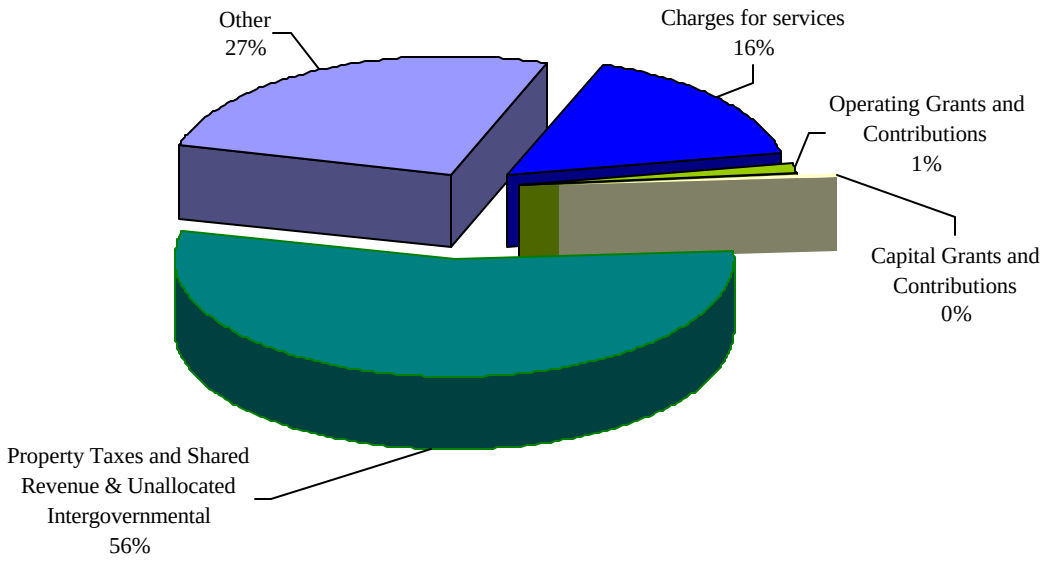
EXPENSES



PROGRAM REVENUES



Revenues by Source - Governmental Activities

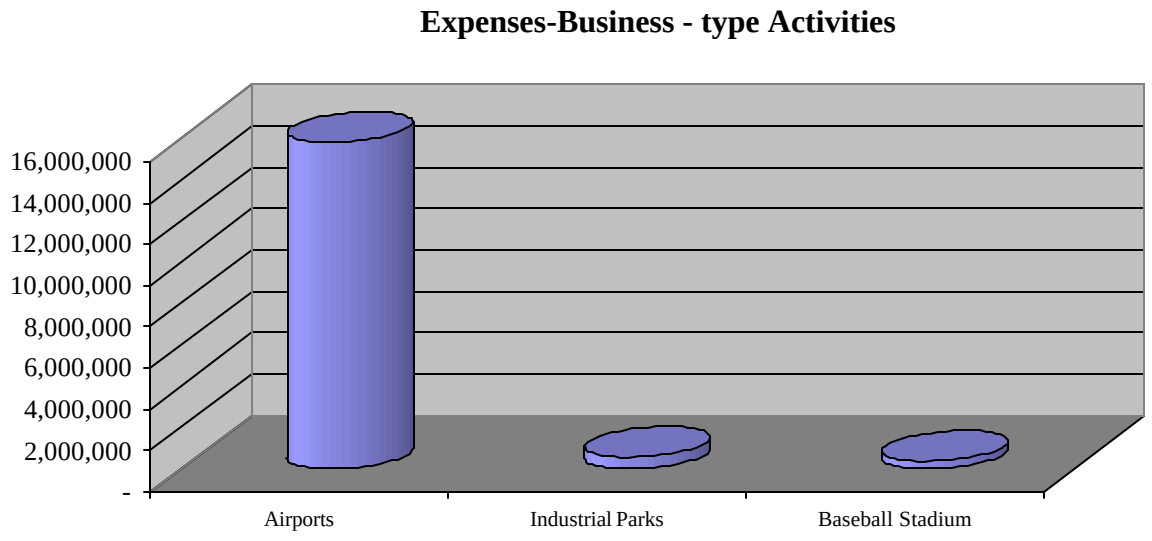


Business-type activities

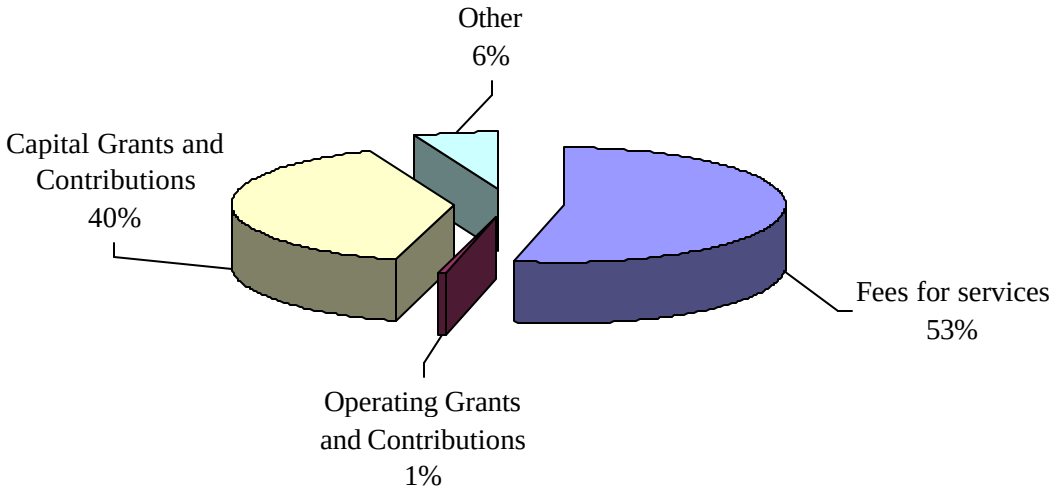
Business-type activities increased the County's net assets by *$7,166,000*. Key elements of this increase are as follows:

- The Department of Airports is accountable for *$6,225,000* of this increase from fees for services comprised mainly of landing fees, airline terminal rents, concessions and rentals, fuel sales and capital grants and contributions.
- Unrestricted investment earnings of *$694,000* were also attributable to this increase.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



A comparative analysis of government-wide data will be presented in future years when the information is available.

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 2003, the County's governmental funds reported combined ending fund balances of $79,609,039, a decrease of $5,882,366 in comparison with the prior year. *Unreserved fund balance* of $*38,192,325* is available for spending at the County's discretion. The remainder of fund balance is *reserved* 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 (*$7,883,897*), 2) for inventories (*$116,265*), 3) for victims rights assistance ($304,437), 4) for prepaid items (*$162,253*), 5) for underground storage tanks (*$50,000*), 6) to pay for construction and general improvement capital projects (*$7,275,844*), 7) to pay for Fire Special Revenue fund debt service (*$190,466*), 8) to pay debt service (*$6,628,831*), 9) for maintenance and construction of County roads (*$1,312,914*), 10) for future repairs and maintenance to the Baseball Stadium (*$300,000*), 11) to pay for the RIDE program debt service (*$15,488,116*), 12) for DSS federal revenue ($111,876), 13) for general maintenance of *$100,000*, 14) for ongoing recreation projects (*$878,684*), 15) to pay for mosquito spraying ($390,000) and 16) for budget rollforwards ($223,131).

The general, hospitality 1.5%, general improvements capital projects and RIDE program debt service are reported as major funds. The general fund is the chief operating fund of the County. At the end of fiscal year 2003, unreserved fund balance of the general fund was *$17,597,171* while total fund balance reached *$20,017,400*. 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 25.5 percent of the total general fund expenditures, while total fund balance represents 29.0 percent of that same amount.

The unreserved fund balance of the County's general fund increased by *$2,460,041* during the current fiscal year. Key factors in this growth are as follows:

- An increase in revenues of *$3,521,740* over fiscal year 2002, specifically, taxes, documentary stamps, building permits, and fees and fines.
- Expenditure decreases in capital outlay.

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:

Fund	2003 Unrestricted Net Assets (Deficit)	2002 Unrestricted Net Assets
Department of Airports	$ 23,079,957	$ 17,997,682
Baseball Stadium	(9,969)	19,325
Industrial Parks	1,528,579	1,901,480
Internal Service Fund	4,163,040	3,818,069
Totals	$ 28,761,607	$ 23,736,556

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

General Fund Budgetary Highlights

Differences between the general fund's original budget and final amended budget for excess revenues and other financing sources over expenses and other financing uses was *$1,685,398* and can be briefly summarized as follows:

- Increase in total revenues of $269,192.
- Increase in general governmental activities of *$449,259*.
- Decrease in public safety activities of *$672,584*.
- Increase in health and social services activities of *$639,087*.
- Increase in culture and recreation activities of *$398,417*.
- Decrease in economic development activities of *$157,108*.
- Increase in other activities of *$50,000*.
- Increase in capital outlay $976,236.
- Increase in other financing (uses) of *$171,283*.
- Increase in Public Works of $100,000.

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, 2003 amounts to *$533,898,000* (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 4.5 percent (a 5.9 percent increase for governmental activities and a 1.1 percent decrease for business-type activities).

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

- Construction continued on several of the County's capital projects including the Horry County South Strand Complex, Courthouse and Administrative Building Renovations, which were all funded by the newly issued *$23,000,000* general obligation bonds. Construction in progress had reached *$8,862,000* as of the close of the fiscal year.
- Completion on several of the County's capital projects, including the newly constructed Animal Control Shelter, Socastee Library, Police-Drug lab, 911 renovations and the Women's Detention Center renovations, brought the total of buildings and improvements to *$108,935,000* at June 30, 2003.
- Completion of four fire stations from the $9,800,000 fire bond.
- Completion of several of the County's road projects for expansion and new construction resulted in an increase to infrastructure capital assets of *$14,842,000* as of the close of the fiscal year.

Horry County, South Carolina
Capital Assets
(Net)

	Governmental Activities	Business-type Activities	Total	Total
	2003	2003	2003	2002
				(as restated)
Land, Easements, and Improvements	$ 13,791,000	$ 27,948,000	$ 41,739,000	$ 40,763,000
Infrastructure	322,524,000	9,182,000	331,706,000	316,864,000
Construction-in-Progress	6,022,000	2,839,000	8,861,000	4,421,000
Buildings and Improvements	73,581,000	35,354,000	108,935,000	105,428,000
Office Furniture	3,078,000	-	3,078,000	3,840,000
Vehicles	502,000	-	502,000	281,000
Machinery and Equipment	13,158,000	2,107,000	15,265,000	13,917,000
Runways and Taxiways	-	23,435,000	23,435,000	23,033,000
Other	377,000	-	377,000	610,000
Total	$ 433,033,000	$100,865,000	$533,898,000	$509,157,000

Additional information on the County's capital assets can be found in Note 8 of this report.

Modified Approach for Infrastructure

Horry County has adopted the modified approach for reporting its road infrastructure. Following this approach, the County does not depreciate infrastructure assets but maintains an up-to-date inventory of road infrastructure assets, condition indeces 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.

Additional information on infrastructure assets, including current and target condition levels, can be found in Required Supplementary Information (RSI).

Long-term debt

At the end of fiscal year 2003, the County had total bonded debt outstanding of *$122,240,000*. Of this amount, *$73,945,000* comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank, and agreements with the City of Myrtle Beach calling for a 30% liability of Horry County on the Certificates of Participation issued by the City of Myrtle Beach.

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

General Obligation and Revenue Bonds Outstanding

	Governmental Activities	Business-type Activities	Total	Total
	2003	2003	2003	2002
				(as restated)
General Obligation Bonds	$ 73,945,000	$ -	$ 73,945,000	$ 79,685,000
Special Obligation Bonds	17,440,000	-	17,440,000	18,490,000
Revenue Bonds	-	30,855,000	30,855,000	31,551,000
Baseball Stadium COPS	-	2,663,000	2,663,000	2,775,000
RIDE IGA Loans	396,623,000	-	396,623,000	319,574,000
Total	$ 488,008,000	$ 33,518,000	$ 521,526,000	$ 452,075,000

The County's outstanding notes and bonded debt increased by *$69,451,000* compared with fiscal year 2002 (as restated). This increase is due primarily to road improvement expenses financed through the RIDE loans.

Additional information on the County's debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Travel Channel rated Myrtle Beach, South Carolina number six in the County for best American Boardwalks. The New York Times recently published an article in their business section boasting of Myrtle Beach's 123 golf courses, $1 billion invested for road improvements, a planned Hard Rock Café theme park with a 15,000-seat outdoor theater, a new carrier, Hooter's Air, with nonstop flights to Atlanta, Newark and Baltimore, and the completion of a four star hotel, the Radison Plaza.
- The unemployment rate for the County was 4.6 percent for 2002. This represents a decrease of 0.1 percent from the prior year for 2001. This rate is low compared to 6 percent for the State of South Carolina as a whole.
- The taxable assessed value of real and personal property increased 3.2 percent in the 2003 fiscal year.

- Building permit and business license revenues increased between 13 and 14 percent, amounting to $592,686 in added revenue for the 2003 fiscal year.
- The U.S. Census Bureau estimated a 2.1 percent population increase from July 1, 2001 to July 1, 2002. The estimated population for Horry County at July 1, 2002 was 206,039, ranking Horry County sixth in the state of South Carolina.

During the current fiscal year, unreserved fund balance in the general fund increased from *$15,137,130* to *$17,597,171*. Projections at this time indicate that at the end of fiscal year 2004, the unreserved fund balance for the general fund will remain above the 15% requirement set by the Financial Policy Ordinance.

Requests for Information

This financial report is designed to present users with a general overview of Horry County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Director of Finance, 1301 Second Avenue, Conway, SC 29526.

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2003

(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	$ 9,817	$ 9,656	$ 19,473	$ 468	$ 5,892
Equity in Pooled Cash and Investments	76,621	-	76,621	-	-
Investments	-	15,261	15,261	-	19,489
Funds held in escrow	3,051	-	3,051	-	-
Receivables, net:					
Property taxes	2,570	-	2,570	-	-
Accounts and other	4,451	636	5,087	40	1,368
Fees	27	-	27	-	-
Accrued interest	284	168	452	-	-
Due from primary government	-	-	-	107	336
Due from other funds	252	-	252	-	-
Due from component units	1	-	1	-	-
Due from other governments	4,617	548	5,165	8	-
Internal balances	1,982	-	1,982	-	-
Mortgage note receivable	250	-	250	-	-
Prepaid expenses	162	162	324	-	63
Inventories	345	180	525	1	53
Restricted - funds held in trust	10,199	-	10,199	-	-
Total current assets	114,629	26,611	141,240	624	27,201
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	5,534	5,534	-	250
Investments	-	13,347	13,347	-	-
Accounts receivable	-	637	637	-	-
Land held for resale	-	1,515	1,515	-	-
Due from other governments	-	-	-	-	21
Total restricted assets	-	21,033	21,033	-	271
Capital assets:					
Land, easements and infrastructure	334,676	33,150	367,826	138	7,113
Depreciable capital assets, net	92,335	64,875	157,210	1,342	8,304
Construction-in-progress	6,022	2,840	8,862	10	4,877
Total capital assets, net	433,033	100,865	533,898	1,490	20,294
Deferred charges, net					
Bond issuance cost, net	961	858	1,819	33	-
Other non-current assets and investment in joint enterprise	-	33	33	-	-
Total assets	548,623	149,400	698,023	2,147	47,766

- 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	2,899	169	3,068	6	1,215
Accounts payable - other	465	-	465	-	-
Accrued salaries and related taxes	2,464	216	2,680	24	-
Accrued expenses	-	-	-	19	-
Accrued compensated absences	1,062	154	1,216	38	-
Due to other funds	291	343	634	-	-
Due to other governments	2,109	1,683	3,792	-	-
Due to component units	443	-	443	-	-
Construction and retainage payable	1,595	667	2,262	-	-
Other liabilities	17,604	566	18,170	-	-
Deferred revenue	240	-	240	-	-
Accrued interest payable	1,465	-	1,465	-	-
Bonds, notes and contracts payable - current portion	7,095	-	7,095	78	-
RIDE IGA #3 contribution payable - current portion	26	-	26	-	-
Capital lease obligations - current portion	550	17	567	-	-
Landfill closures costs	-	-	-	-	1,592
Amounts due to airlines	-	200	200	-	-
Total current liabilities	38,308	4,015	42,323	165	2,807
Current liabilities payable from restricted assets	16,535	2,610	19,145	-	-
Non-current (long-term) liabilities:					
Certificates of Participation	-	2,546	2,546	-	-
General and special obligation bonds payable	84,290	-	84,290	-	-
Notes payable	-	-	-	882	-
Revenue bonds payable	-	28,663	28,663	-	-
RIDE IGA loans payable	378,710	-	378,710	-	-
RIDE IGA #3 contribution payable	1,352	-	1,352	-	-
Capital lease obligations	1,875	50	1,925	-	-
Accrued compensated absences	1,467	-	1,467	35	28
Landfill closures costs	-	-	-	-	2,911
Landfill post closure care costs	-	-	-	-	4,313
Total long-term liabilities	467,694	31,259	498,953	917	7,252
Total liabilities	522,537	37,884	560,421	1,082	10,059

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Net Assets:					
Invested in capital assets, net of related debt	339,241	68,768	408,009	563	20,294
Restricted For:					
Infrastructure development	-	516	516	-	-
Debt service	21,265	17,633	38,898	-	-
Capital projects	8,588	-	8,588	-	-
Substance abuse prevention	-	-	-	490	-
Special purpose	794	-	794	-	-
Waste tire management	-	-	-	-	271
Unrestricted (deficit)	(343,802)	24,599	(319,203)	12	17,142
Total net assets	26,086	111,516	137,602	1,065	37,707
Total liabilities and net assets	$ 548,623	$ 149,400	$ 698,023	$ 2,147	$ 47,766

See accompanying notes to financial statements

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	339,241	68,768	408,009	563	20,294
Restricted For:					
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Debt service	21,265	17,633	38,898	-	-
Capital projects	8,588	-	8,588	-	-
Substance abuse prevention	-	-	-	490	-
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Total net assets	26,086	111,516	137,602	1,065	37,707
Total liabilities and net assets	$ 548,623	$ 149,400	$ 698,023	$ 2,147	$ 47,766

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2003

(amounts expressed in thousands)

		Program Revenue			Net (Expense) Revenue and Changes in Net Assets				
					Primary Governmental			Component Units	
Functions and Programs	**Expenses**	**Fees for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business -type Activities**	**Totals**	**Shoreline Behavior**	**Solid Waste Authority**
Primary government									
Governmental activities:									
General government	$ (32,590)	$ 11,410	$ 23	$ -	$ (21,157)	$ -	$ (21,157)	$ -	$ -
Public safety	(44,667)	7,748	222	175	(36,522)	-	(36,522)	-	-
Public works	(85,910)	6,627	1,019	-	(78,264)	-	(78,264)	-	-
Health and social services	(3,457)	100	261	18	(3,078)	-	(3,078)	-	-
Culture and recreation	(5,985)	288	24	25	(5,648)	-	(5,648)	-	-
Conservation and natural resource	(442)	-	210	514	282	-	282	-	-
Economic development	(1,626)	-	571	-	(1,055)	-	(1,055)	-	-
Other	(1,352)	-	-	-	(1,352)	-	(1,352)	-	-
RIDE IGA #3 contribution	-	-	-	-	-	-	-	-	-
Debt service - interest	(18,714)	-	-	-	(18,714)	-	(18,714)	-	-
Horry Georgetown TECH	(1,950)	-	-	-	(1,950)	-	(1,950)	-	-
Higher Education Commission	(270)	-	-	-	(270)	-	(270)	-	-
Total governmental activities	(196,963)	26,173	2,330	732	(167,728)	-	(167,728)	-	-
Business-type activities:									
Airports	(13,917)	12,469	143	9,444	-	8,139	8,139	-	-
Industrial parks	(577)	277	-	-	-	(300)	(300)	-	-
Baseball stadium	(372)	8	-	-	-	(364)	(364)	-	-
Total businss-type activities	(14,866)	12,754	143	9,444	-	7,475	7,475	-	-
Total primary government	$ (211,829)	$ 38,927	$ 2,473	$ 10,176	$ (167,728)	$ 7,475	$ (160,253)	$ -	$ -
Component units									
Health services	$ (1,921)	$ 703	$ 1,269	$ -	$ 51	$ -	$ 51	$ 51	$ -
Landfill	(10,508)	13,116	80	150	2,838	-	2,838	-	2,444
Total compontent units	$ (12,429)	$ 13,819	$ 1,349	$ 150	$ 2,889	$ -	$ 2,889	$ 51	$ 2,444
	General Revenue and Transfers								
	General Revenue								
	Property taxes				73,218	-	73,218	-	-
	State shared revenue and unallocated intergovernment				14,340	-	14,340	-	-
	Hospitality and other fees				28,124	-	28,124	-	-
	Unrestricted investment earnings				2,168	694	2,862	3	468
	Contributed capital				8,500	-	8,500	-	-
	Miscellaneous				3,871	787	4,658	16	299
	Special items				-	(1,914)	(1,914)	-	(394)
	Transfers				(43)	124	81	-	-
	Total general revenue and transfers				130,178	(309)	129,869	19	373
	Changes in net assets				(37,549)	7,166	(30,383)	70	3,211
	Net assets - beginning of year (as restated)				63,635	104,350	167,985	995	34,494
	Net assets - end of year				$ 26,086	$ 111,516	$ 137,602	$ 1,065	$ 37,705

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2003

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 551,607	$ 2,950,317	$ -	$ -	$ 6,315,221	$ 9,817,145
Equity in pooled cash and investments	35,164,983	44,997	11,560,568	-	25,843,851	72,614,399
Funds held in escrow	-	-	3,050,667	-	-	3,050,667
Receivables, net:						-
Property taxes	638,354	-	-	-	247,939	886,293
Accounts	365,897	3,239,242	8,329	-	816,651	4,430,119
Fees	-	-	-	-	27,749	27,749
Accrued Interest	248,427	-	35,366	-	-	283,793
Due from other funds	4,075,057	-	-	5,288,933	1,503,711	10,867,701
Due from other governments	2,485,397	-	-	-	2,131,592	4,616,989
Due from component unit	687	-	-	-	-	687
Mortgage note recievable	-	-	-	-	250,000	250,000
Inventories	81,349	-	-	-	34,916	116,265
Prepaid items	162,253	-	-	-	-	162,253
Restricted assets	-	-	-	10,199,183	-	10,199,183
Total Assets	$ 43,774,011	$ 6,234,556	$ 14,654,930	$ 15,488,116	$ 37,171,630	$ 117,323,243
Liabilities and Fund Balances						
Liabilities:						
Accounts payable - trade	$ 1,257,706	$ -	$ 460,208	$ -	$ 1,128,235	$ 2,846,149
Accounts payable - other	443,019	-	-	-	22,000	465,019
Construction and retainage payable	-	-	1,531,677	-	63,813	1,595,490
Accrued salaries and wages	1,953,144	-	-	-	485,804	2,438,948
Accured compensated absences	853,416	-	-	-	194,793	1,048,209
Due to other funds	-	5,295,329	-	-	3,628,369	8,923,698
Due to component units	106,957	-	-	-	336,318	443,275

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances (cont.)						
Liabilities:						
Due to other governments	1,765,120	-	-	-	343,617	2,108,737
Other liabilities	17,377,249	-	227,292	-	-	17,604,541
Deferred revenue	-	-	-	-	240,138	240,138
Total liabilities	23,756,611	5,295,329	2,219,177	-	6,443,087	37,714,204
Fund Balances:						
Reserved for:						
Encumbrances	422,936	-	4,969,443	-	2,491,518	7,883,897
Inventories	81,349	-	-	-	34,916	116,265
Victims Rights Assistance	-	-	-	-	304,437	304,437
Underground storage tanks	50,000	-	-	-	-	50,000
Construction	-	-	7,275,844	-	-	7,275,844
Fire Special Revenue Fund	-	-	190,466	-	-	190,466
Prepaid items	162,253	-	-	-	-	162,253
Debt service	-	-	-	-	6,628,831	6,628,831
Road maintenance	-	-	-	-	1,312,914	1,312,914
Baseball Stadium Fund	-	-	-	-	300,000	300,000
RIDE Program	-	-	-	15,488,116	-	15,488,116
DSS federal revenue	111,876	-	-	-	-	111,876
Unreserved/designated for:						
Recreation	878,684	-	-	-	-	878,684
Maintenance	100,000	-	-	-	-	100,000
Mosquito spraying	390,000	-	-	-	-	390,000
Budget rollforwards	223,131	-	-	-	-	223,131
Unreserved/undesignated	17,597,171	939,227			19,655,927	38,192,325
Total fund balances	20,017,400	939,227	12,435,753	15,488,116	30,728,543	79,609,039
Total liabilities and fund balances	$ 43,774,011	$ 6,234,556	$ 14,654,930	$ 15,488,116	$ 37,171,630	$ 117,323,243

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2003

(amounts expressed in thousands)

		Program Revenue			Net (Expense) Revenue and Changes in Net Assets				
					Primary Governmental			Component Units	
Functions and Programs	**Expenses**	**Fees for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business -type Activities**	**Totals**	**Shoreline Behavior**	**Solid Waste Authority**
Primary government									
Governmental activities:									
General government	$ (32,590)	$ 11,410	$ 23	$ -	$ (21,157)	$ -	$ (21,157)	$ -	$ -
Public safety	(44,667)	7,748	222	175	(36,522)	-	(36,522)	-	-
Public works	(85,910)	6,627	1,019	-	(78,264)	-	(78,264)	-	-
Health and social services	(3,457)	100	261	18	(3,078)	-	(3,078)	-	-
Culture and recreation	(5,985)	288	24	25	(5,648)	-	(5,648)	-	-
Conservation and natural resource	(442)	-	210	514	282	-	282	-	-
Economic development	(1,626)	-	571	-	(1,055)	-	(1,055)	-	-
Other	(1,352)	-	-	-	(1,352)	-	(1,352)	-	-
RIDE IGA #3 contribution	-	-	-	-	-	-	-	-	-
Debt service - interest	(18,714)	-	-	-	(18,714)	-	(18,714)	-	-
Horry Georgetown TECH	(1,950)	-	-	-	(1,950)	-	(1,950)	-	-
Higher Education Commission	(270)	-	-	-	(270)	-	(270)	-	-
Total governmental activities	(196,963)	26,173	2,330	732	(167,728)	-	(167,728)	-	-
Business-type activities:									
Airports	(13,917)	12,469	143	9,444	-	8,139	8,139	-	-
Industrial parks	(577)	277	-	-	-	(300)	(300)	-	-
Baseball stadium	(372)	8	-	-	-	(364)	(364)	-	-
Total businss-type activities	(14,866)	12,754	143	9,444	-	7,475	7,475	-	-
Total primary government	$ (211,829)	$ 38,927	$ 2,473	$ 10,176	$ (167,728)	$ 7,475	$ (160,253)	$ -	$ -
Component units									
Health services	$ (1,921)	$ 703	$ 1,269	$ -	$ 51	$ -	$ 51	$ 51	$ -
Landfill	(10,508)	13,116	80	150	2,838	-	2,838	-	2,444
Total compontent units	$ (12,429)	$ 13,819	$ 1,349	$ 150	$ 2,889	$ -	$ 2,889	$ 51	$ 2,444
	General Revenue and Transfers								
	General Revenue								
	Property taxes				73,218	-	73,218	-	-
	State shared revenue and unallocated intergovernment				14,340	-	14,340	-	-
	Hospitality and other fees				28,124	-	28,124	-	-
	Unrestricted investment earnings				2,168	694	2,862	3	468
	Contributed capital				8,500	-	8,500	-	-
	Miscellaneous				3,871	787	4,658	16	299
	Special items				-	(1,914)	(1,914)	-	(394)
	Transfers				(43)	124	81	-	-
	Total general revenue and transfers				130,178	(309)	129,869	19	373
	Changes in net assets				(37,549)	7,166	(30,383)	70	3,211
	Net assets - beginning of year (as restated)				63,635	104,350	167,985	995	34,494
	Net assets - end of year				$ 26,086	$ 111,516	$ 137,602	$ 1,065	$ 37,705

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2003

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 551,607	$ 2,950,317	$ -	$ -	$ 6,315,221	$ 9,817,145
Equity in pooled cash and investments	35,164,983	44,997	11,560,568	-	25,843,851	72,614,399
Funds held in escrow	-	-	3,050,667	-	-	3,050,667
Receivables, net:						-
Property taxes	638,354	-	-	-	247,939	886,293
Accounts	365,897	3,239,242	8,329	-	816,651	4,430,119
Fees	-	-	-	-	27,749	27,749
Accrued Interest	248,427	-	35,366	-	-	283,793
Due from other funds	4,075,057	-	-	5,288,933	1,503,711	10,867,701
Due from other governments	2,485,397	-	-	-	2,131,592	4,616,989
Due from component unit	687	-	-	-	-	687
Mortgage note recievable	-	-	-	-	250,000	250,000
Inventories	81,349	-	-	-	34,916	116,265
Prepaid items	162,253	-	-	-	-	162,253
Restricted assets	-	-	-	10,199,183	-	10,199,183
Total Assets	$ 43,774,011	$ 6,234,556	$ 14,654,930	$ 15,488,116	$ 37,171,630	$ 117,323,243
Liabilities and Fund Balances						
Liabilities:						
Accounts payable - trade	$ 1,257,706	$ -	$ 460,208	$ -	$ 1,128,235	$ 2,846,149
Accounts payable - other	443,019	-	-	-	22,000	465,019
Construction and retainage payable	-	-	1,531,677	-	63,813	1,595,490
Accrued salaries and wages	1,953,144	-	-	-	485,804	2,438,948
Accured compensated absences	853,416	-	-	-	194,793	1,048,209
Due to other funds	-	5,295,329	-	-	3,628,369	8,923,698
Due to component units	106,957	-	-	-	336,318	443,275

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances (cont.)						
Liabilities:						
Due to other governments	1,765,120	-	-	-	343,617	2,108,737
Other liabilities	17,377,249	-	227,292	-	-	17,604,541
Deferred revenue	-	-	-	-	240,138	240,138
Total liabilities	23,756,611	5,295,329	2,219,177	-	6,443,087	37,714,204
Fund Balances:						
Reserved for:						
Encumbrances	422,936	-	4,969,443	-	2,491,518	7,883,897
Inventories	81,349	-	-	-	34,916	116,265
Victims Rights Assistance	-	-	-	-	304,437	304,437
Underground storage tanks	50,000	-	-	-	-	50,000
Construction	-	-	7,275,844	-	-	7,275,844
Fire Special Revenue Fund	-	-	190,466	-	-	190,466
Prepaid items	162,253	-	-	-	-	162,253
Debt service	-	-	-	-	6,628,831	6,628,831
Road maintenance	-	-	-	-	1,312,914	1,312,914
Baseball Stadium Fund	-	-	-	-	300,000	300,000
RIDE Program	-	-	-	15,488,116	-	15,488,116
DSS federal revenue	111,876	-	-	-	-	111,876
Unreserved/designated for:						
Recreation	878,684	-	-	-	-	878,684
Maintenance	100,000	-	-	-	-	100,000
Mosquito spraying	390,000	-	-	-	-	390,000
Budget rollforwards	223,131	-	-	-	-	223,131
Unreserved/undesignated	17,597,171	939,227			19,655,927	38,192,325
Total fund balances	20,017,400	939,227	12,435,753	15,488,116	30,728,543	79,609,039
Total liabilities and fund balances	$ 43,774,011	$ 6,234,556	$ 14,654,930	$ 15,488,116	$ 37,171,630	$ 117,323,243

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

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

	(amounts expressed in thousands)
Total fund balances - governmental funds	$ 79,609
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.	429,955
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds.	2,646
Internal service funds are used by management to change the costs of fleet services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities.	7,241
Long-term liabilities, including bonds payable that are not due and payable in the current period and therefore are not reported in these funds.	(493,365)
Net Assets, end of year - govenmental activities	$ 26,086

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2003

	General Fund	Hospitality 1.5 % Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Revenue						
Property taxes	$ 45,494,881	$ -	$ -	$ -	$ 27,323,016	$ 72,817,897
Intergovernmental	11,040,598	-	-	-	5,849,923	16,890,521
Accommodation tax	-	-	-	-	787,351	787,351
Fees and fines	12,170,564	23,063,395	-	-	11,640,267	46,874,226
Documentary stamps	2,442,715		-	-	-	2,442,715
License and permits	4,981,673	-	-	-	-	4,981,673
Interest on investments	613,503	18,546	339,827	740,227	455,819	2,167,922
Cost allocation	990,731	-	-	-	-	990,731
Other	790,051	-	35,000	-	1,909,352	2,734,403
Total revenue	78,524,716	23,081,941	374,827	740,227	47,965,728	150,687,439
Expenditures						
Current:						
General government	25,437,251	-	-	-	2,812,613	28,249,864
Public safety	34,670,217	-	-	-	9,506,936	44,177,153
Public works	-	-	-	-	17,144,244	17,144,244
Health and social services	2,778,613	-	-	-	696,296	3,474,909
Culture and recreation	3,453,903	-	-	-	2,457,898	5,911,801
Economic development	1,322,304	-	-	-	572,923	1,895,227
Conservation and natural resources	-	-	-	-	955,707	955,707
Horry Georgetown TECH	-	-	-	-	1,950,000	1,950,000
Higher Education Commission	-	-	-	-	270,000	270,000
Other	1,351,708	-	-	-	-	1,351,708
Debt service	-	-	-	25,128,753	11,942,095	37,070,848
Capital outlay	-	-	15,161,239	-	-	15,161,239
Total expenditures	69,013,996	-	15,161,239	25,128,753	48,308,712	157,612,700

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2003

	General Fund	Hospitality 1.5 % Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Revenue						
Property taxes	$ 45,494,881	$ -	$ -	$ -	$ 27,323,016	$ 72,817,897
Intergovernmental	11,040,598	-	-	-	5,849,923	16,890,521
Accommodation tax	-	-	-	-	787,351	787,351
Fees and fines	12,170,564	23,063,395	-	-	11,640,267	46,874,226
Documentary stamps	2,442,715		-	-	-	2,442,715
License and permits	4,981,673	-	-	-	-	4,981,673
Interest on investments	613,503	18,546	339,827	740,227	455,819	2,167,922
Cost allocation	990,731	-	-	-	-	990,731
Other	790,051	-	35,000	-	1,909,352	2,734,403
Total revenue	78,524,716	23,081,941	374,827	740,227	47,965,728	150,687,439
Expenditures						
Current:						
General government	25,437,251	-	-	-	2,812,613	28,249,864
Public safety	34,670,217	-	-	-	9,506,936	44,177,153
Public works	-	-	-	-	17,144,244	17,144,244
Health and social services	2,778,613	-	-	-	696,296	3,474,909
Culture and recreation	3,453,903	-	-	-	2,457,898	5,911,801
Economic development	1,322,304	-	-	-	572,923	1,895,227
Conservation and natural resources	-	-	-	-	955,707	955,707
Horry Georgetown TECH	-	-	-	-	1,950,000	1,950,000
Higher Education Commission	-	-	-	-	270,000	270,000
Other	1,351,708	-	-	-	-	1,351,708
Debt service	-	-	-	25,128,753	11,942,095	37,070,848
Capital outlay	-	-	15,161,239	-	-	15,161,239
Total expenditures	69,013,996	-	15,161,239	25,128,753	48,308,712	157,612,700

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE , EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenue over expenditures	9,510,720	23,081,941	(14,786,412)	(24,388,526)	(342,984)	(6,925,261)
Other Financing Sources (Uses)						
Capital lease obligation	-	-	984,569	-	-	984,569
Sales of assets	182,260	-	-	-	-	182,260
Transfers in	1,290,418	-	-	22,457,381	13,344,034	37,091,833
Transfers out	(7,176,415)	(22,613,106)	-	-	(7,426,246)	(37,215,767)
Total other financing sources (uses)	(5,703,737)	(22,613,106)	984,569	22,457,381	5,917,788	1,042,895
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	3,806,983	468,835	(13,801,843)	(1,931,145)	5,574,804	(5,882,366)
Fund balances at beginning of year (as restated)	16,210,417	470,392	26,237,596	17,419,261	25,153,739	85,491,405
Fund balances at end of year	$ 20,017,400	$ 939,227	$ 12,435,753	$ 15,488,116	$ 30,728,543	$ 79,609,039

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

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

	(amounts expressed in thousands)
Net change in fund balances - total governmental funds	$ (5,882)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	24,554
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	400
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.	(74,384)
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.	17,331
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	432
Change in Net Assets - Governmental Activities	$ (37,549)

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE , EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenue over expenditures	9,510,720	23,081,941	(14,786,412)	(24,388,526)	(342,984)	(6,925,261)
Other Financing Sources (Uses)						
Capital lease obligation	-	-	984,569	-	-	984,569
Sales of assets	182,260	-	-	-	-	182,260
Transfers in	1,290,418	-	-	22,457,381	13,344,034	37,091,833
Transfers out	(7,176,415)	(22,613,106)	-	-	(7,426,246)	(37,215,767)
Total other financing sources (uses)	(5,703,737)	(22,613,106)	984,569	22,457,381	5,917,788	1,042,895
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	3,806,983	468,835	(13,801,843)	(1,931,145)	5,574,804	(5,882,366)
Fund balances at beginning of year (as restated)	16,210,417	470,392	26,237,596	17,419,261	25,153,739	85,491,405
Fund balances at end of year	$ 20,017,400	$ 939,227	$ 12,435,753	$ 15,488,116	$ 30,728,543	$ 79,609,039

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

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

	(amounts expressed in thousands)
Net change in fund balances - total governmental funds	$ (5,882)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	24,554
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	400
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.	(74,384)
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.	17,331
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	432
Change in Net Assets - Governmental Activities	$ (37,549)

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

JUNE 30, 2003

	Business-type Activities - Enterpise Funds				Governmental Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Assets					
Current assets:					
Cash and cash equivalents	$ 8,508,513	$ 271,232	$ 876,432	$ 9,656,177	$ -
Equity in pooled cash and investments	-	-	-	-	4,006,307
Investments	15,261,325	-	-	15,261,325	-
Accounts receivable, net	636,290	-	-	636,290	20,413
Accrued interest	168,210	-	-	168,210	-
Due from other governments	508,982	38,414	-	547,396	-
Inventories	179,716	-	-	179,716	228,321
Prepaid expenses	162,303	-	-	162,303	-
Total current assets	25,425,339	309,646	876,432	26,611,417	4,255,041
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	5,534,317	-	-	5,534,317	-
Investments	13,347,131	-	-	13,347,131	-
Due from other funds	-	-	-	-	-
Accounts receivable	636,475	-	-	636,475	-
Land held for resale	-	-	1,515,032	1,515,032	-
Total restricted assets	19,517,923	-	1,515,032	21,032,955	-
Capital assets, net:					
Land, easements and infrastructure	29,755,899	2,691,429	702,762	33,150,090	-
Depreciable capital assets, net	60,129,761	2,839,576	1,905,788	64,875,125	3,078,424
Construction-in-progress	2,840,247	-	-	2,840,247	-
Total capital assets, net	92,725,907	5,531,005	2,608,550	100,865,462	3,078,424
Deferred charges:					
Bond issuance costs, net	858,058	-	-	858,058	-
Other non-current assets	32,722	-	-	32,722	-
Total assets	$ 138,559,949	$ 5,840,651	$ 5,000,014	$ 149,400,614	$ 7,333,465

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

- CONTINUED -

	Business-type Activities - Enterprise Funds				Governmenta Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Liabilities and Net Assets					
Current liabilities:					
Accounts payable-trade	$ 165,795	$ -	$ 3,267	$ 169,062	$ 52,551
Construction accounts and retainage payable	667,341	-	-	667,341	-
Accrued salaries and wages	215,810	-	-	215,810	25,283
Compensation for future absences	153,607	-	-	153,607	14,167
Due to other funds	-	-	343,617	343,617	-
Other accrued expenses	565,709	-	-	565,709	-
Due to other governments	1,634,953	48,383	-	1,683,336	-
Capital leases payable - current portion	17,243	-	-	17,243	-
Amounts due to airlines	199,645	-	-	199,645	-
Total current liabilities	3,620,103	48,383	346,884	4,015,370	92,001
Current liabilities payable from restricted assets:					
Certificates of Participation - current portion	-	117,000	-	117,000	-
Revenue bonds payable - current portion	1,500,000	-	-	1,500,000	-
Accrued interest payable	931,021	62,412	-	993,433	-
Total current liabilities payable from restricted assets	2,431,021	179,412	-	2,610,433	-
Non-current liabilities:					
Certificates of Participation	-	2,545,500	-	2,545,500	-
Revenue bonds payable	28,663,290	-	-	28,663,290	-
Capital leases	49,836	-	-	49,836	-
Total non-current liabilities	28,713,126	2,545,500	-	31,258,626	-
Total liabilities	34,764,250	2,773,295	346,884	37,884,429	92,001
Net assets:					
Invested in capital assets, net of related debt	63,353,598	2,806,093	2,608,550	68,768,241	3,078,424
Restricted for:					
Infrastructure development	-	-	516,000	516,000	-
Revenue bond accounts	-	-	-	-	-
Debt service	17,362,144	271,232	-	17,633,376	-
Unrestricted	23,079,957	(9,969)	1,528,580	24,598,568	4,163,040
Total net assets	103,795,699	3,067,356	4,653,130	111,516,185	7,241,464
Total liabilities and net assets	$ 138,559,949	$ 5,840,651	$ 5,000,014	$ 149,400,614	$ 7,333,465

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Operating Revenue					
Landing fees	1,638,138	-	-	1,638,138	-
Rents	3,176,099	-	277,480	3,453,579	-
Concessions and rentals	4,091,130	7,757	-	4,098,887	-
Security fees	249,477	-	-	249,477	-
Leases	920,418	-	-	920,418	-
Fuel sales - FBO	1,827,691	-	-	1,827,691	-
Other FBO Services	567,721	-	-	567,721	-
FAA Security Operating Grant	142,727	-	-	142,727	-
Charges for service	-	-	-	-	3,502,851
Other	452,778	2,335	276,020	731,133	21,332
Fees-in-lieu of taxes	-	-	28,187	28,187	-
Total operating revenue	13,066,179	10,092	581,687	13,657,958	3,524,183
Less, signatory airline contract operating rebate	(2,042)	-	-	(2,042)	-
Net operating revenue	13,064,137	10,092	581,687	13,655,916	3,524,183
Operating Expenses					
Salaries and benefits	4,219,300	-	-	4,219,300	-
Utilities	645,919	-	-	645,919	-
Professional services	821,994	-	-	821,994	-
Personal services	-	-	-	-	730,135
Maintenance and supplies	419,107	12,786	-	431,893	-
Fuel cost of sales	1,080,081	-	-	1,080,081	-
Vehicle and equipment expense	237,775	409	-	238,184	-
Insurance	206,256	28,379	-	234,635	-
Business and travel related	64,840	-	-	64,840	34,097
Office supplies	20,639	-	-	20,639	-
Supplies and materials	-	-	-	-	36,654
Horry County administrative costs	389,759	-	-	389,759	-
Management fees	-	2,310	-	2,310	-
Depreciation and amortization	3,900,272	198,395	71,003	4,169,670	1,269,516
Bad debt expense	12,399	-	-	12,399	-
Indirect cost allocation	-	-	50,000	50,000	-
Contractual services	-	-	455,967	455,967	1,082,019
Other	-	4,622	-	4,622	-
Total operating expenses	12,018,341	246,901	576,970	12,842,212	3,152,421
Operating income (loss)	1,045,796	(236,809)	4,717	813,704	371,762

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	Business-type Activities- Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Non-operating Revenue (Expenses)					
Passenger facility charges	2,584,265	-	-	2,584,265	-
Contract facility charges	1,070,207	-	-	1,070,207	-
State grant revenue	2,869,300	-	-	2,869,300	-
Net insurance proceeds - fire	16,125	-	-	16,125	-
Interest income	691,221	2,833	-	694,054	57,018
Interest expense	(1,898,499)	(124,825)	-	(2,023,324)	3,055
Gain on disposal/sale of property	-	-	12,536	12,536	-
Total non-operating revenue (expenses)	5,332,619	(121,992)	12,536	5,223,163	60,073
Income before special item, capital contributions and transfers	6,378,415	(358,801)	17,253	6,036,867	431,835
Special Item:					
Lease buyback	(1,914,322)	-	-	(1,914,322)	-
Net income (loss) before capital contributions and transfers	4,464,093	(358,801)	17,253	4,122,545	431,835
Capital Contributions	2,919,954	-	-	2,919,954	-
Transfers	-	309,090	(185,156)	123,934	-
Net change in net assets	7,384,047	(49,711)	(167,903)	7,166,433	431,835
Net Assets					
Beginning of year (as restated)	96,411,652	3,117,067	4,821,033	104,349,752	6,809,629
End of year	$ 103,795,699	$ 3,067,356	$ 4,653,130	$ 111,516,185	$ 7,241,464

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2003

	Business-Type Activities -- Enterprise Funds				
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities					
Cash received from:					
Landing fees terminal rents, concessions leases and other fees	$ 10,221,437	$ -	$ -	$ 10,221,437	$ -
FBO sales and services	2,338,191	-	-	2,338,191	-
FAA security operations grant	-	-	-	-	-
Rent	-	-	293,643	293,643	-
Service and miscellaneous charge	-	-	304,207	304,207	3,524,183
Other	423,871	-	-	423,871	-
Cash paid to (for):					
Salaries and benefits	(4,219,715)	-	-	(4,219,715)	-
Maintenance, supplies, fuel, utilities and equipment	(3,686,021)	-	-	(3,686,021)	(1,862,599)
Baseball stadium	-	(34,172)	-	(34,172)	-
Industrial park operations	-	-	(456,062)	(456,062)	-
Other supplies and miscellaneous costs	-	-	(50,000)	(50,000)	(34,097)
Net cash provided by (used in) operating activities	5,077,763	(34,172)	91,788	5,135,379	1,627,487
Cash Flows From Non-Capital Financing Activities					
Lease buyback	(1,914,322)	-	-	(1,914,322)	-
Insurance proceeds	699,750	-	-	699,750	-
Advances from (returns) to other funds	-	51,586	(29,993)	21,593	-
Transfers in					
Transfers out	-	309,090	(185,156)	123,934	-
Net cash flows provided by (used in) non-capital financing activities	(1,214,572)	360,676	(215,149)	(1,069,045)	-

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Cash Flows From Capital and Related Financing Activities					
Receipt of passenger and contract facility charges	3,471,130	-	-	3,471,130	-
Acquisition and construction of capital assets	(2,420,840)	-	-	(2,420,840)	(1,431,591)
Principal payments on bonds and notes	(1,420,000)	-	-	(1,420,000)	-
Interest paid on bonds and notes	(1,940,091)	-	-	(1,940,091)	-
Principal payments on Certificates of Participation	-	(112,500)	-	(112,500)	-
Interest paid on Certificates of Participation	-	(127,075)	-	(127,075)	-
Principal payments on capital lease obligation	(17,848)	-	-	(17,848)	-
Receipt from City of Myrtle Beach trust fund	2,869,300	-	-	2,869,300	-
Proceeds from AIP and FEMA grants	2,587,492	-	-	2,587,492	-
Proceeds from disposition of property and equipment	-	-	-	-	18,084
Contributed capital	-	-	-	-	39,769
Net cash provided by (used in) capital and related financing activities	3,129,143	(239,575)	-	2,889,568	(1,373,738)
Cash Flow From Investing Activities					
Investment purchases	(28,608,446)	-	-	(28,608,446)	-
Investment sales	20,356,612	-	-	20,356,612	-
Interest on investments	658,446	2,833	12,536	673,815	57,018
Net cash provided by (used in) investing activities	(7,593,388)	2,833	12,536	(7,578,019)	57,018
Net increase (decrease) in cash and cash equivalents	(601,054)	89,762	(110,825)	(622,117)	310,767
Cash and cash equivalents at beginning of year (of which $6,931,345 is restricted)	14,643,884	181,470	987,257	15,812,611	3,695,540
Cash and cash equivalents at end of year (of which $5,534,317 is restricted)	$ 14,042,830	$ 271,232	$ 876,432	$ 15,190,494	$ 4,006,307

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 1,045,796	$ (236,809)	$ 4,717	$ 813,704	$ 371,762
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	3,900,272	198,395	71,003	4,169,670	1,269,516
Bad debt expense	12,399	-	-	12,399	-
Net profit from joint enterprise	-	-	-	-	-
Change in certain assets and liabilities:					
Decrease in accounts receivable, net	244,766	-	16,164	260,930	-
Increase in due from other governments	(142,727)	4,242	-	(138,485)	-
Increase in inventories	(199)	-	-	(199)	(29,903)
Increase in prepaid expenses	(54,917)	-	-	(54,917)	-
Increase (Decrease) in accounts payable	(27,146)	-	(96)	(27,242)	20,141
Decrease in due to other governments	-	-	-	-	(453)
Decrease in accrued salaries, wages and compensated absences	(415)	-	-	(415)	(3,576)
Increase in other accrued expenses	275,524	-	-	275,524	-
Increase in due to other funds	7,087	-	-	7,087	-
Decrease in amounts due to airlines	(182,677)	-	-	(182,677)	-
Net cash provided by (used in) operating activities	$ 5,077,763	$ (34,172)	$ 91,788	$ 5,135,379	$ 1,627,487

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Supplemental information-noncash investing, capital and finacing activities:					
Restricted accounts receivable	$ 636,475	$ -	$ -	$ 636,475	$ -
Construction accounts and retainage payable	$ 667,341	$ -	$ -	$ 667,341	$ -
Capital lease obligation	$ 73,557	$ -	$ -	$ 73,557	$ -

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2003

	Agency Funds
Assets	
Cash and cash equivalents	$ 20,323,024
Equity in pooled cash and investments	69,687,674
Due from agency	3,847
Total assets	$ 90,014,545
Liabilities	
Due to agency	$ 90,010,698
Due to general fund	3,847
Total liabilities	$ 90,014,545

See accompanying notes to financial statements.

Note 1. Summary of Significant Accounting Policies

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

The County operates under a Council-Administrator form of government and is governed by a chairman and eleven (11) council members.

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

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

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

A. Reporting Entity

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

Financial accountability is defined as appointment of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the operations of the primary government. A summary of the County's blended and discretely presented component units follows:

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Blended Component Units

For the year ended June 30, 2003, 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. Due to its relationship, proceeds of the capital lease were recorded by the County as other financing sources in the Capital Projects Fund with debt service requirements reflected in the County's General Debt Service Fund. The corporation does not issue separate financial statements.

Discretely Presented Component Units

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

The Shoreline Behavioral Health Services (formerly known as Horry County Commission on Alcohol and Drug Abuse) (SBHS) is responsible for the coordination of all substance abuse prevention, intervention, treatment and educational programs within Horry County Council's jurisdiction. County Council is responsible for the appointment of all members of SBHS's governing board and fiscal control.

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

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

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

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

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, 2003, 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.

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

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

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

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

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 Rights, Senior Citizens, Railroad, Arcadian Shores, CDBG Revolving Loan Program, Stormwater Management, GIS/IT, B&C Multi-County Business Park, Local Atax, Recreation, and Hospitality Fee 1.5%.

Debt Service Funds - Debt service funds account for the accumulation of financial resources for the payment of interest and principal on certain general long-term debt of the County, other than debt service payments financed by proprietary fund types. Debt service funds consists of the following: General Debt, Higher Education, Horry-Georgetown TECH, RIDE Program, and Special Obligation Debt.

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

Proprietary Fund Types

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

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

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fiduciary Fund Type

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

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

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Under GASB Statement No. 34, the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effects of interfund activities are eliminated from the government-wide financial statements, except for amounts due between the County's governmental activities and business-type activities.

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

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

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 arc 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 proprietary funds and the discretely presented component units.

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, signatory airline rebates, and certain claims and judgment liabilities (e.g., rebatable arbitrage), among other accounts. Actual results could differ from those estimates.

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
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, 2003, the fair value of the County's investments approximated cost.

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

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

Mortgage Note Receivable
Mortgage note receivable, resulting from a CDBG Revolving Fund loan, is stated at its net realizable amount. Management's periodic evaluation for loan losses has resulted in no material allowance for uncollectibles for the year ended June 30, 2003.

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.

Note. 1. Summary of Significant Accounting Policies (continued)

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

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

Inventories in the general fund consist of office supplies. The cost of these supplies is recorded as an expenditure at the time the items are consumed. Inventories in the Road Maintenance/CTC Special Revenue fund are construction materials held for construction. Inventories in the Recreation Special Revenue fund are park passes held for resale. Inventories in the Department of Airports Enterprise Fund consist of supplies and aviation fuel held for resale. Inventories in the internal service fund consist of parts for servicing vehicles and equipment.

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Reported inventories and prepaid items in the governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

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

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

Restricted Assets
Restricted assets include monies or other resources, the use of which is restricted by legal or contractual requirements. In the enterprise fund, restricted assets arise from certain bond, contract ordinances, or grant agreements and consist of certain bond debt service and reserve accounts, and receivables associated with Passenger Facility Charges (PFC's) and Contract Facility Charges (CFC's). Restricted assets of the discretely presented component unit, HCSWA, represent funding for (1) future landfill closure and post-closure care costs, (2) waste tire disposal, (3) implementation of a waste tire management program, (4) future equipment replacement, and (5) future construction costs.

Note 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used in the operations of governmental funds and are not specifically related to activities reported in proprietary or fiduciary funds, have been reported as assets in the governmental activities column of the government-wide financial statements. Capital assets are defined by the County as those assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. The County has chosen the modified approach of accounting for infrastructure under GASB Statement No. 34

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

Depreciation of all exhaustible capital assets has been provided using the straight-line method over the estimated useful lives of the respective assets ranging as follows: land improvements and easements, 20-40 years; buildings, 10-30 years; runways and taxiways, 40 years; and equipment, 5-10 years.

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

Capitalization of interest

Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset being constructed, net of interest earned on the invested proceeds over the same period. With regard to assets acquired with tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense on the tax-exempt debt with interest earned on invested proceeds from the date of the borrowing until completion of the project. With regard to assets not acquired with tax-exempt debt, the amount of interest to be capitalized is the product of the average accumulated expenditures during the year for such assets and the weighted average interest rate on borrowings and is limited to the sum of interest expense on the tax-exempt debt not previously capitalized and all other interest expense. Interest is not capitalized on assets acquired or constructed with gifts and grants (contributed capital) that are restricted by the donor or grantor to acquisition of those assets to the extent that funds are available from such grants and gifts. The County has not elected to capitalize interest on its general fixed assets. During the year ended June 30, 2003, 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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Compensation for Future Absences
Employees are permitted to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from County service. For government-wide and proprietary fund financial statements, vacation pay is accrued when incurred and reported as a current and long-term liability. In governmental fund types, the current portion that normally would be liquidated with expendable available resources at year end is recognized as a liability and expenditure in the applicable fund.

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 Note 9 and 18 for further discussion.

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

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

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

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 Federal Aviation Administration.

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

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

In addition, lease revenues from airlines are based on certain residual "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2003.

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 170 days after the first billing date, at which time the applicable property is subject to lien, and interest and penalties are assessed.

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, 2000. Estimated allocations will be adjusted upon completion of the cost allocation plan for the year ended June 30, 2003. Management believes the resulting adjustments will not be material.

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. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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 (totaling $13,000,000), Industrial Parks (totaling $1,082,350), and Fleet Services (totaling $3,502,836) for fiscal year ended June 30, 2003, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not presented in the accompanying basic financial statements.

Prior to July 1 of each year, the budget is legally enacted by the passage of an ordinance. The ordained budget includes proposed expenditures and the means of financing them. The County's budget serves as an approved plan to facilitate financial control and operational evaluation. Additional budget appropriations must be approved by County Council at the fund level of expenditures.

The County Administrator is authorized to transfer budgeted amounts between departments when deemed necessary and upon request from the department head. No expenditure 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.

Budgets are adopted on a basis materially consistent with generally accepted accounting principles (GAAP). All annual appropriations, except remaining capital outlay appropriations for capital projects, storm water, recreation and road maintenance construction lapse at year end.

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.

C. Deficit Budgets and Fund Balances

For the year ended June 30, 2003, budgeted expenditures and other financing uses exceeded estimated revenues and other financing sources for the General Fund by $3,985,253; Accommodations Tax Special Revenue Fund by $91,735; Waste Management Recycling Special Revenue Fund by $475,700; Grants Special Revenue Fund by $381,715; Stormwater Management Special Revenue Fund by $2,709,517, Hospitality 1.0% Special Revenue Fund by $396,731; Road Maintenance & CTC Special Revenue Fund by $8,065,687; Arcadian Shores Special Revenue Fund by $1,460; and Recreation Special Revenue Fund by $732,510; General Improvements Capital Projects Fund by $26,203,626; and the Ride Program Debt Service Fund by $1,627,505. These deficits were funded by unreserved and applicable reserved fund balances, and/or additional unbudgeted revenue. The deficit fund balance in the Arcadian Shores Special Revenue Fund is the result of expenses incurred in improving this special tax district's infrastructure. Arcadia Shores borrowed money from the General Fund to fund the improvements. This deficit will be funded by future special district tax revenues.

Note 3. Accounting and Reporting Changes

The County had the following accounting and reporting changes for the year ended June 30, 2003 that are effective July 1, 2002:

1) The County changed its capitalization limits. The new limits for capital asset capitalization has been increased to $5,000. Accordingly, all capital assets purchased for less than $5,000 are now expensed when purchased; 2) due to the nature of the fund, the County changed the accounting for its Victims Assistance Fund from the General Fund to a special revenue fund; 3) the County changed the accounting for its RIDE debt whereby the liability and expense is now recognized as funds are received from the state infrastructure bank; 4) the County recognized additional interest expense relating to imputed interest on its RIDE debt; and 5) the County changed the accounting for its interest in a minor league baseball stadium from the joint venture method to the undivided interest method.

The schedules below illustrate in detail changes to beginning net assets relating to the accounting and reporting changes discussed above:

Government-Wide Financial Statements

(Amounts in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net assets at June 30, 2002, as previously reported	$ (31,553)	$ 104,509	$ 72,956
Change in capitalization limits	(1,528)	(95)	(1,623)
Correction of error in accounting for RIDE debt	107,792	-	107,792
Correction of error in recording interest on RIDE debt	(11,076)	-	(11,076)
Change in accounting for baseball stadium	-	(64)	(64)
Net assets at June 30, 2002, as restated	$ 63,635	$ 104,350	$ 167,985

Fund Financial Statements

(Amounts in thousands)

	Governmental Funds		Business-type Activities - Enterprise Funds		Governmental Activities -
	General Fund	Other Governmental Funds	Department of Airports	Baseball Stadium	Internal Service Fund
Net assets or fund balances at June 30, 2002, as previously reported	$ 16,582	$ 24,782	$ 96,480	$ 3,209	$ 6,825
Change in capitalization limits	-	-	(68)	(28)	(15)
Change in accounting for Victims Assistance Fund	(372)	372	-	-	-
Change in accounting for baseball stadium	-	-	-	(64)	-
Net assets or fund balances at June 30, 2002, as restated	$ 16,210	$ 25,154	$ 96,412	$ 3,117	$ 6,810

Note 4. 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.

Three categories of risk have been developed by GASB Statement No. 3 to disclose the various risks associated with the deposits and investments of public money as follows:

Deposits - The County's (and discretely presented component units) deposits are categorized to give an indication of the level of risk assumed by the County at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the County or its agent in the County's name. Category 2 includes uninsured and collateralized deposits where the pledging financial institution's trust department or agent in the County's name holds securities. Category 3 includes uncollateralized deposits. The County's deposits at June 30, 2003, are reported at their respective carrying values.

Investments - The County's (and discretely presented component units) investments are categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes securities that are insured or registered or where the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered securities where the securities are held by a financial institution's trust department or agent in the County's name. Category 3 includes uninsured and unregistered securities where the securities are held by the counter party in the County's name, or by its trust department or agent but not in the County's name. The County's securities at June 30, 2003, are reported at their respective fair values, which approximates cost.

Note 4. Deposits and Investments (continued)

Based upon the above criteria, the bank balances and carrying amounts of the County's (Primary Government) deposits and investments at June 30, 2003 are summarized as follows:

	(amounts shown in thousands)		
	Categories		Carrying
Bank Balance of Deposits	1	2	Amount
Cash	39,830	$ -	$ 38,083
Certificates of Deposit	83,221	-	83,221
Total deposits	$ 123,051	$ -	$ 121,304

	Categories		Fair
Investments	1	2	Value
Repurchase Agreement	$ -	$ 22,182	$ 22,182
Total investments	$ -	$ 22,182	$ 22,182

Deposit and investment information for the County's discretely presented component units (SBHS and HCSWA) are as follows:

At year end June 30, 2003, SBHS deposits and investments are summarized as follows:

	(amounts shown in thousands)			
	Categories			Carrying
	1	3	Totals	Amount
Bank Balance of Deposits				
Cash	$ 171	$ -	$ 171	$ 171

	(amounts shown in thousands)			
	Categories			Carrying
	1	3	Total	Amount
Investments				
Repurchase Agreement	$ -	$ 297	$ 297	$ 297

Note 4. Deposits and Investments (continued)

At year end June 30, 2003, HCSWA's deposits and investments are summarized as follows:

	(amounts shown in thousands)			
	Categories			Carrying
Bank Balance of Deposits	1	2	Totals	Amount
Cash and certificates of deposits	$ 20,493	$ -	$ 20,493	$ 20,798
Total deposits	$ 20,493	$ -	$ 20,493	$ 20,798

	Categories			Carrying
Securities	1	2	Totals	Amount
Repurchase agreement	$ -	$ 4,831	$ 4,831	$ 4,831
	$ -	$ 4,831	$ 4,831	$ 4,831

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

	(amounts shown in thousands)		
	Primary	Discretely Presented Component Units	
	Government	SBHS	HCSWA
Cash on hand	$ -	$ -	$ 2
Carrying amount of deposits	121,304	171	20,798
Carrying amount of investments	22,182	297	4,831
Totals	$ 143,486	$ 468	$ 25,631
Cash and cash equivalents	$ 19,473	$ 468	$ 5,892
Equity in pooled cash and investments	76,621	-	-
Investments	15,261	-	19,489
Funds held in escrow	3,051	-	-
Cash and cash equivalents -restricted	15,733	-	250
Investments-restricted	13,347	-	-
Totals	$ 143,486	$ 468	$ 25,631

Note 5. Receivables

Receivables for the primary government, including applicable allowances for uncollectible accounts, at June 30, 2003, are as follows:

	(amounts shown in thousands)				
		Business-type Activities			
	Government Activities	Department of Airports	Baseball Stadium	Industrial Parks	Totals
Property taxes	$ 13,257	$ -	$ -	$ -	$ 13,257
Less, allowance for uncollectibles and amounts not available for current period	(10,687)	-	-	-	(10,687)
Net property taxes	2,570	-	-	-	2,570
Accounts	6,531	894	-	-	7,425
Hospitality 1.0% fees	684		-	-	684
Local accomodation taxes	135		-	-	135
Hospitality 1.5% fees	3,320		-	-	3,320
Stormwater fees	143		-	-	143
Less, allowance for uncollectibles	(6,335)	(258)	-	-	(6,593)
	4,478	636	-	-	5,114
Net receivables	$ 7,048	$ 636	$ -	$ -	$ 7,684

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.

Mortgage note receivable is a result of certain Community Development Block Grant (CDBG) Revolving Loan programs received by the County, administered by a third-party, and has been reported at lower of cost or market.

Receivables at June 30, 2003 for the discretely presented component unit HCSWA totaled $1,367,985 and included amounts for tipping fees due on account from landfill users, amounts due from dealers for purchases of recyclable materials, and amounts due from cardboard containers, net of an allowance of $10,000 for uncollectible amounts.

Note 6. 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, 2003 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 4,075,057	$ -
Special Revenue Fund:		
Accomodations Tax	-	510,000
Grants	-	309,420
Beach Nourishment	510,000	1,580,000
Admissions Tax	-	25,795
Hospitality Fees 1%	-	304,354
Hospitality Fees 1.5%	-	5,295,329
Stormwater Management	-	390,449
Road Maintenance & CTC	650,094	-
CDBG Revolving Loan	343,617	-
Arcadian Sores	-	405,769
Local accommodations tax	-	102,582
Debt Service Fund:		
RIDE Program	5,288,933	-
Agency Fund:		
MCBP Infrastructure	-	3,847
Enterprise Fund:		
Department of Airports	-	1,634,953
Baseball Stadium	38,414	-
Industrial Parks	-	343,617
	$ 10,906,115	$ 10,906,115

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

	Interfund Receivable	Interfund Payable
Primary government:		
General Fund	$ 687	$ 106,957
Waste Management Recycling Fund	-	336,306
Recreation Fund	-	12
Component units:	-	-
SBHS and HCSWA	442,588	-
	$ 443,275	$ 443,275

Note 7. Due From Other Governments

Amounts due from other governments for the primary governments and discretely presented component units at June 30, 2003 are as follows:

(amounts shown in thousands)

	Governmental Activities				Business-type Activities	Component Units	
	General	Special Revenue	Debt Service	Total	Department of Airports	SBHS	HCSWA
State	$ 2,440	$ 1,150	$ -	$ 3,590	$ 16	$ 8	$ 21
Federal	45	976	5	1,026	493	-	-
Total	$ 2,485	$ 2,126	$ 5	$ 4,616	$ 509	$ 8	$ 21

Note 8. Capital Assets

A summary of the changes in capital assets during the year ended June 30, 2003 are as follows:

	(amounts shown in thousands)			
Governmental Activities	**Restated Balance June 30, 2002**	**Additions**	**Deletions**	**Balance June 30, 2003**
General Capital Assets				
Not subject to depreciation:				
Land and easements	$ 11,652	$ 500	$ -	$ 12,152
Infrastructure	307,682	14,842	-	322,524
	319,334	15,342	-	334,676
Construction-in-progress	3,263	13,101	(10,342)	6,022
Total capital assets not depreciated	322,597	28,443	(10,342)	340,698
Subject to depreciation:				
Land improvements	1,805	-	-	1,805
Buildings	78,031	6,710	-	84,741
Building improvements	1,029	3,638	-	4,667
Office furniture	4,282	180	(40)	4,422
Vehicles	4,243	246	(118)	4,371
Heavy equipment	23,627	872	(887)	23,612
Computer equipment	4,891	1,255	-	6,146
Other	1,457	50	(12)	1,495
Totals	119,365	12,951	(1,057)	131,259
Less, accumulated depreciation:				
Land improvements	(56)	(110)	-	(166)
Buildings	(13,515)	(1,928)	-	(15,443)
Building improvements	(315)	(69)	-	(384)
Office furniture	(813)	(536)	5	(1,344)
Vehicles	(3,963)	(125)	219	(3,869)
Heavy equipment	(13,453)	(2,954)	492	(15,915)
Computer equipment	(3,260)	(538)	35	(3,763)
Other	(1,047)	(202)	131	(1,118)
Totals	(36,422)	(6,462)	882	(42,002)
Net general capital assets	405,540	34,932	(10,517)	429,955
Internal Service Fund Capital Assets				
Machinery and equipment	7,632	1,432	(207)	8,857
Less, accumulated depreciation	(4,625)	(1,309)	155	(5,779)
Net internal service fund capital assets	3,007	123	(52)	3,078
Net capital assets - Governmental Activities	$ 408,547	$ 35,055	$ (10,569)	$ 433,033

Note 8. Capital Assets (continued)

Business-type Activities	Restated balance June 30, 2002	Additions	Retirements	Balance June 30, 2003
	(amounts shown in thousands)			
Not subject to depreciation:				
Land and easements	$ 23,919	$ 49	$ -	$ 23,968
Infrastructure	9,182	-	-	9,182
	33,101	49	-	33,150
Construction in progress	1,158	3,025	(1,343)	2,840
Total capital assets not depreciated	34,259	3,074	(1,343)	35,990
Subject to depreciation:				
Buildings and improvements	51,095	-	-	51,095
Runways and taxiways	36,172	30	-	36,202
Machinery and equipment	4,267	1,013	(71)	5,209
Land improvements	5,447	224	-	5,671
Totals	96,981	1,267	(71)	98,177
Less, accumulated depreciation:				
Buildings and improvements	(13,705)	(2,036)	-	(15,741)
Runways and taxiways	(11,520)	(1,247)	-	(12,767)
Machinery and equipment	(2,751)	(379)	-	(3,130)
Land improvements	-	(361)	-	(361)
Totals	(27,976)	(4,023)	-	(31,999)
Net capital assets - Business-type Activities	$ 103,264	$ 318	$ (1,414)	$ 102,168

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2003, are as follows:

Component Units	HCSWA	SBHS
	(amounts shown in thousands)	
Land	$ 7,113	$ 138
Subtitle D landfill	8,366	-
Buildings	2,700	1,456
Vehicles, machinery and equipment	7,986	152
Other improvements	979	-
Construction-in-progress	4,877	10
Totals	32,021	1,756
Less, accumulated depreciation:		
Subtitled D landfill	(6,182)	-
Buildings	(651)	(180)
Vehicles, machinery and equipment	(4,675)	(86)
Other improvements	(219)	-
Totals	(11,727)	(266)
Net capital assets - Component Units	$ 20,294	$ 1,490

Note 8. Capital Assets (continued)

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

	(amounts shown in thousands)
Governmental Activities	
Burroughs School	$ 4
South Strand Complex	2,316
Conway Library	30
Administrative building renovation	1,321
Courthouse renovation	2,351
Total	$ 6,022

Estimated total costs to complete these projects approximates $6.7 million.

	(amounts shown in thousands)
Business-type Activities: (Department of Airports)	
Grand Strand Pavement Rehab	$ 37
GA System Plan Update	197
Terminal security system	24
Terminal Area Planning	799
Reconstruct Conway ramp and runway	228
Terminal renovations	225
Taxiway J South	82
Other projects	134
TSA office building	12
MYR rotating beacon	186
Expand commercial fuel farm	24
Boarding bridges	651
Conway Terminal Support building	107
Loris runway rehab	133
Total	$ 2,839

Estimated total costs to complete these projects approximates $ 12,018 million.

	(amounts shown in thousands)	
Component Units	**HCSWA**	**SBHS**
Landfill improvements	$ 4,877	$ -
Construction feasibility	-	10,750
Total	$ 4,877	$ 10,750

Note 8. Capital Assets (continued)

Capital assets of the proprietary funds at June 30, 2003, are as follows:

	(amounts shown in thousands)			
Proprietary Funds		**Enterprise**		**Internal Service**
	Department of Airports	**Baseball Stadium**	**Industrial Parks**	**Fleet Service**
Land and easements	$ 20,574	$ 2,691	$ 703	$ -
Buildings and improvements	50,622	3,356	2,789	-
Runways and taxiways	36,202	-	-	-
Machinery and equipment	4,954	327	-	8,857
Construction-in-progress	2,840	-	-	-
Infrastructure	9,182	-	-	-
Totals	124,374	6,374	3,492	8,857
Less, accumulated depreciation:				
Building and improvements	(15,857)	(694)	(883)	-
Runways and taxiways	(12,767)	-	-	-
Machinery and equipment	(3,024)	(149)	-	(5,779)
Totals	(31,648)	(843)	(883)	(5,779)
Net capital assets -proprietary funds	$ 92,726	$ 5,531	$ 2,609	$ 3,078

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 at Deed Book 2623, page number 1491. The property transferred excludes portions of MBIA property, which are still undergoing environmental remediation and cleanup efforts by the United States Government.

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

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

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2003 is as follows: general government ($4,517,000); public safety ($2,366,000); public works ($699,000); culture and recreation ($98,000) and other ($131,000).

Note 9. Long-Term Debt

Long-term debt at June 30, 2003, is comprised of general and special obligation bonds, revenue bonds, RIDE Intergovernmental Loan Agreements, accumulated compensated absences liability, and long-term capital leases.

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

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

Revenue bonds are issued to provide funds for the acquisition and construction of major capital facilities and are secured by the pledge of specific net revenues of the County. Such revenue bonds are recorded in the Enterprise Funds.

The County entered into certain RIDE-Intergovernmental Loan Agreements (IGA) with the State of South Carolina Transportation Infrastructure Bank.

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

A. Governmental Activities Debt

Refunded Debt

On October 11, 2001, the county issued $2.875 million in General Obligation Bonds (Series C) with an average coupon interest rate of 3.406 to advance refund $1.425 million of outstanding Series 1989 Bonds and $1.330 million of 1992 Higher Education Series bonds with an average coupon interest rates of 6.566%. The net proceeds of $2.866 million (after payment of underwriter's discount and other bond issuance costs) were used to purchase U.S. Government securities. Those securities were placed in irrevocable trust with an escrow agent to provide for all future debt service payments on the 1989 and 1992 Series bonds. As a result, the 1989 and 1992 Series bonds are both considered to be defeased and the liability for those bonds has been removed from the financial statements. At June 30, 2003, no outstanding Series 1989 and 1992 bonds remain.

The County reduced its total debt service payments over 5 years by $156,393 and obtained an economic gain (difference between the present values of the old verses new debt service payments) of $138,226.

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

9. Long Term Debt (continued)

A. Governmental Activities Debt (continued)

General long-term debt of the County at June 30, 2003, is as follows:

	(amounts shown in thousands)			
	Balance June 30, 2002	**Additions**	**Deletions**	**Balance June 30, 2003**
General and Special Obligation Bonds:				
G.O. Bonds of 1989 dated November 1 for $1.95 million with interest at 6.3% to 8.25% - Horry-Georgetown TECH	$ 385	$ -	$ (185)	$ 200
G.O. Bonds of 1993 dated September 1 for $8.705 million with interest at 4% to 6% - Refunding 1988 Bond	3,695	-	(840)	2,855
G.O. Bonds of 1994 dated October 1 for $7.25 million with interest at 5% to 7% - Public Safety	2,630	-	(830)	1,800
G.O. Bonds of 1995 dated December 1 for $6.5 million with interest at 4% to 6% - TECH, Agriculture, etc.	2,995	-	(695)	2,300
G.O. Bonds of 1999 dated June 29 for $38.3 million with interest at 5% to 7% - Judicial Center	36,000	-	(1,150)	34,850
G.O. Bonds of 2000 dated January 1 for $9.5 million with interest at 5% to 6.75% - Fire Protection	8,630	-	(485)	8,145

9. Long-Term Debt (continued)

A. Governmental Activities (continued)

	(amounts shown in thousands)			
	Balance June 30, 2002	**Additions**	**Deletions**	**Balance June 30, 2003**
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%	18,490	-	(1,050)	17,440
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	20,200	-	(720)	19,480
G.O. Bonds of 2001 (Series B) dated September 15 for $2.875 million with interest at 4.25% to 4.5% - Higher Education	2,800	-	(100)	2,700
G.O. Bonds of 2001 (Series C) dated September 15 for $1.485 million with interest at 3.0% to 3.5% - Series Refunded 1989 Fire Protection debt	975	-	(485)	490
G.O. Bonds of 2001 (Series C) dated September 15 for $1.29 million with interest at 3.0% to 3.5% - Series Refunded 1992 Higher Education debt	1,375	-	(250)	1,125
Total general and special obligation bonds	98,175	-	(6,790)	91,385
Less, current portion	(6,790)	(7,095)	6,790	(7,095)
Net general and special obligation bond debt	$ 91,385	$ (7,095)	$ -	$ 84,290

9. Long-Term Debt (continued)

A. Governmental Activities Debt (continued)

Other general long-term obligations of the County's governmental activities at June 30, 2003 are as follows:

	(amounts shown in thousands)			
	Balance June 30, 2002	**Additions**	**Deletions**	**Balance June 30, 2003**
Other general long-term obligations:				
RIDE - IGA Loan #1	$ 225,000	$ -	$ (15,000)	$ 210,000
Less, amounts imputed for interest	(47,491)	10	5,658	(41,823)
Less, current portion	(9,342)	(9,651)	9,342	(9,651)
Net RIDE - IGA Loan #1	168,167	(9,641)	-	158,526
RIDE - IGA Loan #2	139,785	88,883	(1,600)	227,068
Less, current portion	-	-	(6,884)	(6,884)
Net RIDE - IGA Loan #2	139,785	88,883	(8,484)	220,184
RIDE - IGA #3 contribution payable	2,280	-	(902)	1,378
Less, current portion	(853)	(26)	853	(26)
Net RIDE - IGA #3 contribution Payable	1,427	(26)	(49)	1,352
Net RIDE - IGA Loans payable	309,379	79,216	(8,533)	380,062
Claims and Judgments	540	-	(540)	-
Capital lease obligation - central energy	1,233	-	(115)	1,118
Capital lease obligation - phone system	507	13	(98)	422
Capital lease obligation - IBM AS400 system	-	973	(88)	885
Less, current portion	(305)	(550)	305	(550)
Net capital leases	1,435	436	4	1,875
Accumulated compensation absences	1,362	1,205	(1,100)	1,467
Total other general long-term obligations	312,716	80,857	(10,169)	383,404
Total Net Governmental Activities Debt	$ 404,101	$ 73,762	$ (10,169)	$ 467,694

RIDE Intergovernmental Agreements

As described in Note 18, 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.

Note 9. Long-Term Debt (continued)

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

The County issued $26,255,000 (Series 1997A, B, and C) in Airport Revenue Bonds with original issue discounts of $169,000 and bond issuance costs of $867,000. These bonds were issued to pay the costs of certain interests in land and the construction of terminal building improvements, rental car facilities and curbside improvements at the Myrtle Beach International Airport. The County has pledged the net revenues derived by the Myrtle Beach International Airport (included in the Department of Airports) to pay the principal and interest of the Series 1997 Bonds, and in such, has agreed that to establish rates and charges for use of Myrtle Beach International Airport services and facilities that are reasonably expected to provide (i) net revenues to be at least equal to 1.25 times the aggregate debt service for such fiscal year, and (ii) net revenues be at least equal to 100% of all payments and deposits required under the bond ordinance to such fiscal year. At June 30, 2003, the Department of Airports was in compliance with the various revenue bond rate covenants in all material respects.

At June 30, 2003, pledged revenues (restricted for the payment of revenue bond debt services and certain operation and maintenance costs of the Airport) include all operating and certain non-operating revenue such as landing fees, terminal rents, concessions, leases, fuel sales, interest and other revenue as defined in the Indenture of Trust.

Refunded Debt - Department of Airports

In October 2000, Series 2000 Department of Airports Revenue Refunding Bonds were issued to advance redeem all of the Series 1990 Bonds. At the time of refunding, Series 1990 Bond's remaining cash flow requirements equaled $19,581,552, with Series 2000 future cash flow requirements totaling $15,878,244. Although the refunding resulted in the recognition of an accounting loss of $582,191 for the year ended June 30, 2001, the Airport realized an economic gain (difference between the present values of the old and new debt service payments) of approximately $1,166,502. The 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. For the year ended June 30, 2002, amortization expense equaled $29,603.

Note 9. 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, 2003, is as follows:

	(amounts shown in thousands)			
Revenue Bonds:	**Balance 6/30/02**	**Additions**	**Deletions**	**Balance 6/30/03**
Revenue bond, Series A, of 1997 at dated May 15, for $6.3 million with interest at 4.45% to 5.7% - Airport improvements, due 1998-2027	$ 6,030	$ -	$ (110)	$ 5,920
Revenue bond. Series B, of 1997 at dated May 15, for $15.2 million with interest at 6.06% to 7.38% - Construction of rental car facilities, due 1998-2012	12,645	-	(800)	11,845
Revenue bond, Series C, of 1997 at dated May 15, for $3.4 million with interest at 4.3% to 5.5% - Airport improvements, due 1998-2027	3,310	-	(65)	3,245
Revenue bond, Series D, of 1997 at dated May 15, for $1.1 million with interest at 4.4% to 5.0% - Airport improvements, due 1998-2007	840	-	(125)	715
Revenue bond, Refunding Series 2000 at dated October 15, 2000, for $9.745 million with interest at 4.4% to 5.62%, due 2002-2020	9,450	-	(320)	9,130
Total revenue bonded debt	32,275	-	(1,420)	30,855
Less, original issue discount	(191)	-	2	(189)
Less, current portion	(1,420)	-	(80)	(1,500)
Less, deferred charges (Series 1990 refunding loss of $582 less amortization of $79)	(533)	-	30	(503)
Net Revenue Bonds	$ 30,131	$ -	$ (1,468)	$ 28,663

Note 9. 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, 2003 is as follows:

	(amounts shown in thousands)			
	Balance 6/30/2002	**# Additions**	**Deletions**	**Balance 6/30/2003**
Certificates of Participation dated September 1, 1998 for $3.088 million with interest at 3% to 5% - Baseball Stadium	$ 2,775	$ -	$ (112)	$ 2,663
Less, current portion	(112)	(117)	112	(117)
Total non-current portion	$ 2,663	$ (117)	$ -	$ 2,546

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, 2003, are summarized as follows:

	(amounts shown in thousands)							
Years Ending June 30,	**G.O. Bonds**		**Special Obligation Bonds**		**Baseball Stadium COPS**		**Airport Revenue Bonds**	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2004	$ 5,995	$ 3,666	$ 1,100	$ 927	$ 117	$ 125	$ 1,500	$ 1,817
2005	5,515	3,359	1,150	876	123	120	1,590	1,725
2006	4,765	3,093	1,205	823	128	115	1,685	1,627
2007	3,130	2,892	1,260	766	133	110	1,780	1,521
2008	2,985	2,723	1,320	707	138	104	1,890	1,408
2009-2013	17,075	11,303	7,685	2,457	791	421	10,495	5,141
2014-2018	18,985	6,694	3,720	338	1,002	212	4,605	2,715
2019-2023	15,495	1,849	-	-	231	11	4,380	1,338
2024-2028	-	-	-	-	-	-	2,930	430
Total	$ 73,945	$ 35,579	$ 17,440	$ 6,894	$ 2,663	$ 1,218	$ 30,855	$ 17,722

Years Ending June 30,	**RIDE IGA Loan #1**		**RIDE IGA Loan #2**		**Total Debt Service Requirements**	
	Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2004	$ 9,651	$ 7,920	$ 6,884	$ 10,132	$ 25,247	$ 24,587
2005	9,969	7,754	4,046	9,979	22,393	23,813
2006	10,296	7,528	6,003	9,764	24,082	22,950
2007	10,635	7,236	8,156	9,456	25,094	21,981
2008	10,985	6,872	10,521	9,048	27,839	20,862
2009-2013	60,590	25,956	96,714	34,847	193,350	80,125
2014-2018	56,051	5,287	94,744	7,280	179,107	22,526
2019-2023	-	-	-	-	20,106	3,198
2024-2028	-	-	-	-	2,930	430
Total	$ 168,177	$ 68,553	$ 227,068	$ 90,506	$ 520,148	$ 220,472

Note 10. 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 has entered an agreement for the lease of certain cooling equipment (central energy) through its blended component unit. Additionally, the County entered into an agreement for the lease of its phone system during 2003. These 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 Systems	IBM AS400 Systems	Total
2004	188	144	218	550
2005	188	144	218	550
2006	188	144	218	550
2007	188	24	218	430
2008	188	-	109	297
Thereafter	470	-	-	470
Total lease payments	1,410	456	981	2,847
Less, interest	(292)	(34)	(96)	(422)
Present value of future minimum lease payments	1,118	422	885	2,425
Less, current portion	(324)	(45)	(181)	(550)
Total non-current portion	$ 794	$ 377	$ 704	$ 1,875

There were no material operating lease expenditures (expenses) for the year ended June 30, 2003.

Business-type Activities (Enterprise Funds):
During year ended June 30, 2002, the Department of Airports entered into a five year non-cancelable lease for two shuttle buses. The annual interest rate on the lease is 5.43% per annum. The cost and net book value on the buses as of June 30, 2003 is $96,769 and $68,545, respectively.

The present value of the minimum lease payments follows:

Year Ended June 30,	Total
2004	$ 20,228
2005	22,067
2006	22,067
2007	9,195
Total payments	73,557
Less, interest	(6,478)
Present value of future minimum lease payments	67,079
Less, current portion	(17,243)
Total non-current portion	$ 49,836

Note 10. Capital and Operating Leases (continued)

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 fixed assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, 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, 2003:

Year Ended June 30,	*(amounts shown in thousands)*
2004	$ 4,567
2005	4,525
2006	4,557
2007	3,576
2008	2,278
2009 to 2013	630
2014 to 2018	517
2019 to 2023	213
Total	$ 20,863

Note 11. 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, 2003, totaling $19,389, with a net amount due to the airlines at June 30, 2003, for current and prior year amounts totaling $199,645.

The Signatory Agreement expired June 30, 2002. The Airport recently completed negotiations with the Signatory Airlines for a new agreement. The new Signatory Use Agreement has an effective date of July 1, 2002. US Airways and Spirit Airlines have signed the new agreement.

Note 12. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its current unlined Highway 90 and Subtitle D (Cell A) landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these costs as operating expenses in each period based on landfill capacity used during each fiscal year. The amounts reported as a liability at June 30, 2003 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100% and 73.9% utilization of the estimated total capacity of the unlined and Subtitle D (Cell A) landfill sites, respectively.

	(amounts shown in thousands)		
	Unlined	**Subtitle D (Cell A)**	**Total**
Closure Costs	$ 1,592	$ 2,911	$ 4,503
Postclosure Care Costs	2,112	2,201	4,313
Total	$ 3,704	$ 5,112	$ 8,816

The HCSWA will recognize the remaining estimated closure and postclosure care costs of $11,141,583 and $3,006,678, respectively, as the remaining estimated capacity of the Subtitle D (Cell A) is filled. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. The HCSWA is currently in the process of closing the unlined landfill and expects to begin to close the Subtitle D (Cell A) landfill during the fiscal year ending June 30, 2005 These estimates may change due to a variety of factors including, but not limited to inflation, changes in technology, or changes in regulations.

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

The HCSWA is required by Federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the HCSWA is the local government financial test. At June 30, 2003, the HCSWA is in compliance with Federal and state financial assurance requirements.

Note 12. Landfill Closure and Postclosure Care Costs (continued)

In accordance with formal resolutions of the HCSWA's Board of Directors, $4,855,481 and $4,360,423 of cash and cash equivalents, and investments, at June 30, 2003, are designated for landfill closure and landfill postclosure care costs respectively. These amounts are included in unrestricted net assets on the balance sheet. If these amounts are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered through additional charges to future landfill users.

Note 13. Net Assets

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

	(amount shown in thousands)			
	Governmental Activities	**Business-type Activities**	**Component Units**	
			SHBS	**HCSWA**
Invested in Capital Assets, Net of Related Debt:				
Net capital assets:				
General	$ 433,033	$ 100,865	$ 563	$ 20,294
Internal Service Fund	3,078	-	-	-
Less, G.O. special, revenue bonds payable and capital leases	(95,275)	(31,259)	-	-
Less, accounts and retainage payable for capital items	(1,595)	(838)	-	-
Total invested in capital assets, net of related debt	$ 339,241	$ 68,768	$ 563	$ 20,294
Restricted:				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Debt service	$ 21,265	$ 17,633	$ -	$ -
Capital projects	8,588	-	-	-
Special purpose	794	516	490	-
Waste tire management	-	-	-	271
Total restricted net assets	$ 30,647	$ 18,149	$ 490	$ 271

Note 14. Capital Contributions

Pursuant to the implementation of GASB Statement No. 33, contributed capital for the year ended June 30, 2003 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the proprietary (enterprise) funds, contributed capital during the fiscal year ended June 30, 2003, is as follows:

	(amount shown in thousands)			
	Department of Airports	**Baseball Stadium**	**Industrial Parks**	**Total**
Grants and other cash contributions	$ 2,920	$ -	$ -	$ 2,920
Deeded land and improvements by developers	-	-	-	-
Totals	$ 2,920	$ -	$ -	$ 2,920

Contributed capital in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2003, is as follows:

	(amounts shown in thousands)
	HCSWA
Grants and other cash contributions	$ 150
Total	$ 150

Note 15. Employee Benefit Plans (continued)

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, 2003, was approximately $50,884, of which $28,864 and $20,613 were for employees covered by the SCRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2002, was approximately $48,747, of which $29,928 and $17,599 were for employees covered by the SCSRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2001, was approximately $41,462, of which $27,369 and $13,609 were for employees covered by the SCRS and 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 years ended June 30, 2003, expressed as a dollar amount and as a percentage of covered payroll in 2003 were $1,843 and 6.7% and $1,594 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were $2,061 and 10.3% and $1,291 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2002 expressed as a dollar amount and as a percentage of covered payroll in 2002 were $2,053 and 6.7% and $1,775 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were $1,837 and 10.3% and $1,182 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2001 expressed as a dollar amount and as a percentage of covered payroll in 2001 were $1,893 and 6.7% and $1,642 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were $1,458 and 10.3% and $885 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 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 $42 and 0.2%, and $42 and 0.2%, respectively.

Note 15. Employee Benefit Plans (continued)

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 6.7% and 6.0%, respectively. Total payroll for the year ended June 30, 2003 was $1,060 of which $987 was for employees covered by SCRS. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.0% and 6.85%. The HCSWA's total payroll for the year ended June 30, 2003 was $3,097 of which $2,883 was for employees covered by SCRS.

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

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

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees as per the requirements of a local ordinance. All of the County's employees may become eligible for those benefits if they attain age forty-six (46) while working for the County, retire and draw benefits from SCRS or SCPORS system, and have a minimum of fifteen (15) years service. The County will contribute to SCRS (regular retirees): 50% of single coverage for employees with 15-22 years of service, 75% of single coverage for employees with 23-27 year of service, and 100% for employees with 28 or more years of service; for SCPORS (police retirees): 50% of single coverage for employees with 15-21 years, 75% for 22-24 years and 100% for employees with 25 years or more of service. The cost of these benefits is recognized as an expenditure of the general fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2003, these costs totaled $294 which was net of $174 of retiree contributions. As of year end, there were 43 employees that were receiving benefits.

The Horry County Solid Waste Authority provides post-employment health care benefits to all employees who retire and are receiving benefits from the SCRS with at least ten (10) years of service as an employee of the HCSWA. Such employees may elect to continue single coverage under the HCSWA's plan with fifty percent (50%) of the cost of coverage provided by the HCSWA and the remaining fifty percent (50%) provided by the employee. Employees retiring with at least twenty (20) years of service as an employee of the HCSWA and receiving benefits from the SCRS may elect to continue single coverage at a cost established by the State Budget and Control Board without cost to the employee. If an eligible retiring employee accepts employment with another organization that provides health care benefits, the HCSWA coverage will no longer be provided. The HCSWA finances and recognizes as an expense health care premiums paid for eligible retired employees in the period of payment. As of June 30, 2003, two (2) retirees were eligible to receive post-employment health benefits. Expenses recognized by the HCSWA for the fiscal year ended June 30, 2003 totaled $6.

Note 16. Segment Information

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

The Department of Airports Enterprise Fund is responsible for operation, maintenance and development of the County's Airport System - including Conway, Grand Strand, and Loris general aviation airports and the Myrtle Beach International Airport (MBIA). The Baseball Stadium Enterprise Fund accounts for the county's interest and operations of a professional baseball stadium. The Industrial Parks Enterprise Fund accounts for the property and management of the County's Atlantic Center, Hwy 701 (Pineridge Business Center) Industrial Park, and the Aynor (Cool Spring) Industrial Park. The County's discretely presented component units HCSWA and SBHS were created by the County to develop and implement a solid waste disposal and resource recovery/recycling system and to provide services to reduce the negative health, social and economic consequences resulting from the use of alcohol and other drugs, for the County, respectively. Disaggregated information of the component units is presented in the basic financial statements.

Major Customers and Economic Condition - Department of Airports

Airline landing fees, terminal rents, leases, concessions and rental car activity generate approximately 79% of the Airport's revenues or just over $10.3 million of $13.1 million net operating revenue. Signatory Airlines generate $3.6 million in revenue after surcharge (rebate) amounts.

The Department appears to have begun the recovery phase from the impacts of the national economic downturn as a result of the events that occurred on September 11, 2001. The Airport continues to monitor the many conditions that may impact financial performance.

Rates and charges of Signatory Airlines which serve the MBIA represented 28% in fiscal years 2003 and 2002, of the total operating revenues reported for the MBIA. Of the leading Signatory Airline carriers, U.S. Airways represents 32.7% of the airline traffic, Spirit Airlines 25.3% and ASA (Delta Connection) 18.3%.

ASA chose not to enter into a Signatory Agreement effective July 1, 2002. This is not expected to have a material effect on the Airport's operations, as ASA will continue to use MBIA, only not under a Signatory Agreement.

During the year ended June 30, 2003, U. S. Airways emerged from Chapter 11 and continues to operate at MBIA. U. S. Airway's has entered into an agreement with the Airport to repay 100% of their pre-petition debt.

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. Total amounts held in the trust for the Department of Airports are undeterminable at June 30, 2003. The Airport recognized $2,869,300 in non-operating revenues for funds received from this trust fund during the year ended June 30, 2003.

Note 17. 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, 2003. 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.

Note 18. 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 (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 payment 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.

Note 18. Intergovernmental Agreements - RIDE Projects (continued)

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

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

Intergovernmental Agreement #2 - dated April 21, 1998 (as amended)
As amended, SIB agreed to fund Table 3 projects of the RIDE application by way of loans of up to $199.4 million to Horry County for Table 3 projects, and an additional $48.1 million loan for Table 1 projects in the RIDE plan, all secured by payments from Horry County.

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

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

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

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

Note 18. Intergovernmental Agreements - RIDE Projects (continued)

Amendment to Master Loan Agreement

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

Intergovernmental Agreement #3 - dated May 21, 2002

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

Term of Agreement and Contribution by Horry

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

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

Amendments to Previous Agreements

Exhibit B of IGA #3, amended IGA #1 and #2 (and their amendments) to (1) clarify and conform certain provisions in those agreements with each other and to the requirements of lenders, credit rating agencies, or bond insurers involved with the SIB, and (2) to confirm quarterly debt repayment requirements pursuant to a prioritization schedule - which includes IGA Loan #1 totaling $300 million as first priority due in quarterly installments of $3.75 million (with zero percent interest) through June 2017, amending IGA Loan #2 repayment amounts (originally totaling $247,577,644 in loan amounts) to a total repayment amount of $352,440,172 with $162,100,000 (known as the "insured portion") to be paid in quarterly installments through the year ended June 30, 2016 and $190,340,172 (known as the "uninsured portion") to be paid in quarterly installments through the year ended June 30, 2017.

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

Note 19. Special Item

Barefoot Landing Agreement – The Airport, pursuant to an agreement with Barefoot Landing, Inc. and other parties, owns certain parcels of land near the Grand Strand General Aviation Airport, which was leased and subleased prior to this year. In consideration of reverting certain sub-leased properties back, the Airport was originally to assume a mortgage note payable for approximately $3.9 million upon the occurrence of certain events and the completion of certain work by Barefoot Landing, Inc. In November 2002, the County and Airport were notified that Barefoot Landing, Inc., would be unable to perform its obligations under the various subject agreements. Litigation ensued, and was settled in March 2003 by the execution of settlement agreements and releases between the various parties. In exchange for a discounted payment to the individual plaintiffs who brought suit against the County under the agreements, the Airport was relieved of its obligation to assume the mortgage and the sub-leases as well as property not under subleases reverted back to the Airport. The net cost of this settlement to the Airport was $1,914,322 and has been include as a special item in the accompanying financial statements.

Separation Agreement - During the year ended June 30, 2003, HCSWA entered into a separation agreement with a senior management level employee who was under contract. The expenses related to the agreement in the amount of $393,592 have been segregated in the statement of revenues, expenses and changes in net assets as a special item. The separation agreement expenses are comprised of compensation, benefits, payroll taxes and legal fees.

Note 20. Commitments and Contingencies

Litigation - The County is party to various other 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, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Such audits could result in the possible liability for reimbursement or refund of grant monies to the grantor agencies. However, the County's management believes that any liability for reimbursement which may arise as the result of such audits would not be material to the financial position of the County.

Commitments

As of June 30, 2003, the County had outstanding contractual commitments, as described previously, approximating $6.7 million primarily for construction projects and equipment. Additionally, the County is committed to additional funding to the RIDE program projects, as required during and subsequent to construction.

Prior to June 30, 2003, HCSWA entered into various construction contracts. The costs of the contracts total $13,502,107. At June 30, 2003, $6,512,893 had been spent leaving $6,989,214 committed but unpaid at year-end.

Note 21. RIDE Debt

Beginning with the quarter ending March 31, 2004, the County is projecting that it will not collect enough hospitality fee revenue to service its RIDE debt in accordance with agreements with the State of South Carolina. In this case, to service the debt, the State is allowed by the agreement to interrupt state funding provided to the County for general operations and grants. The County has begun the process of renegotiating the terms of the RIDE agreement so that future hospitality fees will be adequate to service the debt. Horry County management fully expects these negotiations with the State to be successful.

Note 22. 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, 2003, 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.

Note 23. 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 *(Amounts presented in thousands)*

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	471,957
Less, accumulated depreciation	(42,002)
Net amount reported	429,955
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund.	
Deferred charges, net	1,171
Other changes in receivables	1,685
Unamortized bond premium	(210)
Net amount reported	2,646
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.	7,241
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Accrued interest payable	(1,465)
Long-term bond and other obligations	(533,723)
Less, net present value adjustment of RIDE loans	41,823
Net amount reported	(493,365)

Note 23. 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 *(Amounts presented in thousands)*

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	$	31,016
Depreciation expense		(6,462)
Net amount reported	$	24,554

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

Other receivables	$	400
Net amount reported	$	400

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

Amortization expense	$	(79)
RIDE road maintenance - public works		(74,240)
Accrued compensated absences		(105)
Accrued interest expense		40
Net amount reported	$	(74,384)

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 capital lease obligations	$	(985)
Principal repayments of long-term debt and transfers to escrow agents and other related costs		18,316
Net amount reported	$	17,331

The net revenue of certain activities of internal service funds reported with governmental activities.	$	432

Note 24. Subsequent Events

Airport Terminal
On September 16, 2003, County Council approved the development of a new terminal complex on the west side of the air field at Myrtle Beach International Airport. The Council further approved up to $70,000,000 in bond indebtedness to support the construction of the new terminal complex.

Note 25. New Accounting Pronouncement

The GASB has issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units* - which establishes new financial reporting criteria for governments (like the County) to report financial activities of its related and affiliated entities due to the nature and significance of their relationship with the County including their on-going financial support.

The provisions of the Statement #39 are effective for financial statements beginning after June 15, 2003. Earlier application is encouraged. The County does not expect the implementation of this standard to have a material effect on its basic financial statements.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2003

	Budget		Actual	Variance Favorable
	Original	Final	(GAAP Basis)	(Unfavorable)
Revenue				
Property taxes	44,184,055	44,184,055	45,494,881	1,310,826
Intergovernmental	11,315,209	11,578,724	11,040,598	(538,126)
Fees and fines	11,607,531	11,607,531	12,170,564	563,033
Documentary stamps	2,135,000	2,135,000	2,442,715	307,715
License and permits	4,727,250	4,727,250	4,981,673	254,423
Interest on investments	750,000	750,000	613,503	(136,497)
Cost allocation	1,108,272	1,108,272	990,731	(117,541)
Other	522,752	528,429	790,051	261,622
Total revenue	76,350,069	76,619,261	78,524,716	1,905,455
Expenditures				
General Government:				
County Council	562,856	665,762	615,117	50,645
County Administrator	410,140	399,116	334,340	64,776
Administration Division	159,173	159,399	162,940	(3,541)
Finance	1,023,977	1,032,621	948,774	83,847
Department overhead	1,926,342	2,862,700	2,162,492	700,208
Human Resources	707,375	717,537	758,853	(41,316)
Procurement	248,982	249,545	240,155	9,390
Internal Auditor	67,682	67,794	63,664	4,130
Information Technology	2,743,488	2,745,472	2,611,990	133,482
Assessor	2,280,611	2,077,984	2,066,247	11,737
Assessor Appeals Board	12,118	12,118	2,968	9,150
Registrar of Mesne Conveyance	821,112	823,947	785,554	38,393
GIS	297,686	295,665	273,513	22,152
Maintenance	3,003,681	3,030,314	2,744,766	285,548
Voter Registration and Election	404,847	454,715	416,545	38,170
Public Information/Employee Relation	224,623	244,815	222,555	22,260
Budget and Revenue Management	140,337	140,562	145,156	(4,594)
Treasurer	1,238,056	1,241,704	1,224,931	16,773
Auditor	898,129	900,316	873,094	27,222
Clerk of Court - Circuit DSS Family	1,539,047	1,588,694	1,621,370	(32,676)
Records Retention	210,244	210,694	205,616	5,078
Circuit Judge	47,169	44,602	10,052	34,550
Probate Judge	608,489	609,293	583,475	25,818
Solicitor	3,118,263	3,094,986	3,032,645	62,341
Pre-trial Intervention	236,734	236,734	234,620	2,114

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	Budget		Actual	Variance Favorable
	Original	Final	(GAAP Basis)	(Unfavorable)
Expenditures (continued)				
General Government (cont.)				
Master-in-equity	193,368	193,705	192,598	1,107
Legal (County Attorney)	527,593	520,893	495,094	25,799
Magistrate No. 1 Conway	215,116	215,679	215,810	(131)
Magistrate No. 2 Aynor	177,385	177,723	171,211	6,512
Magistrate No. 4 Mt. Olive	129,607	129,832	129,770	62
Magistrate No. 5 Loris	168,569	168,272	174,906	(6,634)
Magistrate No. 6 Myrtle Beach	247,431	247,431	235,776	11,655
Magistrate No. 7 Steven Cross Road	167,159	167,496	171,462	(3,966)
Magistrate No. 9 Night	144,867	142,534	66,652	75,882
Magistrate No. 11 Surfside	179,730	180,067	178,874	1,193
Central Summary Court	306,880	307,892	304,661	3,231
Magistrate at Large No. 1	84,310	84,422	81,884	2,538
Magistrate at Large No. 2	107,367	110,899	113,532	(2,633)
Delegation	75,174	75,399	74,545	854
Central Jury Court	212,270	212,382	154,140	58,242
Hospitality	233,306	234,640	220,628	14,012
Business License	120,168	119,758	114,276	5,482
Total	26,221,461	27,196,113	25,437,251	1,758,862
Less, capital outlay	-	(525,393)	(401,187)	(124,206)
Net general government	26,221,461	26,670,720	25,036,064	1,634,656
Public Safety:				
Public Safety Division Director	155,162	194,238	192,002	2,236
Sheriff	2,294,070	2,300,797	2,280,962	19,835
Police	11,939,779	11,462,379	11,412,149	50,230
Codes Enforcement	1,606,045	1,608,817	1,578,563	30,254
Central Processing - DSS	63,257	63,369	58,687	4,682
Emergency Preparedness	67,833	66,844	56,982	9,862
Emergency 911 Communications	2,925,537	3,048,871	2,482,218	566,653
Victim BOR	505,046	504,200	-	504,200
Coroner	338,526	338,864	375,903	(37,039)
Detention Center	8,544,532	8,464,840	8,200,770	264,070
Emergency Medical Services	8,080,383	8,146,004	8,003,794	142,210
Beach Front Program	29,807	29,919	28,187	1,732
Total	36,549,977	36,229,142	34,670,217	1,558,925
Less, capital outlay	-	(351,749)	(140,686)	(211,063)
Net public safety	36,549,977	35,877,393	34,529,531	1,347,862

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	Budget		Actual	Variance Favorable
	Original	Final	(GAAP Basis)	(Unfavorable)
Expenditures (continued)				
Public Works:				
Road construction	-	100,000	-	100,000
Net public works	-	100,000	-	100,000
Health and Social Services:				
Medically Indigent Assistance	1,220,225	1,220,337	1,218,663	1,674
Environmental Services	1,146,874	1,860,501	1,453,301	407,200
Veteran Affairs	106,784	107,009	106,649	360
Total	2,473,883	3,187,847	2,778,613	409,234
Less, capital outlay		(74,877)	(35,141)	(39,736)
Net health and social services	2,473,883	3,112,970	2,743,472	369,498
Culture and Recreation:				
Library	2,801,893	2,882,302	2,773,005	109,297
Parks and Recreation	-	442,289	117,604	324,685
Museum	225,735	224,647	217,294	7,353
Special Recreation	1,000,000	900,000	346,000	554,000
Total	4,027,628	4,449,238	3,453,903	995,335
Less, capital outlay	-	(23,193)	(11,906)	(11,287)
Net culture and recreation	4,027,628	4,426,045	3,441,997	984,048
Economic Development:				
Planning	943,275	939,412	768,023	171,389
Zoning	500,641	499,126	449,101	50,025
Grants administration	355,611	204,905	105,180	99,725
Total	1,799,527	1,643,443	1,322,304	321,139
Less, capital outlay	-	(1,024)	-	(1,024)
Net economic development	1,799,527	1,642,419	1,322,304	320,115
Other:				
State Mandated Supplements:				
Health Department	219,973	219,973	200,725	19,248
Department of Social Services	116,297	116,297	102,411	13,886
Department of Juvenile Detention	10,680	10,680	10,680	-
Public Defender	715,000	715,000	715,000	-
Total	1,061,950	1,061,950	1,028,816	33,134
Other Agencies:				
Waccamaw Regional Planning Council	75,000	75,000	75,000	-
Rescue Squads:				
Aynor	4,000	4,000	4,000	-
Horry	3,000	3,000	3,000	-
Myrtle Beach	4,000	4,000	4,000	-
North Myrtle Beach	8,000	8,000	8,000	-
Northern Horry	4,000	4,000	4,000	-

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	Budget		Actual	Variance Favorable
	Original	Final	(GAAP Basis)	(Unfavorable)
Expenditures (continued)				
Other (cont.):				
Other Agencies (cont.):				
Coastal Rapid Transit Authority	100,000	100,000	100,000	-
Waccamaw Center of Mental Health	23,300	23,300	-	23,300
Mercy Hospice	9,000	9,000	9,000	-
Citizens Against Spouse Abuse	7,000	7,000	-	7,000
Disabilities and Special Needs	30,000	30,000	30,000	-
Pee Dee Speech & Hearing	5,000	5,000	5,000	-
Horry County Shelter Home	35,000	35,000	-	35,000
Chapin Memorial Library	40,000	40,000	40,000	-
Community Coalition	3,000	3,000	3,000	-
Children's Recovery Center	18,000	18,000	-	18,000
Waccamaw Youth Center	3,750	3,750	3,750	-
Cooperative Extension Service	3,500	3,500	3,500	-
HC Architectural Review	32,500	82,500	642	81,858
Boys and Girls Club	-	-	-	-
Shoreline Behavior	30,000	30,000	30,000	-
Legal Assistance	-	-	-	-
Total	438,050	488,050	322,892	165,158
Net other	1,500,000	1,550,000	1,351,708	198,292
Capital outlay	-	(976,236)	(588,920)	(387,316)
Total expenditures	72,572,476	74,355,783	69,013,996	5,341,787
Excess of revenue over expenditures	3,777,593	2,263,478	9,510,720	7,247,242
Other Financial Sources (Uses)				
Sale of assets	-	-	182,260	182,260
Operating transfers in	2,357,391	1,357,391	1,290,418	(66,973)
Operating transfers out	(8,434,839)	(7,606,122)	(7,176,415)	429,707
Total other financing sources (uses)	(6,077,448)	(6,248,731)	(5,703,737)	544,994
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(2,299,855)	(3,985,253)	3,806,983	7,792,236
Fund balance at beginning of year	16,210,417	16,210,417	16,210,417	-
Fund balance at end of year	13,910,562	12,225,164	20,017,400	7,792,236

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

HOSPITALITY 1.5% FUND

YEAR ENDED JUNE 30, 2003

	Budget		Actual	Variance Favorable
	Original	Final	(GAAP Basis)	(Unfavorable)
Revenue				
Fees and fines	$ 23,685,000	$ 23,685,000	$ 23,063,395	$ (621,605)
Interest on investments	45,000	45,000	18,545	(26,455)
Total revenue	23,730,000	23,730,000	23,081,940	(648,060)
Expenditures				
Other	500,000	500,000	-	500,000
Total expenditures	500,000	500,000	-	500,000
Excess of revenue over expenditures	23,230,000	23,230,000	23,081,940	(148,060)
Other financing sources (uses)				
Operating transfers out - RIDE debt service	(22,998,150)	(22,998,150)	(22,382,488)	615,662
Operating transfers out - general fund	(231,850)	(231,850)	(230,617)	1,233
Total other financing sources (uses)	(23,230,000)	(23,230,000)	(22,613,105)	616,895
Excess of revenue and other financing source over expenditures and other financing uses	-	-	468,835	468,835
Fund balance at beginning of year	470,392	470,392	470,392	-
Fund balance at end of year	$ 470,392	$ 470,392	$ 939,227	$ 468,835

HORRY COUNTY, SOUTH CAROLINA

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

YEAR END JUNE 30, 2003

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

Horry County's road system consists of approximately 32% paved roads and 68% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's policy to maintain at least 85 percent of its street system at fair or better condition level. No more than 10 percent should be in a substandard condition. Condition assessments are determined every year.

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

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

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

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

	Percentage of Miles in Fair or Better Condition Condition	
	2003	2002
Arterial	100%	100%
Collector	87.4%	87.4%
Access	95.1%	95.0%
Overall system	94.5%	94.1%

	Percentage of Miles in Substandard Condition	
	2003	2002
Arterial	0%	0%
Collector	12.6%	12.6%
Access	4.9%	5.0%
Overall System	5.5%	5.9%

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

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2003	2002	2001	2000	1999
Arterial:					
Needed	$ -	$ -	$ -	$ -	$ -
Actual	-	-	-	-	-
Collector:					
Needed	132,000	200,000	200,000	-	-
Actual	235,000	200,000	-	-	-
Access:					
Needed	842,000	-	-	300,000	500,000
Actual	190,000	150,000	350,000	303,778	730,000
Overall System:					
Needed	974,000	200,000	200,000	300,000	500,000
Actual	425,000	350,000	350,000	303,778	730,000
Difference	549,000	150,000	150,000	3,778	230,000

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

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

Infrastructure Systems:	Area Weighted PCI Value
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).

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

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

At June 30, 2002, the Department of Airport's airfield infrastructure systems of MYR, Conway and Grand Strand are considered to be good or better condition. Loris airport is rated for major reconstruction. The Airport intends to preserve its eligible infrastructure in accordance with its current Airport Layout Plan (ALP) required by the Federal Aviation Administration (FAA).

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

Currently, the Department is in the design phase of a project that will rehabilitate MYR Taxiway "J" South and a portion of MYR Runway 18C-36C. The project cost for the rehabilitation of MYR Taxiway "T" South and the runway portion are estimated at $2.7 million. Work was also initiated on a million dollar rehabilitation of the apron at Conway Airport and a $300,000 overlay of the Loris Airport runway. Also, design of a pavement rejuvenation program at Grand Strand Airport was completed; construction will take place during the year ended June 30, 2004.

HORRY COUNTY, SOUTH CAROLINA

OTHER FINANCIAL INFORMATION

HORRY COUNTY, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL FINANCIAL STAEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	$ 4,115,969	$ 2,199,252	$ 6,315,221
Equity in pooled cash and investments	21,528,669	4,315,182	25,843,851
Receivables, net:			
Property taxes	138,815	109,124	247,939
Accounts and other	844,400	-	844,400
Due from other funds	1,503,711	-	1,503,711
Due from other governments	2,126,319	5,273	2,131,592
Mortgage note receivable	250,000	-	250,000
Inventories	34,916	-	34,916
Total assets	$ 30,542,799	$ 6,628,831	$ 37,171,630
Liabilities and Fund Balances			
Liabilities:			
Accounts payable-trade	$ 1,128,235	$ -	$ 1,128,235
Accounts payable-other	22,000	-	22,000
Accrued salaries and wages	485,804	-	485,804
Accrued compensated absences	194,793	-	194,793
Construction and retainage payable	63,813	-	63,813
Due to other funds	3,628,369	-	3,628,369
Due to component unit	336,318	-	336,318
Due to other governments	343,617	-	343,617
Deferred revenue	240,138	-	240,138
Total liabilities	6,443,087	-	6,443,087
Fund balances:			
Reserved for encumbrances	2,491,518	-	2,491,518
Reserved for road maintenance	1,312,914	-	1,312,914
Reserved for Baseball Stadium Fund	300,000	-	300,000
Reserved for inventories	34,916	-	34,916
Reserved for debt service	-	6,628,831	6,628,831
Reserved for Victims Rights Assistance	304,437	-	304,437
Unreserved, undesignated	19,655,927	-	19,655,927
Total fund balances	24,099,712	6,628,831	30,728,543
Total liabilities and fund balances	$ 30,542,799	$ 6,628,831	$ 37,171,630

HORRY COUNTY, SOUTH CAROLINA

COMBINING STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenue			
Property taxes	$ 16,529,385	$ 10,793,631	$ 27,323,016
Accommodations tax	787,351	-	787,351
Intergovernmental	5,696,124	153,799	5,849,923
Fees	11,640,267	-	11,640,267
Interest	272,438	183,381	455,819
Other	1,903,967	5,385	1,909,352
Total revenue	36,829,532	11,136,196	47,965,728
Expenditures			
Current:			
General government	2,812,613	-	2,812,613
Public safety	9,506,936	-	9,506,936
Public works	17,144,244	-	17,144,244
Health and social services	696,296	-	696,296
Culture and recreation	2,457,898	-	2,457,898
Economic development	572,923	-	572,923
Conservation and natural resources	955,707	-	955,707
TECH and Higher Education Commission	-	2,220,000	2,220,000
Debt service	-	11,942,095	11,942,095
Total expenditures	34,146,617	14,162,095	48,308,712
Excess (deficiency) of revenue over expenditures	2,682,915	(3,025,899)	(342,984)
Other Financing Sources (Uses)			
Operating transfers in	9,827,474	3,516,560	13,344,034
Operating transfers out	(7,426,246)	-	(7,426,246)
Total other financing sources (uses)	2,401,228	3,516,560	5,917,788
Excess of revenue and other financing sources over expenditures and other financing uses	5,084,143	490,661	5,574,804
Fund balances at beginning of year (restated)	19,015,569	6,138,170	25,153,739
Fund balances at end of year	$ 24,099,712	$ 6,628,831	$ 30,728,543

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	551,607
Equity in pooled cash and investments		35,164,983
Receivables, net:		
Property taxes		638,354
Accounts and other		365,897
Accrued interest		248,427
Due from other governments		2,485,397
Due from other funds		4,075,057
Due from component unit		687
Inventories		81,349
Prepaid items		162,253
Total Assets	$	43,774,011
Liabilities and Fund Balance		
Liabilities:		
Accounts payable-trade	$	1,257,706
Accounts payable-other		443,019
Accrued salaries and wages		1,953,144
Due to other governments		1,765,120
Due to component units		106,957
Accured compensated absences		853,416
Other liabilities		17,377,249
Total liabilities		23,756,611
Fund balance:		
Reserved for underground storage tanks		50,000
Reserved for encumbrances		422,936
Reserved for inventories		81,349
Reserved for prepaid items		162,253
Reserved for Victims Rights		-
Reserved for DSS federal revenue		111,876
Unreserved:		
Designated for recreation		878,684
Designated for maintenance		100,000
Designated for misquito spraying		390,000
Designated for budget rollforwards		223,131
Unreserved, undesignated		17,597,171
Total fund balance		20,017,400
Total liabilities and fund balance	$	43,774,011

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 44,184,055	$ 45,494,881	$ 1,310,826
Intergovernmental:			
Federal grants	603,500	577,431	(26,069)
Civil defense	20,835	19,655	(1,180)
Tax supplies	5,762	5,762	-
Inventory tax	306,286	306,286	-
State salary supplements	6,300	6,300	-
Board of registration	17,975	17,644	(331)
Veteran affairs	14,693	9,833	(4,860)
State shared	9,232,500	8,662,039	(570,461)
State-library	261,000	230,073	(30,927)
Accommodations tax	164,474	159,281	(5,193)
Other	568,015	720,091	152,076
Solicitors	377,384	326,203	(51,181)
Total intergovernmental	11,578,724	11,040,598	(538,126)
Fees and Fines:			
E911 telephone fees	977,805	926,084	(51,721)
Planning fees	121,930	125,916	3,986
EMS	2,754,200	3,119,117	364,917
RMC fees	1,505,000	1,836,823	331,823
Clerk of Court fees and fines	561,000	498,182	(62,818)
Library	94,000	92,326	(1,674)
Sheriff fines	62,800	57,130	(5,670)
Family court fees	300,900	521,731	220,831
Probate court fees	375,100	341,280	(33,820)
Magistrates' fees and fines	2,917,855	2,132,328	(785,527)
Prisoner Housing	75,000	64,520	(10,480)
Health department fees	60,000	62,986	2,986
Master in Equity fees	360,000	656,543	296,543
CATV fees	616,215	760,698	144,483
Beach franchise fees	49,000	69,000	20,000
Animal and insect fees	35,000	36,864	1,864
Other	71,160	226,131	154,971
Georgetown Solicitor fees	670,566	642,905	(27,661)
Total fees and fines	11,607,531	12,170,564	563,033

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue (continued)			
Documentary Stamps:			
RMC	2,135,000	2,442,715	307,715
Licenses and Permits:			
Business licenses	1,665,000	1,782,092	117,092
Building inspection permits	2,936,250	3,080,306	144,056
Mobile home permits	21,000	20,005	(995)
Marriage licenses	105,000	99,270	(5,730)
Total licenses and permits	4,727,250	4,981,673	254,423
Interest on investment	750,000	613,503	(136,497)
Cost allocation	1,108,272	990,731	(117,541)
Other:			
Rent	15,618	15,218	(400)
Other	276,077	511,838	235,761
Pre-Trial Intervention	236,734	262,995	26,261
Total other	528,429	790,051	261,622
Total revenue	76,619,261	78,524,716	1,905,455
Expenditures			
Current:			
General Government:			
County Council:			
Personal services	414,262	402,231	12,031
Contractual services	136,700	132,425	4,275
Supplies and materials	26,800	16,661	10,139
Capital outlay	-	-	-
Business and travel	88,000	63,800	24,200
Total	665,762	615,117	50,645
County Administrator:			
Personal services	300,592	306,842	(6,250)
Contractual services	38,478	17,661	20,817
Supplies and materials	9,786	3,467	6,319
Business and travel	12,760	4,106	8,654
Capital outlay	1,000	-	1,000
Contingency	36,500	2,264	34,236
Total	399,116	334,340	64,776

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Administration Division			
Director:			
Personal services	157,649	161,812	(4,163)
Contractual services	-	-	-
Supplies and materials	1,000	928	72
Business and travel	750	200	550
Total	159,399	162,940	(3,541)
Finance:			
Personal services	841,136	809,605	31,531
Contractual services	148,179	101,212	46,967
Supplies and materials	33,000	28,711	4,289
Business and travel	4,874	3,814	1,060
Capital outlay	5,432	5,432	-
Total	1,032,621	948,774	83,847
Department Overhead:			
Personal services	356,358	193,761	162,597
Contractual services	1,458,731	1,391,340	67,391
Supplies and materials	650,000	570,108	79,892
Business and travel	390,611	1,178	389,433
Other	7,000	6,105	895
Total	2,862,700	2,162,492	700,208
Human Resources/Risk Mgmt.:			
Personal services	648,823	687,410	(38,587)
Contractual services	47,206	50,550	(3,344)
Supplies and materials	18,928	18,697	231
Business and travel	2,580	2,196	384
Total	717,537	758,853	(41,316)
Procurement:			
Personal services	228,153	227,517	636
Contractual services	12,630	7,831	4,799
Supplies and materials	5,900	3,600	2,300
Business and travel	2,862	1,207	1,655
Total	249,545	240,155	9,390

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Internal Auditor:			
Personal services	64,912	62,961	1,951
Contractual service	62	-	62
Supplies and materials	2,200	533	1,667
Business and travel	620	170	450
Total	67,794	63,664	4,130
Information Technology:			
Personal services	726,412	713,891	12,521
Contractual services	1,231,191	1,195,844	35,347
Supplies and materials	310,195	310,379	(184)
Business and travel	6,492	6,566	(74)
Capital outlay	471,182	385,310	85,872
Total	2,745,472	2,611,990	133,482
Assessor:			
Personal services	1,892,846	1,933,631	(40,785)
Contractual services	76,564	50,138	26,426
Supplies and materials	42,684	25,930	16,754
Business and travel	65,890	56,548	9,342
Total	2,077,984	2,066,247	11,737
Assessor Appeals Board:			
Personal services	10,718	2,887	7,831
Contractual services	700	-	700
Supplies and materials	700	81	619
Total	12,118	2,968	9,150
Registrar of Mesne Conveyance:			
Personal services	691,064	673,923	17,141
Contractual services	42,050	34,922	7,128
Supplies and materials	85,250	73,969	11,281
Business and travel	5,583	2,740	2,843
Total	823,947	785,554	38,393

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
GIS:			
Personal services	286,992	265,450	21,542
Supplies and materials	5,360	4,802	558
Business and travel	3,313	3,261	52
Total	295,665	273,513	22,152
Maintenance			
Personal services	2,168,263	2,208,881	(40,618)
Contractual services	160,017	122,343	37,674
Supplies and materials	342,991	291,563	51,428
Business and travel	107,592	114,394	(6,802)
Capital outlay	31,451	7,585	23,866
Other	220,000	-	220,000
Total	3,030,314	2,744,766	285,548
Voter Registration and Election:			
Personal services	335,850	310,877	24,973
Contractual services	83,540	75,119	8,421
Supplies and materials	31,075	27,500	3,575
Business and travel	4,250	3,049	1,201
Total	454,715	416,545	38,170
Public Information/Employee Relations:			
Personal services	161,021	155,161	5,860
Contractual services	24,162	19,324	4,838
Supplies and materials	52,138	45,739	6,399
Business and travel	7,494	2,331	5,163
Total	244,815	222,555	22,260
Budget and Revenue Mgmt:			
Personal services	133,277	140,404	(7,127)
Supplies and materials	6,000	4,507	1,493
Business and travel	1,285	245	1,040
Total	140,562	145,156	(4,594)

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Treasurer:			
Personal services	1,061,304	1,064,944	(3,640)
Contractual services	98,143	85,203	12,940
Supplies and materials	55,681	57,437	(1,756)
Business and travel	23,763	17,347	6,416
Capital outlay	2,813	-	2,813
Total	1,241,704	1,224,931	16,773
Auditor:			
Personal Services	811,585	828,489	(16,904)
Contractual services	42,660	22,229	20,431
Supplies and materials	34,500	13,310	21,190
Business and travel	11,571	9,066	2,505
Total	900,316	873,094	27,222
Clerk of Court-DSS Family:			
Personal services	1,218,033	1,269,366	(51,333)
Contractual services	249,494	269,963	(20,469)
Supplies and materials	68,905	68,740	165
Business and travel	3,569	2,122	1,447
Capital outlay	8,693	-	8,693
Other	40,000	11,179	28,821
Total	1,588,694	1,621,370	(32,676)
Records Retention:			
Personal services	178,400	177,390	1,010
Contractual services	19,854	16,780	3,074
Supplies and materials	8,440	7,990	450
Business and travel	4,000	3,456	544
Total	210,694	205,616	5,078
Circuit Judge:			
Personal services	42,702	9,293	33,409
Contractual services	1,250	759	491
Supplies and materials	650	-	650
Total	44,602	10,052	34,550

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Probate Judge:			
Personal services	544,663	550,454	(5,791)
Contractual services	27,855	6,346	21,509
Supplies and materials	29,000	22,262	6,738
Business and travel	7,775	4,413	3,362
Total	609,293	583,475	25,818
Solicitor:			
Personal services	2,835,645	2,799,614	36,031
Contractual services	157,500	141,978	15,522
Supplies and materials	51,881	45,636	6,245
Business and travel	47,960	45,417	2,543
Capital outlay	2,000	-	2,000
Total	3,094,986	3,032,645	62,341
Pre-Trail Intervention:			
Personal services	236,734	234,620	2,114
Total	236,734	234,620	2,114
Master-in-Equity:			
Personal services	189,905	190,545	(640)
Contractual services	1,500	841	659
Supplies and materials	1,500	732	768
Business and travel	800	480	320
Total	193,705	192,598	1,107
Legal			
Personal services	347,761	271,589	76,172
Contractual services	163,695	209,850	(46,155)
Supplies and materials	2,800	2,184	616
Business and travel	5,850	3,684	2,166
Other	787	7,787	(7,000)
Total	520,893	495,094	25,799
Magistrate No. 1 Conway:			
Personal services	211,993	210,433	1,560
Contractual services	-	1,763	(1,763)
Supplies and materials	2,206	2,192	14
Business and travel	1,480	1,422	58
Total	215,679	215,810	(131)

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Magistrate No. 2 Aynor:			
Personal services	149,389	149,272	117
Contractual services	21,684	16,474	5,210
Supplies and materials	4,150	3,994	156
Business and travel	2,500	1,471	1,029
Total	177,723	171,211	6,512
Magistrate No. 4 Mt. Olive:			
Personal services	116,932	116,080	852
Contractual services	9,200	10,213	(1,013)
Supplies and materials	1,400	1,279	121
Business and travel	2,300	2,198	102
Total	129,832	129,770	62
Magistrate No. 5 Loris:			
Personal services	157,972	160,281	(2,309)
Contractual services	5,600	5,569	31
Supplies and materials	2,742	7,293	(4,551)
Business and travel	1,958	1,763	195
Total	168,272	174,906	(6,634)
Magistrate No. 6 Myrtle Beach:			
Personal services	231,021	224,739	6,282
Contractual services	7,910	4,815	3,095
Supplies and materials	5,644	4,908	736
Business and travel	2,856	1,314	1,542
Total	247,431	235,776	11,655
Magistrate No. 7 Steven Cross Road:			
Personal services	151,296	160,849	(9,553)
Contractual services	1,500	692	808
Supplies and materials	7,700	5,907	1,793
Business and travel	7,000	4,014	2,986
Total	167,496	171,462	(3,966)
Magistrate No. 11 Surfside:			
Personal services	149,900	150,400	(500)
Contractual services	20,850	19,007	1,843
Supplies and materials	3,632	3,798	(166)
Business and travel	2,863	2,847	16
Capital outlay	2,822	2,822	-
Total	180,067	178,874	1,193

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.)			
Central Summary Court:			
Personal services	293,292	295,889	(2,597)
Contractual services	4,050	1,810	2,240
Supplies and materials	8,450	6,022	2,428
Business and travel	2,100	940	1,160
Total	307,892	304,661	3,231
Magistrate No. 9 Ministerial:			
Personal services	134,829	61,691	73,138
Contractual services	5,322	2,811	2,511
Supplies and materials	1,660	1,428	232
Business and travel	723	722	1
Total	142,534	66,652	75,882
Magistrate at Large No. 1:			
Personal services	79,985	79,205	780
Contractual services	237	-	237
Supplies and materials	400	-	400
Business and travel	3,800	2,679	1,121
Total	84,422	81,884	2,538
Magistrate-Detention:			
Personal services	103,792	107,843	(4,051)
Contractual services	148	62	86
Supplies and materials	6,784	5,452	1,332
Business and travel	175	175	-
Total	110,899	113,532	(2,633)
Delegation:			
Personal services	73,943	73,939	4
Contractual services	1,056	241	815
Supplies and materials	400	365	35
Total	75,399	74,545	854
Central Jury Court:			
Personal services	37,382	37,545	(163)
Contractual services	162,800	111,948	50,852
Supplies and materials	10,500	3,773	6,727
Business and travel	1,700	874	826
Total	212,382	154,140	58,242

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
General Government (cont.):			
Hospitality:			
Personal services	193,418	192,326	1,092
Contractual services	13,704	3,225	10,479
Supplies and materials	18,465	16,805	1,660
Business and travel	9,053	8,272	781
Total	234,640	220,628	14,012
Business License/Video Poker			
Personal services	96,089	99,756	(3,667)
Contractual services	8,756	2,191	6,565
Supplies and materials	6,340	5,246	1,094
Business and travel	8,573	7,045	1,528
Capital outlay	-	38	(38)
Total	119,758	114,276	5,482
Total general government	27,196,113	25,437,251	1,758,862
Public Safety			
PS Division Director:			
Personal services	150,857	149,335	1,522
Contractual services	1,274	571	703
Supplies and materials	714	714	-
Business and travel	41,393	41,382	11
Total	194,238	192,002	2,236
Sheriff:			
Personal services	2,023,997	2,045,579	(21,582)
Contractual services	50,810	37,912	12,898
Supplies and materials	57,744	39,490	18,254
Business and travel	164,988	154,720	10,268
Capital outlay	3,258	3,208	50
Other	-	53	(53)
Total	2,300,797	2,280,962	19,835
Police:			
Personal services	9,295,204	9,253,374	41,830
Contractual services	232,600	257,105	(24,505)
Supplies and materials	263,350	244,174	19,176
Business and travel	1,601,923	1,605,353	(3,430)
Capital outlay	60,574	43,844	16,730
Other	8,728	8,299	429
Total	11,462,379	11,412,149	50,230

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
Public Safety (cont.):			
Codes Enforcement:			
Personal services	1,454,292	1,433,225	21,067
Contractual services	22,353	19,239	3,114
Supplies and materials	28,880	24,297	4,583
Business and travel	99,014	97,524	1,490
Capital outlay	4,278	4,278	-
Total	1,608,817	1,578,563	30,254
Central Processing:			
Personal services	42,716	42,262	454
Contractual services	554	-	554
Supplies and materials	10,599	7,372	3,227
Business and travel	2,500	2,035	465
Capital outlay	7,000	7,018	(18)
Total	63,369	58,687	4,682
Emergency Preparedness:			
Personal services	43,861	36,348	7,513
Contractual services	7,250	5,438	1,812
Supplies and materials	5,136	4,924	212
Business and travel	10,597	10,272	325
Total	66,844	56,982	9,862
Emergency 911:			
Personal services	1,788,718	1,687,560	101,158
Contractual services	1,116,325	781,301	335,024
Supplies and materials	16,593	11,388	5,205
Business and travel	2,235	1,969	266
Capital outlay	125,000	-	125,000
Total	3,048,871	2,482,218	566,653
Victim's BOR:			
Personal services	458,528	-	458,528
Contractual services	5,748	-	5,748
Supplies and materials	19,042	-	19,042
Business and travel	6,057	-	6,057
Capital outlay	14,825	-	14,825
Total	504,200	-	504,200
Coroner:			
Personal services	167,161	168,438	(1,277)
Contractual services	155,408	190,894	(35,486)
Supplies and materials	4,150	3,852	298
Business and travel	12,145	12,719	(574)
Total	338,864	375,903	(37,039)

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
Public Safety (cont.):			
Detention Center:			
Personal services	6,591,949	6,338,789	253,160
Contractual services	567,575	514,635	52,940
Supplies and materials	1,073,670	1,111,735	(38,065)
Business and travel	161,550	165,801	(4,251)
Capital outlay	70,096	69,810	286
Total	8,464,840	8,200,770	264,070
Emergency Medical			
Personal services	6,803,889	6,766,719	37,170
Contractual services	235,236	226,868	8,368
Supplies and materials	555,229	514,724	40,505
Business and travel	484,932	482,955	1,977
Capital outlay	66,718	12,528	54,190
Total	8,146,004	8,003,794	142,210
Beach Front Program:			
Personal services	26,795	26,475	320
Contractual services	674	-	674
Supplies and materials	950	785	165
Business and travel	1,500	927	573
Total	29,919	28,187	1,732
Total public safety	36,229,142	34,670,217	1,558,925
Public Works:			
Road construction			
Other	100,000	-	100,000
Total public works	100,000	-	100,000
Health and Social Services:			
Medically Indigent Assistance Program:			
Personal services	42,651	41,786	865
Supplies and materials	1,177,186	1,176,877	309
Business and travel	500	-	500
Total	1,220,337	1,218,663	1,674

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
Health and Social Services (cont.):			
Environmental Services:			
Personal services	908,896	832,178	76,718
Contractual services	228,769	163,711	65,058
Supplies and materials	483,801	259,355	224,446
Business and travel	164,158	162,916	1,242
Capital outlay	74,877	35,141	39,736
Total	1,860,501	1,453,301	407,200
Veteran Affairs:			
Personal services	102,917	104,351	(1,434)
Contractual services	818	526	292
Supplies and materials	1,294	1,232	62
Business and travel	1,980	540	1,440
Total	107,009	106,649	360
Total health and social services	3,187,847	2,778,613	409,234
Culture and Recreation:			
Library:			
Personal services	1,732,042	1,668,487	63,555
Contractual services	283,220	253,616	29,604
Supplies and materials	803,785	794,773	9,012
Business and travel	49,255	45,536	3,719
Capital outlay	14,000	10,593	3,407
Total	2,882,302	2,773,005	109,297
Parks and Recreation:			
Business and travel	744	744	-
Capital outlay	9,193	1,313	7,880
Contingency	10,023	-	10,023
Other	422,329	115,547	306,782
Total	442,289	117,604	324,685
Museum:			
Personal services	181,394	178,357	3,037
Contractual services	23,953	21,102	2,851
Supplies and materials	17,050	15,188	1,862
Business and travel	2,250	2,647	(397)
Total	224,647	217,294	7,353
Special Recreation	900,000	346,000	554,000
Total	900,000	346,000	554,000
Total culture and recreation	4,449,238	3,453,903	995,335

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
Economic Development:			
Planning:			
Personal services	767,923	683,097	84,826
Contractual services	64,458	35,020	29,438
Supplies and materials	91,034	43,044	47,990
Business and travel	15,997	6,862	9,135
Total	939,412	768,023	171,389
Zoning:			
Personal services	457,119	419,176	37,943
Contractual services	15,716	10,470	5,246
Supplies and materials	9,226	8,419	807
Business and travel	17,041	11,036	6,005
Capital outlay	24	-	24
Total	499,126	449,101	50,025
Grants Administration:			
Personal services	91,933	91,931	2
Contractual services	106,106	10,760	95,346
Supplies and materials	2,916	1,340	1,576
Business and travel	2,950	1,149	1,801
Capital outlay	1,000	-	1,000
Total	204,905	105,180	99,725
Total economic development	1,643,443	1,322,304	321,139
Other:			
State Mandated Supplements:			
Health Department	219,973	200,725	19,248
Department of Social Services	116,297	102,411	13,886
Department of Juvenile Detention	10,680	10,680	-
Public Defender	715,000	715,000	-
Total	1,061,950	1,028,816	33,134

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Current:			
Other (cont.):			
Other Agencies:			
Waccamaw Regional Planing Council	75,000	75,000	-
Rescue Squads:			
Aynor	4,000	4,000	-
Horry	3,000	3,000	-
Myrtle Beach	4,000	4,000	-
North Myrtle Beach	8,000	8,000	-
Northern Horry	4,000	4,000	-
Coastal Rapid Transit Authority	100,000	100,000	-
Waccamaw Center of Mental Health	23,300	-	23,300
Mercy Hospice	9,000	9,000	-
Citizens Against Spouse Abuse	7,000	-	7,000
Disabilities and Special Needs	30,000	30,000	-
Pee Dee Speech & Hearing	5,000	5,000	-
Horry County Shelter Home	35,000	-	35,000
Chapin Memorial Library	40,000	40,000	-
Community Coalition	3,000	3,000	-
Children's Recovery	18,000	-	18,000
Waccamaw Youth	3,750	3,750	-
Cooperative Extension	3,500	3,500	-
HC Architectural Review	82,500	642	81,858
Shoreline Behavior	30,000	30,000	-
Total	488,050	322,892	165,158
Total other	1,550,000	1,351,708	198,292
Total expenditures	74,355,783	69,013,996	5,341,787
Excess of revenue over expenditures	2,263,478	9,510,720	7,247,242

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

CONTINUED

	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Sale of assets	-	182,260	182,260
Operating transfers in	1,357,391	1,290,418	(66,973)
Operating transfers out	(7,606,122)	(7,176,415)	429,707
Total other financing sources (uses)	(6,248,731)	(5,703,737)	544,994
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(3,985,253)	3,806,983	7,792,236
Fund balance at beginning of year	16,210,417	16,210,417	-
Fund balance at end of year	$ 12,225,164	$ 20,017,400	$ 7,792,236

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

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

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

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

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

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.

Grants - accounts for revenue and expenditures for all grants.

Beach Nourishment - accounts for revenue earmarked for beach nourishment.

Road Maintenance & CTC - accounts for revenue derived from a $15 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.

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

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

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

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

SPECIAL REVENUE FUNDS

- CONTINUED -

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

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

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

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2003

	Non-Major Funds											
	Fire	Accomodations Tax	Waste Management Recycling	Watersheds	Mt. Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee	Victim Assistance
Assets												
Cash and cash equivalents	$ 200	$ -	$ -	$ -	$ -	$ -	$ -	$ 357,745	$ 252,473	$ -	$ 3,429,317	$ -
Equity in pooled cash and investments	2,135,446	309,847	515,850	238,685	180,452	3,442	9,665,827	1,219,565	-	-	136,755	305,581
Receivables, net:												
Property taxes	86,986	-	28,810	840	175	1,084	-	-	-	-	-	-
Accounts and other	578	3,040	-	-	-	-	-	-	-	-	640,232	-
Fees receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	650,094	510,000	-	-	-	-
Due from other governments		795,212	-	-	-	-	126,357	-	1,178,955	25,795	-	-
Mortgage note receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	33,616	-	-	-	-	-
Total assets	$ 2,223,210	$ 1,108,099	$ 544,660	$ 239,525	$ 180,627	$ 4,526	$ 10,475,894	$ 2,087,310	$ 1,431,428	$ 25,795	$ 4,206,304	$ 305,581
Liabilities and Fund Balances												
Liabilites:												
Accounts payable-trade	$ 96,070	$ 274,856	$ -	$ -	$ 1,027	$ -	$ 224,863	$ -	$ 377,637	$ -	$ -	$ -
Accounts payable-other	-	-	-	-	-	-	22,000	-	-	-	-	-
Construction and retainage payable	-	-	-	-	-	-	63,813	-	-	-	-	-
Accrued salaries and wages	203,845	31,186	-	-	-	-	176,729	-	33,341	-	-	1,144
Compensation for future absences	78,122	9,402	-	-	-	-	85,087	-	5,533	-	-	-
Due to other funds	-	510,000	-	-	-	-	-	1,580,000	309,420	25,795	304,354	-
Due to component unit	-	-	336,306	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	12,663	-	227,475	-	-	-
Total liabilities	378,037	825,444	336,306	-	1,027	-	585,155	1,580,000	953,406	25,795	304,354	1,144
Fund -balances:												
Reserved for encumbrances	-	-	96,707	-	-	-	1,605,067	-	483,935	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	1,312,914	-	-	-	-	-
Reserved for Baseball Stadium Fund	-	-	-	-	-	-	-	-	-	-	300,000	-
Reserved for inventories	-	-	-	-	-	-	33,616	-	-	-	-	-
Reserved for Victims Rights Assistance	-	-	-	-	-	-	-	-	-	-	-	304,437
Unreserved, undesignated	1,845,173	282,655	111,647	239,525	179,600	4,526	6,939,142	507,310	(5,913)	-	3,601,950	-
Total fund balances	1,845,173	282,655	208,354	239,525	179,600	4,526	9,890,739	507,310	478,022	-	3,901,950	304,437
Total liabilities and fund balances	$ 2,223,210	$ 1,108,099	$ 544,660	$ 239,525	$ 180,627	$ 4,526	$ 10,475,894	$ 2,087,310	$ 1,431,428	$ 25,795	$ 4,206,304	$ 305,581

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

CONTINUED

	Non-Major Funds										Major Fund	Total
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Storm Water Management	GIS/IT	B&C MCBP	Local Atax	Recreation	Total Non-Major Funds	Hospitality 1.5% Fee	Special Revenue Funds
Assets												
Cash and cash equivalents	$ -	$ -	$ -	$ 489	$ -	$ -	$ -	$ 75,645	$ 100	$ 4,115,969	$ 2,950,317	$ 7,066,286
Equity in pooled cash and investments	13,676	31,797	31,998	-	4,757,991	12,148	294,180	-	1,675,429	21,528,669	44,997	21,573,666
Receivables, net:												-
Property taxes	4,463	-	-	-	-	-	-	-	16,457	138,815	-	138,815
Accounts and other	-	30,000	-	-	-	7,023	-	134,978	800	816,651	3,239,242	4,055,893
Fee receivable	-	-	-	-	27,749	-	-	-	-	27,749	-	27,749
Due from other funds	-	-	-	343,617	-	-	-	-	-	1,503,711	-	1,503,711
Due from other governments	-	-	-	-	-	-	-	-	-	2,126,319	-	2,126,319
Mortgage note receivable	-	-	-	250,000	-	-	-	-	-	250,000	-	250,000
Inventories	-	-	-	-	-	-	-	-	1,300	34,916	-	34,916
Total assets	$ 18,139	$ 61,797	$ 31,998	$ 594,106	$ 4,785,740	$ 19,171	$ 294,180	$ 210,623	$ 1,694,086	$ 30,542,799	$ 6,234,556	$ 36,777,355
Liabilities and Fund Balances												
Liabilities:												
Accounts payable - trade	$ -	$ -	$ 299	$ -	$ 37,435	$ -	$ -	$ 104,070	$ 11,978	$ 1,128,235	$ -	$ 1,128,235
Accounts payable - other	-	-	-	-	-	-	-	-	-	22,000	-	22,000
Construction and retainage payable	-	-	-	-	-	-	-	-	-	63,813	-	63,813
Accrued salaries and wages	-	-	-	-	24,525	-	-	-	15,034	485,804	-	485,804
Compensation for future absences	-	-	-	-	10,272	-	-	-	6,377	194,793	-	194,793
Due to other funds	-	-	405,769	-	390,449	-	-	102,582	-	3,628,369	5,295,329	8,923,698
Due to component unit	-	-	-	-	-	-	-	-	12	336,318	-	336,318
Due to other governments	-	-	-	343,617	-	-	-	-	-	343,617	-	343,617
Deferred revenue	-	-	-	-	-	-	-	-	-	240,138	-	240,138
Total liabilities	-	-	406,068	343,617	462,681	-	-	206,652	33,401	6,443,087	5,295,329	11,738,416
Fund balances:												
Reserved for encumbrances	-	-	-	-	291,789	-	-	-	14,020	2,491,518	-	2,491,518
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	1,312,914	-	1,312,914
Reserved for Baseball Stadium Fund	-	-	-	-	-	-	-	-	-	300,000	-	300,000
Reserved for inventories	-	-	-	-	-	-	-	-	1,300	34,916	-	34,916
Reserved for Victims Rights Assistance	-	-	-	-	-	-	-	-	-	304,437	-	304,437
Unreserved, undesignated	18,139	61,797	(374,070)	250,489	4,031,270	19,171	294,180	3,971	1,645,365	19,655,927	939,227	20,595,154
Total fund balances	18,139	61,797	(374,070)	250,489	4,323,059	19,171	294,180	3,971	1,660,685	24,099,712	939,227	25,038,939
Total liabilities and fund balances	$ 18,139	$ 61,797	$ 31,998	$ 594,106	$ 4,785,740	$ 19,171	$ 294,180	$ 210,623	$ 1,694,086	$ 30,542,799	$ 6,234,556	$ 36,777,355

HORRY COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2003

	Non-Major Funds										
	Fire	Accomodations Tax	Waste Management Recycling	Watershed	Mt. Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee
Revenue											
Property taxes	$ 10,608,174	$ -	$ 3,365,346	$ 69,344	$ 58,460	$ 93,729	$ -	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	2,551,339	-	-	-	-	954,660	-	2,105,232	74,893	-
Fees	-	-	-	-	-	-	2,746,129	-	-	-	5,063,023
Interest	-	5,644	-	-	2,311	376	123,078	5,249	-	-	38,043
Other	2,542	2,936	-	-	-	-	407	-	526	-	-
Total revenue	10,610,716	2,559,919	3,365,346	69,344	60,771	94,105	3,824,274	5,249	2,105,758	74,893	5,101,066
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	138,765	-	-
Public Safety	7,808,500	494,653	-	-	-	-	-	-	649,474	-	-
Public works	-	312,385	3,435,115	107,820	23,499	-	10,936,250	-	63,983	-	-
Health and social services	-	-	-	-	-	-	-	-	251,681	-	-
Culture and recreation	-	1,348,523	-	-	-	93,867	-	-	37,916	-	-
Economic development	-	-	-	-	-	-	-	-	572,923	-	-
Conservation and natural resources	-	-	-	-	-	-	-	231,955	723,714	-	-
Total expenditures	7,808,500	2,155,561	3,435,115	107,820	23,499	93,867	10,936,250	231,955	2,438,456	-	-
Excess (deficiency) of revenue over expenditures	2,802,216	404,358	(69,769)	(38,476)	37,272	238	(7,111,976)	(226,706)	(332,698)	74,893	5,101,066
Other Financing Sources (Uses)											
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-	8,961,910	694,281	171,283	-	-
Operating transfers out	(1,481,903)	(560,000)	-	-	-	-	-	-	-	(74,893)	(5,301,545)
Total other financing sources (uses)	(1,481,903)	(560,000)	-	-	-	-	8,961,910	694,281	171,283	(74,893)	(5,301,545)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	1,320,313	(155,642)	(69,769)	(38,476)	37,272	238	1,849,934	467,575	(161,415)	-	(200,479)
Fund balances at beginning of year	524,860	438,297	278,123	278,001	142,328	4,288	8,040,805	39,735	639,437	-	4,102,429
Fund balances at end of year	$ 1,845,173	$ 282,655	$ 208,354	$ 239,525	$ 179,600	$ 4,526	$ 9,890,739	$ 507,310	$ 478,022	$ -	$ 3,901,950

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

CONTINUED

	Non-Major Funds											Major Fund	Total
	Victim Assistance	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater Management	GIS/IT	B&C MCBP	Local Atax	Recreation	Total Non-Major Funds	Hospitality 1.5% Fee	Special Revenue Funds
Revenue													
Property taxes	$ -	$ 449,755	$ -	$ 42,088	$ -	$ -	$ -	$ 166,416	$ -	$1,676,073	$ 16,529,385	$ -	$ 16,529,385
Accommodations tax	-	-	-	-	-	-	-	-	787,351	-	787,351	-	787,351
Intergovernmental	-	-	-	-	-	-	10,000	-	-	-	5,696,124	-	5,696,124
Fees	480,701	-	450	-	-	3,154,691	-	-	-	195,273	11,640,267	23,063,395	34,703,662
Interest	5,879	-	-	2,940	-	60,136	9,171	-	874	18,737	272,438	18,546	290,984
Other	-	163	-	500	-	-	-	-	1,896,893	-	1,903,967	-	1,903,967
Total revenue	486,580	449,918	450	45,528	-	3,214,827	19,171	166,416	2,685,118	1,890,083	36,829,532	23,081,941	59,911,473
Expenditures													
Current:													
General government	-	-	-	-	-	-	-	-	2,673,848	-	2,812,613	-	2,812,613
Public Safety	554,309	-	-	-	-	-	-	-	-	-	9,506,936	-	9,506,936
Public works	-	-	-	470,746	-	1,794,446	-	-	-	-	17,144,244	-	17,144,244
Health and social services	-	444,615	-	-	-	-	-	-	-	-	696,296	-	696,296
Culture and recreation	-	-	-	-	-	-	-	-	-	977,592	2,457,898	-	2,457,898
Economic development	-	-	-	-	-	-	-	-	-	-	572,923	-	572,923
Conservation and natural resources	-	-	38	-	-	-	-	-	-	-	955,707	-	955,707
Total expenditures	554,309	444,615	38	470,746	-	1,794,446	-	-	2,673,848	977,592	34,146,617	-	34,146,617
Excess (deficiency) of revenue over expenditures	(67,729)	5,303	412	(425,218)	-	1,420,381	19,171	166,416	11,270	912,491	2,682,915	23,081,941	25,764,856
Other Financing Sources (Uses)													
Operating transfers in	-	-	-	-	-	-	-	-	-	-	9,827,474	-	9,827,474
Operating transfers out	-	-	-	-	-	-	-	-	(7,905)	-	(7,426,246)	(22,613,106)	(30,039,352)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(7,905)	-	2,401,228	(22,613,106)	(20,211,878)
Excess (deficiency) of revenue and other financing sources over expenditures and and other financing uses	(67,729)	5,303	412	(425,218)	-	1,420,381	19,171	166,416	3,365	912,491	5,084,143	468,835	5,552,978
Fund balances at beginning of year (restated)	372,166	12,836	61,385	51,148	250,489	2,902,678	-	127,764	606	748,194	19,015,569	470,392	19,485,961
Fund balances (deficit), at end of year	$ 304,437	$ 18,139	$ 61,797	$ (374,070)	$ 250,489	$ 4,323,059	$ 19,171	$ 294,180	$ 3,971	$1,660,685	$ 24,099,712	$ 939,227	$ 25,038,939

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	**200**
Equity in pooled cash and investments		**2,135,446**
Receivables, net		
Property taxes		**86,986**
Other		**578**
Total assets	$	**2,223,210**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**96,070**
Accrued salaries and wages		**203,845**
Compensation for future absences		**78,122**
Total liabilities		**378,037**
Fund balance:		
Unreserved, undesignated		**1,845,173**
Total fund balance		**1,845,173**
Total liabilities and fund balance	$	**2,223,210**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 10,391,275	$ 10,608,174	216,899
Intergovernmental	26,594	-	(26,594)
Other	1,205	2,542	1,337
Total revenue	10,419,074	10,610,716	191,642
Expenditures			
Current:			
Public Safety:			
Personal services	5,334,252	5,346,473	(12,221)
Contractual services	1,077,699	1,035,273	42,426
Supplies and materials	648,268	637,427	10,841
Business and travel	321,327	317,698	3,629
Capital outlay	99,250	99,249	1
Indirect cost allocation	370,075	370,075	-
Other	1,085,000	2,305	1,082,695
Total expenditures	8,935,871	7,808,500	1,127,371
Excess of revenue over expenditures	1,483,203	2,802,216	1,319,013
Other Financing Sources (Uses)			
Operating transfers out	(1,483,203)	(1,481,903)	1,300
Total other financing sources (uses)	(1,483,203)	(1,481,903)	1,300
Excess of revenue and other financing sources over expenditures and other financing uses	-	1,320,313	1,320,313
Fund balance at beginning of year	524,860	524,860	-
Fund balance at end of year	$ 524,860	$ 1,845,173	$ 1,320,313

HORRY COUNTY, SOUTH CAROLINA

ACCOMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**309,847**
Accounts receivable, net:		
Other		**3,040**
Due from other governments		**795,212**
Total assets	$	**1,108,099**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**274,856**
Accrued salaries and wages		**31,186**
Compensation for future absences		**9,402**
Due to other funds		**510,000**
Total liabilities		**825,444**
Fund balance:		
Unreserved, undesignated		**282,655**
Total fund balance		**282,655**
Total liabilities and fund balance	$	**1,108,099**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental	$ 2,650,000	$ 2,551,339	$ (98,661)
Interest	10,500	5,644	(4,856)
Other	-	2,936	2,936
Total revenue	2,660,500	2,559,919	(100,581)
Expenditures			
Current:			
Public Safety - (Beach Patrol):			
Personal services	417,964	400,494	17,470
Contractual services	62,194	33,691	28,503
Supplies and materials	27,706	26,407	1,299
Business and travel	22,400	14,222	8,178
Capital outlay	19,839	19,839	-
Total public safety	550,103	494,653	55,450
Public Works (Beach Clean Up):			
Personal services	174,405	188,304	(13,899)
Contractual services	27,570	26,335	1,235
Supplies and materials	22,184	20,520	1,664
Business and travel	34,198	35,583	(1,385)
Capital outlay	41,643	41,643	-
Total public works	300,000	312,385	(12,385)
Culture and Recreation:			
Contributions to other agencies	1,342,132	1,348,523	(6,391)
Total culture and recreation	1,342,132	1,348,523	(6,391)
Total expenditures	2,192,235	2,155,561	36,674
Excess (deficiency) of revenue over expenditures	468,265	404,358	(63,907)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Operating transfers out	(560,000)	(560,000)	-
Total other financing sources (uses)	(560,000)	(560,000)	-
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(91,735)	(155,642)	(63,907)
Fund balance at beginning of year	438,297	438,297	-
Fund balance at end of year	$ 346,562	$ 282,655	$ (63,907)

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECUAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**515,850**
Receivables, net:		
Property taxes		**28,810**
Total assets	**$**	**544,660**
Liabilities and Fund Balance		
Liabilities:		
Due to component unit	**$**	**336,306**
Total liabilities		**336,306**
Fund balance:		
Reserved for encumbrances		**96,707**
Unreserved, undesignated		**111,647**
Total fund balance		**208,354**
Total liabilities and fund balance	**$**	**544,660**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 3,374,500	$ 3,365,346	$ (9,154)
Total revenue	3,374,500	3,365,346	(9,154)
Expenditures			
Current:			
Public Works:			
Contractual services	3,850,200	3,435,115	415,085
Total expenditures	3,850,200	3,435,115	415,085
Excess (deficiency) of revenue over expenditures	(475,700)	(69,769)	405,931
Fund balance at beginning of year	278,123	278,123	-
Fund balance at end of year	$ (197,577)	$ 208,354	$ 405,931

HORRY COUNTY, SOUTH CAROLINA

WATERSHEDS SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**238,685**
Receivables, net:		
Property taxes		**840**
Total assets	$	**239,525**
Liabilities and Fund Balance		
Fund balance		
Unreserved, undesignated	$	**239,525**
Total fund balance		**239,525**
Total liabilities and fund balance	$	**239,525**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 67,090	$ 69,344	$ 2,254
Total revenue	67,090	69,344	2,254
Expenditures			
Current:			
Public Works:			
Contractual services	64,390	105,120	(40,730)
Indirect cost allocation	2,700	2,700	-
Total expenditures	67,090	107,820	(40,730)
Excess (deficiency) of revenue over expenditure	-	(38,476)	(38,476)
Fund balance at beginning of year	278,001	278,001	-
Fund balance at end of year	$ 278,001	$ 239,525	$ (38,476)

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets	
Equity in pooled cash and investments	**$ 180,452**
Receivables, net:	
Property taxes	**175**
Total assets	**$ 180,627**
Liabilities and Fund Balance	
Liabilities:	
Accounts payable - trade	**$ 1,027**
Total liabilities	**1,027**
Fund balance:	
Unreserved, undesignated	**179,600**
Total fund balance	**179,600**
Total liabilities and fund balance	**$ 180,627**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property tax	$ 59,200	$ 58,460	$ (740)
Interest on investments	-	2,311	2,311
Total revenue	59,200	60,771	1,571
Expenditures			
Current:			
Public Works:			
Contractual services	40,475	22,699	17,776
Supplies and materials	1,925	-	1,925
Other	16,000	-	16,000
Indirect cost allocation	800	800	-
Total expenditures	59,200	23,499	35,701
Excess of revenue over expenditures	-	37,272	37,272
Fund balance at beginning of year	142,328	142,328	-
Fund balance at end of year	$ 142,328	$ 179,600	$ 37,272

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**3,442**
Receivables, net		
Property taxes		**1,084**
Total assets	$	**4,526**
Liabilities and Fund Balance		
Fund balance		
Unreserved, undesignated	$	**4,526**
Total fund balance		**4,526**
Total liabilities and fund balance	$	**4,526**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 94,760	$ 93,729	$ (1,031)
Interest	-	376	376
Total revenue	94,760	94,105	(655)
Expenditures			
Current:			
Culture and Recreation			
Contractual services	93,560	93,067	493
Indirect cost allocation	1,200	800	400
Total expenditures	94,760	93,867	893
Excess of revenue over expenditures	-	238	238
Fund balance at beginning of year	4,288	4,288	-
Fund balance at end of year	$ 4,288	$ 4,526	$ 238

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**9,665,827**
Inventories-tile		**33,616**
Due from other governments		**126,357**
Due from other funds		**650,094**
Total assets	$	**10,475,894**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**224,863**
Accounts Payable - other		**22,000**
Construction and retainage payable		**63,813**
Deferred revenue		**12,663**
Accrued salaries and wages		**176,729**
Compensation for future absences		**85,087**
Total liabilities		**585,155**
Fund balance:		
Reserved for encumbrances		**1,605,067**
Reserved for inventories		**33,616**
Reserved for Road Maintenance		**1,312,914**
Unreserved, Undesignated		**6,939,142**
Total fund balance		**9,890,739**
Total liabilities and fund balance	$	**10,475,894**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees	$ 2,675,500	$ 2,746,129	$ 70,629
Intergovernmental	2,911,798	954,660	(1,957,138)
Interest	165,000	123,078	(41,922)
Other	-	407	407
Total revenue	5,752,298	3,824,274	(1,928,024)
Expenditures			
Public Works:			
Infrastructure and Regulation Division Director:			
Personal services	175,804	169,530	6,274
Contractual services	97,478	18,894	78,584
Supplies and materials	4,193	4,125	68
Business and travel	13,827	7,162	6,665
Other	112,837	-	112,837
Total Division Director	404,139	199,711	204,428
Engineer:			
Personal services	719,116	565,759	153,357
Contractual services	6,839,247	1,482,329	5,356,918
Supplies and materials	12,064	11,138	926
Business and travel	31,322	31,776	(454)
Capital outlay	515	315	200
Other	417,588	-	417,588
Total Engineer	8,019,852	2,091,317	5,928,535
Operations:			
Personal services	3,989,938	3,825,452	164,486
Contractual services	8,708,753	2,785,622	5,923,131
Supplies and materials	994,795	752,500	242,295
Business and travel	1,416,915	1,171,648	245,267
Indirect cost allocation	110,000	110,000	-
Total Operations	15,220,401	8,645,222	6,575,179
Total expenditures	23,644,392	10,936,250	12,708,142
Excess (deficiency) of revenue over expenditures	(17,892,094)	(7,111,976)	10,780,118

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Operating transfers in	9,826,407	8,961,910	(864,497)
Total other financing sources (uses)	9,826,407	8,961,910	(864,497)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(8,065,687)	1,849,934	9,915,621
Fund balance at beginning of year	8,040,805	8,040,805	-
Fund balance at end of year	$ (24,882)	$ 9,890,739	$ 9,915,621

HORRY COUNTY, SOUTH CAROLINA

BEACH NOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	357,745
Equity in pooled cash and investments		1,219,565
Due from other funds		510,000
Total assets	$	2,087,310
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$	1,580,000
Total liabilities		1,580,000
Fund balance:		
Unreserved, undesignated		507,310
Total fund balance		507,310
Total liabilities and fund balance	$	2,087,310

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Interest	$ 9,000	$ 5,249	$ (3,751)
Total revenue	9,000	5,249	(3,751)
Expenditures			
Current:			
Conservation and Natural Resources:			
Contractual services	708,474	228,655	479,819
Cost Allocation	-	3,300	(3,300)
Total expenditures	708,474	231,955	476,519
Excess (deficiency) of revenue over expenditures	(699,474)	(226,706)	472,768
Other Financing Sources			
Operating transfers in	699,474	694,281	(5,193)
Total other financing sources	699,474	694,281	(5,193)
Excess of revenue and other financing sources over expenditures	-	467,575	467,575
Fund balance at beginning of year	39,735	39,735	-
Fund balance at end of year	$ 39,735	$ 507,310	$ 467,575

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	252,473
Due from other governments		1,178,955
Total assets	$	1,431,428
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	377,637
Accrued salaries and wages		33,341
Compensation for future absences		5,533
Due to other funds		309,420
Deferred revenue		227,475
Total liabilities		953,406
Fund balance:		
Reserved for encumbrances		483,935
Unreserved, undesignated		(5,913)
Total fund balance		478,022
Total liabilities and fund balance	$	1,431,428

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental	$ 5,268,744	$ 2,105,232	$ (3,163,512)
Other	6,977	526	(6,451)
Total revenue	5,275,721	2,105,758	(3,169,963)
Expenditures			
General government:			
Personal services	152,132	121,776	30,356
Contractual services	4,185	1,985	2,200
Supplies and materials	78	-	78
Business and travel	7,748	2,992	4,756
Capital Outlay	85,258	12,012	73,246
Other	60	-	60
Total general government	249,461	138,765	110,696
Public Safety:			
Personal services	129,365	409,679	(280,314)
Contractual services	1,940	994	946
Supplies and materials	76,377	57,468	18,909
Business and travel	10,230	4,800	5,430
Capital outlay	482,651	175,019	307,632
Other	1,935	1,514	421
Total public safety	702,498	649,474	53,024
Public Works:			
Construction contracts	284,109	63,983	220,126
Total public works	284,109	63,983	220,126
Health and Social Services:			
Personal services	90,074	83,332	6,742
Contractual services	18,970	11,631	7,339
Supplies and materials	198,146	136,869	61,277
Business and travel	6,887	2,382	4,505
Capital outlay	20,010	17,467	2,543
Total health and social services	334,087	251,681	82,406
Culture and Recreation:			
Personal services	-	24,416	(24,416)
Supplies and materials	13,500	13,500	-
Total culture and recreation	13,500	37,916	(24,416)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (Continued)			
Economic Development:			
Supplies and materials	100	1,982	(1,882)
Business and travel	1,975	-	1,975
Construction contracts	2,034,765	570,941	1,463,824
Total economic development	2,036,840	572,923	1,463,917
Conservation and Natural Resources:			
Personal service	84,055	87,428	(3,373)
Contractual services	560,842	113,204	447,638
Supplies and material	28,178	7,837	20,341
Business and travel	17,323	1,550	15,773
Capital outlay	1,517,826	513,695	1,004,131
Total conservation and natural resources	2,208,224	723,714	1,484,510
Total expenditures	5,828,719	2,438,456	3,390,263
Excess (deficiency) of revenue over expenditures	(552,998)	(332,698)	220,300
Other Financing Sources			
Operating transfers in	171,283	171,283	-
Total other financing sources	171,283	171,283	-
Excess (deficiency) of revenue and other financing sources over other financing uses	(381,715)	(161,415)	220,300
Fund balance at beginning of year	639,437	639,437	-
Fund balance at end of year	$ 257,722	$ 478,022	$ 220,300

HORRY COUNTY, SOUTH CAROLINA

ADMISSIONS TAX SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Due from state Treasurer	$	25,795
Total assets	$	25,795
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$	25,795
Total Liabilities		25,795
Total liabilities and fund balance	$	25,795

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental	$ 75,000	$ 74,893	$ (107)
Total revenue	75,000	74,893	(107)
Excess (deficiency) of revenues over expenditures	75,000	74,893	(107)
Other Financing Sources (Uses)			
Operating transfers out	(75,000)	(74,893)	107
Total other financing (uses)	(75,000)	(74,893)	107
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	$ -	$ -	$ -

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	**3,429,317**
Equity in pooled cash and investments		**136,755**
Receivables, net:		
Accounts		**640,232**
Total assets	$	**4,206,304**
Liabilities and Fund Balance		
Liabilities:		
Due to Baseball Stadium Fund	$	**-**
Due to Other Funds		**304,354**
Total liabilities		**304,354**
Fund balance:		
Reserved for Baseball Stadium Fund		**300,000**
Unreserved, undesignated		**3,601,950**
Total fund balance		**3,901,950**
Total liabilities and fund balance	$	**4,206,304**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees and fines	$ 5,214,000	$ 5,063,023	$ (150,977)
Interest	45,000	38,043	(6,957)
Total revenue	5,259,000	5,101,066	(157,934)
Excess (deficiency) of revenue over expenditures	5,259,000	5,101,066	(157,934)
Other Financing Sources (Uses)			
Operating transfers out	(5,655,731)	(5,301,545)	354,186
Total other financing sources (uses)	(5,655,731)	(5,301,545)	354,186
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(396,731)	(200,479)	196,252
Fund balance at beginning of year	4,102,429	4,102,429	-
Fund balance at end of year	$ 3,705,698	$ 3,901,950	$ 196,252

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**305,581**
Total assets	**$**	**305,581**
Liabilities and Fund Balance		
Liabilities:		
Accrued salaries and wages	**$**	**1,144**
Total liabilities		**1,144**
Fund balance:		
Reserved for Victims Rights Assistance		**304,437**
Total fund balance		**304,437**
Total liabilities and fund balance	**$**	**305,581**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees and fine	$ -	$ 480,701	$ 480,701
Interest	-	5,879	5,879
Total revenues	-	486,580	486,580
Expenditures			
Public safety:			
Personal services	-	181,583	(181,583)
Contractual services	-	2,593	(2,593)
Supplies and materials	-	6,967	(6,967)
Business and travel	-	1,407	(1,407)
Capital outlay	-	13,442	(13,442)
Total detention	-	205,992	(205,992)
Police:			
Personal services	-	69,353	(69,353)
Total Police	-	69,353	(69,353)
Victim Witness:			
Other	-	60,000	(60,000)
Total Victim Witness	-	60,000	(60,000)
Solicitor:			
Personal services	-	210,087	(210,087)
Contractual services	-	6,404	(6,404)
Business and travel	-	2,473	(2,473)
Total Solicitor	-	218,964	(218,964)
Total Expenditures	-	554,309	(554,309)
Deficiency of revenues over expenditures	-	(67,729)	(67,729)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	Budget	Actual	Variance Favorable (Unfavorable)
Fund balance at beginning of year	-	372,166	372,166
Fund balance at end of year	$ -	$ 304,437	$ 304,437

HORRY COUNTY, SOUTH CAROLINA

SENIOR CITIZENS SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**13,676**
Receivables, net:		
Property taxes		**4,463**
Total assets	**$**	**18,139**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	**$**	**-**
Total liabilities		**-**
Fund balance:		
Unreserved, undesignated		**18,139**
Total fund balance		**18,139**
Total liabilities and fund balance	**$**	**18,139**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 444,450	$ 449,755	$ 5,305
Other	165	163	(2)
Total revenue	444,615	449,918	5,303
Expenditures			
Health and Social Services:			
Contractual services	439,615	439,615	-
Indirect cost allocation	5,000	5,000	-
Total expenditures	444,615	444,615	-
Excess of revenue over expenditures	-	5,303	5,303
Fund balance at beginning of year	12,836	12,836	-
Fund balance at end of year	$ 12,836	$ 18,139	$ 5,303

HORRY COUNTY, SOUTH CAROLINA

RAILROAD SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**31,797**
Accounts Receivable - other		**30,000**
Total assets	$	**61,797**
Liabilities and Fund Balance		
Liabilities:		
Due to other government	$	-
Accounts payable-trade		-
Total liabilities		-
Fund balance:		
Unreserved, undesignated		**61,797**
Total fund balance		**61,797**
Total liabilities and fund balance	$	**61,797**

HORRY COUNTY, SOUTH CAROLINA

RAILROAD SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees	$ -	$ 450	$ 450
Other	-	-	-
Total revenue	-	450	450
Expenditures			
Conservation and Natural Resources:			
Contractual services	-	38	(38)
Total expenditures	-	38	(38)
Excess (deficiency) of revenue over expenditures	-	412	412
Fund balance at beginning of year	61,385	61,385	-
Fund balance at end of year	$ 61,385	$ 61,797	$ 412

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**31,998**
Total assets	**$**	**31,998**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	**$**	**299**
Due to other funds		**405,769**
Total liabilities		**406,068**
Fund balance:		
Unreserved, undesignated		**(374,070)**
Total fund balance (deficit)		**(374,070)**
Total liabilities and fund balance	**$**	**31,998**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 42,240	$ 42,088	(152)
Other	-	500	500
Interest on investments	-	2,940	2,940
Total revenue	42,240	45,528	3,288
Expenditures			
Public works:			
Contractual services	2,600	89,279	(86,679)
Supplies and materials	7,100	358,751	(351,651)
Other	34,000	21,916	12,084
Indirect cost allocation	-	800	(800)
Total expenditures	43,700	470,746	(427,046)
Excess of revenue over expenditures	(1,460)	(425,218)	(423,758)
Fund balance at beginning of year	51,148	51,148	-
Fund balance (deficit) at end of year	$ 49,688	$ (374,070)	$ (423,758)

HORRY COUNTY, SOUTH CAROLINA

CDBG REVOLVING LOAN SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Funds held in trust - Waccamaw Regional	$	489
Mortage note receivable - PARTNERS		250,000
Due from other funds		343,617
Total assets	$	594,106
Liabilities and Fund Balance		
Liabilities:		
Due to other governments	$	343,617
Total liabilities		343,617
Fund balance:		
Unreserved, undesignated		250,489
Total fund balance		250,489
Total liabilities and fund balance	$	594,106

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Interest	$ 10	$ -	$ (10)
Total revenue	10	-	(10)
Expenditures			
Current:			
Economic Development:			
JEDA	23,400	-	23,400
Other	10	-	10
Total expenditures	23,410	-	23,410
Excess (deficiency) of revenue over expenditures	(23,400)	-	23,400
Other financing sources			
Operating transfers in	23,400	-	(23,400)
Total other financing sources	23,400	-	(23,400)
Excess (deficiency) of revenue over expenditures and other financing sources	-	-	-
Fund balance at beginning of year	250,489	250,489	-
Fund balance at end of year	$ 250,489	$ 250,489	$ -

HORRY COUNTY, SOUTH CAROLINA

STORM WATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**4,757,991**
Fee receivable (net)		**27,749**
Total assets	$	**4,785,740**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**37,435**
Accrued salaries and wages		**24,525**
Compensation for future absences		**10,272**
Due to other funds		**390,449**
Total liabilities		**462,681**
Fund balance:		
Reserved for encumbrances		**291,789**
Unreserved, undesignated		**4,031,270**
Total fund balance		**4,323,059**
Total liabilities and fund balance	$	**4,785,740**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees and fines	$ 3,020,650	$ 3,154,691	$ 134,041
Interest on investments	-	60,136	60,136
Total revenue	3,020,650	3,214,827	194,177
Expenditures			
Current:			
Public Works:			
Personal services	810,599	612,221	198,378
Contractual services	3,603,117	942,854	2,660,263
Supplies and materials	363,172	127,718	235,454
Business and travel	44,795	42,215	2,580
Capital outlay	758,484	49,438	709,046
Other	-	20,000	(20,000)
Total expenditures	5,580,167	1,794,446	3,785,721
Excess (deficiency) of revenue over expenditures	(2,559,517)	1,420,381	3,979,898
Other Financing Sources (Uses)			
Operating transfers out	(150,000)	-	150,000
Total other financing sources (uses)	(150,000)	-	150,000
Excess (deficiency) of revenue and and other financing sources over expenditures and other financing uses	(2,709,517)	1,420,381	4,129,898
Fund balance at beginning of year	2,902,678	2,902,678	-
Fund balance at end of year	$ 193,161	$ 4,323,059	$ 4,129,898

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**12,148**
Accounts receivable		**7,023**
Total assets	**$**	**19,171**
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	**$**	**19,171**
Total fund balance		**19,171**
Total liabilities and fund balance	**$**	**19,171**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental	$ -	$ 10,000	$ 10,000
Interest on investment	-	9,171	9,171
Total revenue	-	19,171	19,171
Excess of revenue over expenditures	-	19,171	19,171
Excess of revenue and other financing sources over expenditures and other financing uses	-	19,171	19,171
Fund balance at beginning of year	-	-	-
Fund balance at end of year	$ -	$ 19,171	$ 19,171

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**294,180**
Total assets	**$**	**294,180**
Liabilities and Fund Balance		
Liabilities:		
Fund balance:		
Unreserved, undesignated	**$**	**294,180**
Total fund balance		**294,180**
Total liabilities and fund balance	**$**	**294,180**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ -	$ 166,416	$ 166,416
Total revenue	-	166,416	166,416
Excess of revenue over expenditures	-	166,416	166,416
Fund balance at beginning of year	127,764	127,764	-
Fund balance at end of year	$ 127,764	$ 294,180	$ 166,416

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	**75,645**
Receivables (net):		
Other		**134,978**
Total assets	$	**210,623**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**104,070**
Due to other funds		**102,582**
Total liabilities		**206,652**
Fund balance:		
Unreserved, undesignated		**3,971**
Total fund balance		**3,971**
Total liabilities and fund balance	$	**210,623**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Accommodations tax	$ 750,000	$ 787,351	$ 37,351
Interest	-	874	874
Other	-	1,896,893	1,896,893
Total revenue	750,000	2,685,118	1,935,118
Expenditures			
General Government:			
Personal services	-	103,750	(103,750)
Other	675,000	2,570,098	(1,895,098)
Total expenditures	675,000	2,673,848	(1,998,848)
Excess (deficiency) of revenue over expenditures	75,000	11,270	(63,730)
Other Financing Sources (Uses)			
Operating transfers out	(75,000)	(7,905)	67,095
Total other financing sources (uses)	(75,000)	(7,905)	67,095
Excess of revenue and other financing sources over expenditures and other financing uses	-	3,365	3,365
Fund balance at beginning of year	606	606	-
Fund balance at end of year	$ 606	$ 3,971	$ 3,365

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2003

Assets		
Cash	$	**100**
Equity in pooled cash and investments		**1,675,429**
Receivables, net:		
Property taxes		**16,457**
Other		**800**
Inventories		**1,300**
Total assets	$	**1,694,086**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**11,978**
Due to component units		**12**
Accrued salary and wages		**15,034**
Compensation for future absence		**6,377**
Total liabilities		**33,401**
Fund balance:		
Reserve for inventories		**1,300**
Reserve for encumbrances		**14,020**
Unreserved, undesignated		**1,645,365**
Total fund balance		**1,660,685**
Total liabilities and fund balance	$	**1,694,086**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 1,658,225	$ 1,676,073	$ 17,848
Fees	311,145	195,273	(115,872)
Interest on investments	-	18,737	18,737
Total revenue	1,969,370	1,890,083	(79,287)
Expenditures			
Culture and Recreation:			
Personal services	463,149	351,755	111,394
Contractual services	43,049	22,867	20,182
Supplies and materials	74,149	54,586	19,563
Business and travel	53,450	43,187	10,263
Capital outlay	60,148	40,324	19,824
Other	1,988,935	445,873	1,543,062
Cost allocation	19,000	19,000	-
Total expenditures	2,701,880	977,592	1,724,288
Excess (deficiency) of revenue over expenditures	(732,510)	912,491	1,645,001
Fund balance at beginning of year	748,194	748,194	-
Fund balance at end of year	$ 15,684	$ 1,660,685	$ 1,645,001

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.5% FEE SPECIAL REVENUE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	$	**2,950,317**
Equity in pooled cash and investments		**44,997**
Receivables, net:		
Accounts		**3,239,242**
Total assets	$	**6,234,556**
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$	**5,295,329**
Total liabilities		**5,295,329**
Fund balance:		
Unreserved, undesignated		**939,227**
Total fund balance		**939,227**
Total liabilities and fund balance	$	**6,234,556**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fees and fines	$ 23,685,000	$ 23,063,395	$ (621,605)
Interest	45,000	18,546	(26,454)
Total revenue	23,730,000	23,081,941	(648,059)
Expenditures			
Other	500,000	-	500,000
Total expenditures	500,000	-	500,000
Excess (deficiency) of revenue over expenditures	23,230,000	23,081,941	(148,059)
Other Financing Sources (Uses)			
Operating transfers out - RIDE Debt Service	(22,998,150)	(22,382,488)	615,662
Operating transfers out - General Fund	(231,850)	(230,618)	1,232
Total other financing sources (uses)	(23,230,000)	(22,613,106)	616,894
Excess of revenue and other financing financing sources over expenditures and other financing uses	-	468,835	468,835
Fund balance at beginning of year	470,392	470,392	-
Fund balance at end of year	$ 470,392	$ 939,227	$ 468,835

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

Debt service funds are used accounts 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

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2003

	Non-Major Funds					Major Fund	
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds	RIDE Program	Total Debt Service Funds
Assets							
Cash and cash equivalents	$ -	$ -	$ -	$ 2,199,252	$ 2,199,252	$ -	$ 2,199,252
Equity in pooled cash and investments	4,213,934	63,523	37,725	-	4,315,182	-	4,315,182
Receivables, net:							
Property taxes	79,291	8,105	21,728	-	109,124	-	109,124
Due from other governments	5,273	-	-	-	5,273	-	5,273
Due from other funds	-	-	-	-	-	5,288,933	5,288,933
Restricted assets	-	-	-	-	-	10,199,183	10,199,183
Total assets	$ 4,298,498	$ 71,628	$ 59,453	$ 2,199,252	$ 6,628,831	$ 15,488,116	$ 22,116,947
Liabilities and Fund Balances							
Fund balances:							
Reserved for debt service	$ 4,298,498	$ 71,628	$ 59,453	$ 2,199,252	$ 6,628,831	$ -	$ 6,628,831
Reserved for RIDE program	-	-	-	-	-	15,488,116	15,488,116
Total fund balances	4,298,498	71,628	59,453	2,199,252	6,628,831	15,488,116	22,116,947
Total liabilities and fund balances	$ 4,298,498	$ 71,628	$ 59,453	$ 2,199,252	$ 6,628,831	$ 15,488,116	$ 22,116,947

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2003

	Non-Major Funds					Major Fund	
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds	RIDE Program	Total Debt Service Funds
Revenue							
Property taxes	$ 7,859,193	$ 796,849	$ 2,137,589	$ -	$ 10,793,631	$ -	$ 10,793,631
Intergovernmental	129,280	10,638	13,881	-	153,799	-	153,799
Interest	-	-	-	183,381	183,381	740,227	923,608
Other	4,320	287	778	-	5,385	-	5,385
Total revenue	7,992,793	807,774	2,152,248	183,381	11,136,196	740,227	11,876,423
Expenditures							
Debt service:							
Principal	5,319,515	350,000	185,000	1,050,000	6,904,515	25,128,753	32,033,268
Interest	3,829,816	176,313	25,025	979,323	5,010,477	-	5,010,477
Agents fees	4,318	400	838	3,050	8,606	-	8,606
Indirect cost allocation	-	6,490	12,007	-	18,497	-	18,497
Total debt service	9,153,649	533,203	222,870	2,032,373	11,942,095	25,128,753	37,070,848
Current:							
Horry Georgetown TECH	-	-	1,950,000	-	1,950,000	-	1,950,000
Higher Education Commission	-	270,000	-	-	270,000	-	270,000
Total current	-	270,000	1,950,000	-	2,220,000	-	2,220,000
Total expenditures	9,153,649	803,203	2,172,870	2,032,373	14,162,095	25,128,753	39,290,848
Excess (deficiency) of revenue expenditures	(1,160,856)	4,571	(20,622)	(1,848,992)	(3,025,899)	(24,388,526)	(27,414,425)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2003

- CONTINUED -

	Non-Major Funds					Major Fund	
	General Debt	**Higher Education**	**Horry Georgetown TECH**	**Special Obligation Debt**	**Total Non-Major Funds**	**RIDE Program**	**Total Debt Service Funds**
Other Financing Sources (Uses)							
Operating transfers in	1,667,059	-	-	1,849,501	3,516,560	22,457,381	25,973,941
Total other financing sources (uses)	1,667,059	-	-	1,849,501	3,516,560	22,457,381	25,973,941
Excess (deficiency) of revenue and other financing source over expenditures and other financing uses	506,203	4,571	(20,622)	509	490,661	(1,931,145)	(1,440,484)
Fund balances at beginning of year	3,792,295	67,057	80,075	2,198,743	6,138,170	17,419,261	23,557,431
Fund balances at end of year	$ 4,298,498	$ 71,628	$ 59,453	$2,199,252	$6,628,831	$ 15,488,116	$ 22,116,947

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**4,213,934**
Receivables, (net):		
Property taxes		**79,291**
Due from other governments		**5,273**
Total assets	$	**4,298,498**
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	$	**4,298,498**
Total liabilities and fund balance	$	**4,298,498**

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 7,737,525	$ 7,859,193	$ 121,668
Intergovernmental	132,859	129,280	(3,579)
Interest	50,000	-	(50,000)
Other	2,010	4,320	2,310
Total revenue	7,922,394	7,992,793	70,399
Expenditures			
Debt service:			
Principal	5,319,515	5,319,515	-
Interest	3,829,818	3,829,816	2
Agents fees	4,610	4,318	292
Other	408,254	-	408,254
Total debt service	9,562,197	9,153,649	408,548
Total expenditures	9,562,197	9,153,649	408,548
Excess (deficiency) of revenue over expenditures	(1,639,803)	(1,160,856)	478,947
Other Financing Sources (Uses)			
Operating transfers in	1,639,803	1,667,059	27,256
Total other financing sources	1,639,803	1,667,059	27,256
Excess of revenue and other financing sources over expenditures and other financing uses	-	506,203	506,203
Fund balance at beginning of year	3,792,295	3,792,295	-
Fund balance at end of year	$ 3,792,295	$ 4,298,498	$ 506,203

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**63,523**
Receivables, (net):		
Property taxes		**8,105**
Total assets	**$**	**71,628**
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	**$**	**71,628**
Total fund balance		**71,628**
Total liabilities and fund balance	**$**	**71,628**

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION DEBT SERVICE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 793,980	$ 796,849	$ 2,869
Intergovernmental	10,638	10,638	-
Other	288	287	(1)
Total revenue	804,906	807,774	2,868
Expenditures			
Debt service:			
Principal	350,000	350,000	-
Interest	176,313	176,313	-
Agents fees	1,000	400	600
Indirect cost allocation	6,490	6,490	-
Total debt service	533,803	533,203	600
Current:			
Higher Education Commission	271,103	270,000	1,103
Total expenditures	804,906	803,203	1,703
Excess (deficiency) of revenue over over expenditures	-	4,571	4,571
Fund balance at beginning of year	67,057	67,057	-
Fund balance at end of year	$ 67,057	$ 71,628	$ 4,571

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	**$**	**37,725**
Receivables, net:		
Property taxes		**21,728**
Total assets	**$**	**59,453**
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	**$**	**59,453**
Total liabilities and fund balance	**$**	**59,453**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Property taxes	$ 2,181,575	$ 2,137,589	$ (43,986)
Intergovernmental	13,881	13,881	-
Other	600	778	178
Total revenue	2,196,056	2,152,248	(43,808)
Expenditures			
Debt service:			
Principal	185,000	185,000	-
Interest	25,026	25,025	1
Agents fees	850	838	12
Indirect cost allocation	12,007	12,007	-
Total debt service	222,883	222,870	13
Current:			
Horry Georgetown Tech	1,973,173	1,950,000	23,173
Total expenditures	2,196,056	2,172,870	23,186
Excess (deficiency) of revenue over expenditures	-	(20,622)	(20,622)
Fund balance at beginning of year	80,075	80,075	-
Fund balance at end of year	$ 80,075	$ 59,453	$ (20,622)

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Cash and cash equivalents	**$**	**2,199,252**
Total assets	**$**	**2,199,252**
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	**$**	**2,199,252**
Total liabilities and fund balance	**$**	**2,199,252**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Interest	$ 47,000	$ 183,381	$ 136,381
Total revenue	47,000	183,381	136,381
Expenditures			
Debt service:			
Principal	1,050,000	1,050,000	-
Interest	979,323	979,323	-
Insurance fees	-	3,050	(3,050)
Total debt service	2,029,323	2,032,373	(3,050)
Excess (deficiency) revenue over expenditures	(1,982,323)	(1,848,992)	133,331
Other Financing Sources (Uses)			
Operating transfers in	1,982,323	1,849,501	(132,822)
Total other financing sources (uses)	1,982,323	1,849,501	(132,822)
Excess of revenue and other financing sources over expenditures and other financing uses	-	509	509
Fund balance at beginning of year	2,198,743	2,198,743	-
Fund balance at end of year	$ 2,198,743	$ 2,199,252	$ 509

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Funds held in trust (restricted)		
Loan Reserve Account	**$**	**10,199,183**
Due from other funds		**5,288,933**
Total assets	**$**	**15,488,116**
Liabilities and Fund balance		
Fund balance:		
Reserved for RIDE Program	**$**	**15,488,116**
Total fund balance		**15,488,116**
Total liabilities and fund balance	**$**	**15,488,116**

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Interest	$ 454,000	$ 740,227	$ 286,227
Total revenue	454,000	740,227	286,227
Expenditures			
Debt service:			
Principal:			
Insured	20,475,000	20,449,098	25,902
Uninsured	4,679,655	4,679,655	-
Total debt service	25,154,655	25,128,753	25,902
Deficiency of revenue over expenditures	(24,700,655)	(24,388,526)	312,129
Other Financing Sources (Uses)			
Operating transfers in - Hospitality Fund	22,998,150	22,382,488	(615,662)
Operating transfers in - Admissions Tax	75,000	74,893	(107)
Total other financing sources (uses)	23,073,150	22,457,381	(615,769)
Deficiency of revenue and other financing sources over expenditures and other financing uses	(1,627,505)	(1,931,145)	(303,640)
Fund balance at beginning of year	17,419,261	17,419,261	-
Fund balance at end of year	$ 15,791,756	$ 15,488,116	$ (303,640)

CAPITAL PROJECTS FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Equity in pooled cash and investments	$	**11,560,568**
Funds held in escrow		**3,050,667**
Accounts receivable other		**8,329**
Accrued interest receivable		**35,366**
Total assets	$	**14,654,930**
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$	**460,208**
Construction payable		**1,531,677**
Other accrued liabilities		**227,292**
Total liabilities		**2,219,177**
Fund balance:		
Reserved for general construction		**7,275,844**
Reserved for encumbrances		**4,969,443**
Reserved for Fire Special Revenue Fund		**190,466**
Total fund balance		**12,435,753**
Total liabilities and fund balance	$	**14,654,930**

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Interest	$ 500,000	$ 339,827	$ (160,173)
Other	35,000	35,000	-
Total revenue	535,000	374,827	(160,173)
Expenditures			
Capital Outlay:			
Construction contracts	23,329,450	12,247,606	11,081,844
Capital outlay	3,089,945	2,913,633	176,312
Other	319,231	-	319,231
Total Capital Outlay	26,738,626	15,161,239	11,577,387
Total expenditures	26,738,626	15,161,239	11,577,387
Excess (deficiency) of revenue over expenditures	(26,203,626)	(14,786,412)	11,417,214
Other Financing Sources (Uses)			
Capital lease obligation	-	984,569	984,569
Total other financing sources (uses)	-	984,569	984,569
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(26,203,626)	(13,801,843)	12,401,783
Fund balance at beginning of year	26,237,596	26,237,596	-
Fund balance at end of year	$ 33,970	$ 12,435,753	$ 12,401,783

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY (ENTERPRISE) FUNDS

Proprietary (enterprise) funds account for operations that are financed and operated in a manner similar to private business enterprises. In a proprietary fund the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Department of Airports - accounts for revenue and expenses for the operations of the Conway, Loris and Grand Strand general aviation airports, and the Myrtle Beach International Airport.

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

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

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Current assets:		
Cash and cash equivalents	$	**8,508,513**
Investments		**15,261,325**
Accounts receivable (net of allowance of $257,631 in 2003 and $246,793 in 2002)		**636,290**
Accrued interest on investments		**168,210**
Due from other governments		**508,982**
Inventories		**179,716**
Prepaid expenses		**162,303**
Total current assets		**25,425,339**
Non-current assets:		
Restricted assets:		
Cash and cash equivalents		**5,534,317**
Investments		**13,347,131**
Receivables - PFC's and CFC's		**636,475**
Total restricted assets		**19,517,923**
Capital assets:		
Land, easements and infrastructure		**29,755,899**
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net		**60,129,761**
Construction-in-progress		**2,840,247**
Total capital assets, net		**92,725,907**
Bond issuance costs, net		**858,058**
Other non-current assets		**32,722**
Total assets	$	**138,559,949**

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEET

- CONTINUED -

Liabilities and Net Assets	
Current liabilities:	
Accounts payable	$ 165,795
Construction accounts and retainage payable	667,341
Accrued salaries and wages	215,810
Compensation for future absences	153,607
Other accrued expenses	565,709
Due to Horry County - General Fund	1,634,953
Capital leases payable - current portion	17,243
Amounts due to airlines	199,645
Total current liabilities	3,620,103
Current liabilities payable from restricted assets:	
Revenue bonds payable - current portion	1,500,000
Accrued interest payable	931,021
Total current liabilities payable from restricted assets	2,431,021
Non-current liabilities:	
Revenue bonds payable	28,663,290
Capital leases	49,836
Total non-current liabilities	28,713,126
Total liabilities	34,764,250
Net assets:	
Investment in capital assets, net of related debt	63,353,598
Restricted for:	
Debt service	17,362,144
Unrestricted	23,079,957
Total net assets	103,795,699
Total liabilities and net assets	$ 138,559,949

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2003

Operating Revenue		
Landing fees	$	**1,638,138**
Airline terminal rents		**3,176,099**
Concessions and rentals		**4,091,130**
Security fees		**249,477**
Leases		**920,418**
Fuel sales - FBO		**1,827,691**
Other FBO services		**567,721**
FAA Security Operations Grant		**142,727**
Other		**452,778**
Total operating revenue		**13,066,179**
Less, signatory airline contract operating rebate		**(2,042)**
Net operating revenue		**13,064,137**
Operating Expenses		
Salaries and benefits		**4,219,300**
Utilities		**645,919**
Professional services		**821,994**
Maintenance and supplies		**419,107**
Fuel cost of sales		**1,080,081**
Vehicle and equipment (non-capital) expense		**237,775**
Insurance		**206,256**
Business and travel related		**64,840**
Office supplies		**20,639**
Horry County administrative costs		**389,759**
Depreciation and amortization		**3,900,272**
Bad debt expense		**12,399**
Total operating expenses		**12,018,341**
Operating income		**1,045,796**

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

- CONTINUED -

Non-Operating Revenue (Expenses)	
Passenger Facility Charges (PFC's)	**2,584,265**
Contract Facility Charges (CFC's)	**1,070,207**
State grant revenue	**2,869,300**
Net insurance proceeds - fire	**16,125**
Interest income	**691,221**
Interest expense	**(1,898,499)**
Net non-operating revenue (expenses)	**5,332,619**
Income before special item and capital contributions	**6,378,415**
Special Item:	
Lease buyback	**(1,914,322)**
Income before capital contributions	**4,464,093**
Capital Contributions	
Federal grants - Airport Improvement Program (AIP)	**2,919,954**
Net change in net assets	**7,384,047**
Net assets, beginning of year, as restated	**96,411,652**
Net assets, end of year	**$ 103,795,699**

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2003

Cash flows from operating activities	
Cash received for:	
Landing fees, terminal rents, concessions leases and other fees	**$ 10,221,437**
FBO sales and services	**2,338,191**
Other	**423,871**
Cash paid for:	
Salaries and benefits	**(4,219,715)**
Maintenance, supplies, fuel, utilities and equipment	**(3,686,021)**
Net cash provided by operating activities	**5,077,763**
Cash flows from non-capital financing activities	
Lease buyback	**(1,914,322)**
Insurance proceeds	**699,750**
State grant revenue	**-**
Net cash provided by non-capital financing activities	**(1,214,572)**
Cash flows from capital and related financing activities	
Receipt of Passenger and Contract Facility Charges	**3,471,130**
Acquisition and construction of fixed assets	**(2,420,840)**
Principal payments on bonds and notes	**(1,420,000)**
Interest paid on bonds and notes	**(1,940,091)**
Principal payments on capital lease obligation	**(17,848)**
Receipt from city of Myrtle beach trust fund	**2,869,300**
Proceeds from AIP and FEMA grants	**2,587,492**
Net cash provided by (used in) capital and related financing activitie:	**3,129,143**
Cash flows from investing activities	
Investment purchases	**(28,608,446)**
Investment sales	**20,356,612**
Interest on investments	**658,446**
Net cash used in investing activities	**(7,593,388)**
Net decrease in cash and cash equivalents	**(601,054)**
Cash and cash equivalents, beginning of year	
Unrestricted	**7,894,009**
Restricted	**6,749,875**
	14,643,884
Cash and cash equivalents, end of year	
Unrestricted	**8,508,513**
Restricted	**5,534,317**
	$ 14,042,830

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

- CONTINUED -

Reconciliation of operating income to cash flows from operating activities		
Operating income	$	1,045,796
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization		3,900,272
Bad debt expense		12,399
(Increase) decrease in certain assets:		
Accounts receivable		244,766
Accounts receivable - FAA grant		(142,727)
Prepaid expenses		(54,917)
Inventories		(199)
(Decrease) increase in certain liabilities:		
Accounts payable		(27,146)
Accrued salaries, wages and compensated absences		(415)
Other accrued expenses		275,524
Due to Horry County - General Fund		7,087
Amounts due to airlines		(182,677)
Net cash provided by operating activities	$	5,077,763
Supplemental information-noncash investing, capital and financing activities		
Restricted accounts receivable	$	636,475
Construction accounts and retainage payable	$	667,341
Capital lease obligation	$	73,557

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
BALANCE SHEET

JUNE 30, 2003

Assets	
Restricted assets:	
Cash and cash equivalents - County's Payment Sub-account	$ 271,232
Due from Hospitality Fund for renewal and replacement	38,414
Total restricted assets	309,646
Non-current assets:	
Capital assets:	
Land and improvements	2,691,429
Buildings and improvements	3,356,135
Equipment	326,892
	6,374,456
Less, accumulated depreciation	(843,451)
Net capital assets	5,531,005
Total assets	5,840,651
Liabilities and Net Assets	
Current liabilities:	
Due to other governments	$ 48,383
Total current liabilities	48,383
Current liabilities payable from restricted assets:	
Certificates of Participation payable - current portion	117,000
Accrued interest payable	62,412
Total current liabilities payable from restricted assets	179,412
Certificates of Participation payable	2,545,500
Total liabilities	2,773,295
Net assets:	
Invested in capital assets, net of related debt	2,806,093
Restricted for debt service, renewals and replacements	271,232
Unrestricted	(9,969)
Total net assets	3,067,356
Total liabilities and net assets	$ 5,840,651

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2003

Operating Revenue		
Consessions and rentals	$	7,757
Other		2,335
Net profit from Joint Enterprise-Baseball Stadium operations		-
Total operating revenue		10,092
Operating Expenses		
Equipment rental		409
Management fee		2,310
Maintenance & supplies		12,786
Insurance		28,379
Depreciation		198,395
Other		4,622
Total operating expenses		246,901
Operating loss		(236,809)
Non-operating Revenue (Expenses)		
Interest income		2,833
Interest expense		(124,825)
Net non-operating revenue (expenses)		(121,992)
Loss before transfers		(358,801)
Transfers		
Operating transfers in - Hospitality Fund		309,090
Net change in net assets		(49,711)
Net assets at beginning of year (as restated)		3,117,067
Net assets at end of year	$	3,067,356

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2003

Cash flows from operating activities	
Cash paid for:	
Baseball stadium operations	**(34,172)**
Net cash used in operating activities	**(34,172)**
Cash flows from non-capital financing activities	
Increase in due from other funds	**51,586**
Operating transfers in - Hospitality Fund	**309,090**
Net cash flows provided by non-capital financing activities	**360,676**
Cash flows from capital and related financing activities	
Principal payments on Certificates of Participation	**(112,500)**
Interest paid on Certificates of Participation	**(127,075)**
Net cash used in capital and related financing activities	**(239,575)**
Cash flows from investing activities	
Interest earned	**2,833**
Net cash provided by investing activities	**2,833**
Net decrease in cash and cash equivalents	**89,762**
Cash and cash equivalents at beginning of year	**181,470**
Cash and cash equivalents at end of year	**271,232**
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	**(236,809)**
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	**198,395**
Increase in due to other governments	**4,242**
Net cash provided by operating activities	**(34,172)**

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Current assets:		
Cash and cash equivalents	$	876,432
Total current assets		876,432
Non-current assets:		
Capital assets:		
Land		702,762
Building and improvements		2,789,159
Less, accumulated depreciation		(883,371)
Capital assets, net		2,608,550
Land held for investment		1,515,032
Total assets	$	5,000,014
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$	3,267
Due to other funds		343,617
Total current liabilities		346,884
Total liabilities		346,884
Net assets:		
Invested in capital assets, net of related debt		2,608,550
Restricted for infrastructure development		516,000
Unrestricted		1,528,580
Total net assets		4,653,130
Total liabilities and net assets	$	5,000,014

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2003

Operating Revenue		
Rent	$	277,480
Fees-in-lieu of taxes		28,187
Other		276,020
Total operating revenue		581,687
Operating Expenses		
Contractual services		455,967
Depreciation		71,003
Other-cost allocation		50,000
Total operating expenses		576,970
Operating income		4,717
Non-operating revenue		
Gain on sale of property		12,536
Net non-operating revenue		12,536
Income before transfers		17,253
Transfers		
Operating transfer out - debt service		(185,156)
Net change in net assets		(167,903)
Net assets, beginning of year, as restated		4,821,033
Net assets, end of year	$	4,653,130

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2003

Cash flows from operating activities		
Cash received from:		
Rent	$	293,643
Service and miscellaneous charges		304,207
Cash paid for:		
Industrial park operations		(456,062)
Other supplies and miscellaneous costs		(50,000)
Net cash provided by operating activities		91,788
Cash flows from non-capital financing activities		
Returns to other funds		(29,993)
Operating transfer out-debt service fund		(185,156)
Net cash flows used in non-capital financing activities		(215,149)
Cash flows from investing activities		
Interest received		12,536
Net cash provided by investing activities		12,536
Net increase (decrease) in cash		(110,825)
Cash and cash equivalents, beginning of year		987,257
Cash and cash equivalents, end of year	$	876,432
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	4,717
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		71,003
Change in certain assets and liabilities:		
(Increase) decrease in accounts receivable		16,164
Decrease in accounts payable		(96)
Net cash provided by operating activities	$	91,788

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUND

Internal service funds accounts for the financing of goods and services provided by one department to other departments of the government and to other units, on a cost reimbursement basis.

Fleet Service - Accounts for the maintenance and service of all County vehicles including heavy and light equipment.

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
BALANCE SHEET

JUNE 30, 2003

Assets		
Current assets:		
Equity in pooled cash and investments	$	4,006,307
Accounts receivable		20,413
Inventory		228,321
Total current assets		4,255,041
Non-current assets:		
Capital assets:		
Machinery and equipment		8,856,766
Less, accumulated depreciation		5,778,342
Net capital assets		3,078,424
Total assets	$	7,333,465
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$	52,551
Accrued salaries and wages		25,283
Compensation for future absences		14,167
Total current liabilities		92,001
Net Assets:		
Invested in capital assets		3,078,424
Unresticted		4,163,040
Total net assets		7,241,464
Total liabilities and net assets	$	7,333,465

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2003

Operating Revenue		
Charges for service	$	3,502,851
Other		21,332
Total operating revenue		3,524,183
Operating Expenses		
Personal services		730,135
Contractual services		1,082,019
Supplies and materials		36,654
Business and travel		34,097
Depreciation		1,269,516
Total operating expenses		3,152,421
Operating income		371,762
Non-operating revenue		
Gain on disposal of assets		3,055
Interest		57,018
Net non-operating revenue		60,073
Net Income		431,835
Net change in net assets		431,835
Net assets, beginning of year, as restated		6,809,629
Net assets, end of year	$	7,241,464

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2003

Cash flows from operating activities	
Cash received from:	
Services	$ 3,502,851
Miscellaneous charges	21,332
Cash paid for:	
Fleet maintenance	(1,862,599)
Other supplies and miscellaneous costs	(34,097)
Net cash provided by operating activities	1,627,487
Cash flows from capital and related financing activities	
Contributed capital - General Fund	39,769
Purchase of fixed assets	(1,431,591)
Proceeds from disposition of property and equipment	18,084
Net cash provided by (used in) capital and related financing activities	(1,373,738)
Cash flows from investing activities	
Interest income	57,018
Net cash provided by investing activities	57,018
Net increase in cash and cash equivalents	310,767
Cash and cash equivalents at beginning of year	3,695,540
Cash and cash equivalents at end of year	$ 4,006,307
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income	$ 371,762
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	1,269,516
(Increase) decrease in assets:	
Inventories	(29,903)
Increase (decrease) in liabilities:	
Accounts payables	20,141
Due to other governments	(453)
Accrued salaries, wages and compensated absences	(3,576)
Net cash provided by operating activities	$ 1,627,487

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

YEAR ENDED JUNE 30, 2003

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Totals-Agency Funds				
Assets:				
Cash	$ 9,057,793	$ 344,113,486	$ 332,848,255	$ 20,323,024
Pooled cash and investments	51,225,540	48,463,153	30,001,019	69,687,674
Due from agency	-	3,847	-	3,847
Total assets	$ 60,283,333	$ 392,580,486	$ 362,849,274	$ 90,014,545
Liabilities:				
Due to agency	$ 60,283,333	$ 392,576,639	$ 362,849,274	$ 90,010,698
Due to general fund	-	3,847	-	3,847
Total liabilities	$ 60,283,333	$ 392,580,486	$ 362,849,274	$ 90,014,545

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
City of Conway				
Assets:				
Pooled cash and investments	$ 50,222	$ 3,104,908	$ 3,106,920	$ 48,210
Liabilities:				
Due to agency	$ 50,222	$ 3,104,908	$ 3,106,920	$ 48,210
City of Myrtle Beach				
Assets:				
Pooled cash and investments	$ 143,285	$ 15,999,503	$ 16,023,930	$ 118,858
Liabilities:				
Due to agency	$ 143,285	$ 15,999,503	$ 16,023,930	$ 118,858
Town of Loris				
Assets:				
Pooled cash and investments	$ 13,177	$ 628,069	$ 632,109	$ 9,137
Liabilities:				
Due to agency	$ 13,177	$ 628,069	$ 632,109	$ 9,137
City of North Myrtle Beach				
Assets:				
Pooled cash and investments	$ 82,812	$ 7,007,812	$ 7,014,737	$ 75,887
Liabilities:				
Due to agency	$ 82,812	$ 7,007,812	$ 7,014,737	$ 75,887
Town of Surfside				
Assets:				
Pooled cash and investments	$ 21,677	$ 1,535,123	$ 1,536,310	$ 20,490
Liabilities:				
Due to agency	$ 21,677	$ 1,535,123	$ 1,536,310	$ 20,490

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Town of Atlantic Beach				
Assets:				
Pooled cash and investments	$ 4,502	$ 163,451	$ 164,015	$ 3,938
Liabilities:				
Due to agency	$ 4,502	$ 163,451	$ 164,015	$ 3,938
Town of Aynor				
Assets:				
Pooled cash and investments	$ 1,703	$ 121,417	$ 121,664	$ 1,456
Liabilities:				
Due to agency	$ 1,703	$ 121,417	$ 121,664	$ 1,456
Town of Briarcliff				
Assets:				
Pooled cash and investments	$ 3,582	$ 168,995	$ 170,772	$ 1,805
Liabilities:				
Due to agency	$ 3,582	$ 168,995	$ 170,772	$ 1,805
Horry County School District Operations/Debt				
Assets:				
Pooled cash and investments	$ 50,871,495	$ 18,774,371	$ 288,003	$ 69,357,863
Cash	8,342,270	342,200,092	331,349,126	$ 19,193,236
Total Assets	$ 59,213,765	$ 360,974,463	$ 331,637,129	$ 88,551,099
Liabilities:				
Due to agency	$ 59,213,765	$ 360,974,463	$ 331,637,129	$ 88,551,099
Total Liabilities	$ 59,213,765	$ 360,974,463	$ 331,637,129	$ 88,551,099

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Murrells Inlet-Garden City Operation/Debt Fire District				
Assets:				
Pooled cash and investments	$ 24,759	$ 904,109	$ 889,553	$ 39,315
Liabilities:				
Due to agency	$ 24,759	$ 904,109	$ 889,553	$ 39,315
Grand Strand Water and Sewer				
Assets:				
Pooled cash and investments	$ 787	$ 52,630	$ 53,006	$ 411
Liabilities:				
Due to agency	$ 787	$ 52,630	$ 53,006	$ 411
Fireman's Fund				
Assets:				
Cash	$ 188,924	$ 769,614	$ 748,468	$ 210,070
Liabilities:				
Due to agency	$ 188,924	$ 769,614	$ 748,468	$ 210,070
Police Asset Forfeiture Fund				
Assets:				
Cash	$ 96,676	$ 140,881	$ 94,975	$ 142,582
Liabilities:				
Due to agency	$ 96,676	$ 140,881	$ 94,975	$ 142,582
Police Fund				
Assets:				
Cash	$ 22,776	$ 50,391	$ 49,716	$ 23,451
Liabilities:				
Due to agency	$ 22,776	$ 50,391	$ 49,716	$ 23,451

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Sheriff Asset Forfeiture Fund				
Assets:				
Cash	$ 19,166	$ 15	$ 19,181	$ -
Liabilities:				
Due to agency	$ 19,166	$ 15	$ 19,181	$ -
Police Federal Forfeiture Fund				
Assets:				
Cash	$101,751	$ 40,787	$ 40,336	$ 102,202
Liabilities:				
Due to agency	$101,751	$ 40,787	$ 40,336	$ 102,202
Environmental Services				
Assets:				
Cash	$ 40,293	$ 2,301	$ 936	$ 41,658
Liabilities:				
Due to agency	$ 40,293	$ 2,301	$ 936	$ 41,658
Library Endowment				
Assets:				
Cash	$ 5,017	$ 1,470	$ 3,284	$ 3,203
Pooled cash and investments	7,539	2,765	-	$ 10,304
Total assets	$ 12,556	$ 4,235	$ 3,284	$ 13,507
Liabilities:				
Due to agency	$ 12,556	$ 4,235	$ 3,284	$ 13,507
Total liabilities	$ 12,556	$ 4,235	$ 3,284	$ 13,507
Inmate Trust				
Assets:				
Cash	$ 29,667	$491,167	$493,233	$ 27,601
Liabilities:				
Due to agency	$ 29,667	$491,167	$493,233	$ 27,601

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
B&C MCBP - Infrastructure				
Assets:				
Cash	$ 211,253	$ 416,768	$ 49,000	$ 579,021
Due from agency	-	3,847	-	3,847
Total assets	$ 211,253	$ 420,615	$ 49,000	$ 582,868
Liabilities:				
Due to general fund	$ -	$ 3,847	$ -	$ 3,847
Due to agency	211,253	416,768	49,000	579,021
Total liabilities	$ 211,253	$ 420,615	$ 49,000	$ 582,868

HORRY COUNTY, SOUTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules presents 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) are 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, 2003

Governmental funds - capital assets		
Land	$	13,957,218
Buildings		89,408,214
Furniture and equipment		35,674,776
Vehicles		4,371,253
Construction-in-progress		6,021,620
Infrastructure		322,524,067
Total governmental funds capital assets	$	471,957,148
Investment in governmental funds capital assets by source		
General obligations bonds	$	93,469,199
General fund revenue		34,058,468
Special revenue fund revenue		11,879,197
Certificates of participation		10,026,217
Capital projects fund		322,524,067
Total investment in governmental funds capital assets	$	471,957,148

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2003

Functions and Activity:	Land	Buildings	Furniture And Equipment	Vehicles	Construction In Progress	Infrastructure	Totals
General government	$ 10,083,948	$ 68,871,389	$ 14,081,071	$ -	$ -	$ -	$ 93,036,408
Public safety	1,544,494	12,875,441	8,525,151	3,905,529	-	-	26,850,615
Public works	602,230	3,506,168	9,961,286	423,947	-	322,524,067	337,017,698
Health and social services	50,000	225,756	-	-	-	-	275,756
Cultural and recreation	1,676,547	2,155,411	2,842,333	27,983	-	-	6,702,274
Economic development	-	1,774,049	264,934	13,794	-	-	2,052,777
Construction-in-progress	-	-	-	-	6,021,620	-	6,021,620
Total governmental funds capital assets	$ 13,957,219	$ 89,408,214	$ 35,674,775	$ 4,371,253	$ 6,021,620	$ 322,524,067	$ 471,957,148

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2003

	Restated Balances June 30, 2002	Additions	Deductions	Balances June 30, 2003
Functions and Activity:				
General government	$ 89,736,096	$ 3,300,312	$ -	$ 93,036,408
Public Safety	20,582,177	6,817,789	(549,351)	26,850,615
Public Works	321,873,525	15,645,619	(501,446)	337,017,698
Health and Social Services	275,756	-	-	275,756
Cultural and Recreation	4,213,989	2,494,270	(5,985)	6,702,274
Economic Development	2,018,237	34,540	-	2,052,777
Construction-in-progress	3,262,687	13,100,975	(10,342,042)	6,021,620
Total governmental funds capital assets	$ 441,962,467	$ 41,393,505	$ (11,398,824)	$ 471,957,148
Class:				
Land	$ 13,456,769	$ 500,450	$ -	$ 13,957,219
Buildings	79,059,788	10,348,426	-	89,408,214
Furniture and equipment	34,257,325	2,355,863	(938,413)	35,674,775
Vehicles	4,243,831	245,791	(118,369)	4,371,253
Infrastructure	307,682,067	14,842,000	-	322,524,067
Construction-in-progress	3,262,687	13,100,975	(10,342,042)	6,021,620
Total governmental funds capital assets	$ 441,962,467	$ 41,393,505	$ (11,398,824)	$ 471,957,148

VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

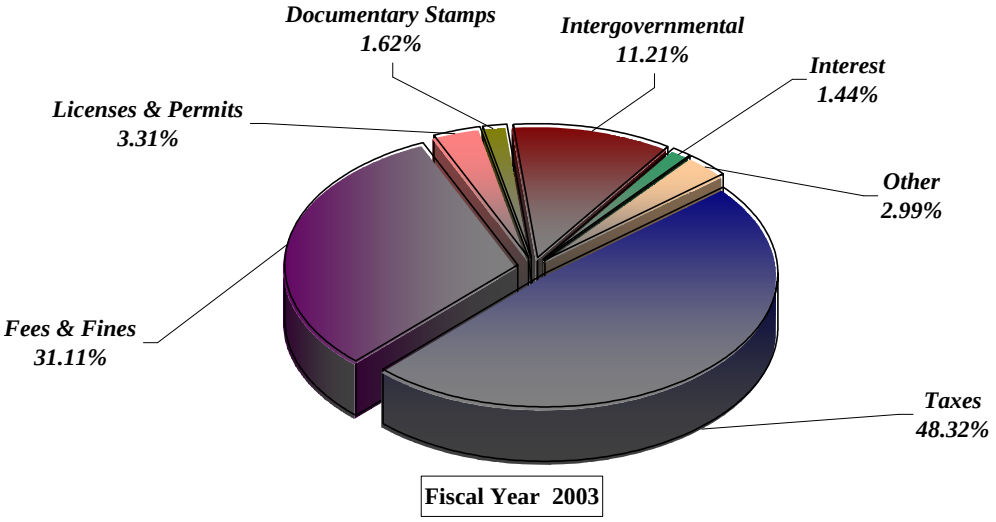
YEAR ENDED JUNE 30, 2003

		2003
Court Fines and Assessments		
Court fines and assessments collected	$	1,356,865
Court fines and assessments remitted to State Treasurer		1,184,188
Total court fines and assessments retained	$	172,677
Surcharges and Assessments Retained by City		
Total surcharges collected	$	120,738
Total assessments		187,286
Total surcharges and assessments	$	308,024
Funds Allocated to Victims Service		
Carryover funds from prior year	$	372,166
Surcharges and assessments retained		480,701
Interest earned		5,879
Expenditures for victims service		554,309
Total unexpended victims rights assistance funds	$	304,437

HORRY COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

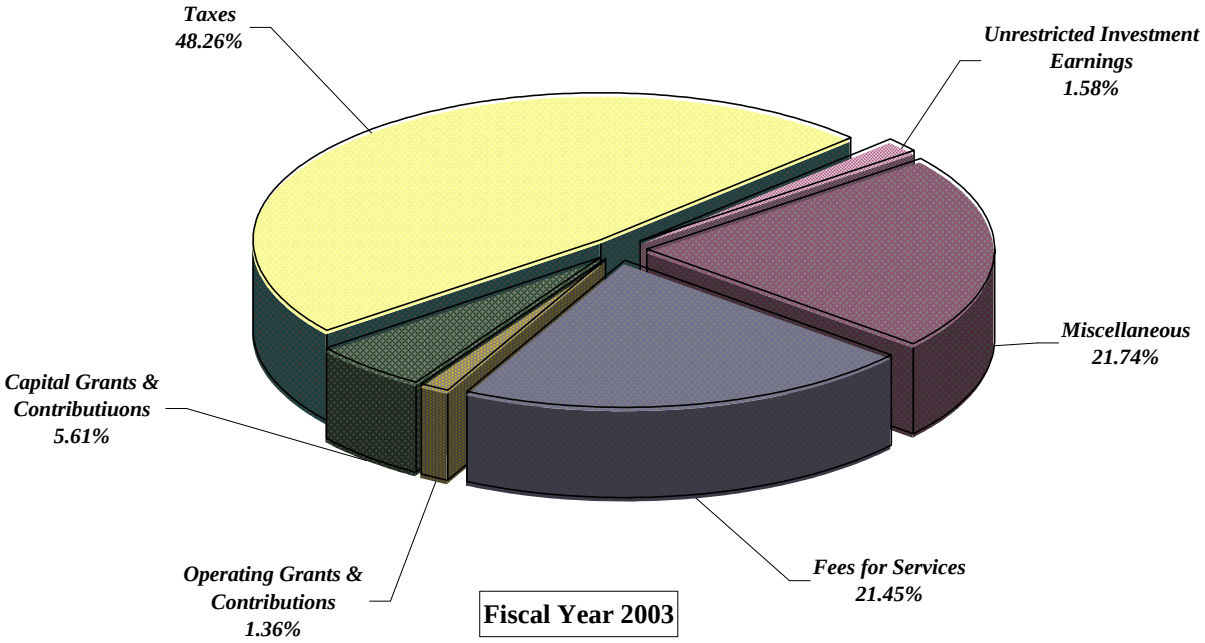
HORRY COUNTY, SOUTH CAROLINA
GENERAL GOVERNMENT REVENUES BY FUNCTION
LAST TEN FISCAL YEARS
(expressed in thousands)



YEAR	TAXES	FEES AND FINES	LICENSES & PERMITS	DOCUMENTARY STAMPS	INTERGOVERN-MENTAL	INVESTMENT INTEREST	OTHER	TOTAL
1994	$32,673	$9,143	$924	$809	$8,542	$1,177	$1,405	$54,673
% of total	59.76%	16.72%	1.69%	1.48%	15.62%	2.15%	2.57%	100.00%
1995	$32,881	$9,974	$1,138	$934	$10,235	$2,058	$957	$58,177
% of total	56.52%	17.14%	1.96%	1.61%	17.59%	3.54%	1.64%	100.00%
1996	$34,365	$10,474	$1,335	$1,244	$13,904	$2,100	$1,548	$64,970
% of total	52.89%	16.12%	2.05%	1.91%	21.40%	3.23%	2.38%	100.00%
1997	$36,358	$19,784	$1,907	$1,385	$12,954	$1,309	$994	$74,691
% of total	48.68%	26.49%	2.55%	1.85%	17.34%	1.75%	1.33%	100.00%
1998	$39,256	$34,475	$2,133	$1,608	$16,146	$2,970	$4,061	$100,649
% of total	39.00%	34.25%	2.12%	1.60%	16.04%	2.95%	4.03%	100.00%
1999	$41,898	$35,364	$2,309	$1,945	$17,533	$2,956	$1,159	$103,162
% of total	40.61%	34.28%	2.24%	1.89%	17.00%	2.87%	1.12%	100.00%
2000	$48,980	$38,168	$2,870	$2,143	$17,834	$6,011	$2,720	$118,726
% of total	41.25%	32.15%	2.42%	1.80%	15.02%	5.06%	2.29%	100.00%
2001	$54,757	$42,570	$3,927	$1,980	$21,976	$6,622	$2,501	$134,333
% of total	40.76%	31.69%	2.92%	1.47%	16.36%	4.93%	1.86%	100.00%
2002	$67,927	$45,073	$4,389	$2,139	$19,018	$2,903	$2,790	$144,239
% of total	47.09%	31.25%	3.04%	1.48%	13.19%	2.01%	1.94%	100.00%
2003	$72,818	$46,874	$4,982	$2,443	$16,891	$2,168	$4,512	$150,688
% of total	48.32%	31.11%	3.31%	1.62%	11.21%	1.44%	2.99%	100.00%

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

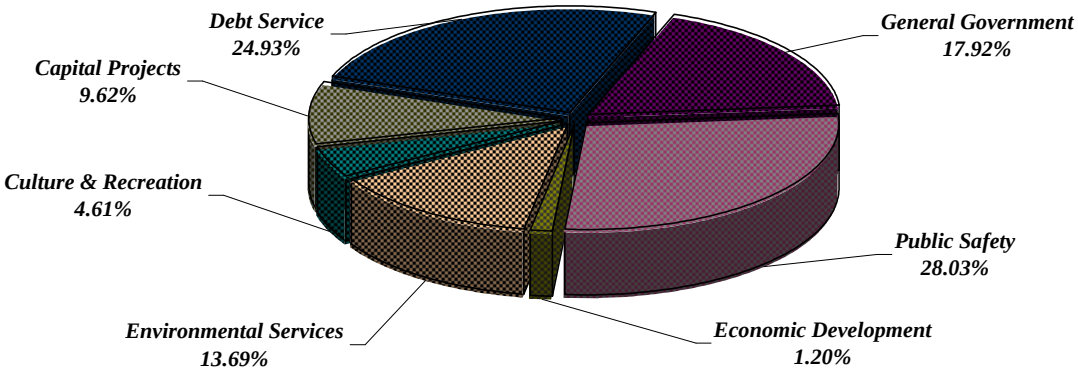
HORRY COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE REVENUES
Fiscal Year 2002 & 2003
(expressed in thousands)



	PROGRAM REVENUES			GENERAL REVENUES			
Year	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes, State shared revenue, & unallocated intergovernment	Unrestricted Investment Earnings	(1) Miscellaneous	Total
2002	**$33,710**	**$1,210**	**$11,667**	**$83,856**	**$3,751**	**$36,855**	**$171,049**
% of total	**19.71%**	**0.71%**	**6.82%**	**49.02%**	**2.19%**	**21.55%**	**100%**
2003	**$38,927**	**$2,473**	**$10,176**	**$87,558**	**$2,862**	**$39,449**	**$181,445**
% of total	**21.45%**	**1.36%**	**5.61%**	**48.26%**	**1.58%**	**21.74%**	**100%**

Note:
1) Includes Capital Contributions, Hospitality Fee, and Miscellaneous Revenues.

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



Fiscal Year 2003

YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	ECONOMIC DEVELOPMENT	(1) ENVIRONMENTAL PROTECTION & CONTROL	(2) CULTURE AND RECREATION	(3) CAPITAL PROJECTS	(4) DEBT SERVICE	TOTAL
1994	$13,752	$20,313	$936	$10,614	$2,187	$2,238	$5,325	$55,365
% of total	*24.84%*	*36.69%*	*1.69%*	*19.17%*	*3.95%*	*4.04%*	*9.62%*	*100.00%*
1995	$14,804	$20,479	$1,009	$9,911	$3,518	$9,299	$3,606	$62,626
% of total	*23.64%*	*32.70%*	*1.61%*	*15.83%*	*5.62%*	*14.85%*	*5.76%*	*100.00%*
1996	$14,595	$19,271	$1,535	$14,489	$3,688	$12,227	$5,156	$70,961
% of total	*20.57%*	*27.16%*	*2.16%*	*20.42%*	*5.20%*	*17.23%*	*7.27%*	*100.00%*
1997	$17,312	$20,794	$1,167	$12,069	$4,277	$1,874	$5,802	$63,295
% of total	*27.35%*	*32.85%*	*1.84%*	*19.07%*	*6.76%*	*2.96%*	*9.17%*	*100.00%*
1998	$19,768	$24,889	$1,428	$32,864	$5,233	$1,882	$5,850	$91,914
% of total	*21.51%*	*27.08%*	*1.55%*	*35.76%*	*5.69%*	*2.05%*	*6.36%*	*100.00%*
1999	$19,262	$28,676	$3,798	$43,650	$6,297	$5,556	$6,091	$113,330
% of total	*18.76%*	*25.30%*	*3.35%*	*36.75%*	*5.56%*	*4.90%*	*5.38%*	*100.00%*
2000	$21,518	$33,238	$1,810	$19,980	$5,771	$14,608	$32,202	$129,127
% of total	*16.66%*	*25.74%*	*1.40%*	*15.47%*	*4.47%*	*11.31%*	*24.94%*	*100.00%*
2001	$22,814	$37,584	$1,957	$21,864	$8,218	$26,621	$31,868	$150,926
% of total	*15.12%*	*24.90%*	*1.30%*	*14.49%*	*5.45%*	*17.64%*	*21.11%*	*100.00%*
2002	$26,723	$43,884	$1,581	$22,459	$6,680	$22,783	$40,855	$164,965
% of total	*16.20%*	*26.60%*	*0.96%*	*13.61%*	*4.05%*	*13.81%*	*24.77%*	*100.00%*
2003	$28,250	$44,177	$1,895	$21,575	$7,264	$15,161	$39,291	$157,613
% of total	*17.92%*	*28.03%*	*1.20%*	*13.69%*	*4.61%*	*9.62%*	*24.93%*	*100.00%*

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

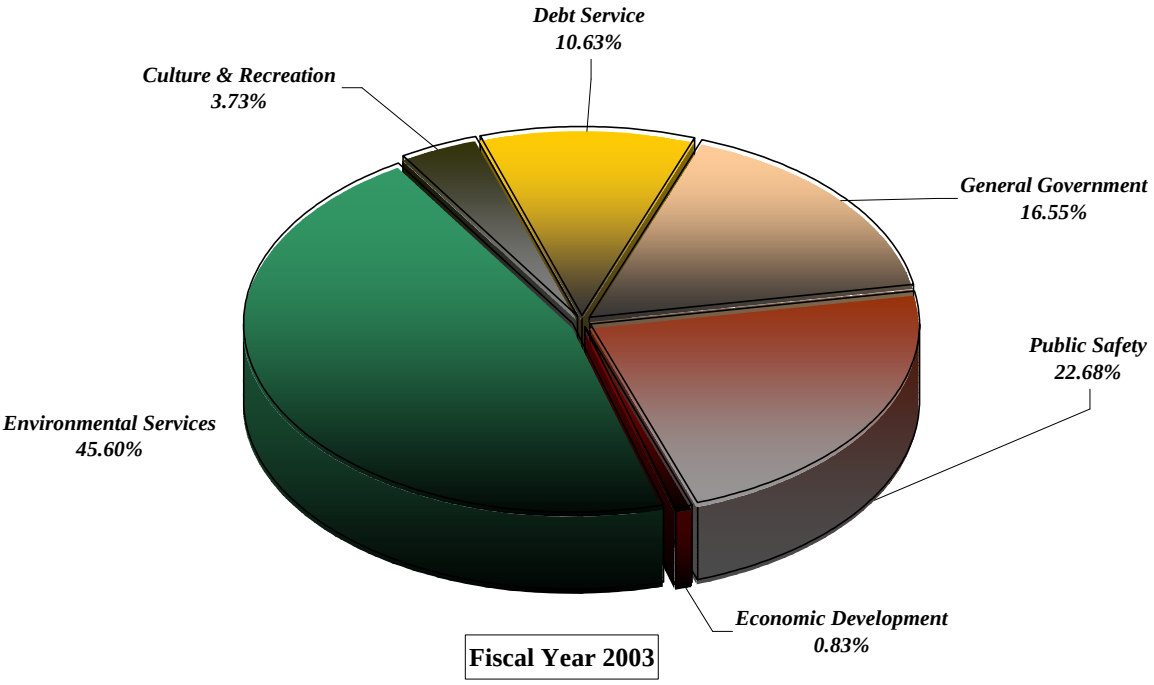
1) Public Works, Health & Social Services, and Conservation & Natural Resources.

2) Culture & Recreation and Other.

3) Capital Outlay.

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

HORRY COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE EXPENDITURES BY FUNCTION
Fiscal Year 2002 & 2003
(expressed in thousands)

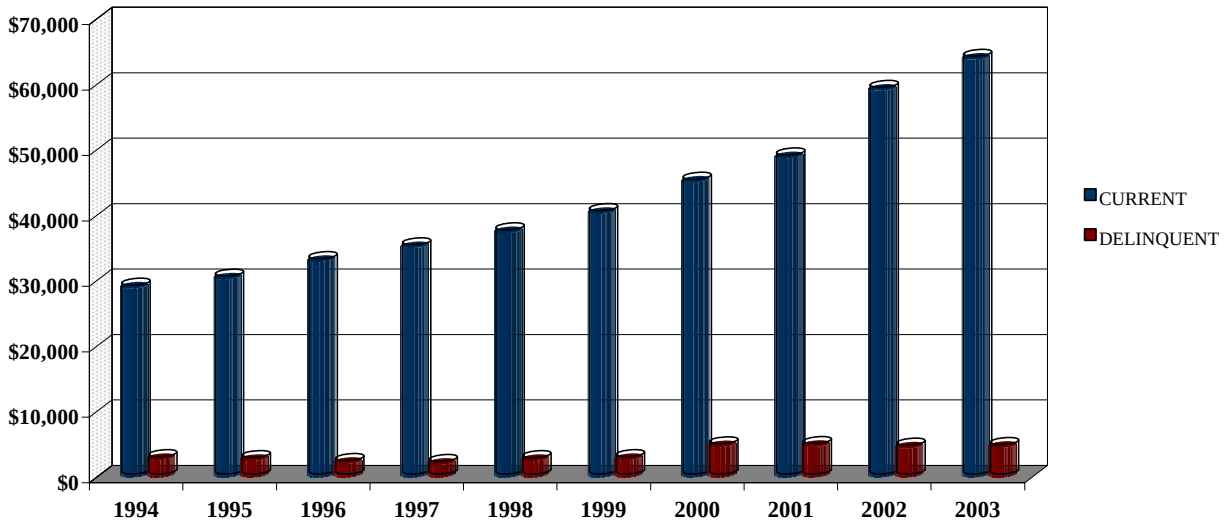


YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	ECONOMIC DEVELOPMENT	(1) ENVIRONMENTAL PROTECTION & CONTROL	(2) CULTURE AND RECREATION	(3) DEBT SERVICE	TOTAL
2002	$31,070	$46,827	$1,584	$23,090	$11,668	$9,282	$123,521
% of total	25.15%	37.91%	1.28%	18.69%	9.45%	7.51%	100.00%
2003	$32,590	$44,667	$1,626	$89,809	$7,337	$20,934	$196,963
% of total	16.55%	22.68%	0.83%	45.60%	3.71%	10.63%	100.00%

Note: General, Special Revenue, Debt Service, Capital Project Expenditures.
1) Public Works, Health Social Services, Cons. Natural Res..
2) Cult/Rec, Other.
3) Debt Svc Int., Higher Ed,
HG Tech, Ride Contribution.

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

CURRENT AND DELINQUENT TAX COLLECTIONS



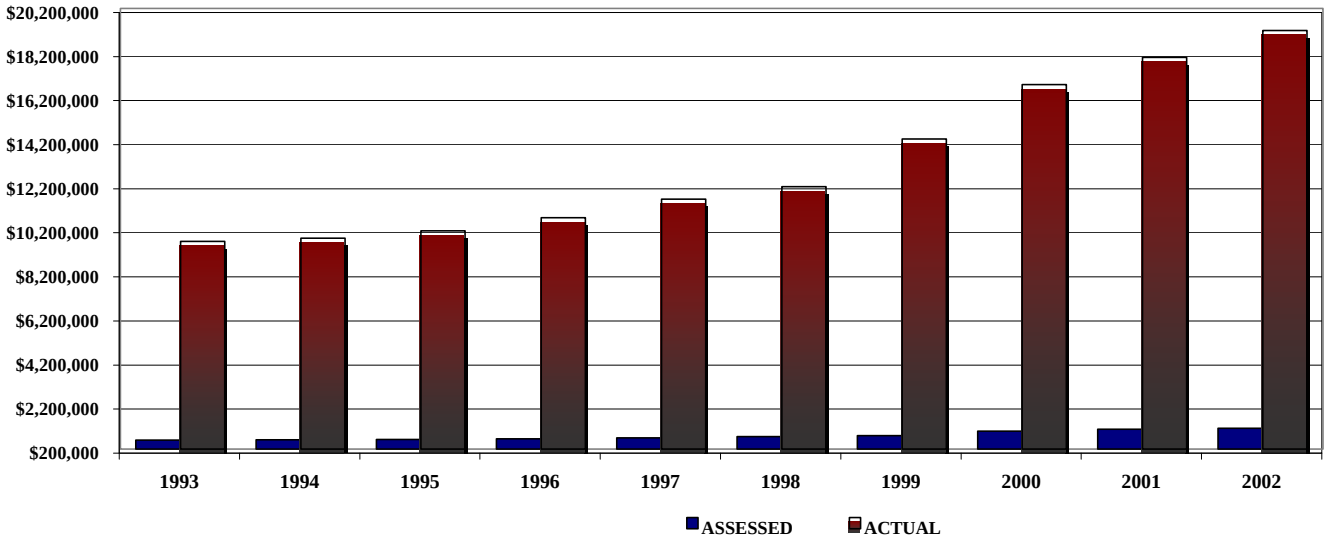
FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS
1994	$32,964	$28,840	*87.49%*	$2,642	$31,482
1995	$36,238	$30,241	*83.45%*	$2,525	$32,766
1996	$39,503	$32,911	*83.31%*	$2,058	$34,969
1997	$39,383	$35,020	*88.92%*	$1,905	$36,925
1998	$41,673	$37,311	*89.53%*	$2,498	$39,809
1999	$43,793	$40,241	*91.89%*	$2,653	$42,894
2000	$50,889	$45,010	*88.45%*	$4,622	$49,632
2001	$53,313	$48,751	*91.44%*	$4,662	$53,413
2002	$62,665	$59,068	*94.26%*	$4,411	$63,479
2003	$67,605	$63,812	*94.39%*	$4,491	$68,303

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

GOVERNMENTAL UNIT	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Horry County	46	46	46	46	47	41	44	51	51	51
Horry County School District	117	119	130	131	128	113	116	116	125	130
Town of Atlantic Beach	110	110	110	110	110	110	110	110	110	90
Town of Aynor	70	70	80	85	90	90	90	90	90	90
Town of Briarcliffe Acres	38	42	42	38	58	55	75	75	42	57
City of Conway	93	93	95	95	95	94	94	94	94	94
City of Loris	125	125	125	125	125	115	115	115	115	115
City of Myrtle Beach	68	79	82	73	62	61	61	63	63	63
City of North Myrtle Beach	57	48	48	48	48	39	36	36	36	36
Town of Surfside Beach	63	63	63	63	63	44	44	44	44	55

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

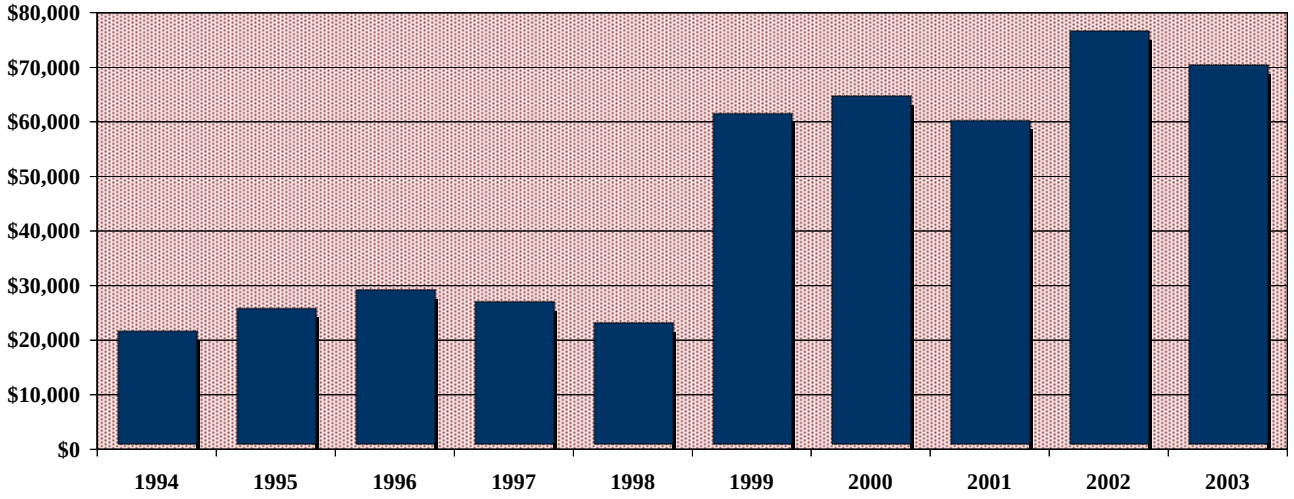
COMPARISON OF ASSESSED AND ACTUAL PROPERTY VALUE



		REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
TAX YEAR	FISCAL YEAR	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1993	1994	$450,184	$8,282,630	$167,129	$1,491,019	$617,313	$9,773,649	*6.32%*
1994	1995	$460,929	$8,513,132	$177,866	$1,593,276	$638,795	$10,106,408	*6.32%*
1995	1996	$474,561	$8,826,732	$187,772	$1,871,859	$662,333	$10,698,591	*6.19%*
1996	1997	$503,759	$9,343,347	$198,372	$2,204,469	$702,131	$11,547,816	*6.08%*
1997	1998	$523,579	$9,792,131	$237,018	$2,318,764	$760,597	$12,110,895	*6.28%*
1998	1999	$559,380	$11,878,415	$251,089	$2,391,328	$810,469	$14,269,743	*5.68%*
1999	2000	$764,393	$14,334,368	$252,862	$2,408,210	$1,017,255	$16,742,578	*6.08%*
2000	2001	$823,166	$15,327,755	$278,909	$2,656,276	$1,102,075	$17,984,031	*6.13%*
2001	2002	$844,192	$15,869,216	$268,378	$2,656,667	$1,112,570	$18,525,883	*6.01%*
2002	2003	$879,525	$16,546,185	$268,597	$2,658,780	$1,148,122	$19,204,965	*5.98%*

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

NET BONDED DEBT



YEAR	TOTAL OUTSTANDING	AMOUNT AVAILABLE IN D/S FUNDS	DEBT PAYABLE ENTERPRISE FUND	NET BONDED DEBT	ASSESSED VALUE	POPULATION	RATIO NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1994	$27,730	$6,908	$100	$20,722	$617,313	163	*3.36%*	$127
1995	$33,005	$8,135	$0	$24,870	$638,795	172	*3.89%*	$145
1996	$36,350	$8,064	$0	$28,286	$662,333	173	*4.27%*	$161
1997	$32,405	$6,329	$0	$26,076	$702,131	174	*3.71%*	$139
1998	$28,190	$5,965	$0	$22,225	$760,597	175	*2.92%*	$115
1999	$65,018	$4,414	$0	$60,604	$810,469	179	*7.48%*	$311
2000	$66,820	$3,020	$0	$63,800	$1,017,255	196	*6.27%*	$326
2001	$61,855	$2,578	$0	$59,277	$1,102,075	201	*5.38%*	$295
2002	$79,685	$3,939	$0	$75,746	$1,112,570	206	*6.81%*	$368
2003	$73,945	$4,430	$0	$69,515	$1,148,122	206	*6.05%*	$337

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

HORRY COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2003

Assessed value, as of June 30, 2003:		$ 1,148,122
Debt limit - 8% of assessed value		91,850
Amount of debt applicable to debt limit:		
Total bonded debt	$ 65,310	
Less, issues existing prior to December 1, 1977	-0-	
Total amount of debt applicable to debt margin		$ 65,310
Available Debt Limit		$ 26,540

Debt Limit

The County's borrowing power is restricted by Article X, Section 14, as amended, of the State Constitution effective December 1, 1977. This section provides that a local unit cannot, at any time, have total debt outstanding in an amount that exceeds 8 percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and, bonded indebtedness existing on December 1, 1977, the effective date of amendment of Article X of the Constitution of the State of South Carolina pertaining to bonded debt. The assessed value above uses the tax base as of June 30, 2003. The total amount of debt applicable to the Debt Limit includes those general obligation bonds accounted for in the Enterprise Fund issued after December 1, 1977 and still outstanding June 30, 2003.

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

FISCAL YEAR	DEBT SERVICE EXPENDITURES			TOTAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1994	$2,258	$1,748	$4,006	$55,200	7.26%
1995	$1,898	$1,708	$3,606	$62,626	5.76%
1996	$3,163	$1,993	$5,156	$70,961	7.27%
1997	$3,954	$1,848	$5,802	$63,295	9.17%
1998	$4,225	$1,625	$5,850	$91,914	6.36%
1999	$4,581	$1,392	$5,973	$115,251	5.18%
2000	$4,710	$2,595	$7,305	$129,125	5.66%
2001	$4,965	$3,562	$8,527	$150,926	5.65%
2002	$8,045	$3,525	$11,570	$164,965	7.01%
2003	$5,740	$3,957	$9,697	$157,613	6.15%

Note: Total expenditures above represent total Governmental Fund expenditures.

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

	FY 03	FY 02	FY 01
Gross Revenue (1)	$ 14,478	$ 13,890	$ 15,472
Less Operating Expenses (2)	$ 7,750	$ 7,397	$ 6,853
Net Revenue Available for Debt Service	$ 6,728	$ 6,493	$ 8,619
Debt Service	$ 3,362	$ 3,558	$ 3,478
Percent of Coverage	200.12%	182.49%	247.81%

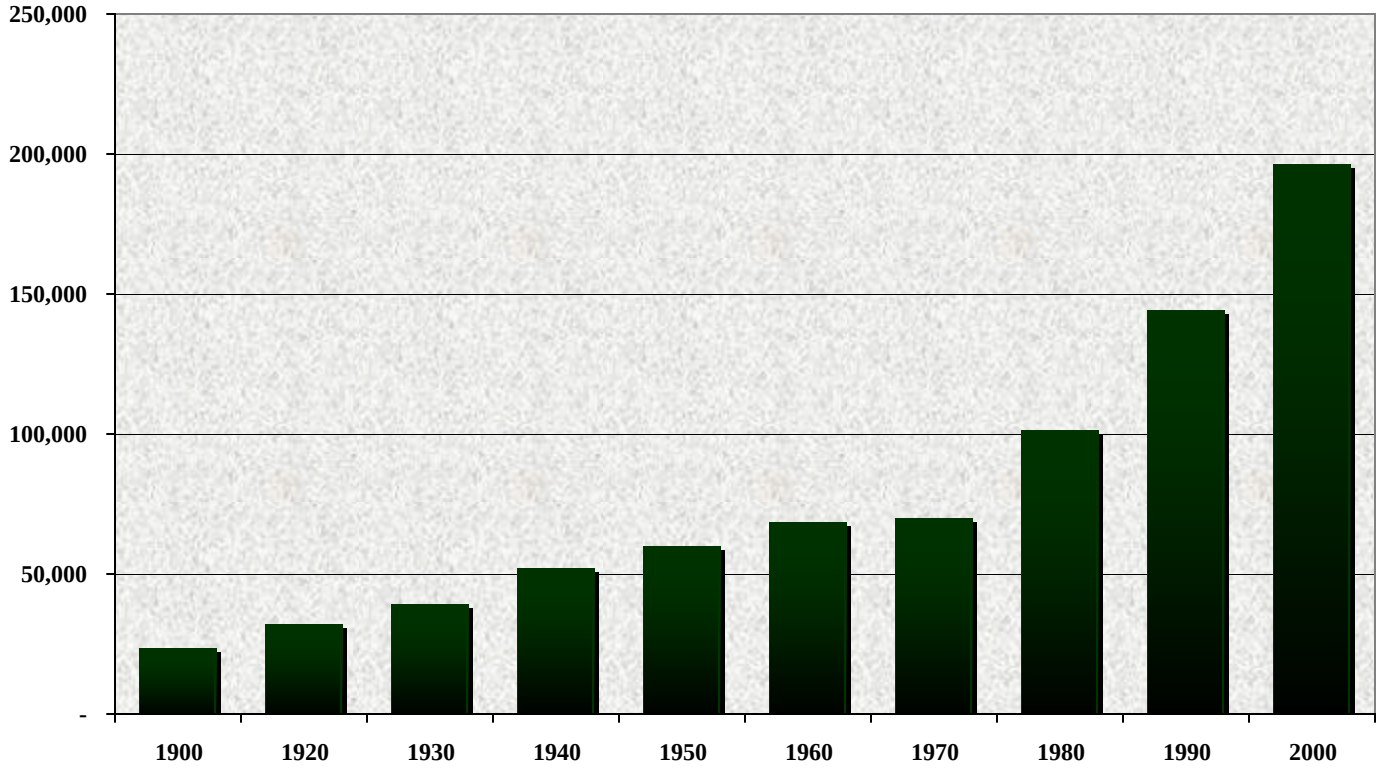
Note:
1) Includes only PFC applied by the County on payment of debt service, less other Airport revenues.
2) Total expenses exclude depreciation and debt service.

HORRY COUNTY, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL LONG-TERM DEBT
June 30, 2003
(expressed in thousands)

JURISDICTION	NET DEBT OUTSTANDING	PERCENT APPLICABLE TO COUNTY	AMOUNT APPLICABLE TO COUNTY
Horry County	$ 73,945	100%	$ 73,945
School District	240,020	100%	240,020
City of Myrtle Beach	44,730	100%	44,730
City of Conway	1,481	100%	1,481
City of North Myrtle Beach	6,490	100%	6,490
City of Loris	70	100%	70
Town of Atlantic Beach	-	100%	-
Town of Surfside	3,456	100%	3,456
Town of Briarcliffe	-	100%	-
Town of Aynor	-	100%	-
Total Direct and Overlapping Debt:	$ 370,192	100%	$ 370,192

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

HORRY COUNTY, SOUTH CAROLINA
POPULATION



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

Source: U.S. Census Bureau

HORRY COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

YEAR	COUNTY POPULATION (2)	PER CAPITA INCOME		UNEMP. RATE (%)		PUBLIC SCHOOL ENROLLMENT	GENERAL FUND PER PUPIL OPERATING EXPENDITURE
1993	160,400	$17,127	(1)	8.20	(3)	24,578	$3,616
1994	163,200	$18,267	(1)	7.10	(3)	24,608	$3,835
1995	172,000	$19,380	(1)	5.00	(3)	25,090	$3,981
1996	173,250	$20,301	(1)	5.50	(3)	25,333	$4,234
1997	174,000	$21,185	(1)	4.60	(3)	25,947	$4,452
1998	174,762	$19,220	(3)	4.40	(3)	26,569	$4,736
1999	178,550	$24,492	(3)	4.20	(3)	27,043	$5,089
2000	196,629	$23,315	(3)	3.60	(3)	28,379	$5,698
2001	201,088	$24,021	(3)	4.70	(3)	29,009	$5,704
2002	206,039	unavailable		4.60	(3)	29,931	$5,888

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

HORRY COUNTY, SOUTH CAROLINA
TEN LARGEST PRINCIPAL TAXPAYERS
June 30, 2003

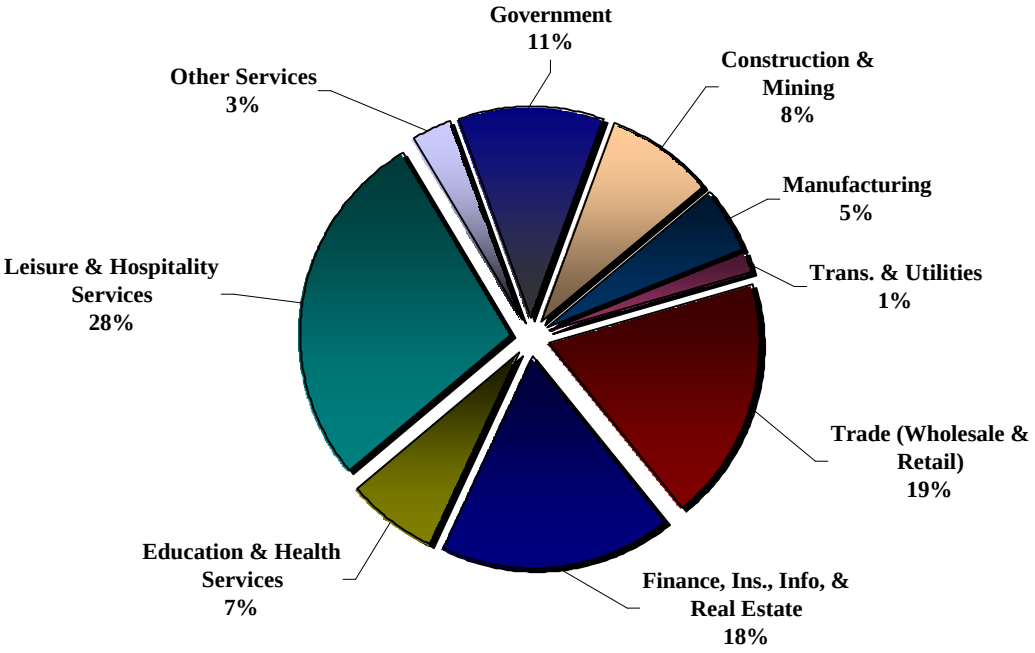
TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUE	TAXES PAID
Myrtle Beach Farms	Real Estate	$ 24,268,851	$ 4,398,650
Horry Electric Coop.	Utility	10,372,910	2,066,053
Verizon South, Inc.	Utility	8,357,560	1,530,701
Horry Telephone Coop.	Utility	7,709,056	1,531,649
AVX Corporation	Manufacturer	6,883,072	963,229
Broadway at the Beach, Inc.	Sales	4,255,394	748,098
Wal-Mart Real Estate Business Trust	Retailer	3,652,444	719,225
Time Warner/Advance NewHouse	Utility	2,787,300	519,378
Ocean Lakes Family Campground	Resort	2,628,897	523,634
Conbraco Industries, Inc.	Manufacturer	2,535,070	452,644
		$ 73,450,554	$ 13,453,261

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

	PROPERTY VALUE *(expressed in thousands)*			CONSTRUCTION		
FISCAL YEAR	**REAL**	**PERSONAL**	**TOTAL**	**PERMITS** *(1)*	**VALUE** *(in thousands)*	**BANK** *(2)* **DEPOSITS** *(in millions)*
1993	$8,116,979	$1,512,381	$9,629,360	4,008	$112,833	$1,187,634
1994	$8,282,630	$1,491,019	$9,773,649	4,772	$172,033	$1,193,494
1995	$8,513,132	$1,593,276	$10,106,408	5,821	$268,739	$1,393,995
1996	$8,826,732	$1,871,859	$10,698,591	6,494	$305,461	$1,555,836
1997	$9,343,347	$2,204,467	$11,547,816	6,878	$350,554	$1,726,533
1998	$9,792,131	$2,318,764	$12,110,895	7,403	$380,968	$1,915,000
1999	$11,878,415	$2,391,328	$14,269,743	7,307	$539,791	$2,683,000
2000	$14,334,368	$2,408,210	$16,742,578	7,839	$571,625	$2,816,000
2001	$15,327,755	$2,656,276	$17,984,031	7,749	$294,865	$2,967,000
2002	$15,869,216	$2,656,667	$18,525,883	7,877	$394,951	$3,240,000
2003	$16,546,185	$2,658,780	$19,204,965	7,545	$457,096	***(3)***

Note:
1) Reflects actual # of permits issued. The *000*'s have not been omitted.
2) Source: FDIC
3) Information not available at this time.

HORRY COUNTY, SOUTH CAROLINA
NONAGRICULTURAL EMPLOYMENT



CATEGORY	2002 TOTAL	% TOTAL 2002 EMP.
Construction & Mining	8,277	8%
Manufacturing	5,017	5%
Trans. & Utilities	1,476	1%
Trade (Whole & Retail)	18,485	19%
Finance, Insurance, Information, & Real Estate	17,540	18%
Education & Health Services	6,640	7%
Leisure & Hospitality Services	27,335	28%
Other Services	2,957	3%
Government	10,951	11%
Total	98,678	100%

Source: S.C. Employment Security Commission,
Labor Market Information Division

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

TEN LARGEST INDUSTRIES, COMMERCIAL ENTITIES, AND GOVERNMENTAL UNITS

	Name	Product	Employees
1.	Horry County School District	Public Education and Administration	4,298
2.	Wal-mart Associates Inc.	Retail	1,845
3.	AVX Corporation	Electronic components, electronic component research and design	1,634
4.	Horry County Government	Administration of County Government	1,608
5.	Blue Cross / Blue Sheild	Insurance	1,409
6.	Grand Strand Regional Medical	Medical Services	934
7.	Conway Hospital	Medical Services	914
8.	City of Myrtle Beach	Administration of City Government	835
9	Loris Health Care Systems	Medical Services	818
10.	Food Lion Inc.	Retail Grocery Chain	790

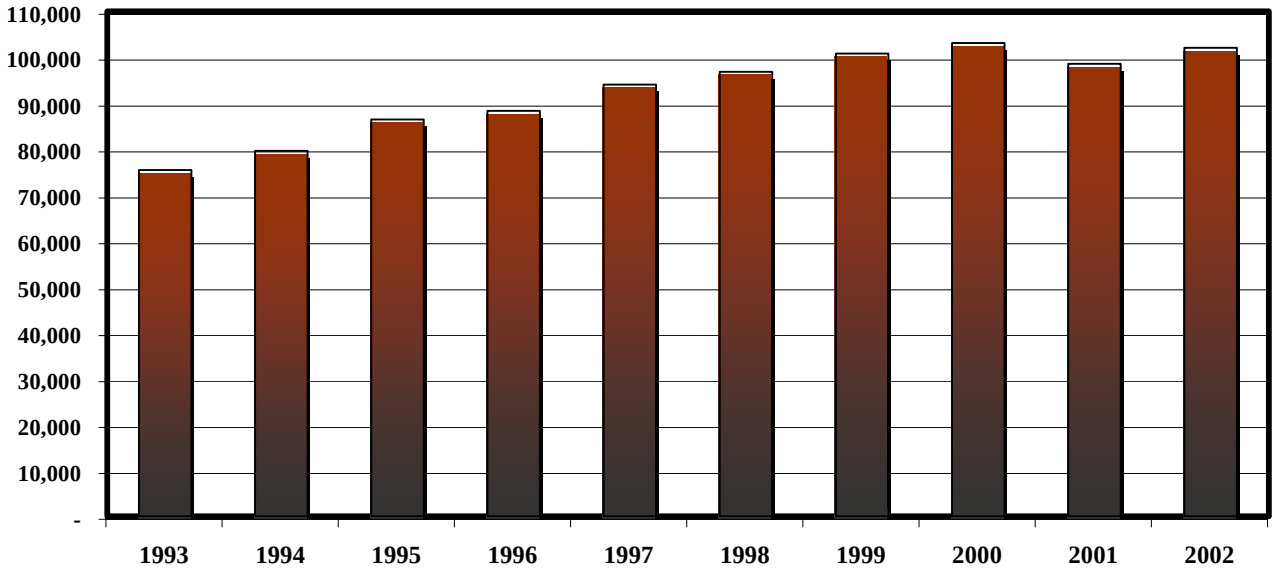
LARGEST MANUFACTURING EMPLOYERS

	Name	Product	Employees
1.	AVX Corporation	Electronic components, electronic component research and design	1,634
2.	Combraco Ind., Inc. -Steel Products division	Investment cast steel castings, Teflon component parts, industrial ball valves.	420
3.	Escod Industries, Inc.	Cable & wire harnesses for computers and telecommunications equipment	250
4.	CHF Industries	Comforters, bedspreads, shower curtains, drapes.	212
5.	PPM Cranes	Crane Manufacture	127

Source: S.C. Employment Security Commission and M.B. Chamber Statistical Abstract, 14th ed. (2002)

HORRY COUNTY, SOUTH CAROLINA
LABOR FORCE STATISTICS

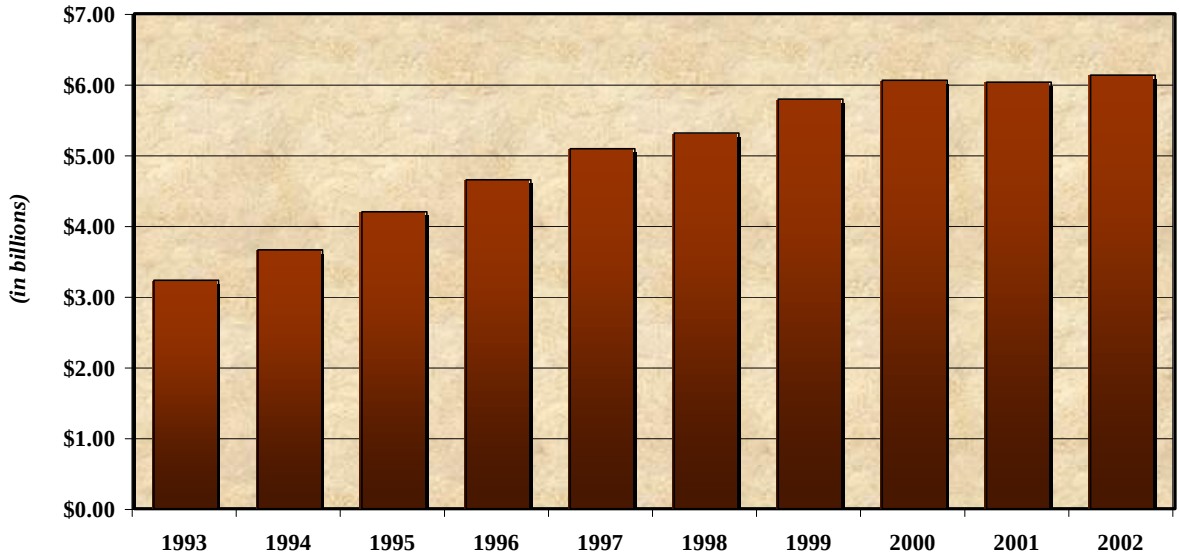
NUMBER OF INDIVIDUALS EMPLOYED



YEAR	LABOR FORCE	EMPLOYMENT	HORRY COUNTY % UNEMPLOYMENT	SOUTH CAROLINA % UNEMPLOYMENT
1993	83,030	75,410	8.2	7.5
1994	85,720	79,630	7.1	6.3
1995	90,985	86,466	5.0	5.1
1996	92,689	88,300	5.5	6.0
1997	98,493	94,003	4.6	3.8
1998	100,260	96,797	4.4	4.4
1999	104,844	100,784	4.2	4.4
2000	104,960	103,100	3.6	3.9
2001	104,790	100,450	4.7	5.4
2002	106,930	102,030	4.6	6.0

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

HORRY COUNTY, SOUTH CAROLINA
GROSS RETAIL SALES FIGURES



YEAR	GROSS SALES *(in Billions)*	PERCENTAGE CHANGE
1993	$3.23	9.5
1994	$3.66	13.3
1995	$4.20	13.6
1996	$4.65	10.7
1997	$5.09	9.4
1998	$5.31	4.3
1999	$5.79	9.0
2000	$6.06	4.7
2001	$6.03	(1.0)
2002	$6.13	1.7

Source: S.C. Department of Revenue S.C. Statistical Abstract

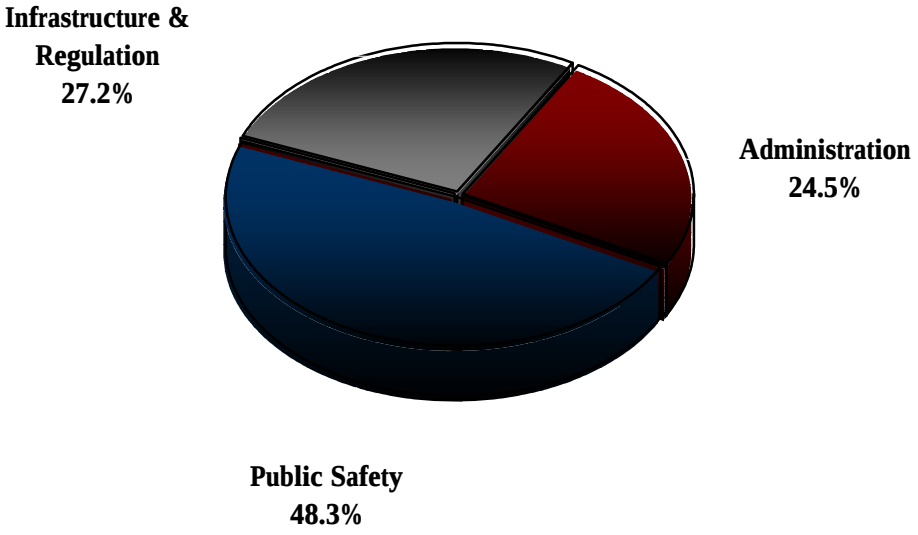
HORRY COUNTY, SOUTH CAROLINA
BUDGETED EMPLOYEE POSITIONS BY DEPARTMENT
FIVE YEAR COMPARISON FY99 - FY03

DEPT. #	DEPARTMENT	FY 99	FY00	FY01	FY02	FY03
401	County Council	14	15	15	15	15
402	Administrator	12	10	11	6	6
403	Division Director of Administration	1	2	2	2	2
405	Finance	15	16	15	17	17
406	Human Resources/Risk Management	9	9	10	10	10
407	Procurement	6	6	6	6	6
408	Internal Audit	3	3	3	3	3
409	Information Technology	13	19	14	14	14
410	Assessor	63	57	56	56	56
412	Register of Deeds	17	21	21	21	21
413	Geographical Information Systems	0	0	5	5	5
414	Maintenance	65	65	65	69	69
415	Registration/Election Commission	5	6	6	6	6
416	Public Information Officer	4	2	1	1	1
417	Division Director of Finance	2	2	0	0	0
418	Budget and Revenue Management	0	0	2	2	2
422	Family Court Judge	1	1	1	1	1
423	Records Retention	4	4	4	4	4
425	Treasurer and Delinquent Tax	25	25	26	27	27
426	Auditor	20	21	21	22	22
427	Clerk of Court (Circuit, DSS, Family)	33	33	33	33	33
430	Circuit Judge	1	1	1	1	1
431	Probate Judge	14	15	15	15	15
432	Solicitor	58	58	60	59	59
433	Master in Equity	3	3	3	3	3
434	Magistrates (#434-35,437-41,443-45)	31	31	31	31	31
436	Attorney	0	0	0	5	5
442	Central Summary Court	10	10	10	9	9
447	Division Director of Public Safety	1	1	2	2	2
448	Pretrial Intervention	9	9	9	9	9
449	Central Processing - DSS	1	1	1	1	1
450	Sheriff	34	34	34	48	48
451	Police	172	172	208	210	210
453	Victim's Bill of Rights	6	6	6	5	5
454	Emergency Preparedness	2	2	2	1	1
455	Division Director of Human Services	1	1	0	0	0
456	Communications	43	43	43	44	44
457	Coroner	3	3	3	3	3
458	Detention	136	136	152	152	152
460	Emergency Medical Service	140	140	142	158	158
461	Code Enforcement	35	35	36	37	37
462	Beach Front Program	1	1	1	1	1
463	Juvenile Detention	7	7	0	0	0
490	Victim's Bill of Rights - Police	0	0	0	2	2

HORRY COUNTY, SOUTH CAROLINA
BUDGETED EMPLOYEE POSITIONS BY DEPARTMENT
FIVE YEAR COMPARISON FY99 - FY03

DEPT. #	DEPARTMENT	FY 99	FY00	FY01	FY02	FY03
495	Victim's Bill of Rights - Solicitor	0	0	0	5	5
464	Summer Food	0	0	1	1	1
465	Division Director of Econ. Dev.	2	4	0	0	0
466	Division Director of Public Works	2	4	4	4	4
467	Employee Relations	1	0	0	0	0
475	Medically Indigent Assistance Program	1	1	1	1	1
476	Environmental Services	21	21	21	22	22
480	Library	38	40	41	42	42
481	Museum	4	4	4	4	4
482	Parks Maintenance	2	3	0	0	0
484	Parks & Recreation	6	4	7	8	8
485	Planning	18	17	17	17	17
486	Risk Management	2	0	0	0	0
488	Zoning	7	10	11	14	14
489	Grants Administration	3	2	2	2	2
491	Veteran Affairs	2	2	2	2	2
493	Delegation	2	2	2	2	2
497	Hospitality Fee (1%)	5	4	4	5	5
498	Business License	0	0	2	2	2
404	Engineering	19	17	17	17	17
452	Beach Patrol	9	9	9	9	9
459	Fire	44	52	85	104	104
470	Public Works Operation & Maintenance	105	101	101	91	91
471	Public Works - Construction	0	0	0	12	12
472	Stormwater Management	0	10	18	18	18
473	Fleet Maintenance	19	20	20	17	17
474	Beach & Street Clean-up	6	6	6	6	6
4	Solid Waste	127	128	123	124	124
70	Airport	99	99	101	105	105
	TOTAL	1,564	1,586	1,675	1,750	1,750

HORRY COUNTY, SOUTH CAROLINA
TOTAL EMPLOYEES BY DIVISION
EMPLOYEES BUDGETED FOR FISCAL YEAR 2003



DIVISION	NUMBER OF EMPLOYEES	% EMPLOYEE POPULATION
Administration	432	24.5%
Public Safety	850	48.3%
Infrastructure & Regulation	479	27.2%
Total	1,761	100.0%

HORRY COUNTY, SOUTH CAROLINA
MULTI-COUNTY BUSINESS PARK
FILOT ASSESSED AND FILOT PAID
June 30, 2003

ALLOCATION	(1) ADDITIONS TO TAX ROLL	PAYMENTS RECEIVED FY 03
Horry County	$ 405,380	$ 377,772
City of Myrtle Beach	75,420	70,366
Marion	9,428	9,016
Georgetown	9,428	9,016
School District	942,748	879,570
MCBP Infrastructure Fund	443,091	413,398
	$ 1,885,495	$ 1,759,138

Note: Net Of Abatements