HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2006

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2006

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HORRY COUNTY, SOUTH CAROLINA

INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY
FINANCE DEPARTMENT

1301 Second Avenue
Conway, South Carolina 29526
www.horrycounty.org

Post Office Box 296
Conway, South Carolina 29528-0296

Phone: (843) 915-5180
Fax: (843) 915-6180

HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
DECEMBER 1, 2006

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

We are pleased to submit the Comprehensive Annual Financial Report of the County of Horry for the fiscal year ended June 30, 2006. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

Scott McElveen L.L.P., Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of Horry's financial statements for the fiscal year ended June 30, 2006. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

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

Surrounded on the three sides by ocean, rivers, and swamps, Horry developed a distinctive culture, which gave rise to its name, "The Independent Republic of Horry County". From the time of incorporation, Horry County stood off the edge of South Carolina, both literally and figuratively.

In 1975, Horry County adopted the Council-Administrator form of government. Under this type of government, each member of council is elected from a district in which he/she lives and a chairman is elected at-large. There are twelve council members in total. Each council member is elected for four-year terms, half of the members being elected every two years. Elections are held every even-numbered year in the month of November.

The Home Rule Act, passed by the General Assembly in 1976, dictates the responsibility of the Council. According to the act, county council's function is to make policy through ordinances and resolutions and shape those policies through the budget process. The Council is also responsible for appointing the County Administrator, the Registrar of Deeds and the Clerk to Council.

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

Horry County provides a full range of services, including police and fire protection, EMS and E-911 Services, the construction and maintenance of highways, streets and other infrastructure, health and social services, recreational and cultural activities, economic development, and other general administrative support services. In addition, air transportation and terminal support, industrial park development, and operation of a baseball stadium jointly owned with the City of Myrtle Beach are provided under an Enterprise fund concept, with charges set to provide adequate coverage of operating expenses and payments on outstanding debt.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for Horry County's financial planning and control. All department heads present a departmental budget to the Department of Budget and Revenue Management, which is reviewed and a balanced financial plan is presented to the Administrator. Once the Administrator is satisfied with the recommended budget, it is forwarded to County Council. Council must, according to state law, have three readings of the financial plan ordinance and a public hearing before it can be passed and become law. The Administrator is authorized to transfer budgeted funds within a department and between departments, within the same fund. Budget transfers between funds require amendments to the original ordinance. Formal budgetary integration is employed as a management control device during the year. No expenditure in any one of the governmental fund types will exceed the budgeted expenditure amount for that fund without prior amendment of the financial plan ordinance by Council.

Local Economy

The County's economy remains strong as a result of sustained residential and commercial development over the past ten years. The tax base continues to grow, as well as building permit revenues.

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

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

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

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

The company also broke ground on Horry County's newest growth endeavor currently in development – The Multi-County Business Park, which is home to the 1.4 million square foot Coastal Grand – Myrtle Beach Mall on US 501 and US 17 Bypass. The metropolitan-size shopping mall opened in March of 2004 and houses anchor stores such as Belks, Sears, Dillards, Dick's Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 out parcels for free standing business. Colonial Mall also celebrated the grand opening of Bass Pro Shops in a 102,000 square foot sportsman's paradise early fall of 2004 and the opening of Books A Million in late fall of 2004.

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

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

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

With area courses designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Ree Jones, Greg Norman, and Tom Fazio, Horry County boasts one of the largest concentrations of golf facilities in the nation. Golfers will be able to tee off on any of 1,800 golf holes in the county- playing nearly 4.13 million rounds of golf each year. Golf generates more than $644 million annually for the state's economy and employs more that 14,000 full time workers. The industry has also been instrumental in the expansion of the tourist season, including early spring and late fall to our regular May through October peak. The Horry County area accounts for more than 34 percent of South Carolina's golf courses.

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

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

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

Long-term Financial Planning

Unreserved, undesignated fund balance in the general fund (22% of the FY06 general fund expenditure budget) continues to fall within the policy guidelines set by County Council for budgetary and planning purposes (15% of general fund operating budget).

The outlook for the County is as exciting as the past has been. The Census 2000 results reflect a permanent population of 196,629 for Horry County with projections showing continued growth to a population of 296,000 by the year 2010. Due to the amount of growth in Horry County, construction, both residential and commercial, has boomed. From July 2005 to June 2006, Horry County issued 5,795 residential building permits, which were up by 29 percent from the previous year during the same period. The estimated dollar value of the construction increased by 42 percent to an unprecedented $1.25 billion. Commercial construction is also rising. From July 2005 to June 2006, Horry County issued 181 commercial building permits, which was at the same level as June 30, 2005.

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

Major Initiatives

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

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

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

CAPITAL PROJECTS UNDER CONSTRUCTION

The J. Reuben Long expansion program is underway with the addition of a new wing to the Minimum Security building as the first phase. An Architectural/Engineering firm has been selected and planning of the expansion of the main building has begun. County Council has allocated a significant initial budget to provide for the planning and programming. Installation of a new roofing system on the existing jail building will be complete in January 2007.

A collaborative agreement has been executed with the local Humane Society organization and building modifications have been completed at the former Environmental Services Facility to convert it to the "Mr. Board, Spay and Neuter Clinic". This facility is now staffed and operated by the Humane Society.

The Conway Memorial Library project was complete in July 2006 and formally opened for circulation in October 2006 on the campus of the former Burroughs School.

An Architectural/Engineering firm has been selected and design is underway for the renovation of the Burroughs School and McCown Auditorium buildings which will become the new home of the Horry County Museum. The renovations are planned for completion by October 2008.

As funded in the last fire bond, the following fire stations have been completed: Forestbrook, Lake Arrowhead, Scipio Lane, Carolina Forest #1, Finklea, Iron Springs, Hickory Grove and Lee's Landing.

Carolina Forest #3 will begin in January 2007 and property acquisition is underway for the Burgess area station.

A design-build team has been selected for the Public Works/Stormwater office addition and equipment shed project, which will be completed in June 2007.

North and South Police Precincts/Public Works Satellite Facilities are in the design phase. The South Precinct will be completed by July 2007.

The Conway Health Department project is underway, as a design-build contract. This project is expected to be completed in August 2007, and will consolidate all Horry County SCDHEC functions into a single building at the Horry County Community Service Complex on Industrial Park Boulevard.

A Parks & Recreation Community Center is underway at the Bucksport Park. The North Strand Park Athletic Field Facility on Highway 57 was completed in July 2005. The Loris Passive Park project is underway by County Parks & Recreation and Maintenance forces.

An addition to the Loris Library building, funded by donations, is scheduled for completion in April 2007, under a design- build contract.

In 2006, the Horry County Maintenance Department constructed ambulance bay additions and modifications at the Bucksport and Loris EMS Facilities.

STORMWATER MANAGEMENT

The Horry County Stormwater Management Program is a special revenue fund with revenue generated from a utility fee based on impervious areas on each parcel. Single-family parcels are billed a flat rate of $29.40 per year. The fees for other parcels are calculated and the fee is determined based on the amount of impervious area on the parcel.

The Stormwater Department currently has 24 staff positions and a budget of approximately $3.8 million dollars.

The Stormwater Program is guided by a citizen's advisory board appointed by County Council. The program is focused on both drainage and flood control as well as water quality preservation and improvement.

Drainage and flood control components include maintenance of existing drainage canals, ditches and piped systems, and drainage improvement projects such as digging new ditches, and increasing the capacity of piped systems and culverts. These maintenance and improvement projects are spread throughout the unincorporated part of the County.

The Stormwater Program is equally committed to preserving the quality of the natural water resources in our County. A water quality monitoring program has been established in cooperation with the USGS. There are currently 4 real-time water quality monitoring stations in place.

We are currently implementing our NPDES Phase II stormwater plan as required by the Clean Water Act. One of the major components of this plan is to reduce construction site runoff pollution. There are two positions dedicated to this, a plan reviewer and a full-time stormwater inspector. In addition, the Code Enforcement Department and the Engineering Departments are assisting in this effort by checking new subdivisions and single-family construction sites for erosion and sediment control compliance.

RIDE PLAN

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

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

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

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

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

GEOGRAPHIC INFORMATION SYSTEM (GIS) PROGRAM

The County's GIS is a core component of its enterprise systems applications. GIS-centric deployment of applications has been accomplished in a number of departments including Public Safety with a new GIS-centric CAD (Computer Aided Dispatch) deployed in 2006. The enterprise implementation of Azteca Cityworks for work order management is an ongoing project, with deployment complete in Stormwater and Engineering, IT/GIS/Assessor and E911. The county has also integrated its OnBase document management system with the GIS and is now integrating all applications with OnBase. The IT/GIS department developed a field based code enforcement application for building inspectors and deployed in 2006. Horry County's IT/GIS department is continually integrating all applications with its GIS, Work Order management Solution and OnBase Document Management. Upcoming projects include:

- Clerk of Court OnBase deployment
- Magistrates OnBase integration
- Mobile GIS in Public Safety vehicles and Automated Vehicle locator
- Management of parcel layer editing
- Data conversion for GIS-centric CAMA system
- Reflight of Aerial imagery planned for 2007
- Maintenance of Road centerlines for CAD system

AIRPORT

The Myrtle Beach International Airport was constructed in 1975 in response to the growing demand for commercial air services to the Myrtle Beach area. The airport consists of over 1,900 acres of land, located with the City of Myrtle Beach. Myrtle consists of a two-level passenger terminal with approximately 125,000 square feet, a 9,500 foot runway and related taxiways, a general aviation apron and supporting buildings and hangars. The financial position of the Horry County Department of Airports remains strong with increases to fuel sales, hangar rentals and concession revenues which passenger enplanements at Myrtle decreased by 6.67% during fiscal year 2006. Passenger traffic is forecasted to grow approximately three percent, on average, in the upcoming years. The Department is continuing to implement its various airports' Master Plans expansion projects to ensure that sufficient capacity will be available to meet future demands. These projects include development of both a new passenger terminal complex and a new general aviation terminal at Myrtle Beach International Airport, completion of a security-fencing project a HYW, obstruction removal at CRE and purchase of land in the Runway Protection Zone (RPZ) at 5J9.

The Department is continuing to work on the development of a new passenger terminal complex on the western side of Myrtle Beach International Airport. The Department has hired Parsons Brinckerhoff Quade & Douglas, Inc. for program management. Skanska USA is the construction manager at-risk for the project and is currently providing design services through Gresham Smith and Partners. Skanska USA provided a guaranteed maximum price (GMP) for construction in December 2006. If County Council approves the GMP and authorizes the construction of the new terminal, it will be funded through a combination of additional general airport revenue bonds; federal, state, and local grants; airport cash reserves, including PFCs (the FAA approved the PFC application in early 2006); and revenues from the surplus property located at Myrtle Beach and Grand Strand Airports. In March 2006, the airport received a $43 million Letter of Intent (LOI) from the FAA for the terminal project.

FUNDING

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

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

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

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

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

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. This was the nineteenth consecutive year that Horry County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, Horry County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2005 for fiscal year ended June 30, 2006. This was the seventeenth consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

Elizabeth L. Fryar

Elizabeth L. Fryar, CPA
Director of Finance

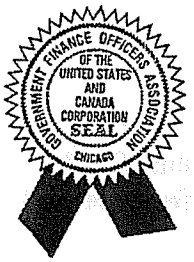
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Horry County
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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

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

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

Citizens of Horry County

County Council
Liz Gilland-Chairman

Executive Assistant
Amelia Snipes

County Administrator
Danny Knight

County Attorney
John Weaver

- **Propery Mgr-** Tommy Lee

Airport
Bob Kemp

Budget/Revenue
Westley Sawyer

Public Information
Lisa Bourcier

Administration
Anne Wright

- **Assessor-** *Rendel Mincey*
- **Finance-** *Beth Fryar*
  - **Grants/M.I.A.P.-** *Mike Davis*
  - **Mailroom**
- **Human Resources-** *Patrick Owens*
- **Museum-** *Terry Hooks*
- **Procurement-** *Lynda Davis*
- **Records-** *Jim Sine*

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

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

Supplemental Funded Agencies
Coastal Carolina College
Horry-Georgetown Technical College

Public Safety
Paul Whitten

- **E-911-**Toni Bessent
- **Emergency Mgmt.-** *Randy Webster*
- **Fire/Rescue-** *Garry Alderman*
- **Information Technology**-Sheila Butler
- **Police-** *Johnny Morgan*

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

Boards & Commissions:
Shoreline Behavioral Health Services
Council on Aging

Supplemental Funded Agencies:
S. C. Dept. of Health
S.C. Dept. of Probation & Parole
S.C. Dept. of Social Services
Public Defender

Infrastructure & Regulation
Steve Gosnell

- **Code Enforcement-** *David Jacobs*
- **Engineering-**Steve Gosnell
- **Fleet-** *Don Foote*
- **Maintenance-** *Gary Watson*
- **Parks & Recreation-**Brent Taylor
- **Planning & Zoning-** *Janet Carter*
- **Public Works-** *Bill Shannon*
- **Stormwater-** *Tom Garigen*

Elected/Appointed Officials:
None

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

Supplemental Funded Agencies:
MB Regional Economic Development Corp.
Solid Waste Authority

Last Updated: 12.14.06

HORRY COUNTY, SOUTH CAROLINA

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Horry County, South Carolina (the "County"), as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, which represent 100% of the assets and revenue of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Shoreline Behavioral Health Services and Horry County Solid Waste Authority is based solely on the reports of other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregately presented component units, each major fund, and the aggregate remaining fund information of Horry County, South Carolina and its discretely presented component units at June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2006, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Scott McElveen, L.L.P.

December 1, 2006
Columbia, South Carolina

Management's Discussion and Analysis

As management of Horry County, we offer readers of Horry County's financial statements this narrative overview and analysis of the financial activities of Horry County for fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on the pages prior to this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The total assets of Horry County reflected in the primary government exceeded its liabilities at the close of fiscal year 2006 by *$341,439* (net assets). This was an increase of *$63,070* from fiscal year 2005 as re-stated.
- At June 30, 2006, the County's governmental funds reported combined ending fund balances of *$119,937* in comparison with *$104,477* of the prior fiscal year.
- At June 30, 2006, unreserved fund balance for the General Fund was *$19,102* or 22% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2006 was *$55,617* compared to *$49,486* for fiscal year 2005, an increase of 12.4%.
- The County's outstanding governmental activities debt decreased by $15,521 during fiscal year 2006 compared to fiscal year 2005.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Horry County's basic financial statements. Horry County's basic financial statements are comprised of three components - *1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements*. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The two government-wide statements report Horry County's net assets and how they have changed. Net assets-the difference between Horry County's assets and liabilities-is one way to measure Horry County's financial health, or position. Over time, increases or decreases in Horry County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of Horry County 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, infrastructure and regulation, and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities - Horry County charges fees to customers to help it cover the costs of certain services it provides. Horry County's Industrial Parks, Baseball Stadium and Department of Airports are included here.
- Component units - Horry County includes two other entities in its financial statements-Shoreline Behavioral Health Services and the Horry County Solid Waste Authority. Although legally separate, these "component units" are important because Horry County is financially accountable for them.

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

FUND FINANCIAL STATEMENTS

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

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

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

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

The County maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Hospitality 1.5% Special Revenue, General Improvement Capital Projects, and RIDE Program Debt Service, which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

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

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds consist of the following: Department of Airports, 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 are used to account for resources held for the benefit of parties outside the government. They are custodial in nature and therefore do not measure the results of operations, and consist primarily of property taxes and other revenues collected, temporarily retained and distributed by the County Treasurer to other governments.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 - 82 of this report.

OTHER INFORMATION

In addition to the basic financial statement notes, this report also contains certain required supplementary information. This information includes a budgetary comparison schedule for the general fund and the Hospitality 1.5% Special Revenue Fund and information relating to the condition rating and actual rating and actual maintenance/preservation of Horry County's road infrastructure and the Department of Airport's infrastructure.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County as reflected in the primary government funds, assets exceeded liabilities by $341,439 at the close of the fiscal year ended June 30, 2006.

At the end of fiscal year 2006, the County reflected the following net assets:

Horry County, South Carolina

Net Assets

	Governmental Activities		Business-type Activities		Total	Total
	2006	2005	2006	2005	2006	2005
		as restated				*as restated*
Current and Other Assets	$ 171,640	$ 146,738	$ 76,921	$ 62,466	$ 248,561	$ 209,204
Capital Assets	520,717	506,539	113,635	111,559	634,352	618,098
Total Assets	692,357	653,277	190,556	174,025	882,913	827,302
Current Liabilities	55,927	46,744	6,048	5,970	61,975	52,714
Long-term Liabilities Outstanding	452,456	468,036	27,043	28,183	479,499	496,219
Total Liabilities	508,383	514,780	33,091	34,153	541,474	548,933
Net Assets:						
Invested in Capital Assets, Net of Related Debt	416,234	401,654	84,760	81,247	501,871	482,901
Restricted	38,317	27,465	29,635	24,705	67,952	52,170
Unrestricted (deficit)	(270,577)	(290,622)	43,070	33,920	(228,384)	(256,702)
Total Net Assets	$ 183,974	$ 138,497	$ 157,465	$ 139,872	$ 341,439	$ 278,369

Net assets of the County's governmental activities increased 32.8 percent from *$138,497(as restated),* to *$183,974*. 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 *$270,577* deficit at the end of this year. This deficit does not mean that the County does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources.

Although the net assets of our business-type activities increased 12.6 percent from $139,872 in 2005 to $157,465 in 2006, 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 *$119,937* at the end of fiscal year 2006. 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 *$520,717*. Long-term liabilities of *$452,456* 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, *$350,187*, is attributable to the RIDE Intergovernmental

Agreements, by which the County agreed to deposit all receipts of the 1.5% portion of its Hospitality Fee into the Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank through intergovernmental agreements has provided funding for various road construction projects in Horry County through certain loans, by which the County has agreed to pay. The constructed roads are State roads and are therefore not reflected in capital assets of Horry County. In accordance with the RIDE intergovernmental agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1.5% portion of the Hospitality Fee not meet the debt service requirements. The citizens of Horry County have 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* towards their construction and meet the infrastructure needs of the County. The Conway By-Pass and Carolina Bays Parkway are now open, providing needed means of transportation throughout Horry County for the demand of increased tourism throughout the area. By increased tourism and much-needed infrastructure, we feel this will entice additional revenues in the future.

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

Governmental activities

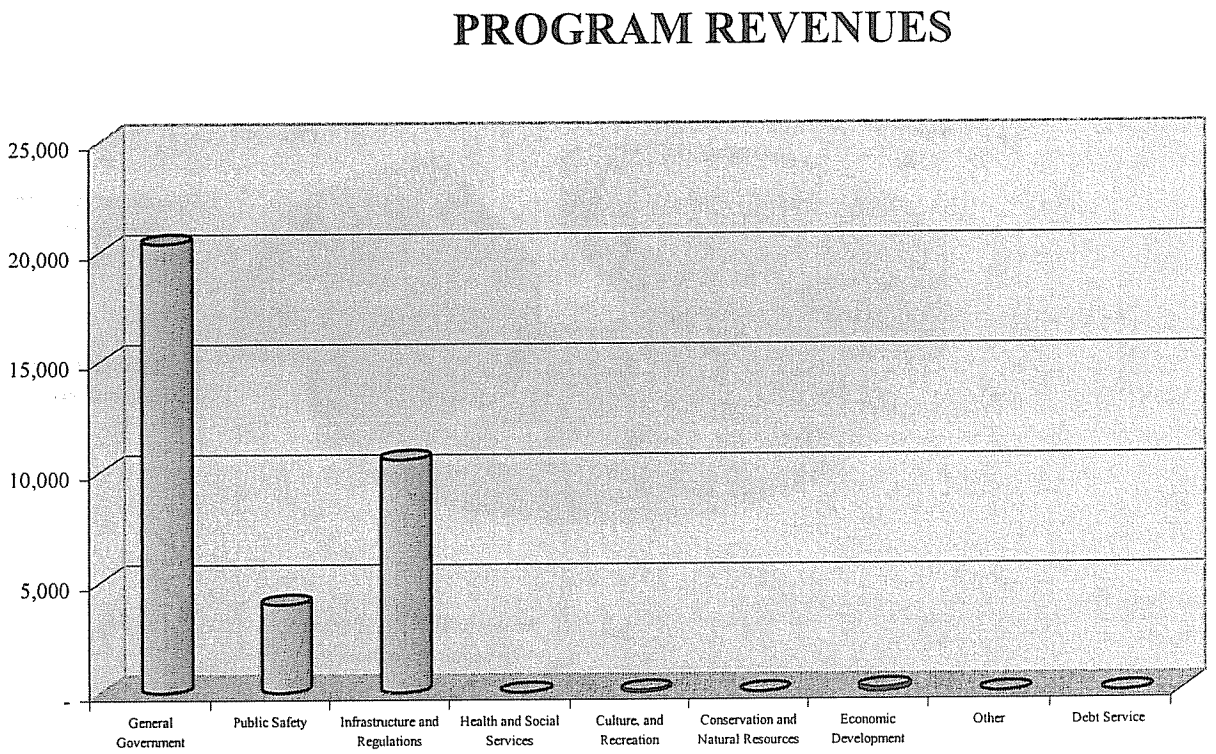
Governmental activities increased the County's net assets during the year by *$45,477,* thereby accounting for 72.1% of the total growth in net assets of the County. This increase was mainly attributable to increased revenues from tourism, fees for services, continued growth in the County and controlled governmental expenditures. Key elements of this increase are on the following page:

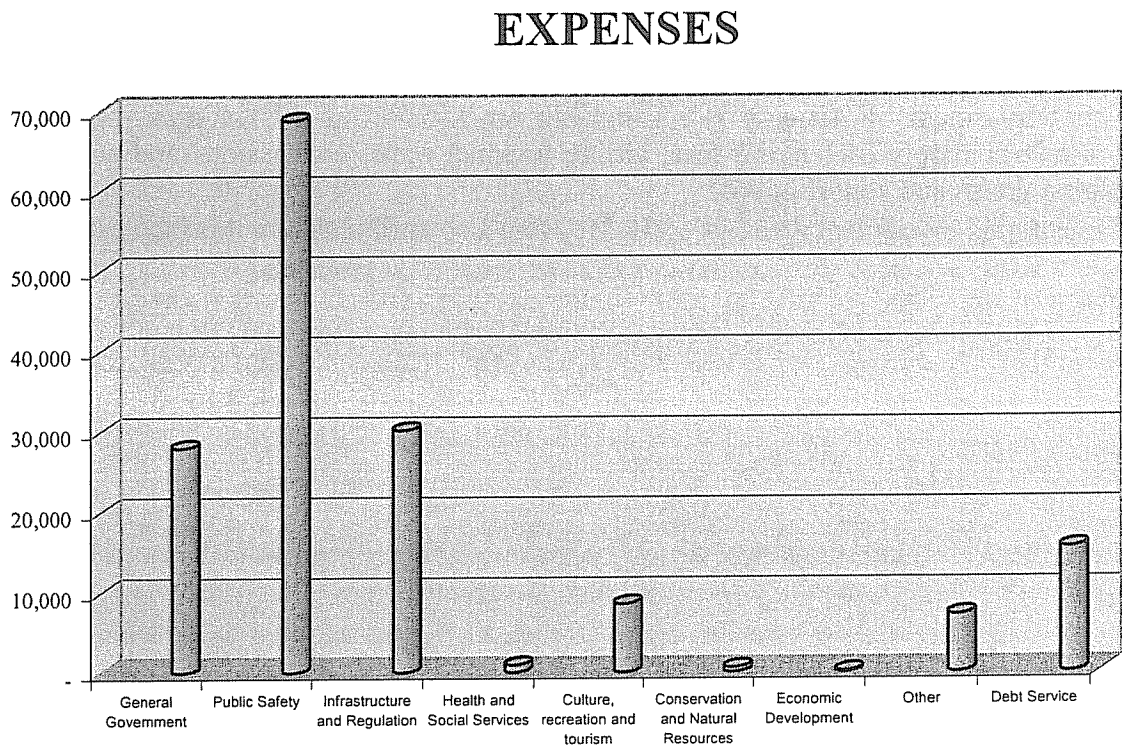
Horry County, South Carolina

Changes in Net Assets

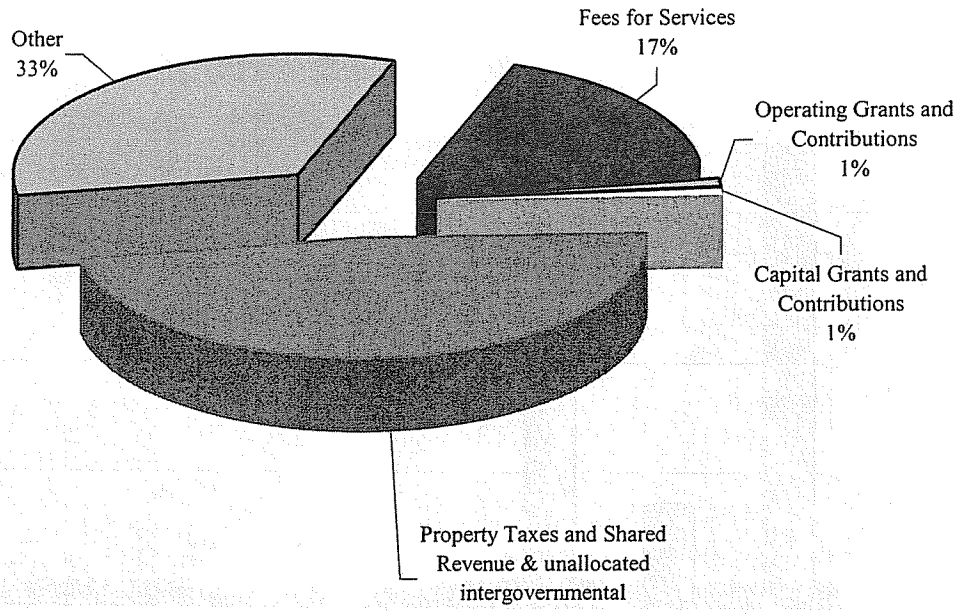
	Governmental Activities		Business-Type Activities		Total	Total
	2006	2005	2006	2005	2006	2005
Revenues:		*as restated*				*as restated*
Program Revenues:						
Fees for services	$ 34,950	$ 28,505	$ 23,686	$ 21,668	$ 58,636	$ 50,173
Operating Grants and Contributions	1,991	2,462	-	-	1,991	2,462
Capital Grants and Contributions	2,100	1,344	7,331	8,731	9,431	10,075
General Revenues:						
Property Taxes and Shared Revenue and Unallocated Intergovernmental	98,114	93,212	1,309	3,304	99,423	96,516
Other	68,272	58,087	4,518	3,639	72,790	61,726
Total Revenues	205,427	183,610	36,844	37,342	242,271	220,952
Expenses:						
General Government	27,960	25,724	-	-	27,960	25,724
Public Safety	68,799	63,171	-	-	68,799	63,171
Infrastructure and Regulation	30,145	25,797	-	-	30,145	25,797
Health and Social Services	920	2,089	-	-	920	2,089
Culture, recreation and tourism	8,534	8,211	-	-	8,534	8,211
Conservation and Natural Resources	561	213	-	-	561	213
Economic Development	125	58	-	-	125	58
Other	7,168	2,457	-	-	7,168	2,457
Debt Service	15,454	16,180	-	-	15,454	16,180
Airports	-	-	18,483	18,190	18,483	18,190
Industrial Parks	-	-	718	1,400	718	1,400
Baseball Stadium	-	-	334	369	334	369
Total Expenses	159,666	143,900	19,535	19,959	179,201	163,859
Increase in Net Assets Before Transfers	45,761	39,710	17,309	17,383	63,070	$ 57,093
Transfers	(284)	(262)	284	262	-	-
Increase in Net Assets	45,477	39,448	17,593	17,645	63,070	57,093
Net Assets - 7/1/05 as re-stated	138,497	99,049	139,872	122,227	278,369	$ 221,276
Net Assets - 6/30/06	$ 183,974	$ 138,497	$ 157,465	$ 139,872	$ 341,439	$ 278,369

Program Revenues and Expenses - Governmental Activities





Revenues by Source-Governmental Activities

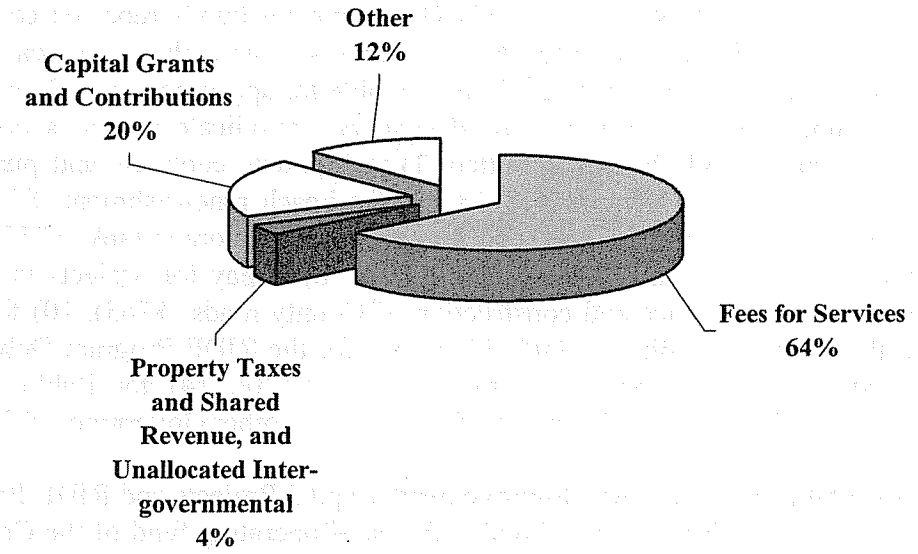


Business-type activities

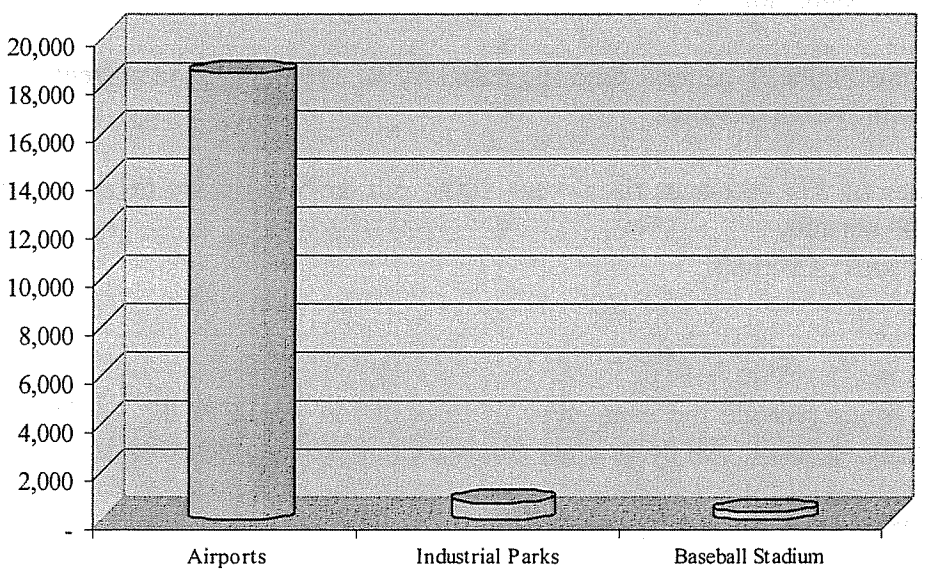
Business-type activities increased the County's net assets by *$17,593*. Key elements of this increase are as follows:

- The Department of Airports is accountable for *$16,506* 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 *$2,350* were also attributable to this increase.

Revenues by Source - Business-Type Activities



Expenses-Business - Type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2006, the County's Governmental Funds reported combined ending fund balances of $119,937, an increase of $15,460 in comparison with the prior year. Unreserved Fund Balance in the Governmental Funds of $42,*011* is available for spending at the County's discretion. The remainder of the fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (*$12,198*), 2) for inventories (*$153*), 3) for beach renourishment ($2,573) 4) for prepaid items (*$2,047*), 5) for debt service ($2,633) 6) for underground storage tanks (*$50*), 7) to pay for Fire Special Revenue Fund bonded capital projects (*$3,276*), 8) to pay for projects in the Capital Projects Fund (*$1,302*), 9) for maintenance and construction of County roads (*$763*), 10) for future repairs and maintenance to the Baseball Stadium (*$350*), 11) to pay for the RIDE Program Debt Service (*$27,381*), 12) for DSS Federal Revenue ($87), 13) for Cultural ($120), 14) for Public Safety ($213), 15) designated for General Fund ($13,547), and 16) designated for other Governmental Funds ($11,233).

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 2006, unreserved fund balance of the General Fund was *$19,102* while the total General Fund balance reached *$35,044*. 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 21.6 percent of the total general fund expenditures, while total fund balance represents 39.6 percent of that same amount.

The total fund balance of the County's general fund increased by *$4,690* during the current fiscal year. The key factors in this growth were as follows:

- An increase in revenues of *$14,400* over fiscal year 2005, primarily property taxes, documentary stamps, and licenses and permits.
- An increase in expenditures of $7,160.

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 $49,126.

Fund	2006 Unrestricted Net Assets (Deficit)	2005 Unrestricted Net Assets (Deficit)
Department of Airports	$ 37,147	$ 30,743
Baseball Stadium	(49)	(131)
Industrial Parks	5,972	3,308
Internal Service Fund	6,056	5,531
Totals	$ 49,126	$ 39,451

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

General Fund Budgetary Highlights

The difference in the net change in fund balance of the general fund's original budget and final amended budget was *$15,947* and can be briefly summarized as follows:

- Increase in total revenues of $716.
- Decrease in general government expenditures of $17,124.
- Decrease in public safety expenditures of $890.
- Increase in Health and Social Services expenditures of $10.
- Increase in culture, recreation, and tourism expenditures of $19.
- Decrease in infrastructure and regulation expenditures of $121.
- Increase in capital outlay $2,308.
- Increase in other financing (uses) of $490
- Increase in other expenditures of $77.

Increased revenues of $716 were attributable to an increase in building inspection permits and documentary stamps. In the original budget, roll forward items are not included due to amounts not being final. Items that are applicable for roll forward are capital items authorized by purchase order that have not been received, parks maintenance and recreation funds, mosquito abatement which has not been expended, funds for E911 enhancement which have not been expended, and County council expense accounts which have not been expended, road maintenance fees and fines budgeted for the local road improvement plan other than personal services, funds for equipment in the Planning Department, Road Fund, County Library, other County Council Road improvement, grant funds which have not been expended, funds for Register of Deeds computer and indexing system which have not been expended, and accommodation tax funds approved by the Accommodations Tax Committee and County Council which have not been expended. Other increases in expenditures to the general fund budget were increased uses of fund balance for transfers to road maintenance special revenue fund for increased road improvement plan costs, and transfers to general improvement capital projects for various capital items.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2006 amounts to *$634,352* (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 9.5 percent (a 6.1 percent increase for governmental activities and a 3.4 percent increase for business-type activities).

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

- Completion of the Conway Memorial Library project in July 2006.
- Design-build team has been selected for the Public Works/Stormwater office addition and equipment shed project. This project is expected to be completed by June 2007.
- Completion of eight new fire stations funded from previous fire bond issues.
- Design is underway for the renovations of the Burroughs School and McCown Auditorium buildings, which will become the new home of the Horry County Museum.
- Completion of several of the County's road projects for expansion and new construction resulted in an increase to infrastructure capital assets of $11,261 as of the close of the fiscal year.

Horry County, South Carolina
Capital Assets

	Governmental	Activities	Business-type	Activities	Total	Total
	2006	2005	2006	2005	2006	2005
		as restated				*as restated*
Land, Easements, and Improvements	$ 13,225	$ 12,690	$ 28,037	$ 26,974	$ 41,262	$ 39,664
Infrastructure	394,419	383,158	9,182	9,182	403,601	392,340
Construction-in-Progress	248	1,210	12,323	11,188	12,571	12,398
Buildings and Improvements	81,827	80,948	32,673	35,338	114,500	116,286
Office Furniture	1,598	2,269	-	-	1,598	2,269
Vehicles	1,639	685	-	-	1,639	685
Machinery and Equipment	27,469	25,213	5,307	5,190	32,776	30,403
Runways and Taxiways	-	-	26,113	23,687	26,113	23,687
Other	292	366	-	-	292	366
Total	$ 520,717	$506,539	$ 113,635	$ 111,559	$ 634,352	$ 618,098

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

Modified Approach for Infrastructure

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

A five-year Local Road Improvement Plan was implemented July 1, 1997. Horry County extended this program for an additional 5 years in 2001. FY 2006 represents Year 9 of the project, which endeavors to improve the County's roadways with paving, resurfacing or coquina/slag. The five-year extension covers years 2003-2007 in an effort to expedite easement acquisitions procedures and thereby enhance the programs effectiveness by approving a 5-year list (80 miles) of dirt roads to be improved.

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

Long-term debt

At the end of fiscal year 2006, the County had total bonded debt outstanding of *$112,985*. Of this amount, *$72,920* comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank, and agreements with the City of Myrtle Beach calling for a 30% liability of Horry County on the Certificates of Participation issued by the City of Myrtle Beach.

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

General Obligation and Revenue Bonds Outstanding

	Governmental Activities		Business-type Activities		Total	Total
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	$ 72,920	$ 76,435	$ -	$ -	$72,920	$76,435
Special Obligation Bonds	13,985	15,190	-	-	13,985	15,190
Revenue Bonds	-	-	26,080	27,765	26,080	27,765
Baseball Stadium COPS	-	-	2,295	2,423	2,295	2,423
RIDE IGA Loans	364,791	376,159	-	-	364,791	376,159
Total	$ 451,696	$ 467,784	$28,375	$30,188	$480,071	$497,972

The County's outstanding notes and bonded debt decreased by *$17,901* compared with fiscal year 2005.

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

Economic Factors and Next Year's Budgets and Rates

- Southern Living magazine, in its 2006 annual Reader's Choice Awards, named the Myrtle Beach area as the South's second favorite beach and third most popular family destination. According to the most recent AAA survey, the Myrtle Beach area is No. 2 on the list of top destinations for summer vacations in the United States. Restaurant Business magazine ranks the area No.1 in the U.S. for growth potential. The area's market is growing nine times faster than the national average. Byways magazine, produced for the National Motor Coach Network, ranked the area No. 4 on a list of 50 of the most popular motor coach destinations of the decade. And finally, the Grand Strand area was named as one of the 100 best retirement areas in America by Where to Retire magazine.
- Gross retail sales were reported to be $8.28 billion for 2005, which is the most current information available at this time. This is a 12 percent increase over 2004.
- The taxable assessed value of real and personal property increased 8.5 percent in the 2006 fiscal year.
- Building permit and business license revenues increased 48 percent, amounting to $4,357 in added revenue for the 2006 fiscal year.
- Fees and fines revenues increased 1.9 percent, amounting to $178 in added revenue for the 2006 fiscal year.
- The U.S. Census Bureau estimated a 10.7 percent population increase from July 1, 2004 to July 1, 2005. The estimated population for Horry County at July 1, 2005 was 226,992, ranking Horry County fifth in the state of South Carolina.

All of these factors were considered in preparing Horry County's budget for the 2007 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased from *$18,962* to *$19,101*. Projections at this time indicate that at the end of fiscal year 2007, 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, 2006

(amounts expressed in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Assets					
Current assets:					
Cash and cash equivalents	$ 7,840	$ 22,744	$ 30,584	$ 341	$ 8,363
Equity in Pooled Cash and Investments	106,342	6,237	112,579	-	-
Investments	-	15,878	15,878	-	24,963
Funds held in escrow	4,877	-	4,877	-	-
Receivables, net:					
Property taxes	4,060	-	4,060	-	-
Accounts and other	9,470	727	10,197	81	1,697
Fees	4,778	-	4,778	-	-
Accrued interest	2,500	556	3,056	-	-
Due from primary government	-	-	-	111	355
Due from component units	83	-	83	-	-
Due from other governments	6,468	1,978	8,446	37	-
Internal balances	1,314	(1,314)	-	-	-
Notes receivable - Horry County	-	-	-	-	22
Prepaid expenses	2,047	284	2,331	-	73
Inventories	443	279	722	-	12
Restricted - funds held in trust	20,942	-	20,942	-	-
Total current assets	171,164	47,369	218,533	570	35,485
Non-current assets:					
Restricted assets:					
Notes receivable - Horry County, less current portion	-	-	-	-	45
Cash and cash equivalents	-	5,719	5,719	-	106
Investments	-	22,380	22,380	-	-
Accounts receivable	-	788	788	-	-
Due from other governments	-	-	-	-	22
Total restricted assets	-	28,887	28,887	-	173
Capital assets:					
Land, easements and infrastructure	406,043	33,599	439,642	138	7,440
Depreciable capital assets, net	114,426	67,713	182,139	1,162	16,064
Construction-in-progress	248	12,323	12,571	-	366
Total capital assets, net	520,717	113,635	634,352	1,300	23,870
Deferred charges, net	476	665	1,141	23	-
Total non-current assets	521,193	143,187	664,380	1,323	24,043
Total assets	692,357	190,556	882,913	1,893	59,528

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Liabilities and Net Assets					
Current liabilities:					
Accounts payable - trade	3,680	409	4,089	13	666
Accounts payable - other	1,074	-	1,074	-	-
Accrued salaries, related taxes and compensated absences	1,425	255	1,680	61	187
Accrued expenses	-	379	379	-	-
Due to other governments	3,821	123	3,944	-	-
Due to component units	549	-	549	-	-
Construction and retainage payable	134	1,444	1,578	-	-
Proceeds from sales held by Master in Equity	2,527		2,527	-	-
Due to taxpayers for overpayment	2,820		2,820	-	-
Funds held in trust- delinquent taxes	5,404		5,404	-	-
Funds held in trust- Clerk of Court	8,127		8,127	-	-
Other liabilities	3,095	-	3,095	-	-
Deferred revenue	114	113	227	-	-
Accrued interest payable	802	-	802	-	-
Bonds, notes and contracts payable - current portion	3,800	-	3,800	90	-
Special obligation bonds payable - current portion	1,260	-	1,260	-	-
IGA #1 payable - current portion	10,635	-	10,635	-	-
IGA #2 payable - current portion	3,940	-	3,940	-	-
RIDE IGA #3 contribution payable - current portion	29	-	29	-	-
Capital lease obligations - current portion	2,691	44	2,735	-	-
Landfill closures costs	-	-	-	-	2,850
Amounts due to airlines	-	524	524	-	-
Total current liabilities	55,927	3,291	59,218	164	3,703
Current liabilities payable from restricted assets	-	2,757	2,757	-	-
Non-current (long-term) liabilities:					
Certificates of Participation	-	2,161	2,161	-	-
General and special obligation bonds payable	80,414	-	80,414	-	-
Revenue bonds payable	-	23,707	23,707	626	-
RIDE IGA loans payable	349,081	-	349,081	-	-
RIDE IGA #3 contribution payable	1,106	-	1,106	-	-
Capital lease obligations	12,031	382	12,413	-	-
Compensation for future absences	9,824	493	10,317	34	105
Landfill closures costs	-	-	-	-	3,938
Landfill post closure care costs	-	-	-	-	5,917
Due to tenants for capital improvements	-	300	300	-	-
Total long-term liabilities	452,456	27,043	479,499	660	9,960
Total liabilities	508,383	33,091	541,474	824	13,663

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Discretely Presented 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	416,234	84,760	500,994	607	23,871
Restricted For:					
Capital projects	1,254	367	1,621	-	-
Road maintenance	763	-	763	-	-
Fire special revenue	3,276	-	3,276	-	-
Infrastructure development	-	749	749	-	-
Debt service - Interest	2,633	28,519	31,152	-	-
RIDE program debt service	27,381	-	27,381	-	-
Beach renourishment	2,573	-	2,573	-	-
Substance abuse prevention	-	-	-	405	-
DSS federal revenue	87	-	87		-
Baseball	350	-	350	-	-
Waste tire management	-	-	-	-	128
Unrestricted (deficit)	(270,577)	43,070	(227,507)	57	21,866
Total net assets	183,974	157,465	341,439	1,069	45,865
Total liabilities and net assets	$ 692,357	$ 190,556	$ 882,913	$ 1,893	$ 59,528

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2006

(amounts expressed in thousands)

		Program Revenue			Net (Expense) Revenue and Changes in Net Assets				
					Primary Governmental			Discretely Presented 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	$ (27,960)	$ 20,352	$ -	$ 228	$ (7,380)	$ -	$ (7,380)	$ -	$ -
Public safety	(68,799)	4,002	1,991	1,217	(61,589)	-	(61,589)	-	-
Health and social services	(920)	-	-	-	(920)	-	(920)	-	-
Infrastructure and regulation	(34,222)	10,596	-	610	(23,016)	-	(23,016)	-	-
Culture, recreation and tourism	(8,534)	-	-	45	(8,489)	-	(8,489)	-	-
Economic development	(125)	-	-	-	(125)	-	(125)	-	-
Conservation/natural resources	(561)	-	-	-	(561)	-	(561)	-	-
Debt service	(15,454)	-	-	-	(15,454)	-	(15,454)	-	-
Horry-Georgetown TECH	(2,591)	-	-	-	(2,591)	-	(2,591)	-	-
Higher Education Commission	(500)	-	-	-	(500)	-	(500)	-	-
Total governmental activities	(159,666)	34,950	1,991	2,100	(120,625)	-	(120,625)	-	-
Business-type activities:									
Airports	(18,483)	$ 23,403	-	7,331	-	12,251	12,251	-	-
Industrial parks	(718)	283	-	-	-	(435)	(435)	-	-
Baseball stadium	(334)	-	-	-	-	(334)	(334)	-	-
Total business-type activities	(19,535)	23,686	-	7,331	-	11,482	11,482	-	-
Total primary government	$ (179,201)	$ 58,636	$ 1,991	$ 9,431	$ (120,625)	$ 11,482	$ (109,143)	$ -	$ -
Discretely Presented Component units									
Health services	$ (2,247)	$ 790	$ 1	$ 1,271	$ -	$ -	$ -	$ (185)	$ -
Landfill	(14,094)	16,122	32	115	-	-	-	-	2,175
Total component units	$ (16,341)	$ 16,912	$ 33	$ 1,386	$ -	$ -	$ -	$ (185)	$ 2,175
General Revenue and Transfers									
General Revenue									
Property taxes					86,216	-	86,216	-	-
Fees-in-lieu of taxes					243	-	243	-	-
Intergovernmental- unrestricted					11,655	1,309	12,964	-	-
Accommodations tax					3,082	-	3,082	-	-
Local accommodations tax					969	-	969	-	-
Admissions tax					84	-	84	-	-
Road maintenance					4,316	-	4,316	-	-
Hospitality fees					34,427	-	34,427	-	-
RMC Documentary Stamps					8,962	-	8,962	-	-
Unrestricted investment earnings					5,676	2,350	8,026	7	1,159
Contributed capital					9,088	300	9,388	-	-
Miscellaneous					1,522	790	2,312	(4)	140
Gain on disposal of assets					146	1,078	1,224	-	17
Transfers					(284)	284	-	-	-
Total general revenue and transfers					166,102	6,111	172,213	3	1,316
Changes in net assets					45,477	17,593	63,070	(182)	3,491
Net assets - beginning of year , as restated					138,497	139,872	278,369	1,251	42,374
Net assets - end of year					$ 183,974	$ 157,465	$ 341,439	$ 1,069	$ 45,865

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2006

	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	$ 1,553,826	$ 2,425,072	$ -	$ -	$ 3,860,688	$ 7,839,586
Equity in pooled cash and investments	50,209,542	-	14,398,555	-	35,920,853	100,528,950
Funds held in escrow	-	-	2,369,015	-	2,507,987	4,877,002
Receivables, net:						
Property taxes	314,802	-	-	-	150,655	465,457
Accounts and other	9,183,748	-	-	-	286,538	9,470,286
Fees	-	3,949,594	-	-	828,380	4,777,974
Accrued Interest	2,400,360	-	99,383	-	-	2,499,743
Due from other funds	5,169,423	494,173	341,810	6,439,099	1,590,724	14,035,229
Due from other governments	2,735,678	-	-	-	3,732,595	6,468,273
Due from component unit	-	-	83,091	-	-	83,091
Inventories	105,075	-	-	-	47,912	152,987
Prepaid items	1,306,583	-	728,639	-	11,415	2,046,637
Restricted assets	-	-	-	20,942,322	-	20,942,322
Total Assets	$ 72,979,037	$ 6,868,839	$ 18,020,493	$ 27,381,421	$ 48,937,747	$ 174,187,537
Liabilities and Fund Balances						
Liabilities:						
Accounts payable - trade	$ 1,560,408	$ -	$ 132,943	$ -	$ 1,950,585	3,643,936
Accounts payable - other	1,060,506	-	-	-	13,137	1,073,643
Construction and retainage payable	-	-	-	-	133,743	133,743
Accrued salaries and wages	1,106,614	-	-	-	270,579	1,377,193
Accrued compensated absences	34,569	-	-	-	1,435	36,004
Due to other funds	53,135	6,746,724	-	-	5,921,604	12,721,463
Due to component units	110,946	-	-	-	437,630	548,576

- 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	3,470,592	-	-	-	350,250	3,820,842
Proceeds from sales held by Master in Equity	2,526,756	-	-	-	-	2,526,756
Due to taxpayers for overpayment	2,821,112	-	-	-	-	2,821,112
Funds held in trust- delinquent taxes	5,404,630	-	-	-	-	5,404,630
Funds held in trust- Clerk of Court	8,126,615	-	-	-	-	8,126,615
Other liabilities	2,853,075	-	242,797	-	-	3,095,872
Deferred revenue	8,805,982	114,197	-	-	-	8,920,179
Total liabilities	37,934,940	6,860,921	375,740	-	9,078,963	54,250,564
Fund Balances:						
Reserved for:						
Encumbrances	846,199	-	7,270,699	-	4,081,417	12,198,315
Inventories	105,075	-	-	-	47,912	152,987
Beach Renourishment	-	-	-	-	2,572,638	2,572,638
Underground storage tanks	50,000	-	-	-	-	50,000
Fire Special Revenue Fund	-	-	3,276,394	-	-	3,276,394
Prepaid items	1,306,583	-	728,639	-	11,415	2,046,637
Debt service	-	-	-	-	2,632,705	2,632,705
Road maintenance	-	-	-	-	763,323	763,323
Cultural	-	-	-	-	119,870	119,870
Baseball Park	-	-	-	-	349,638	349,638
RIDE Program	-	-	-	27,381,421	-	27,381,421
DSS federal revenue	87,344	-	-	-	-	87,344
Bonded capital projects	-	-	1,254,029			1,254,029
Loris Library	-	-	47,635			47,635
Public safety	-	-	-	-	212,975	212,975
Unreserved/designated for:						
Designated	13,547,307	-	5,067,357	-	6,165,575	24,780,239
Unreserved/undesignated	19,101,589	7,918	-	-	22,901,316	42,010,823
Total fund balances	35,044,097	7,918	17,644,753	27,381,421	39,858,784	119,936,973
Total liabilities and fund balances	$ 72,979,037	$ 6,868,839	$ 18,020,493	$ 27,381,421	$ 48,937,747	$ 174,187,537

- 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	119,937
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.	516,779
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's expenditures.	3,595
Because certain receivables will not be collected soon enough after the County's fiscal year end, the related revenues are not considered "available" and are deferred in the governmental funds.	8,806
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds.	476
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.	10,041
Long-term liabilities, including bonds payable that are not due and payable in the current period and therefore are not reported in these funds.	(475,660)
Net Assets, end of year - governmental activities	$ 183,974

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2006

	General Fund	Hospitality 1.5 % Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 55,616,668	$ -	$ -	$ -	$ 32,063,333	$ 87,680,001
Intergovernmental	11,580,397	-	-	-	7,332,442	18,912,839
Accommodation tax	-	-	-	-	969,474	969,474
Fees and fines	13,803,428	28,267,986	825,851	-	15,636,451	58,533,716
Documentary stamps	8,961,873		-	-	-	8,961,873
License and permits	13,840,940	-	-	-	-	13,840,940
Interest on investments	2,341,052	51,985	925,009	935,776	1,299,999	5,553,821
Cost allocation	1,697,033	-	-	-	-	1,697,033
Other	942,646	-	47,635	-	999,146	1,989,427
Total revenues	108,784,037	28,319,971	1,798,495	935,776	58,300,845	198,139,124
Expenditures						
Current:						
General government	23,525,402	-	-	-	44,280	23,569,682
Public safety	55,069,388	-	-	-	12,808,890	67,878,278
Health and social services	128,084	-	-	-	765,422	893,506
Infrastructure and regulation	4,271,396	-	-	-	24,756,615	29,028,011
Culture and recreation	3,551,490	-	-	-	4,481,998	8,033,488
Economic development	-	-	-	-	124,822	124,822
Conservation and natural resources	-	-	-	-	561,026	561,026
Horry-Georgetown TECH	-	-	-	-	2,590,935	2,590,935
Higher Education Commission	-	-	-	-	500,000	500,000
Other	1,457,314	-	-	-	-	1,457,314
Debt service	-	-	-	24,668,396	11,140,254	35,808,650
Capital outlay	316,558	-	13,227,831	-	-	13,544,389
Total expenditures	88,319,632	-	13,227,831	24,668,396	57,774,242	183,990,101

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	20,464,405	28,319,971	(11,429,336)	(23,732,620)	526,603	14,149,023
Other Financing Sources (Uses)						
Capital leases	316,558	-	4,284,381	-	-	4,600,939
Bond proceeds- issuance of refunding bonds	-	-	-	-	35,326,714	35,326,714
Payment to refunded bond escrow agent	-	-	-	-	(34,882,932)	(34,882,932)
Transfer to Horry Georgetown Tech	-	-	(3,111,061)	-	-	(3,111,061)
Bond issue premium	-	-	-	-	(439,463)	(439,463)
Sales of assets	101,194	-	-	-	-	101,194
Transfers in	1,102,443	-	10,654,894	29,970,981	15,953,610	57,681,928
Transfers out	(17,294,572)	(28,320,713)	(157,190)	-	(12,193,653)	(57,966,128)
Total other financing sources (uses)	(15,774,377)	(28,320,713)	11,671,024	29,970,981	3,764,276	1,311,191
Net change in fund balance	4,690,028	(742)	241,688	6,238,361	4,290,879	15,460,214
Fund balances at beginning of year	30,354,069	8,660	17,403,065	21,143,060	35,567,905	104,476,759
Fund balances at end of year	$ 35,044,097	$ 7,918	$ 17,644,753	$ 27,381,421	$ 39,858,784	$ 119,936,973

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

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

	(amounts expressed in thousands)
Net change in fund balances - total governmental funds	$ 15,460
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.	5,474
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	7,867
Because certain receivables will not be collected soon enough after the County's fiscal year end, the related revenues are not considered "available" and are deferred in the governmental funds.	1,319
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.	(1,049)
Bond issue costs are reported as current expenditures in the funds. However, issue costs are deferred and amortized over the life of the bonds and are included in governmental activities in the statement of net assets	345
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.	15,105
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	956
Change in Net Assets - Governmental Activities	$ 45,477

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

JUNE 30, 2006

	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	$ 22,743,814	$ -	$ -	$ 22,743,814	$ -
Equity in pooled cash and investments	-	-	6,237,275	6,237,275	5,813,530
Investments	15,877,867	-	-	15,877,867	-
Accounts receivable, net	720,661	-	6,105	726,766	100
Accrued interest	556,059	-	-	556,059	-
Due from other governments	1,978,323	-	-	1,978,323	-
Inventories	279,184	-	-	279,184	290,270
Prepaid expenses	283,904	-	-	283,904	-
Due from other funds	-	73,270	-	73,270	-
Total unrestricted current assets	42,439,812	73,270	6,243,380	48,756,462	6,103,900
Restricted current assets:					
Cash and cash equivalents	5,424,407	294,521	-	5,718,928	-
Investments	22,379,803	-	-	22,379,803	-
Accounts receivable	787,769	-	-	787,769	-
Total restricted current assets	28,591,979	294,521	-	28,886,500	-
Total current assets	71,031,791	367,791	6,243,380	77,642,962	6,103,900
Non-current assets:					
Capital assets, net:					
Land, easements and infrastructure	29,833,845	2,693,320	213,708	32,740,873	-
Depreciable capital assets, net	65,295,698	2,316,999	81,343	67,694,040	3,936,756
Construction-in-progress	12,323,334	-	-	12,323,334	-
Total capital assets, net	107,452,877	5,010,319	295,051	112,758,247	3,936,756
Land held for resale	-	-	877,071	877,071	-
Deferred charges					
Bond issuance costs, net	665,188	-	-	665,188	-
Total non-current assets	108,118,065	5,010,319	1,172,122	114,300,506	3,936,756
Total assets	$ 179,149,856	$ 5,378,110	$ 7,415,502	$ 191,943,468	$ 10,040,656

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
BALANCE SHEETS

- CONTINUED -

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Liabilities and Net Assets					
Current liabilities:					
Accounts payable-trade	$ 288,167	$ -	$ 121,074	$ 409,241	$ 35,836
Construction accounts and retainage payable	1,443,555	-	-	1,443,555	-
Accrued salaries, wages and compensated absences	255,038	-	-	255,038	11,567
Due to other funds	1,108,514	-	278,521	1,387,035	-
Other accrued expenses	379,002	-	-	379,002	-
Unearned revenue	113,964	-	-	113,964	-
Due to other governments	-	122,529	-	122,529	-
Capital leases payable - current portion	43,699	-	-	43,699	-
Amounts due to tenants	524,106	-	-	524,106	-
	4,156,045	122,529	399,595	4,678,169	47,403
Current liabilities payable from restricted assets:					
Certificates of Participation - current portion	-	133,500	-	133,500	-
Revenue bonds payable - current portion	1,780,000	-	-	1,780,000	-
Accrued interest payable	787,756	54,813	-	842,569	-
Total current liabilities payable from restricted assets	2,567,756	188,313	-	2,756,069	-
Total current liabilities	6,723,801	310,842	399,595	7,434,238	47,403
Non-current liabilities:					
Certificates of Participation		2,161,500	-	2,161,500	-
Compensated absences - long term	492,560	-	-	492,560	-
Revenue bonds payable	23,707,113	-	-	23,707,113	-
Due to tenants for capital improvments	300,000	-	-	300,000	-
Capital leases	382,623	-	-	382,623	-
Total non-current liabilities	24,882,296	2,161,500	-	27,043,796	-
Total liabilities	31,606,097	2,472,342	399,595	34,478,034	47,403
Net assets:					
Invested in capital assets, net of related debt	81,804,630	2,660,506	295,051	84,760,187	3,936,756
Restricted for:					
Infrastructure development	-	-	748,783	748,783	-
Debt service	28,225,390	294,521	-	28,519,911	-
Capital projects	366,588	-	-	366,588	-
Unrestricted	37,147,151	(49,259)	5,972,073	43,069,965	6,056,497
Total net assets	147,543,759	2,905,768	7,015,907	157,465,434	9,993,253
Total liabilities and net assets	$ 179,149,856	$ 5,378,110	$ 7,415,502	$ 191,943,468	$ 10,040,656

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Operating Revenues					
Landing fees	1,930,984	-	-	1,930,984	-
Rents	3,876,068	-	283,111	4,159,179	-
Concessions and rentals	5,367,324	7,201	-	5,374,525	-
Security fees	249,009	-	-	249,009	-
Leases	1,007,694	-	-	1,007,694	-
Fuel sales - FBO	4,496,876	-	-	4,496,876	-
Other Airline Services	814,204	-	-	814,204	-
Charges for service	-	-	-	-	4,042,117
Fees-in-lieu of taxes	-	-	29,100	29,100	-
Other	701,974	969	50,000	752,943	-
Total operating revenues	18,444,133	8,170	362,211	18,814,514	4,042,117
Less, signatory airline contract operating rebate	(74,718)	-	-	(74,718)	-
Net operating revenues	18,369,415	8,170	362,211	18,739,796	4,042,117
Operating Expenses					
Salaries and benefits	5,264,536	4,201	-	5,268,737	-
Utilities	813,976	-	-	813,976	-
Outside and professional services	1,005,278	-	-	1,005,278	-
Outside and personal services	-	-	-	-	819,555
Maintenance and supplies	573,798	20,721	-	594,519	-
Fuel cost of sales	3,114,355	-	-	3,114,355	-
Vehicle and equipment expense	278,817	-	-	278,817	-
Insurance	273,132	28,379	-	301,511	-
Dues, memberships, and travel	182,672	-	-	182,672	55,660
Office supplies	24,745	-	-	24,745	-
Supplies and materials	-	-	-	-	40,950
Horry County administrative costs	350,000	-	-	350,000	-
Management fees	-	3,000	-	3,000	-
Depreciation and amortization	4,738,337	166,239	68,639	4,973,215	1,220,159
Bad debt expense	50,073	-	-	50,073	-
Indirect cost allocation	-	-	3,714	3,714	7,074
Contractual services	-	-	635,018	635,018	1,146,663
Capital Outlay	-	-	10,565	10,565	-
Other	-	1,572	-	1,572	-
Total operating expenses	16,669,719	224,112	717,936	17,611,767	3,290,061
Operating income (loss)	1,699,696	(215,942)	(355,725)	1,128,029	752,056

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	Business-type Activities- Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Non-operating Revenues (Expenses)					
Passenger facility charges	2,936,287	-	-	2,936,287	-
Contract facility charges	2,724,692	-	-	2,724,692	-
Intergovernmental revenue City of Myrtle Beach	1,308,841	-	-	1,308,841	
Donations for Capital	-	-	-	-	-
Redevelopment Authority grant revenue	124,219	-	-	124,219	-
Grant expenditures	(124,219)	-	-	(124,219)	-
Interest income	2,243,281	11,227	95,778	2,350,286	122,602
Interest expense	(1,613,960)	(109,627)	-	(1,723,587)	-
Gain (loss) on disposal/sale of property	-	-	1,077,676	1,077,676	81,813
Total non-operating revenues (expenses)	7,599,141	(98,400)	1,173,454	8,674,195	204,415
Income (loss) before capital contributions and transfers	9,298,837	(314,342)	817,729	9,802,224	956,471
Capital Contributions	7,206,946	-	300,000	7,506,946	-
Transfers	-	313,301	(29,100)	284,201	-
Net change in net assets	16,505,783	(1,041)	1,088,629	17,593,371	956,471
Net Assets					
Beginning of year	131,037,976	2,906,809	5,927,278	139,872,063	9,036,782
End of year	$ 147,543,759	$ 2,905,768	$ 7,015,907	$ 157,465,434	$ 9,993,253

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2006

	Business-Type Activities -- Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Cash Flows From Operating Activities					
Cash received from:					
Landing fees, terminal rents and concessions leases	$ 12,598,648	$ -	$ -	$ 12,598,648	$ -
FBO sales and airline services	4,928,922	-	-	4,928,922	-
Rent	-	-	283,111	283,111	-
Service and miscellaneous charges	-	-	84,486	84,486	4,042,117
Other	662,192	-	-	662,192	-
Cash paid to:					
Salaries and benefits	(5,220,668)	-	-	(5,220,668)	-
Maintenance, supplies, fuel, utilities and equipment	(6,532,243)	-	-	(6,532,243)	(1,992,482)
Baseball stadium	-	(73,714)	-	(73,714)	-
Industrial park operations	-	-	(615,619)	(615,619)	-
Other supplies and miscellaneous costs	-	-	(3,712)	(3,712)	(95,137)
Net cash provided by (used in) operating activities	6,436,851	(73,714)	(251,734)	6,111,403	1,954,498
Cash Flows From Non-Capital Financing Activities					
Transfers in (out) from other funds	-	313,301	(29,100)	284,201	-
Change in compensated absences	66,624	-	-	66,624	-
Grant expenditures	(124,219)	-	-	(124,219)	-
Intergovernmental revenues and Transportation Safety Authority	124,219	-	-	124,219	-
Net cash flows provided by (used in) non-capital financing activities	66,624	313,301	(29,100)	350,825	-
Cash Flows From Capital and Related Financing Activities					
Receipt of passenger and contract facility charges	5,655,606	-	-	5,655,606	-
Acquisition and construction of capital assets	(7,183,557)	-	-	(7,183,557)	(1,678,821)
Principal payments on bonds and notes	(1,685,000)	-	-	(1,685,000)	-
Interest paid on bonds and notes	(1,631,221)	-	-	(1,631,221)	-
Principal payments on Certificates of Participation	-	(127,500)	-	(127,500)	-
Interest paid on Certificates of Participation	-	(112,305)	-	(112,305)	-
Principal payments on capital lease obligation	(26,987)	-	-	(26,987)	-
Receipt of intergovernmental and private grants	1,408,841	-	-	1,408,841	-
Proceeds from Airport Improvement Program and state grants	7,179,799	-	-	7,179,799	-
Proceeds from disposition of capital assets	-	-	2,493,976	2,493,976	109,077
Contributed capital	-	-	300,000	300,000	-
Net cash provided by (used in) capital and related financing activities	3,717,481	(239,805)	2,793,976	6,271,652	(1,569,744)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
Cash Flow From Investing Activities					
Investment purchases	(38,257,670)	-	-	(38,257,670)	-
Investment sales	35,024,668	-	392,980	35,417,648	-
Interest on investments	1,839,068	11,227	95,778	1,946,073	122,602
Net cash (used in) provided by investing activities	(1,393,934)	11,227	488,758	(893,949)	122,602
Net increase in cash and cash equivalents	8,827,022	11,009	3,001,900	11,839,931	507,356
Cash and cash equivalents at beginning of year (of which $5,555,091 is restricted)	19,341,199	283,512	3,235,375	22,860,086	5,306,173
Cash and cash equivalents at end of year (of which $5,718,928 is restricted)	$ 28,168,221	$ 294,521	$ 6,237,275	$ 34,700,017	$ 5,813,529
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ 1,699,696	$ (215,942)	$ (355,725)	$ 1,128,029	$ 752,056
Adjustments to reconcile operating income (loss) to net provided by operating activities:					
Depreciation and amortization	4,738,337	166,239	68,639	4,973,215	1,220,159
Bad debt expense	50,073	-	-	50,073	-
Change in certain assets and liabilities:					
Decrease in accounts receivable	49,248	-	5,388	54,636	-
Increase in due to other governments	-	49,259	-	49,259	-
Decrease in inventories	(29,614)	-	-	(29,614)	(26,070)
Decrease in prepaid expenses	(41,697)	-	-	(41,697)	-
Increase in accounts payable	101,380	-	54,214	155,594	7,776
Increase in accrued salaries, wages and compensated absences	43,868	-	-	43,868	577
Decrease in other accrued expenses	(5,829)	-	-	(5,829)	-
Increase in due to other funds	60,290	-	-	60,290	-
Decrease in unearned revenue	(110,224)	-	-	(110,224)	-
Decrease in due from other funds	-	(73,270)	(24,250)	(97,520)	-
Decrease in amounts due to airlines	(118,677)	-	-	(118,677)	-
Net cash provided by (used in) operating activities	$ 6,436,851	$ (73,714)	$ (251,734)	$ 6,111,403	$ 1,954,498
Supplemental information-noncash investing, capital and finacing activities:					
Capital lease obligation incurred to finance equipment purchase	$ 425,000	$ -	$ -	$ 425,000	$ -
Capital improvements made by tenant	$ 300,000	$ -	$ -	$ 300,000	$ -

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2006

	Agency Funds
Assets	
Cash and cash equivalents	$ 1,207,689
Equity in pooled cash and investments	101,152,004
Total assets	$ 102,359,693
Liabilities	
Due to agency	$ 102,359,693
Total liabilities	$ 102,359,693

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 Dillon and Marion Counties of South Carolina, and south by Georgetown County, South Carolina. The County seat and administrative offices are located in the city of Conway, South Carolina.

The County operates under a Council-Administrator form of government and is governed by a chairman and eleven (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 capital assets, in its government-wide statement of net assets, and report depreciation expense on all depreciable capital assets in the statement of activities. The Statement also required the County's general long-term indebtedness to be reported in its government-wide statement of net assets.

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

A. Reporting Entity

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

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

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

Blended Component Units

For the year ended June 30, 2006, the County had a blended component unit, Horry County Public Facilities Corporation (the "Corporation"). The Corporation is governed by a board comprised of the County Council. The Corporation entered into a $3.6 million capital lease agreement for the construction and lease of building cooling equipment to the County. Due to its relationship, proceeds of the capital lease were recorded by the County as other financing sources in the Capital Projects Fund with debt service requirements reflected in the County's General Debt Service Fund. The corporation does not issue separate financial statements.

Discretely Presented Component Units

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

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

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

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

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

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

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, 2006, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

The statement of net assets reports all financial and capital resources of the County and reports the difference between assets and liabilities as "net assets", not fund balance or equity. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the "net (expenses) revenue" of the County's individual functions before applying "general" revenues. Eliminations have been made to minimize the double-counting of internal activities.

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

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

The County reports the following major governmental funds: General Fund, Hospitality 1.5% Fund, General Improvement Capital Projects 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 Assistance, Senior Citizens, Railroad, Arcadian Shores, CDBG Revolving Loan Program, Storm Water Management, GIS/IT, B&C Multi-County Business Park, Local Atax, Recreation, and E 911. Hospitality 1.5% Fee Fund, a major special revenue fund, accounts for revenue derived from countywide fees on sale of prepared food, car rentals, admissions and accommodations. These funds are earmarked for road construction-RIDE Projects.

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

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

Proprietary Fund Types

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

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

Fiduciary Fund Type

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

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

Estimates

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Cash Equivalents and Equity in Pooled Cash and Investments

In March 2003, the GASB issued its Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3.* The Statement requires specific disclosures for credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. It also modifies GASB Statement No. 3 by limiting the required disclosure of custodial credit risk to "category 3" deposits and investments. This Statement was implemented by Horry County for the year ended June 30, 2005.

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

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

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

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

Investments

Investments are stated at fair value, with accrued interest shown under a separate caption on the financial statements. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts. At June 30, 2006, 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.

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

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

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

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

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets and Depreciation

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

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

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

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

Capitalization of Interest

Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset being constructed, net of interest earned on the invested proceeds over the same period. With regard to assets acquired with tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense on the tax-exempt debt with interest earned on invested proceeds from the date of the borrowing until completion of the project. With regard to assets not acquired with tax-exempt debt, the amount of interest to be capitalized is the product of the average accumulated expenditures during the year for such assets and the weighted average interest rate on borrowings and is limited to the sum of interest expense on the tax-exempt debt not previously capitalized and all other interest expense. Interest is not capitalized on assets acquired or constructed with gifts and grants (contributed capital) that are restricted by the donor or grantor to acquisition of those assets to the extent that funds are available from such grants and gifts. The County has elected not to capitalize interest on its general capital assets. During the year ended June 30, 2006, 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)

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

Long-term Obligations
In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Long-term debt represents unmatured principal of general and special obligation and revenue bond indebtedness. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, long-term contracts using actual or imputed interest rates and long-term portions of claims or judgments including rebatable arbitrage. Liabilities arising from interfund activities do not constitute general long-term liabilities.

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Grants and fees that are considered program-related are recognized as operating revenue. The Department of Airports Enterprise Fund is a recipient of certain Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants. These capital cost-reimbursed grants have been recognized as non-operating capital contributions.

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

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

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

In addition, lease revenues from airlines are based on certain residual "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2006.

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

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

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, 2004.

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

E. Reclassification

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

Note 2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Annual appropriated legal-based budgets are adopted by County Council for governmental fund types including the general, and certain special revenue, debt service, and capital projects funds. Budgetary comparisons to actual of the general fund and the one major special revenue fund are presented as Required Supplementary Information. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports, Baseball Stadium, Industrial Parks, and Fleet Services for fiscal year ended June 30, 2006, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not required to be presented in the accompanying basic financial statements.

The policy established by the County with respect to the Budget is substantially the same as GAAP, with one exception. The County's budget basis accounting differs from GAAP in accounting for capital lease financing transactions. For budgetary basis accounting these transactions are not recorded as other financing sources when funded and expenditures when the equipment is acquired, as required by GAAP. However, there is no difference in fund balance because of this, thus the County considers its budget to be GAAP basis. For the year ended June 30, 2006, $316,558 in capital lease proceeds and expenses were not budgeted in the County's June 30, 2006 budget, but were included in the County's general fund statement of revenues, expenditures and changes in fund balance.

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

The County Administrator is authorized to transfer budgeted amounts between departments when deemed necessary and upon request from the department head. Total expenditures in any one of the governmental fund types may exceed the original ordained budgeted amount for that fund without prior amendment by County Council. Accordingly, formal budgetary integration is employed at the fund-level as a management control device during the year.

At fiscal year end June 30, 2006, any funds budgeted for capital projects which have not been completed and said funds have not been budgeted to other capital projects, road maintenance fees and funds budgeted for the local road improvement plan other than personal services, which have not been expended, other County Council road improvement, parks maintenance and recreation funds which have not been expended, grant funds or donations which have not been expended, Stormwater management funds which have not been expended, funds for mosquito abatement which have not been expended, funds for E911 Enhancements which have not been expended, funds for Register of Deeds Computer and Indexing System which have not been expended, fund for Maintenance capital equipment and Life Cycle Program which have not been expended, funds for County Council expense accounts which have not been expended, funds for capital items authorized by purchase order but not received, accommodations tax funds approved by the Accommodations Tax Committee and County Council which have not been expended, shall reflect as a designation of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2006 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting does not require a supplemental budget ordinance.

Note 2. Stewardship, Compliance and Accountability (continued)

B. Encumbrances

Under encumbrance accounting, outstanding purchase orders, contracts, and other commitments for unperformed contracts and goods and services are recorded in order to reserve that portion of the applicable appropriation in the governmental fund types. At year-end, encumbrances are carried forward and are reported as reservations of fund balances. Certain of the encumbrances will be satisfied by the subsequent receipt of grants or entitlements.

Note 3. Deposits and Investments

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

a. Deposits

Custodial Credit Risk

Custodial credit risk for deposits is risk that in the event of a depository financial institution's failure, the County will not be able to recover insurance or collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2006, the reported amount of the primary government's deposits was $306 million and the bank balance was $314 million. Of the $314 million bank balance exposed to custodial credit risk, $2 million was covered by federal depository insurance, and $312 million was collateralized with securities held by the counterparty's trust department or agent in the County's name.

Note 3. Deposits and Investments (continued)

b. Investments

Investment Policy

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

Investments consisted of the following at June 30, 2006:

	Maturities	Credit Rating	Fair Value	% of Total Investments
Repurchase Agreements	<1 year	AAAm	$ 1,541,103	17.50%
Repurchase Agreements	<1 year	Not Rated	$5,257,818	59.80%
Mortgage Backed Securities	<1 year	AAA	$1,991,182	22.70%
			$ 8,790,103	

Custodial Credit Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County's credit risk policy to mitigate the potential for loss of principal is to purchase only high investment grade fixed-income securities. The County's repurchase agreements are fully collateralized by U.S. Government Securities and are not subject to credit risk. The County's respective investment credit quality ratings are as noted above.

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County does not have a policy for reducing this risk to any single issuer. As of June 30, 2006, the County had its 88% of its investments invested with The Bank of New York and 12% of its investments invested with Wachovia.

Note 3. Deposits and Investments (continued)

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

Component Units

HCSWA:

A. Deposits

At June 30, 2006, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was $33,430,678 with corresponding bank balances of $33,352,089. Of that balance, $300,000 was covered by federal depository insurance and $33,052,089 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name. At year end, petty cash on hand totaled $1,500.

Custodial credit risk is the risk that in the event of a bank failure, the HCSWA's deposits may not be returned to it. The HCSWA's deposit policy for custodial credit risk requires all deposits in excess of federal depository insurance to be collateralized with securities held by the pledging financial institution's trust department in the HCSWA's name.

B. Investments

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

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2006 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	$ 7,176,142
Landfill Postclosure Care Costs	6,586,835
Equipment Replacement	2,536,582
Construction	12,845,324
	$ 29,144,883

SBHS:

A. Deposits

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

At June 30, 2006 the carrying amount of SBHS's deposits was $72,218, with corresponding bank balances of $80,183. The entire amount is insured or collateralized with securities held by SBHS or by its agent in SBHS's name.

Note 3. Deposits and Investments (continued)

B. Investments

SBHS does not have policies with respect to credit rate risk, interest rate risk, concentration of credit risk or foreign currency risk. At June 30, 2006, SBHS's investments, with a carrying and fair value of $268,400, were in repurchase agreements and were collateralized with securities held by the counterparty, or its trust department or agent but not in the SBHS's name.

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

(amounts shown in thousands)

	Primary Government	Fiduciary Fund Agency	Total	Discretely Presented Component Units	
				SBHS	HCSWA
Cash on hand	$ 18	$ -	$ 18	$ -	$ 2
Carrying amount of deposits	204,071	102,360	306,431	72	33,430
Carrying amount of investments	8,790	-	8,790	269	-
Totals	$ 212,879	$ 102,360	$ 315,239	$ 341	$ 33,432
Cash and cash equivalents	$ 30,584	$ 1,208	$ 31,792	$ 341	$ 8,363
Equity in pooled cash and investments	112,499	101,152	213,651	-	-
Investments	15,878	-	15,878	-	24,963
Funds held in escrow	4,877	-	4,877	-	-
Cash and cash equivalents -restricted	5,719	-	5,719	-	106
Investments-restricted	22,380	-	22,380	-	-
Funds held in trust - restricted	20,942	-	20,942	-	-
Totals	$ 212,879	$ 102,360	$ 315,239	$ 341	$ 33,432

Note 4. Receivables

Receivables for the primary government, including applicable allowances for uncollectible accounts, at June 30, 2006, are as follows:

	(amounts shown in thousands)				
		Business-type Activities			
	Government Activities	**Department of Airports**	**Baseball Stadium**	**Industrial Parks**	**Totals**
Property taxes	$ 11,613	$ -	$ -	$ -	$ 11,613
Less, allowance for uncollectibles and amounts not available for current period	(7,553)	-			(7,553)
Net property taxes	4,060	-	-	-	4,060
Accounts and other	32,112	1,803	-	6	33,921
Hospitality 1.0% fees	805	-	-	-	805
Local accomodation taxes	-	-	-	-	-
Hospitality 1.5% fees	3,950	-	-	-	3,950
Stormwater fees	23	-	-	-	23
Less, allowance for uncollectibles	(22,642)	(294)	-	-	(22,936)
	14,248	1,509	-	6	15,763
Net receivables	$ 18,308	$ 1,509	$ -	$ 6	$ 19,823

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

Accounts receivable include amounts owed to the County as a result of magistrates court, clerk of court fines and assessments, and billings relating to emergency medical transportation.

Receivables at June 30, 2006 for the discretely presented component unit HCSWA totaled $1,697,446 and included amounts from trade accounts receivable, amounts due from other governments, interest and allowance for doubtful accounts.

Note 5. Interfund Receivables and Payables

In the government-wide statement of net assets, interfund receivables and payables (internal balances) between governmental activities and Business-type activities have been eliminated. In the governmental and proprietary funds financial statements, short-term interfund receivables and payables at June 30, 2006 were as follows:

	(amounts shown in thousands)	
	Interfund Receivable	**Interfund Payable**
General Fund	$ 5,169	$ 53
Major Special Revenue Fund- 1.5% Hospitality Fees	494	6,747
General Improvements Capital Projects	342	-
Major Debt Service Fund- Ride	6,439	-
Nonmajor Funds:		
Fire	3	-
Accommodations Tax	-	510
Buck Creek Watershed	-	323
Socastee Recreation	-	4
Grants	-	444
Road Maintenance	424	-
Beach Renourishment	563	1,217
Admissions Tax	-	41
Hospitality 1%	-	1,805
Victim Witness	-	111
Arcadian Shores	-	371
CDBG Revolving Loans	279	-
Stormwater	323	91
Emergency 911	-	123
Local Atax	-	539
Recreation	-	342
Total Nonmajor Funds	1,592	5,921
Enterprise Funds:		
Department of Airports	-	1,109
Baseball Stadium	73	-
Industrial Parks	-	279
Total Enterprise Funds:	73	1,388
	$ 14,109	$ 14,109

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

	Interfund Receivable	**Interfund Payable**
Primary government:		
General Fund	$ -	$ 111
Waste Management Recycling Fund	-	438
General Improvement Capital Projects Fund	83	-
Component units:		
SBHS and HCSWA	466	-
	$ 549	$ 549

Note 5. Interfund Receivables and Payables (continued)

The following table summarizes interfund transfers during the year ended June 30, 2006:

Description/Funds(s)	Transfers From/To
Transfers from the General Fund	
Transfers to:	
Capital Projects	$ 9,217,400
Public Works	7,752,802
Beach Renouishment	161,448
Grants	162,922
	17,294,572
Transfers from the Hospitality 1.5% For Speical Revenue Fund	
Transfers to:	
Ride Program	28,043,262
General Fund	277,451
	28,320,713
Transfers from the General Improvements Capital Projects Fund	
Transfers to:	
General Fund	157,190
	157,190
Transfers from Other Governmental Funds	
Transfers to:	
Capital Projects	1,437,494
Debt Service	1,899,306
General Fund	667,802
Public Works	2,754,189
Beach Renourishment	1,211,956
Baseball	313,301
Special Revenue Debt	1,943,886
Grants	38,000
Ride Program	1,927,719
	12,193,653
Transfers from the Industrial Parks Enterprise Fund	
Transfers to:	
CDBG Revolving Loan	29,100
	29,100
	$ 57,995,228

Note 6. Due From Other Governments

Amounts due from other governments for the primary governments and discretely presented component units at June 30, 2006 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	$ 2,655	$ 2,832	$ -	$ 5,487	$ 19	$ 37	$ -
Federal	80	901	-	981	1,959	-	-
Total	$ 2,735	$ 3,733	$ -	$ 6,468	$ 1,978	$ 37	$ -

Note 7. Capital Assets

A summary of the changes in capital assets during the year ended June 30, 2006 are as follows:

	(amounts shown in thousands)			
Governmental Activities	**Balance June 30, 2005 as restated**	**Additions**	**Deletions**	**Balance June 30, 2006**
General Capital Assets				
Not subject to depreciation:				
Land and easements	$ 11,278	$ 363	$ (17)	$ 11,624
Infrastructure, as restated	383,158	11,261	-	394,419
	394,436	11,624	(17)	406,043
Construction-in-progress	1,210	3,708	(4,670)	248
Total capital assets not depreciated	395,646	15,332	(4,687)	406,291
Subject to depreciation:				
Land improvements	1,819	315	-	2,134
Buildings	92,217	4,262	-	96,479
Building improvements	10,554	135	-	10,689
Office furniture	4,844	17	(14)	4,847
Vehicles	3,313	1,513	(550)	4,276
Heavy equipment	27,413	2,094	(618)	28,889
Computer equipment	19,453	5,869	(38)	25,284
Other	1,796	109	(168)	1,737
Totals	161,409	14,314	(1,388)	174,335
Less, accumulated depreciation:				
Land improvements	(407)	(126)	-	(533)
Buildings	(21,031)	(3,110)	-	(24,141)
Building improvements	(791)	(409)	-	(1,200)
Office furniture	(2,575)	(688)	14	(3,249)
Vehicles	(2,628)	(454)	445	(2,637)
Heavy equipment	(18,905)	(2,111)	619	(20,397)
Computer equipment	(6,253)	(4,029)	38	(10,244)
Other	(1,430)	(176)	161	(1,445)
Totals	(54,020)	(11,103)	1,277	(63,846)
Net general capital assets	503,035	18,543	(4,798)	516,780
Internal Service Fund Capital Assets				
Machinery and equipment	10,375	1,679	(950)	11,104
Less, accumulated depreciation	(6,870)	(1,220)	923	(7,167)
Net internal service fund capital assets	3,505	459	(27)	3,937
Net capital assets - Governmental Activities	$ 506,540	$ 19,002	$ (4,825)	$ 520,717

Note 7. Capital Assets (continued)

	(amounts shown in thousands)			
Business-type Activities	**Balance June 30, 2005**	**Additions**	**Retirements**	**Balance June 30, 2006**
Not subject to depreciation:				
Land and easements	$ 23,715	$ 702	$ -	$ 24,417
Infrastructure	9,182	-	-	9,182
	32,897	702	-	33,599
Construction in progress	11,188	7,765	(6,630)	12,323
Total capital assets not depreciated	44,085	8,467	(6,630)	45,922
Subject to depreciation:				
Buildings and improvements	55,193	963	(2,535)	53,621
Runways and taxiways	39,192	4,022	-	43,214
Machinery and equipment	9,781	998	-	10,779
Land improvements	5,702	705	-	6,407
Totals	109,868	6,688	(2,535)	114,021
Less accumulated depreciation:				
Buildings and improvements	(19,855)	(2,088)	995	(20,948)
Runways and taxiways	(15,505)	(1,596)	-	(17,101)
Machinery and equipment	(4,591)	(881)	-	(5,472)
Land improvements	(2,443)	(344)	-	(2,787)
Totals	(42,394)	(4,909)	995	(46,308)
Net capital assets - Business-type Activities	$ 111,559	$ 10,246	$ (8,170)	$ 113,635

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2006, are as follows:

	(amounts shown in thousands)	
Component Units	**SBHS**	**HCSWA**
Land	$ 138	$ 7,440
Subtitle D landfill	-	19,140
Buildings	1,455	2,831
Vehicles, machinery and equipment	139	9,219
Other improvements	-	1,529
Construction-in-progress	-	366
Totals	1,732	40,525
Less, accumulated depreciation:		
Subtitled D landfill	-	(10,047)
Buildings	(326)	(960)
Vehicles, machinery and equipment	(106)	(5,268)
Other improvements		(380)
Totals	(432)	(16,655)
Net capital assets - Component Units	$ 1,300	$ 23,870

Note 7. Capital Assets (continued)

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

Governmental Activities	*(amounts shown in thousands)*
Jail Renovation	$ 11
Health Department	1
Bucksport EMS	25
Bucksport Community Center	14
Loris EMS Addition	17
Iron Springs Fire Station	7
Finklea Crossroads Fire Station	6
Hickory Grove Fire Station	74
Lee's Landing Fire Station	70
Carolina Forest #3 Fire Station	2
Cates Bay Fire Station Addition	3
Horry County Museum	18
Total	$ 248

Estimated total costs to complete these projects approximates $10.40 million

Business-type Activities: (Department of Airports)	*(amounts shown in thousands)*
Loris Land Purchase	$ 17
NMB Obstruction Removal (Trees)	53
Conway security fence	47
Terminal area planning	1,544
FBO Renovations	14
MBIA security fence project	10
MBIA capacity enhancements	325
Terminal complex	10,313
Total	$ 12,323

Additional costs to complete these projects are estimated at $222.66 million. County Council has committed to expenditures of approximately $18.5 million to date on the new terminal project. The commitment to proceed to construction of a new terminal requires further approval by County Council.

	(amounts shown in thousands)	
Component Units	**HCSWA**	**SBHS**
Construction feasibility	$ 366	$ -
Total	$ 366	$ -

Note 7. Capital Assets (continued)

Capital assets of the proprietary funds at June 30, 2006, are as follows:

	(amounts shown in thousands)			
Proprietary Funds		**Enterprise**		**Internal Service**
	Department of Airports	**Baseball Stadium**	**Industrial Parks**	**Fleet Service**
Land and easements	$ 20,652	$ 2,693	$ 214	$ -
Buildings and improvements	56,495	3,356	158	-
Runways and taxiways	43,213	-	-	-
Machinery and equipment	10,452	327	-	11,103
Construction-in-progress	12,323	-	-	-
Infrastructure	9,182	-	-	-
Totals	152,317	6,376	372	11,103
Less, accumulated depreciation:				
Building and improvements	(22,506)	(1,366)	(77)	-
Runways and taxiways	(17,101)	-	-	-
Machinery and equipment	(5,257)	-	-	(7,166)
Totals	(44,864)	(1,366)	(77)	(7,166)
Net capital assets -proprietary funds	$ 107,453	$ 5,010	$ 295	$ 3,937

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

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

Horry County Department of Airports is obligated by the Federal Aviation Administration to maintain a current Airport Layout Plan (ALP). In order to maintain a current ALP, the Department reviews and updates its Master Plan every five years. The 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, 2006 is as follows: general government ($5,616,194); public safety ($4,124,338); Infrastructure and regulation ($2,056,953); culture and recreation ($500,763) and health and social services ($26,081).

Note 8. Long-Term Debt

Long-term debt at June 30, 2006, is comprised of general and special obligation bonds, revenue bonds, RIDE Intergovernmental Loan Agreements, accumulated compensated absences liability, and long-term capital leases.

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

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

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

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

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

On September 1, 2005, the County issued $30,000,000 of General Obligation Refunding Bonds, Series 2005A (the "2005A Bonds") with interest rates ranging from 3.500% to 4.125%. The net proceeds of the 2005A Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Judicial Center, including payment of the prepayment penalty on the Bonds. The 2005A Bonds are payable through March 2022, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by $6,878,384 and realized an economic gain (difference between the present values of the old and new debt service payments) of $1,379,795. The remaining unamortized deferred amount on refunding at June 30, 2006 was $1,497,799 and has been netted against the carrying amount of the 2005A Bonds and is being amortized as a component of interest expense in a systematic and rational manner over the remaining life of the shorter life of the two issuances. The outstanding principal balance of the 2005A Bonds at June 30, 2006 was $30.00 million.

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

8. Long Term Debt (continued)

On September 1, 2005, the County issued $5,010,000 of General Obligation Refunding Bonds, Series 2005B (the "2005B Bonds") with interest rates ranging from 3.000% to 3.580%. The net proceeds of the 2005B Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Fire Protection, including payment of the prepayment penalty on the Bonds. The 2005B Bonds are payable through March 2015, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by $3,128,855 and realized an economic gain (difference between the present values of the old and new debt service payments) of $224,618. The remaining unamortized deferred amount on refunding at June 30, 2006 was $248,885 and has been netted against the carrying amount of the 2005B Bonds and is being amortized as a component of interest expense in a systematic and rational manner over the remaining life of the shorter life of the two issuances. The outstanding principal balance of the 2005B Bonds at June 30, 2006 was $4.985 million.

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

A. Governmental Activities Debt

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

	(amounts shown in thousands)			
	Balance June 30, 2005	**Additions**	**Deletions**	**Balance June 30, 2006**
General and Special Obligation Bonds:				
G.O. Bonds of 1993 dated September 1 for $8.705 million with interest at 4% to 6% - Refunding 1988 Bond	$ 980	$ -	$ (980)	$ -
G.O. Bonds of 1995 dated December 1 for $6.5 million with interest at 4% to 6% - TECH, Agriculture, etc.	805	-	(805)	-
G.O. Bonds of 2000 dated June 29 for $38.3 million with interest at 5% to 7% - Judicial Center	32,525	-	(29,695)	2,830
G.O. Bonds of 2000 dated January 1 for $9.5 million with interest at 5% to 6.75% - Fire Protection	7,095	-	(5,230)	1,865

8. Long-Term Debt (continued)

A. Governmental Activities (continued)

	(amounts shown in thousands)			
	Balance June 30, 2005	**Additions**	**Deletions**	**Balance June 30, 2006**
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%	15,190	-	(1,205)	13,985
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	17,965	-	(800)	17,165
G.O. Bonds of 2001 (Series B) dated September 15 for $2.875 million with interest at 4.25% to 4.5% - Higher Education	2,490	-	(110)	2,380
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	575	-	(280)	295
G.O. Bonds of 2004 (Series A) dated June 1 for $11 million with interest at 3.0% to 5.0% - Fire Protection District	11,000	-	(495)	10,505
G.O. Bonds of 2004 (Series B) dated June 1 for $3 million with interest at 3.25% to 5.50% - TECH Bond	3,000	-	(105)	2,895
G.O. Bonds of 2005 dated Septermber 1 for $5.01 million with interest at 3% to 3.5% - Fire Protection Refunding	-	5,010	(25)	4,985
G.O Bonds of 2005 dated September 1 for $30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	-	30,000	-	30,000
Total general and special obligation bonds	91,625	35,010	(39,730)	86,905
Unamortized premiums	-	317	-	317
Deferred amount on refunding	-	(1,748)	-	(1,748)
Less, current portion	(6,570)	(5,060)	6,570	(5,060)
Net general and special obligation bond debt	$ 85,055	$ 28,519	$ (33,160)	$ 80,414

8. Long-Term Debt (continued)

A. Governmental Activities Debt

Other general long-term obligations of the County's governmental activities at June 30, 2006 are as follows:

	(amounts shown in thousands)			
	Balance June 30, 2005	**Additions**	**Deletions**	**Balance June 30, 2006**
Other general long-term obligations:				
RIDE - IGA Loan #1	$ 180,000	$ -	$ (15,000)	$ 165,000
Less, amounts imputed for interest	(31,443)	-	4,704	(26,739)
Less, current portion	(10,296)	(10,635)	10,296	(10,635)
Net RIDE - IGA Loan #1	138,261	(10,635)	-	127,626
RIDE - IGA Loan #2	226,386	2,049	(3,040)	225,395
Less, current portion	(2,826)	(3,940)	2,826	(3,940)
Net RIDE - IGA Loan #2	223,560	(1,891)	(214)	221,455
RIDE - IGA #3 contribution payable	1,216	-	(81)	1,135
Less, current portion	(26)	(29)	26	(29)
Net RIDE - IGA #3 contribution Payable	1,190	(29)	(55)	1,106
Net RIDE - IGA Loans payable	363,011	(12,555)	(269)	350,187
Capital lease obligation - central energy	867	-	(137)	730
Capital lease obligation - phone systems	264	310	(255)	319
Capital lease obligation - IBM AS400 system	832	-	(170)	662
Capital lease obligation - archive writer	85	-	(31)	54
Capital lease obligation - fiber optic network	726	3,973	(725)	3,974
Capital lease obligation - fire suppression system	45	-	(12)	33
Capital lease obligation - core network	108	-	(25)	83
Capital lease obligation - 911 equipment	4,811	319	(864)	4,266
Capital lease obligation - Motorola CAD	5,186	-	(731)	4,455
Capital lease obligation - Dell	195	-	(49)	146
Less, current portion	(2,253)	(2,691)	2,253	(2,691)
Net capital leases	10,866	1,911	(746)	12,031
Accumulated compensation absences, net	9,045	6,751	(5,972)	9,824
Total other general long-term obligations	382,922	(3,893)	(6,987)	372,042
Total Net Governmental Activities Debt	$ 467,977	$ 24,626	$ (40,147)	$ 452,456

The current portion (amount due within one year) of accrual compensated absences at June 30, 2006 is $36,000.

RIDE Intergovernmental Agreements

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

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

Note 8. Long-Term Debt (continued)

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

In May, 1997, the County issued $26,255,000 (Series 1997A, B, C, and D) in Airport Revenue Bonds with original issue discounts of $169,000 and bond issuance costs of $867,000. These bonds were issued as an amendment to the Horry County Series 1990 Revenue Bond ordinance and are being used to pay the costs of certain interests in land and the construction of terminal building improvements, rental car facilities and curbside improvements at the Myrtle Beach International Airport. The County has pledged the net revenues derived by the Myrtle Beach International Airport (included in the Department of Airports) to pay the principal and interest of the Series 1997 Bonds, and in such, has agreed to establish rates and charges for use of Myrtle Beach International Airport services and facilities that are reasonably expected to provide (i) net revenues to be at least equal to 1.25 times the aggregate debt service for such fiscal year, and (ii) net revenues be at least equal to 100% of all payments and deposits required under the bond ordinance to such fiscal year.

At June 30, 2006, 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.

The revenue bonds are secured by the pledge of net revenues derived by the Myrtle Beach International Airport ("MYR"). Net revenues are defined as revenues less maintenance and operations expenses of MYR. The Bonds are limited obligations of the County and do not constitute the general obligation or a pledge of the faith, credit or taxing power of the County or any other political subdivision. The County has agreed to establish rates and charges for use of MYR services and facilities that are reasonably expected to yield net revenues equal to at least 1.25 times the aggregate debt service to become due on the revenue bonds in the forthcoming fiscal year. The revenue bond resolutions also require that certain funds be established and certain financial conditions be maintained.

Refunded Debt - Department of Airports

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

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

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

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

Note 8. Long-Term Debt (continued)

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

expense over the shorter life of the two issuances. Accordingly, for the year ended June 30, 2006, amortization expense was $29,603.

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2006, is as follows:

	(amounts shown in thousands)			
Revenue Bonds:	**Balance 6/30/05**	**Additions**	**Deletions**	**Balance 6/30/06**
Revenue bond, Series A, of 1997 dated May 15, for $6.3 million with interest at 4.45% to 5.7% - Airport improvements, due 1998-2027	$ 5,675	$ -	$ (130)	$ 5,545
Revenue bond, Series B, of 1997 dated May 15, for $15.2 million with interest at 6.06% to 7.38% - Construction of rental car facilities, due 1998-2012	10,075	-	(975)	9,100
Revenue bond, Series C, of 1997 dated May 15, for $3.4 million with interest at 4.3% to 5.5% - Airport improvements, due 1998-2027	3,110	-	(75)	3,035
Revenue bond, Series D, of 1997 dated May 15, for $1.1 million with interest at 4.4% to 5.0% - Airport improvements, due 1998-2007	450	-	(145)	305
Revenue bond, Refunding Series 2000 dated October 15, 2000, for $9.745 million with interest at 4.4% to 5.62%, due 2002-2020	8,455	-	(360)	8,095
Total revenue bonded debt	27,765	-	(1,685)	26,080
Less, original issue discount	(183)	-	4	(179)
Less, current portion	(1,685)	(1,780)	1,685	(1,780)
Less, deferred charges (Series 1990 refunding loss of $582 less amortization of $168)	(444)	-	30	(414)
Net Revenue Bonds	$ 25,453	$ (1,780)	$ 34	$ 23,707

Note 8. Long-Term Debt (continued)

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

Certificates of Participation - Baseball Stadium Joint Enterprise

The County entered into various agreements with the City of Myrtle Beach and proportionately shares in the ongoing financial interest and responsibility for a professional minor-league baseball stadium. Those agreements call for the County to be liable for 30% of the Certificates of Participation which were issued by a component unit of the City of Myrtle Beach to defray the construction costs. Long-term debt of the Baseball Stadium Enterprise Fund at June 30, 2006 is as follows:

	(amounts shown in thousands)			
	Balance 6/30/2005	Additions	Deletions	Balance 6/30/2006
Certificates of Participation dated September 1, 1998 for $3.088 million with interest at 3% to 5% - Baseball Stadium	$ 2,423	$ -	$ (128)	$ 2,295
Less, current portion	(128)	(133)	128	(133)
Total non-current portion	$ 2,295	$ (133)	$ -	$ 2,162

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, 2006, 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
2007	$ 3,800	$ 3,114	$ 1,260	$ 766	$ 133	$ 110	$ 1,780	$ 1,521
2008	3,650	2,925	1,320	707	138	104	1,890	1,408
2009	4,035	2,761	1,390	641	144	98	1,845	1,291
2010	4,195	2,599	1,455	571	151	91	1,965	1,170
2011	15,455	6,289	1,530	498	867	346	2,085	1,039
2012-2016	22,080	7,543	7,030	1,085	862	110	7,215	3,422
2017-2021	17,545	2,677	-	-	-	-	5,405	1,887
2022-2026	2,160	226	-	-	-	-	2,630	743
2027-2031	-	-	-	-	-	-	1,265	72
Total	$ 72,920	$ 28,134	$ 13,985	$ 4,268	$ 2,295	$ 859	$ 26,080	$ 12,553

Years Ending June 30,	RIDE IGA Loan #1		RIDE IGA Loan #2		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	$ 10,635	$ 4,365	$ 3,940	$ 6,509	$ 19,768	$ 16,385
2008	10,985	4,015	4,956	6,383	21,049	15,542
2009	11,347	3,653	6,034	6,227	22,950	14,671
2010	11,720	3,280	7,175	6,040	24,696	13,751
2011	12,105	2,895	8,527	5,836	38,484	16,903
2012-2016	66,769	8,231	66,231	24,234	162,971	44,625
2017-2021	14,700	300	106,367	11,604	138,612	16,468
2022-2026	-	-	22,165	448	26,955	1,417
Total	$ 138,261	$ 26,739	$ 225,395	$ 67,281	$ 455,485	$ 139,762

D. HCSWA

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

	Interest Rate	Maturity Date	Balance 6/30/06
Hospital Revenue Bond	4.46%	6/18/2003	$ 715,137

Scheduled maturities are as follows:

	Principal	Interest	Payment
Year Ending June 30, 2007	$ 89,069	$ 30,100	$ 119,169
Year Ending June 30, 2008	93,124	26,045	119,169
Year Ending June 30, 2009	97,363	21,806	119,169
Year Ending June 30, 2010	101,795	17,374	119,169
Year Ending June 30, 2011	106,429	12,740	119,169
Year Ending June 30, 2012-2013	227,357	10,981	238,338
	$ 715,137	$ 119,046	$ 834,183

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

Note 9. Capital and Operating Leases

A. Capital Lease Obligations

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

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

Year Ended June 30,	*(amounts shown in thousands)*					
	Central Energy	Phone System	IBM AS400 System	Archive Writer	Fiber Optic Network	Fire Suppression System
2007	188	102	203	36	804	13
2008	188	98	203	21	804	13
2009	188	45	203	-	804	10
2010	188	44	120	-	804	-
2011	94	37	-	-	789	-
Thereafter	-	37	-	-	661	-
Total lease payments	846	363	729	57	4,666	36
Less, interest	(116)	(44)	(67)	(3)	(692)	(3)
Present value of future minimun lease payments	730	319	662	54	3,974	33
Less, current portion	(146)	(87)	(177)	(33)	(606)	(11)
Total non-current portion	$ 584	$ 232	$ 485	$ 21	$ 3,368	$ 22

Year Ended June 30,	Core Network	911 Equipment	Motorola CAD	Dell	Total
2007	23	1,034	833	59	3,295
2008	23	1,034	833	59	3,276
2009	23	1,034	832	39	3,178
2010	23	896	832	-	2,907
2011	-	728	832	-	2,480
Thereafter	-	-	832	-	1,530
Total lease payments	92	4,726	4,994	157	16,666
Less, interest	(9)	(460)	(539)	(11)	(1,944)
Present value of future minimun lease payments	83	4,266	4,455	146	14,722
Less, current portion	(20)	(876)	(682)	(53)	(2,691)
Total non-current portion	$ 63	$ 3,390	$ 3,773	$ 93	$ 12,031

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, 2006 is $96,769 and $20,161, respectively.

During the year ended June 30, 2006, the Airport entered into a ten year non-cancelable lease for a generator for the Airport. The annual interest rate on the lease is 2.87% per annum. The cost and net book value on the generator as of June 30, 2006 is $425, 000 and $414, 375, respectively.

The present value of the minimum lease payments follows:

Year Ended June 30,	Total
2007	57,670
2008	50,314
2009	50,314
2010	50,314
2011	50,314
2012-2016	243,185
Total payments	502,111
Less, interest	(75,789)
Present value of future minimum lease payments	426,322
Less, current portion	(43,699)
Total non-current portion	$382,623

Note 9. Capital and Operating Leases (continued)

The changes in the County's capital leases and compensated absences for its business-type activities for the year ended June 30, 2006 are as follows:

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Capital Leases	$ 28,309	$ 425,000	$ 26,987	$ 426,322
Compensated absences	$ 567,912	$ 88,835	$ -	$ 656,747

Long - term liabilities - HCSWA at June 30, 2006

Long - term liabilities of HCSWA are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	$ 176,890	$ 169,185	$ 120,640	$ 225,435	$ 120,000
Landfill Closure Costs	6,089,475	1,125,759	427,101	6,788,133	2,850,000
Landfill Postclosure Care Costs	5,630,463	286,868	-	5,917,331	-
	$ 11,896,828	$ 1,581,812	$ 547,741	$ 12,930,899	$ 2,970,000

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

The Department of Airports Enterprise Fund derives a substantial portion of its revenue from charges to air carriers, aeronautical schools, concessionaires, and real estate leases. Substantially all of the assets classified as capital assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, aeronautical schools, concessionaires, and third-parties on a fixed fee as well as a contingent fee basis. Most of the leases provide for an annual review and redetermination of the rental amounts. Accordingly, lease revenues are recognized when earned. Different amounts resulting from stated period contract rates and from a straight-line amortization of total rents over the contract period is deemed not to be material. The following is a schedule of future minimum rentals receivable on non-cancelable rental revenue leases at June 30, 2006:

Year Ended June 30,	*(amounts shown in thousands)*
2007	7,122
2008	5,260
2009	2,784
2010	2,225
2011	2,204
2012 to 2016	1,987
2017 to 2021	406
Total	$21,988

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is $39,776,234 and $24,665,743, respectively at June 30 , 2006.

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), maintain lease and operating agreements with certain airlines ("Signatory Airlines") which provide for annual terminal lease, landing fees, and other amounts to be remitted by the Signatory Airlines at interim rates subject to retroactive adjustment on a defined cost reimbursement basis ("Settlement"). Terms of the agreements call for amounts owed to the Signatory Airlines be applied to any balances owed by the airlines for current year rates and charges. Airport management has estimated a rebate amount due to the airlines for the year ended June 30, 2006, totaling $63,500, with a total amount due to the airlines at June 30, 2006, for current and prior year amounts totaling $282,832. US Airways, Spirit Airlines, and ASA (including Delta and Conair) were signatory airlines as of June 30, 2006.

Note 11. Landfill Closure and Postclosure Care Costs

Federal and state laws and regulations require the HCSWA to place a final cover on its current unlined Highway 90 and Subtitle D (Cell A) landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these costs as operating expenses in each period based on landfill capacity used during each fiscal year. The amounts reported as a liability at June 30, 2006 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100%, 61.8%, and 21.1% utilization of the estimated total capacity of the unlined, and Subtitle D (Cell A) landfill sites and construction and demolition respectively.

	(amounts shown in thousands)			
	Unlined	**Subtitle D (Cell A)**	**Construction & Demolition**	**Total**
Closure Costs	$ 1,157	$ 4,285	$ 1,346	$ 6,788
Postclosure Care Costs	N/A	3,244	2,673	5,917
Total	$ 1,157	$ 7,529	$ 4,019	$ 12,705

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

	Closure Costs	Postclosure Care Costs
Construction and Demolition - East Hill	$ 6,174	N/A
Unlined / Construction and Demolition	N/A	2,075
Subtitle D	$ 3,076	2,005
	$ 9,250	$ 4,080

The HCSWA has closed out the east and west hills of the unlined landfill, with the saddle area to be closed out during the year ending June 30, 2010. The Subtitle D landfill is expected to be closed during the year ending June 30, 2019. The construction and demolition landfill is anticipated to be closed during the year end June 30, 2025. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. Actual costs ultimately incurred for closure and postclosure care may be higher due to inflation, changes in technology, or changes in regulations.

The HCSWA is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the SWA is the local government financial test. At June 30, 2006, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, $7,176,142 and $6,586,835 of cash, cash equivalents and investments at June 30, 2006 are designated for landfill closure and postclosure care costs, respectively. These amounts are included in unrestricted net assets on the balance sheet. If the designated funds are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs need to covered through additional charges to future landfill users.

Note 12. Net Assets and Fund Balances

Net assets:

Net assets of the government-wide and proprietary fund financial statements represent 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:				
Primary Government	$ 516,780	$ 113,635	$ -	$ -
Internal Service Fund	3,937	-	-	-
Component units	-	-	607	23,871
Bond issue costs	-	665	-	-
Less, G.O., special revenue bonds payable and capital leases	(104,349)	(28,096)	-	-
Less, construction and retainage payable for capital items	(134)	(1,444)	-	-
Add, unspent proceeds of long-term debt	-	-	-	-
Total invested in capital assets, net of related debt	$ 416,234	$ 84,760	$ 607	$ 23,871
Restricted:				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Capital projects	$ 1,254	$ 367	$ -	$ -
Road maintenance	763	-	-	-
Fire special revenue	3,276	-	-	-
Infrastructure development	-	749	-	-
Debt service	2,633	28,519	-	-
RIDE program	27,381	-	-	-
Beach renourishment	2,573	-	-	-
Substance abuse prevention	-	-	405	-
Baseball	350	-	-	-
Waste tire management	-	-	-	128
Total restricted net assets	$ 38,230	$ 29,635	$ 405	$ 128

Note 12. Net Assets and Fund Balances (continued)

Fund Balance:

Fund balance in the General Fund as of June 30, 2006 consists of the following:

Reserved		$ 2,395,201
Unreserved:		
Designated	13,547,307	
Total Unreserved- designated for subsequent years' expenditures		13,547,307
Undesignated		19,101,589
Total fund balance		$ 35,044,097

As required by the County's Financial Policies Ordinance, the undesignated fund balance of the General Fund should be maintained at a level of at least 15% of the General Fund operating budget. The adopted General Fund operating budget for fiscal year 2007 includes total expenditures and other uses of $125,352,921. Reducing this total for the amount being funded by the designated fund balance of $12,600,000, the currently required undesignated fund balance level is $16,912,938. The undesignated fund balance as of June 30, 2006 is $2,188,651 above this required level.

For the year ended June 30, 2006, actual expenditures and other financing uses exceeded actual revenues and other financing sources for the Hospitality 1.5% Special Revenue Fund by $742. This deficit was funded by unreserved and applicable reserved fund balances, and/or additional unbudgeted revenue or future tax revenues.

At June 30, 2006, the following funds had deficit fund balances: Socastee Recretation $(3,524), Victim Assistance $(127,735), and Arcadian Shores $(334,294). Socastee Recreation's deficit will be funded through increased property tax values with reassessment in fiscal year ending June 30, 2006. The Victim Assistance and Arcadian Shores deficit fund balances will be repaid from future tax revenues.

Note 13. Capital Contributions

Pursuant to the implementation of GASB Statement No. 33, contributed capital for the year ended June 30, 2006 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the governmental activities, contributed capital during the fiscal year ended June 30, 2006, is as follows:

	(amounts shown in thousands)
	Governmental Activities
Deeded land and improvements by developers	$ 9,088
Total	$ 9,088

For the proprietary (enterprise) funds, contributed capital during the fiscal year ended June 30, 2006, are as follows:

	(amount shown in thousands)	
	Department of Airports	**Industrial Park**
Grants and other cash contributions	$ 7,331	$ 300
Total	$ 7,331	$ 300

Contributed capital in the discretely presented component units SBHS and HCSWA for the fiscal year ended June 30, 2006, are as follows:

	(amounts shown in thousands)	
	SBHS	**HCSWA**
Grants and other cash contributions	$ 1,271	$ 115
Totals	$ 1,271	$ 115

Note 14. Employee Benefit Plans

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

All County employees, except for police department personnel, participate in the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer, public employee retirement system. County police officers participate in the South Carolina Police Officers' Retirement System (SCPORS), a cost-sharing, multiple-employer public employee retirement system. The County's total payroll for the year ended June 30, 2006, was approximately $62,395, of which $34,778 and $26,883 were for employees covered by the SCRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2005, was approximately $59,464, of which $31,920 and $24,560 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2004, was approximately $53,394, of which $28,789 and $21,845 were for employees covered by the SCSRS and the SCPORS, respectively.

Both employees and the County are required to contribute to the Plans at rates established under authority of Title 9 of the South Carolina Code of Laws. The County's contributions are actuarially determined, but are communicated to and paid by the County as a percentage of the employees' annual earnings.

The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2006 expressed as a dollar amount and as a percentage of covered payroll in 2006 were $2,852 and 8.2% and $2,261 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were $2,876 and 10.7% and $1,747 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2005, expressed as a dollar amount and as a percentage of covered payroll in 2005 were $2,306 and 7.7% and $1,915 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were $2,677 and 10.7% and $1,596 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2004 expressed as a dollar amount and as a percentage of covered payroll in 2004 were $2,029 and 6.7% and $1,727 and 6.0% respectively, and the contributions to the SCPORS for the employer and employee portions were $2,277 and 10.3% and $1,450 and 6.5%, respectively.

In addition to the above rates, the County's required contributions to the SCRS to provide a group life insurance benefit for their participants for the year ended June 30, 2006 expressed as a dollar amount and as a percentage of covered payroll were approximately $45 and 0.15% of annual earnings, and the contributions to the SCPORS to provide a group life insurance benefit and an accidental death benefit for their participants expressed as a dollar amount and as a percentage of covered payroll were approximately $44 and 0.2%.

Note 14. Employee Benefit Plans (continued)

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 7.75% and 6.25%, respectively. Total payroll for the year ended June 30, 2006 was $1,213 of which $988 was for employees covered by SCRS. SBHC's contributions for the three most recent fiscal years ended June 30, 2006, 2005 and 2004 were $82,985, $70,936 and $63,620, respectively. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.25% and 7.70%. The HCSWA's total payroll for the year ended June 30, 2006 was $3,228 of which $3,149 was for employees covered by SCRS. The HCSWA's contributions for the fiscal year ended June 30, 2006, 2005 and 2004 were $242,438, $209,321 and $197,746, respectively.

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

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

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees as per the requirements of a local ordinance. All of the County's employees may become eligible for those benefits if they attain age forty-six (46) while working for the County, retire and draw benefits from SCRS or SCPORS system, and have a minimum of fifteen (15) years service. The County will contribute to SCRS (regular retirees): 50% of single coverage for employees with 15-22 years of service, 75% of single coverage for employees with 23-27 year of service, and 100% for employees with 28 or more years of service; for SCPORS (police retirees): 50% of single coverage for employees with 15-21 years, 75% for 22-24 years and 100% for employees with 25 years or more of service. The cost of these benefits is recognized as an expenditure of the general fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2006, these costs totaled $534 net of $246 of retiree contributions. As of year-end, there were 118 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, 2006, three (3) retirees were eligible to receive post-employment health benefits. Expenses recognized by the HCSWA for the fiscal year ended June 30, 2006 totaled $10.

Note 15. Segment Information

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

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

Major Customers and Economic Condition - Department of Airports

Airline landing fees, terminal rents, leases, concessions and rental car activity generate approximately 72% of the Airport's revenues or just over $13.2 million of $18.4 million net operating revenue. Signatory Airlines generate $4.8 million in revenue after surcharge (rebate) amounts.

Rates and charges of Signatory Airlines which serve the MBIA represented 26% and 27% in fiscal years 2006 and 2005, of the total operating revenues reported for the MBIA. Of the leading Signatory Airline carriers, U.S. Airways represents 32% of the airline traffic, Spirit Airlines 21%, Hooters Air 5%, United Airlines 9%, and ASA (including Delta & Comair) 18%.

US Airways, Spirit Airlines, United Airlines, Hooters Air, and ASA (including Delta and Comair) are currently signatory airlines. Hooter's Air terminated business as of April, 2006.

Northwest Airlines, Delta Airlines and Comair filed Chapter 11 bankruptcy on September 14, 2005. Delta Airlines and Comair currently has no pre-petition debt due to the Airport. Northwest owes the airport $95,976 in pre-petition debt as of June 30, 2006.

For the year ended June 30, 2006, three customers make up approximately 48% of the accounts receivable balance.

Aviation Trust Funds - Due From Other Governments

Pursuant to certain agreements with the Federal Aviation Administration (FAA), the City of Myrtle Beach, South Carolina maintains an Airport Trust Fund which holds resources received from leases of certain parcels of property near the Myrtle Beach International Airport. Funds are to be made available for Airport purposes through agreement with the FAA. Subsequent to June 30, 2004, the parties reached a new agreement through which the Airport will be entitled to $2,000,000 from the trust fund on January 1, 2005. Beginning in 2005, and continuing each and every year thereafter, all lease proceeds received by the City shall be promptly, automatically and unconditionally divided between the bodies whereby Horry County shall receive 75% of the proceeds and the City of Myrtle Beach shall receive 25%. As part of the agreement, the Airport is required to spend $6 million on a road that runs near the Airport. The work on this road will not start until 2009, after the new terminal is completed. The Airport recognized $1,308,841 and $3,275,982, respectively, in non-operating revenues for funds received from this trust fund during the years ended June 30, 2006 and 2005, respectively.

Note 16. Joint Enterprise - Baseball Stadium

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

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

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

Pursuant to a Hospitality Fee Agreement, dated September 1, 1998, between the County and the City of Myrtle Beach, South Carolina, the County agreed to make payments of an amount equal to 30% of the required debt service requirements of the Certificates. The County's proportionate debt service payments shall be made solely from amounts derived by the County's special revenue fund portion of the County 1% Hospitality Fee and shall not be deemed to be general obligations of the County or payable from the road fund portion of the County's 1.5% Hospitality Fee, or from any other source of revenues, fees, or taxes. Accordingly, the County's proportionate interest in the debt service requirements (initial amount of $3,088,500) has been recorded as a long-term liability in the Baseball Stadium Enterprise Fund.

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

While the enterprise is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2006. 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 17. Intergovernmental Agreements - RIDE Projects

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

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

These agreements are summarized as follows:

Intergovernmental Agreement #1- dated March 10, 1998 (as amended)
As amended, SIB agreed to make one or more loans available to Horry County totaling up to $545 million for Table 1 projects of the RIDE application.

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

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

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

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

Source of Funds for Repayment - Horry County shall make payments from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County shall not be obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances are not repealed or amended in any way that would reduce or halt the deposit of hospitality fees into the Hospitality 1.5% Special Revenue Fund or abolish that Fund.

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

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

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

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

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

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

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

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

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

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

Intergovernmental Agreement #3 - dated May 21, 2002
Horry County and the SIB agreed to additional funding and construction of an additional phase of the RIDE Program in Horry County not to exceed $198 million. Accordingly, Horry County pledged revenues derived from a certain admissions tax totaling $2,279,950, and the funding of other related highway projects identified in the application in the approximate amount of $20,550,000. SIB agreed to fund the balance of the construction costs through grants.

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

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

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

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

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

Note 18. Commitments and Contingencies

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

The discretely presented component unit HCSWA is also a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable; however HCSWA's management believes that any liability related to the lawsuits would not be material to its financial statements.

Federal and State Assisted Programs

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

Commitments

As of June 30, 2006, the County had outstanding contractual commitments which the County is committed to additional funding for the RIDE program projects, as required during and subsequent to construction.

The Department of Airports is currently working on the development of a new terminal complex at Myrtle Beach International Airport. The Department has hired a program management firm and an architect. The estimated cost of the new terminal is $229 million.

Note 19. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and natural disasters for which commercial insurance is carried. The County and its component units carry commercial insurance to cover all losses, excluding vehicle comprehensive and collision coverage and including workers' compensation. During the year ended June 30, 2006, 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 20. Reconciliation of Government-Wide and Fund Financial Statements

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

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

Capital assets (exclusive of Internal Service Fund Capital Assets) in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	
Capital assets	580,628,263
Less, accumulated depreciation	(63,847,976)
Net amount reported	516,780,287
Some of the County's taxes will be collected after year end, but are not available soon enough to pay for current period expenditures.	
Property taxes, net of allowance for collectible	3,594,613
Because certain receivables will not be collected soon enough after the County's f year end, the related receivables are not considered "available" and are deferred in the governmental funds	8,805,982
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund.	
Deferred charges, net	476,171
Net amount reported	476,171
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.	10,040,656
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	(801,761)
Long-term bond and other obligations	(501,596,876)
Less, net present value adjustment of RIDE loans	26,739,076
Net amount reported	(475,659,561)

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

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

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital outlay expenditures	$ 16,576,832
Depreciation expense	(11,102,438)
Net amount reported	$ 5,474,394

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

Property taxes	$ (1,221,407)
Donated capital assets (revenue)	9,088,096
Net amount reported	$ 7,866,689

Some receivables will not be collected soon enough after the County's fiscal year end to be considered "available," and accordingly are deferred in the governmental funds. $ 1,318,926

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	$ (624,141)
Change in accrued interest expense	298,952
Accrued compensated absences	(724,281)
Net amount reported	$ (1,049,470)

Bond issue costs are reported as current expenditues in the funds. However, issue costs are deferred and amortized over the life of the bonds and are included in governmental activities in the statement of net assets $ 345,063

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

Proceeds from bonds and capital lease obligations	$ (39,927,653)
Principal repayments of long-term debt and transfers to escrow agents and other related costs	55,032,717
Net amount reported	$ 15,105,064

The net revenue of certain activities of internal service funds reported with governmental activities. $ 956,471

Note 21. New Accounting Pronouncements

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

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

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

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

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

Note 21. New Accounting Pronouncements (continued)

In financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources. The requirements of this Statement are effective in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of this Statement should be implemented simultaneously with the requirements of Statement 45. For all other termination benefits, this Statement is effective for financial statements for periods beginning after June 15, 2005. This Statement did not have a significant impact on the County's financial statements.

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

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

Note 22. Accounting and Reporting Change

When the County implemented the provisions of GASB Statement No. 34 for the year ended June 30, 2002, the amount of infrastructure recorded was based upon records as maintained by the County's Public Works department. During the year ended June 30, 2006, the Public Works department of the County obtained a new General Information Systems (GIS) mapping system, which identified additional infrastructure which was not included in the County's original adoption of GASB No. 34. This correction will not have an impact to the County's fund level financial statements, but will impact the County's Schedule of Net Assets- Governmental Activities.

Under the accrual basis of accounting, certain revenues should have been recognized by the County even though these revenues did not meet the "available" criterion. This correction will not have an impact to the County's fund level financial statements, but will impact the County's Schedule of Net Assets- Governmental Activities.

The following table indicates the effect of these corrections on the County's financial statements at July 1, 2005:

	(in thousands)
Net assets as reported at June 30, 2005	$93,752
Effect of newly discovered infrastructure assets on the County's financial statements	37,258
Effect of recognition of additional revenues in the County's financial statements	7,487
Restated balance at June 30, 2005	$138,497

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts for year ended June 30, 2005)

	2006				2005
	Budget			Variance Positive	
	Original	Final	Actual Amounts	(Negative)	Actual
Revenues					
Property taxes	$ 54,620,423	$ 54,620,423	$ 55,616,668	$ 996,245	$ 49,486,135
Intergovernmental	11,230,932	11,446,378	11,580,397	134,019	12,127,833
Fees and fines	12,605,649	12,739,726	13,803,428	1,063,702	13,624,816
Documentary stamps	5,845,374	6,202,374	8,961,873	2,759,499	6,471,943
License and permits	9,571,250	9,877,125	13,840,940	3,963,815	9,347,681
Interest on investments	468,444	468,444	2,341,052	1,872,608	1,278,983
Cost allocation	1,253,300	1,253,300	1,697,033	443,733	1,141,530
Other	1,239,806	943,229	942,646	(583)	904,730
Total revenues	96,835,178	97,550,999	108,784,037	11,233,038	94,383,651
Expenditures					
General Government:					
County Council	1,063,795	1,227,811	857,981	369,830	671,884
County Administrator	378,664	381,611	254,428	127,183	296,859
Administration Division	121,822	124,881	122,141	2,740	108,149
Finance	1,131,528	1,102,337	1,085,298	17,039	996,280
Department overhead	19,162,837	3,586,244	2,786,676	799,568	2,858,629
Human Resources	741,644	801,263	797,718	3,545	728,588
Procurement	331,725	313,657	267,922	45,735	261,913
Internal Auditor	71,409	16,260	12,738	3,522	67,787
Information Technology	3,505,021	3,578,380	3,455,490	122,890	3,082,000
Assessor	2,506,397	2,427,668	2,356,641	71,027	2,289,544
Assessor Appeals Board	37,770	37,770	2,312	35,458	816
Registrar of Mesne Conveyance	967,354	1,675,223	1,137,933	537,290	850,653
Maintenance	5,089,145	3,648,453	3,514,818	133,635	3,293,521
Voter Registration and Election	498,199	503,455	434,704	68,751	379,084
Public Information/Employee Relation	266,691	271,679	253,082	18,597	243,319
Budget and Revenue Management	153,081	158,684	155,391	3,293	150,932
Treasurer	1,591,774	1,601,192	1,513,243	87,949	1,447,453
Auditor	1,090,137	1,104,202	1,086,535	17,667	1,045,872
Records Retention	238,875	250,669	250,549	120	237,001
Probate Judge	716,466	716,183	689,674	26,509	657,946
Master-in-equity	232,808	241,931	240,160	1,771	225,911
Legal	415,413	449,160	511,208	(62,048)	368,775
Grant Administration	1,515,307	1,353,877	1,267,823	86,054	105,198
Delegation	84,244	86,666	85,744	922	81,742
Hospitality	265,696	270,103	244,894	25,209	273,302
Business License	143,373	147,586	140,299	7,287	120,124
Total	42,321,175	26,076,945	23,525,402	2,551,543	20,843,282
Less, capital outlay		(879,735)	(796,764)	(82,971)	(606,759)
Net general government	42,321,175	25,197,210	22,728,638	2,468,572	20,236,523

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2006				2005
	Budget			Variance Positive	
	Original	Final	Actual Amounts	(Negative)	Actual
Public Safety:					
Solicitor	3,608,744	3,860,051	3,728,294	131,757	3,508,100
Clerk of Court - Circuit DSS Family	2,046,617	2,148,949	2,012,266	136,683	1,927,859
Magistrate No. 1 Conway	221,978	229,358	227,824	1,534	211,915
Magistrate No. 2 Aynor	190,585	206,403	196,648	9,755	182,024
Magistrate No. 4 Mt. Olive	141,719	146,594	142,310	4,284	137,135
Magistrate No. 5 Loris	191,318	197,384	193,903	3,481	184,063
Magistrate No. 6 Myrtle Beach	275,053	284,816	278,291	6,525	260,867
Magistrate No. 7 Steven Cross Road	184,790	191,058	182,102	8,956	178,623
Magistrate No. 11 Surfside	168,973	173,358	165,219	8,139	169,550
Magistrate No. 9 Night	-	-	-	-	144,418
Magistrate at Large No. 1	95,141	98,058	96,683	1,375	89,344
Magistrate at Large No. 2	285,310	304,236	303,632	604	124,809
Central Summary Court	348,851	344,346	326,734	17,612	303,028
Central Jury Court	189,675	188,327	164,982	23,345	163,605
Public Safety Division Director	179,357	244,592	235,633	8,959	170,661
Sheriff	2,688,262	2,792,217	2,762,365	29,852	2,552,651
Police	15,802,284	16,141,389	15,662,370	479,019	12,780,336
Central Processing - DSS	57,882	60,506	52,693	7,813	53,445
Emergency Preparedness	273,136	267,218	248,415	18,803	220,042
Emergency 911 Communications	4,760,318	2,403,727	2,350,062	53,665	3,078,541
Coroner	452,374	474,416	586,885	(112,469)	457,678
Detention Center	10,602,973	11,180,940	11,377,650	(196,710)	9,931,683
Emergency Medical Services	10,584,080	11,506,054	11,640,228	(134,174)	10,087,902
Beach Front Program	30,507	33,738	32,372	1,366	29,538
Environmental Services	1,880,287	2,130,078	1,651,704	478,374	1,598,260
Pre-trial Intervention	422,509	432,364	450,123	(17,759)	364,637
Total	55,682,723	56,040,177	55,069,388	970,789	48,910,714
Less, capital outlay	-	(1,247,163)	(971,316)	(275,847)	(971,316)
Net public safety	55,682,723	54,793,014	54,098,072	694,942	47,939,398

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2006				2005
	Budget			Variance Positive	
	Original	Final	Actual Amounts	(Negative)	Actual
Expenditures (continued)					
Health and Social Services:					
Medically Indigent Assistance	-	-	-	-	1,158,130
Veteran Affairs	119,736	129,467	128,084	1,383	116,771
Total	119,736	129,467	128,084	1,383	1,274,901
Net health and social services	119,736	129,467	128,084	1,383	1,274,901
Infrastructure and Regulation:					
Codes Enforcement	2,759,673	2,766,521	2,757,043	9,478	1,991,353
Planning	1,610,069	1,663,005	1,514,353	148,652	1,028,028
Zoning	-	-	-	-	480,977
Total	4,369,742	4,429,526	4,271,396	158,130	3,500,358
Less, capital outlay	-	(181,000)	(102,286)	(78,714)	(13,219)
Net infrastructure and regulation	4,369,742	4,248,526	4,169,110	79,416	3,487,139
Culture, Recreation, and Tourism:					
Library	3,579,187	3,621,477	3,269,474	352,003	3,153,158
Museum	317,734	294,464	282,016	12,448	291,110
Total	3,896,921	3,915,941	3,551,490	364,451	3,444,268
Net culture, recreation and tourism	3,896,921	3,915,941	3,551,490	364,451	3,444,268
Other:					
State Mandated Supplements:					
Health Department	216,973	216,973	227,646	(10,673)	212,757
Department of Social Services	113,297	113,297	95,760	17,537	79,515
Department of Juvenile Detention	10,680	10,680	2,670	8,010	10,680
Public Defender	759,900	759,990	759,990	-	740,025
Total	1,100,850	1,100,940	1,086,066	14,874	1,042,977
Other Agencies:					
Waccamaw Regional Planning Council	94,748	94,748	94,748	-	75,000
Rescue Squads:					
Aynor	10,000	10,000	10,000	-	10,000
Horry	10,000	10,000	10,000	-	10,000
Mount Olive:					
Myrtle Beach	10,000	10,000	-	10,000	10,000
North Myrtle Beach	10,000	10,000	10,000	-	10,000
Northern Horry	10,000	10,000	10,000	-	10,000
Mount Olive	10,000	10,000	10,000	-	10,000
Coastal Rapid Transit Authority	25,000	25,000	25,000	-	56,250

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2006				2005
	Budget			Variance Positive	
	Original	Final	Actual Amounts	(Negative)	Actual
Expenditures (continued)					
Other (cont.):					
Other Agencies (cont.):					
Waccamaw EOC	2,500	2,500	2,500	-	3,750
Waccamaw Center of Mental Health	18,000	18,000	18,000	-	18,000
Mercy Hospice	-	-	-	-	5,063
Disabilities and Special Needs	10,000	10,000	10,000	-	15,000
Pee Dee Speech & Hearing	1,250	1,250	1,250	-	2,813
Chapin Memorial Library	40,000	40,000	40,000	-	40,000
Waccamaw Youth Center	1,250	1,250	-	1,250	2,100
Careteam	2,500	2,500	2,500	-	3,750
Cooperative Extension	5,000	5,000	5,000	-	5,000
Capture, Inc.	7,500	7,500	7,500	-	10,000
Salvation Army	9,000	9,000	19,000	(10,000)	-
Memded Heart	750	750	750	-	1,000
Shoreline Behavior	30,000	-	30,000	(30,000)	30,000
Citizens Against Spouse Abuse	15,000	15,000	15,000	-	-
Shelter Home	20,000	20,000	20,000	-	-
Children Recovery Center	15,000	15,000	15,000	-	-
Grand Strand Community Against Rape	5,000	5,000	5,000	-	-
Latino Americanos En Accion	12,500	12,500	-	12,500	-
Horry County Historical Society	5,000	5,000	5,000	-	-
Friendship Medical Clinic	5,000	5,000	5,000	-	-
Total	384,998	354,998	371,248	(16,250)	327,726
Net other	1,485,848	1,455,938	1,457,314	(1,376)	1,370,703
Capital outlay	-	2,307,898	1,870,366	437,532	1,591,294
Total expenditures	107,876,145	92,047,994	88,003,074	4,044,920	79,344,226
Excess of revenues over expenditures	(11,040,967)	5,503,005	20,780,963	15,277,958	15,039,425
Other Financial Sources (Uses)					
Sale of assets	127,500	100,000	101,194	1,194	176,008
Transfers in	1,094,130	1,094,130	1,102,443	8,313	1,710,316
Transfers out	(17,232,411)	(17,694,417)	(17,294,572)	399,845	(12,782,056)
Total other financing sources (uses)	(16,010,781)	(16,500,287)	(16,090,935)	409,352	(10,895,732)
Net change in fund balance	(27,051,748)	(10,997,282)	4,690,028	15,687,310	4,143,693
Fund balance at beginning of year	30,354,069	30,354,069	30,354,069	-	26,210,376
Fund balance at end of year	$ 3,302,321	$ 19,356,787	$ 35,044,097	$ 15,687,310	$ 30,354,069

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULES

HOSPITALITY 1.5% FUND

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts for year ended June 30, 2005)

	2006				2005
	Budget		Actual	Variance Positive	
	Original	Final	(GAAP Basis)	(Negative)	Actual
Revenues					
Fees and fines	$ 9,907,000	$ 27,389,500	$ 28,267,986	$ 878,486	$ 25,969,284
Interest on investments	17,500,000	17,500	51,985	34,485	27,972
Other	-	-	-	-	216
Total revenues	27,407,000	27,407,000	28,319,971	912,971	25,997,472
Excess of revenues over expenditures	27,407,000	27,407,000	28,319,971	912,971	25,997,472
Other financing sources (uses)					
Transfers out - RIDE debt service	(27,133,105)	(27,133,105)	(28,043,262)	(910,157)	(26,645,217)
Transfers out - general fund	(273,895)	(273,895)	(277,451)	(3,556)	(254,754)
Total other financing sources (uses)	(27,407,000)	(27,407,000)	(28,320,713)	(913,713)	(26,899,971)
Net change in fund balance	-	-	(742)	(742)	(902,499)
Fund balance at beginning of year	8,660	8,660	8,660	-	911,159
Fund balance at end of year	$ 8,660	$ 8,660	$ 7,918	$ (742)	$ 8,660

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR END JUNE 30, 2006

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

Horry County's road system consists of approximately 34% paved roads and 66% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's policy to maintain at least 85 percent of its street system at fair or better condition level. No more than 10 percent should be in a substandard condition. Condition assessments are determined every year.

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

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

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

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

	Percentage of Miles in Fair or Better Condition Condition		
	2006	2005	2004
Arterial	91%	100%	100%
Collector	69.0%	86.9%	86.7%
Access	84.0%	96.0%	95.5%
Overall system	83.0%	95.4%	94.9%

	Percentage of Miles in Substandard Condition		
	2006	2005	2004
Arterial	9%	0%	0%
Collector	31.0%	13.1%	13.3%
Access	16.0%	4.0%	4.5%
Overall System	17.0%	4.6%	5.2%

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

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

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2006	2005	2004	2003	2002
Arterial:					
Needed	$ 92,950	$ -	$ -	$ -	$ -
Actual	-	-	-	-	-
Collector:					
Needed	816,000	295,800	590,000	132,000	200,000
Actual	78,477	90,091	380,000	235,000	200,000
Access:					
Needed	4,941,750	917,400	1,800,000	842,000	-
Actual	275,778	95,412	1,150,272	190,000	150,000
Overall System:					
Needed	5,850,700	1,213,200	2,390,000	974,000	200,000
Actual	354,255	185,503	1,530,272	425,000	350,000
Difference	$ 5,496,445	$ 1,027,697	$ 859,728	$ 549,000	$ (150,000)

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

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

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).

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

At June 30, 2006, the Department of Airport's airfield infrastructure systems of MYR, Conway and Grand Strand are considered to be good or better condition. All pavement surfaces at all airports received pavement overlays or rejuvenation during the past year. The Department intends to preserve its eligible infrastructure in accordance with its current Airport Layout Plans (ALP) and as required by the Federal Aviation Administration (FAA).

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

Currently, the Department of Airports completed a project that rehabitated MYR Taxiway "J" South and a portion of MYR Runway 18C-36C. The project cost for the rehabilitation of MYR Taxiway "J" South and the runway portion was approximately $3.8 million. Work was also completed on the rehabilitation of apron at Conway Airport. A $300,000 overlay of the Loris Airport runway was completed in fiscal year 04. A pavement rejuvenation program at Grand Strand Airport and Conway Airport was completed in fiscal year 05. The Department is planning to complete a Pavement Condition Index or PCI study for each of its four airports in fiscal year 07.

HORRY COUNTY, SOUTH CAROLINA

OTHER FINANCIAL INFORMATION

HORRY COUNTY, SOUTH CAROLINA

COMBINING NON-MAJOR GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2006

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	$ 3,860,688	$ -	$ 3,860,688
Equity in pooled cash and investments	29,864,404	6,056,449	35,920,853
Funds held in trust	-	2,507,987	2,507,987
Receivables, net:			
Property taxes	102,165	48,490	150,655
Accounts and other	286,538	-	286,538
Fees	828,380	-	828,380
Due from other funds	1,590,724	-	1,590,724
Due from other governments	3,730,080	2,515	3,732,595
Inventories	47,912	-	47,912
Prepaid expenses	11,415	-	11,415
Total assets	$ 40,322,306	$ 8,615,441	$ 48,937,747
Liabilities and Fund Balances			
Liabilities:			
Accounts payable-trade	$ 1,950,585	$ -	$ 1,950,585
Accounts payable-other	13,137	-	13,137
Construction and retainage payable	133,743	-	133,743
Accrued salaries and wages	270,579	-	270,579
Due to other funds	5,921,604	-	5,921,604
Due to component unit	437,630	-	437,630
Compensation for future absences	1,435		1,435
Due to other governments	350,250	-	350,250
Total liabilities	9,078,963	-	9,078,963
Fund balances:			
Reserved for encumbrances	4,081,417	-	4,081,417
Reserved for inventories	47,912	-	47,912
Reserved for prepaid items	11,415	-	11,415
Reserved for Beach Renourishment	2,572,638	-	2,572,638
Reserved for debt service	-	2,632,705	2,632,705
Reserved for road maintenance	763,323	-	763,323
Reserved for cultural	119,870	-	119,870
Reserved for Baseball Park	349,638	-	349,638
Reserved for public safety	212,975	-	212,975
Unreserved/designated	6,165,575	-	6,165,575
Unreserved/undesignated	16,918,580	5,982,736	22,901,316
Total fund balances	31,243,343	8,615,441	39,858,784
Total liabilities and fund balances	$ 40,322,306	$ 8,615,441	$ 48,937,747

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues			
Property taxes	$ 20,430,939	$ 11,632,394	$ 32,063,333
Intergovernmental	7,204,709	127,733	7,332,442
Accommodations tax	969,474	-	969,474
Fees and fines	15,636,451	-	15,636,451
Interest on investments	826,505	473,494	1,299,999
Other	976,798	22,348	999,146
Total revenues	46,044,876	12,255,969	58,300,845
Expenditures			
Current:			
General government	44,280	-	44,280
Public safety	12,808,890	-	12,808,890
Infrastructure and regulation	24,756,615	-	24,756,615
Health and social services	765,422	-	765,422
Culture and recreation	4,481,998	-	4,481,998
Economic development	124,822	-	124,822
Conservation and natural resources	561,026	-	561,026
TECH and Higher Education Commission	-	3,090,935	3,090,935
Debt service	-	11,140,254	11,140,254
Total expenditures	43,543,053	14,231,189	57,774,242
Excess (deficiency) of revenues over (under) expenditures	2,501,823	(1,975,220)	526,603
Other Financing Sources (Uses)			
Bond proceeds	-	35,326,714	35,326,714
Payment to refunded bond escrow agent	-	(34,882,932)	(34,882,932)
Bond issue premium	-	(439,463)	(439,463)
Transfers in	12,110,416	3,843,194	15,953,610
Transfers out	(12,193,653)	-	(12,193,653)
Total other financing sources (uses)	(83,237)	3,847,513	3,764,276
Net change in fund balance	2,418,586	1,872,293	4,290,879
Fund balances at beginning of year	28,824,757	6,743,148	35,567,905
Fund balances at end of year	$ 31,243,343	$ 8,615,441	$ 39,858,784

See accompanying independent auditors' report.

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEETS

June 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash and cash equivalents	**$ 1,553,826**	$ 1,098,860
Equity in pooled cash and investments	**50,209,542**	47,944,316
Receivables, net:		
Property taxes	**314,802**	377,141
Accounts and other	**9,183,748**	7,842,517
Accrued interest	**2,400,360**	1,200,393
Due from other governments	**2,735,678**	3,151,795
Due from other funds	**5,169,423**	3,399,917
Inventories	**105,075**	91,389
Prepaid items	**1,306,583**	53,037
Total Assets	**$ 72,979,037**	$ 65,159,365
Liabilities and Fund Balance		
Liabilities:		
Accounts payable-trade	**$ 1,560,408**	$ 1,219,362
Accounts payable-other	**1,060,506**	825,114
Due to other governments	**3,470,592**	4,119,794
Accrued salaries and wages	**1,106,614**	866,899
Due to component units	**110,946**	31
Accrued compensated absences	**34,569**	25,550
Due to other funds	**53,135**	44,164
Proceeds from sales held by Master in Equity	**2,526,756**	-
Due to taxpayers for overpayment	**2,821,112**	-
Funds held in trust- delinquent taxes	**5,404,630**	-
Funds held in trust- Clerk of Court	**8,126,615**	-
Other liabilities	**2,853,075**	20,217,326
Deferred Revenue	**8,805,982**	7,487,056
Total liabilities	**$ 37,934,940**	34,805,296
Fund balance:		
Reserved for underground storage tanks	**50,000**	50,000
Reserved for encumbrances	**846,199**	156,621
Reserved for inventories	**105,075**	91,389
Reserved for prepaid items	**1,306,583**	53,037
Reserved for DSS federal revenue	-	131,381
Unreserved:		
Designated	**13,547,307**	10,909,862
Unreserved/undesignated	**19,188,933**	18,961,779
Total fund balance	**35,044,097**	30,354,069
Total liabilities and fund balance	**$ 72,979,037**	$ 65,159,365

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Property taxes	$ 54,620,423	$ 55,616,668	$ 996,245	$ 49,486,135
Intergovernmental:				
Federal grants	670,000	615,640	(54,360)	653,902
Civil defense	30,835	-	(30,835)	-
Tax supplies	5,240	5,240	-	5,240
Inventory tax	306,284	306,286	2	306,286
State salary supplements	6,300	7,875	1,575	7,875
Board of registration	16,875	18,832	1,957	11,303
Veteran affairs	9,833	8,575	(1,258)	8,245
State shared	9,000,000	9,263,610	263,610	8,855,257
State-library	393,411	393,258	(153)	188,957
Accommodations tax	164,278	187,203	22,925	164,840
Other	465,946	230,805	(235,141)	1,404,821
Solicitors	377,376	543,073	165,697	521,107
Total intergovernmental	11,446,378	11,580,397	134,019	12,127,833
Fees and Fines:				
E 911 telephone fees	-	-	-	825,459
Planning fees	319,500	476,052	156,552	242,123
EMS	3,304,250	3,951,443	647,193	3,565,708
RMC fees	2,650,000	2,977,392	327,392	2,669,065
Clerk of Court fees and fines	567,500	583,742	16,242	584,693
Library	95,500	86,541	(8,959)	80,327
Sheriff fines	57,500	60,037	2,537	50,958
Family court fees	610,000	552,495	(57,505)	530,535
Probate court fees	491,250	475,941	(15,309)	426,265
Magistrates' fees and fines	1,846,605	2,232,261	385,656	1,951,417
Prisoner Housing	64,000	65,839	1,839	60,544
Health department fees	67,500	69,101	1,601	65,930
Master in Equity fees	735,000	371,132	(363,868)	640,754
CATV fees	1,050,000	991,917	(58,083)	1,051,209
Beach franchise fees	49,000	1,000	(48,000)	50,666
Animal and insect fees	45,000	55,291	10,291	48,692
Other	89,650	154,488	64,838	116,886
Georgetown Solicitor fees	697,471	698,756	1,285	663,585
Total fees and fines	12,739,726	13,803,428	1,063,702	13,624,816

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues (continued)				
Documentary Stamps:				
RMC	6,202,374	8,961,873	2,759,499	6,471,943
Licenses and Permits:				
Business licenses	3,299,500	4,492,791	1,193,291	2,080,584
Building inspection permits	6,405,875	9,141,771	2,735,896	7,095,552
Mobile home permits	21,750	23,018	1,268	22,015
Marriage licenses	150,000	183,360	33,360	149,530
Total licenses and permits	9,877,125	13,840,940	3,963,815	9,347,681
Interest on investments:	468,444	2,341,052	1,872,608	1,278,983
Cost allocation:	1,253,300	1,697,033	443,733	1,141,530
Other:				
Rent	15,620	25,618	9,998	25,618
Other	505,774	540,748	34,974	561,036
Pre-Trial Intervention	421,835	376,280	(45,555)	318,076
Total other	943,229	942,646	(583)	904,730
Total revenues	97,550,999	108,784,037	11,233,038	94,383,651
Expenditures				
Current:				
General Government:				
County Council:				
Personal services	452,477	451,850	(627)	428,628
Contractual services	200,084	85,279	(114,805)	142,095
Supplies and materials	236,753	139,732	(97,021)	37,977
Business and travel	130,897	73,520	(57,377)	63,184
Other	207,600	107,600	(100,000)	-
Total	1,227,811	857,981	369,830	671,884
County Administrator:				
Personal services	239,823	240,561	738	267,083
Contractual services	24,954	3,782	(21,172)	7,553
Supplies and materials	12,453	3,943	(8,510)	4,699
Business and travel	11,660	4,142	(7,518)	5,524
Contingency	92,721	2,000	(90,721)	12,000
Total	381,611	254,428	127,183	296,859

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
General Government (cont.):				
Administration Division:				
Director:				
Personal services	121,381	119,697	1,684	107,219
Supplies and materials	1,500	1,082	418	680
Business and travel	2,000	1,362	638	250
Total	124,881	122,141	2,740	108,149
Finance:				
Personal services	988,193	987,953	240	913,184
Contractual services	64,599	54,399	10,200	43,880
Supplies and materials	41,820	36,346	5,474	34,578
Business and travel	7,725	6,600	1,125	4,638
Total	1,102,337	1,085,298	17,039	996,280
Department Overhead:				
Personal services	300,793	300,792	1	259,288
Contractual services	1,841,404	1,775,189	66,215	1,997,889
Supplies and materials	727,300	701,336	25,964	572,296
Business and travel	700,497	3,090	697,407	2,765
Capital outlay	-	-	-	26,391
Other	16,250	6,269	9,981	-
Total	3,586,244	2,786,676	799,568	2,858,629
Human Resources/Risk Management:				
Personal services	696,285	696,080	205	659,850
Contractual services	79,757	80,858	(1,101)	50,541
Supplies and materials	19,336	18,282	1,054	14,086
Business and travel	5,110	2,389	2,721	4,111
Other	775	109	666	-
Total	801,263	797,718	3,545	728,588
Procurement:				
Personal services	287,097	253,168	33,929	248,312
Contractual services	11,980	7,793	4,187	7,917
Supplies and materials	10,850	5,085	5,765	3,864
Business and travel	3,730	1,876	1,854	1,820
Total	313,657	267,922	45,735	261,913

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
General Government (cont.):				
Internal Auditor:				
Personal services	**12,396**	**12,598**	**(202)**	66,732
Supplies and materials	**3,384**	**140**	**3,244**	785
Business and travel	**480**	**-**	**480**	270
Total	**16,260**	**12,738**	**3,522**	67,787
Information Technology:				
Personal services	**1,316,904**	**1,316,445**	**459**	1,157,268
Contractual services	**1,004,294**	**1,002,552**	**1,742**	932,705
Supplies and materials	**334,835**	**351,876**	**(17,041)**	450,849
Business and travel	**50,636**	**42,111**	**8,525**	27,737
Capital outlay	**871,711**	**742,506**	**129,205**	513,441
Total	**3,578,380**	**3,455,490**	**122,890**	3,082,000
Assessor:				
Personal services	**2,215,812**	**2,214,686**	**1,126**	2,126,520
Contractual services	**61,510**	**26,234**	**35,276**	39,560
Supplies and materials	**85,000**	**54,542**	**30,458**	74,820
Business and travel	**59,646**	**55,560**	**4,086**	48,644
Other	**5,700**	**5,619**	**81**	-
Total	**2,427,668**	**2,356,641**	**71,027**	2,289,544
Assessor Appeals Board:				
Personal services	**35,295**	**2,243**	**33,052**	816
Contractual services	**475**	**-**	**475**	-
Supplies and materials	**2,000**	**69**	**1,931**	-
Total	**37,770**	**2,312**	**35,458**	816
Registrar of Mesne Conveyance:				
Personal services	**820,998**	**820,539**	**459**	720,335
Contractual services	**52,445**	**46,901**	**5,544**	42,260
Supplies and materials	**791,582**	**260,751**	**530,831**	81,073
Business and travel	**10,198**	**9,742**	**456**	6,985
Total	**1,675,223**	**1,137,933**	**537,290**	850,653

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
General Government (cont.):				
Maintenance:				
Personal services	**2,591,230**	**2,590,059**	**1,171**	2,521,507
Contractual services	**239,566**	**212,157**	**27,409**	152,437
Supplies and materials	**528,989**	**469,158**	**59,831**	407,373
Business and travel	**278,121**	**186,663**	**91,458**	137,817
Capital outlay	**8,024**	**54,258**	**(46,234)**	66,927
Other	**2,523**	**2,523**	**-**	7,460
Total	**3,648,453**	**3,514,818**	**133,635**	3,293,521
Voter Registration and Election:				
Personal services	**370,368**	**368,353**	**2,015**	287,300
Contractual services	**30,070**	**15,718**	**14,352**	56,218
Supplies and materials	**40,329**	**46,331**	**(6,002)**	30,780
Business and travel	**7,688**	**4,302**	**3,386**	4,786
Capital outlay	**55,000**	**-**	**55,000**	-
Total	**503,455**	**434,704**	**68,751**	379,084
Public Information:				
Personal services	**185,204**	**182,549**	**2,655**	177,082
Contractual services	**22,150**	**16,181**	**5,969**	12,871
Supplies and materials	**62,725**	**53,930**	**8,795**	53,105
Business and travel	**1,600**	**422**	**1,178**	261
Total	**271,679**	**253,082**	**18,597**	243,319
Budget and Revenue Mgmt:				
Personal services	**151,874**	**151,791**	**83**	146,178
Supplies and materials	**5,525**	**3,342**	**2,183**	3,896
Business and travel	**1,285**	**258**	**1,027**	858
Total	**158,684**	**155,391**	**3,293**	150,932

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
General Government (cont.):				
Treasurer:				
Personal services	1,255,793	1,255,187	606	1,249,761
Contractual services	208,189	135,439	72,750	112,066
Supplies and materials	109,871	103,056	6,815	66,699
Business and travel	27,339	19,561	7,778	18,927
Total	1,601,192	1,513,243	87,949	1,447,453
Auditor:				
Personal Services	975,985	975,632	353	947,293
Contractual services	38,147	27,620	10,527	26,280
Supplies and materials	73,981	70,439	3,542	59,634
Business and travel	16,089	12,844	3,245	12,665
Total	1,104,202	1,086,535	17,667	1,045,872
Records Retention:				
Personal services	213,005	213,193	(188)	205,224
Contractual services	22,059	21,826	233	16,751
Supplies and materials	11,145	11,126	19	11,650
Business and travel	4,460	4,404	56	3,376
Total	250,669	250,549	120	237,001
Probate Judge:				
Personal services	650,645	650,311	334	612,114
Contractual services	20,450	7,082	13,368	11,725
Supplies and materials	37,000	25,701	11,299	26,287
Business and travel	8,088	6,580	1,508	7,820
Total	716,183	689,674	26,509	657,946
Master-in-Equity:				
Personal services	238,016	237,933	83	223,163
Contractual services	1,500	1,099	401	1,430
Supplies and materials	2,145	938	1,207	1,128
Business and travel	270	190	80	190
Total	241,931	240,160	1,771	225,911

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
General Government (cont.):				
Legal:				
Personal services	218,303	213,240	5,063	188,122
Contractual services	224,717	292,360	(67,643)	175,928
Supplies and materials	1,890	1,177	713	1,378
Business and travel	4,250	4,431	(181)	3,347
Total	449,160	511,208	(62,048)	368,775
Grants Administration:				
Personal services	158,694	157,257	1,437	100,483
Contractual services	94,856	16,043	78,813	279
Supplies and materials	1,096,477	1,093,461	3,016	2,351
Business and travel	3,850	1,062	2,788	2,085
Total	1,353,877	1,267,823	86,054	105,198
Delegation:				
Personal services	84,730	84,589	141	80,643
Contractual services	1,056	337	719	339
Supplies and materials	400	380	20	344
Business and travel	480	438	42	416
Total	86,666	85,744	922	81,742
Hospitality:				
Personal services	219,489	219,384	105	251,413
Contractual services	13,494	7,569	5,925	6,448
Supplies and materials	22,520	7,805	14,715	7,256
Business and travel	14,600	10,136	4,464	8,185
Total	270,103	244,894	25,209	273,302
Business License:				
Personal services	96,865	96,865	-	88,108
Contractual services	28,830	24,618	4,212	19,957
Supplies and materials	13,312	11,081	2,231	4,165
Business and travel	8,579	7,720	859	7,908
Other	-	15	(15)	(14)
Total	147,586	140,299	7,287	120,124
Total General Government	26,076,945	23,525,402	2,551,543	20,843,282

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
Public Safety:				
Solicitor:				
Personal services	3,448,483	3,372,409	76,074	3,178,880
Contractual services	242,874	211,657	31,217	216,183
Supplies and materials	82,223	64,491	17,732	38,874
Business and travel	86,471	79,737	6,734	74,163
Total	3,860,051	3,728,294	131,757	3,508,100
Clerk of Court - DSS Family Court:				
Personal services	1,713,507	1,710,185	3,322	1,530,214
Contractual services	312,814	212,744	100,070	273,906
Supplies and materials	96,959	84,054	12,905	91,425
Business and travel	3,669	2,258	1,411	2,658
Other	22,000	3,025	18,975	29,656
Total	2,148,949	2,012,266	136,683	1,927,859
Magistrate No. 1 Conway:				
Personal services	220,008	219,903	105	206,757
Contractual services	2,500	1,753	747	589
Supplies and materials	4,517	4,296	221	2,382
Business and travel	2,333	1,872	461	2,187
Total	229,358	227,824	1,534	211,915
Magistrate No. 2 Aynor:				
Personal services	180,273	180,210	63	161,872
Contractual services	18,930	11,895	7,035	15,666
Supplies and materials	4,950	3,618	1,332	3,881
Business and travel	2,250	925	1,325	605
Total	206,403	196,648	9,755	182,024

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
Public Safety (cont.):				
Magistrate No. 4 Mt. Olive:				
Personal services	**130,694**	**130,652**	**42**	124,480
Contractual services	**12,000**	**8,150**	**3,850**	9,300
Supplies and materials	**1,650**	**1,281**	**369**	1,613
Business and travel	**2,250**	**2,227**	**23**	1,742
Total	**146,594**	**142,310**	**4,284**	137,135
Magistrate No. 5 Loris:				
Personal services	**182,734**	**182,432**	**302**	175,065
Contractual services	**6,300**	**3,515**	**2,785**	4,679
Supplies and materials	**6,100**	**5,931**	**169**	2,764
Business and travel	**2,250**	**2,025**	**225**	1,555
Total	**197,384**	**193,903**	**3,481**	184,063
Magistrate No. 6 Myrtle Beach:				
Personal services	**271,266**	**269,497**	**1,769**	251,621
Contractual services	**6,000**	**2,436**	**3,564**	2,858
Supplies and materials	**6,250**	**5,185**	**1,065**	4,879
Business and travel	**1,300**	**1,173**	**127**	1,509
Total	**284,816**	**278,291**	**6,525**	260,867
Magistrate No. 7 Stevens Cross Road:				
Personal services	**173,458**	**173,395**	**63**	168,214
Contractual services	**2,100**	**1,326**	**774**	796
Supplies and materials	**9,500**	**4,201**	**5,299**	7,130
Business and travel	**6,000**	**3,180**	**2,820**	2,483
Total	**191,058**	**182,102**	**8,956**	178,623
Magistrate No. 11 Surfside:				
Personal services	**167,848**	**161,375**	**6,473**	163,403
Contractual services	**1,100**	**963**	**137**	841
Supplies and materials	**2,160**	**1,551**	**609**	3,971
Business and travel	**2,250**	**1,330**	**920**	1,335
Total	**173,358**	**165,219**	**8,139**	169,550

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
Public Safety (cont.):				
Magistrate -Night:				
Personal services	-	-	-	134,688
Contractual services	-	-	-	4,343
Supplies and materials	-	-	-	1,616
Business and travel	-	-	-	3,771
Total	-	-	-	144,418
Magistrate at Large No. 1:				
Personal services	**88,013**	**87,991**	**22**	84,106
Contractual services	**237**	**-**	**237**	375
Supplies and materials	**6,808**	**5,777**	**1,031**	401
Business and travel	**3,000**	**2,915**	**85**	4,462
Total	**98,058**	**96,683**	**1,375**	89,344
Magistrate at Large No. 2 - Detention:				
Personal services	**279,546**	**280,045**	**(499)**	121,372
Contractual services	**6,850**	**6,103**	**747**	301
Supplies and materials	**13,540**	**13,416**	**124**	2,411
Business and travel	**4,300**	**4,068**	**232**	725
Total	**304,236**	**303,632**	**604**	124,809
Central Summary Court:				
Personal services	**316,046**	**314,974**	**1,072**	297,646
Contractual services	**3,800**	**1,275**	**2,525**	1,495
Supplies and materials	**17,050**	**10,060**	**6,990**	3,579
Business and travel	**1,800**	**425**	**1,375**	308
Capital outlay	**5,650**	**-**	**5,650**	-
Total	**344,346**	**326,734**	**17,612**	303,028
Central Jury Court:				
Personal services	**42,827**	**42,806**	**21**	40,980
Contractual services	**135,800**	**115,758**	**20,042**	117,169
Supplies and materials	**8,000**	**5,446**	**2,554**	4,496
Business and travel	**1,700**	**972**	**728**	960
Total	**188,327**	**164,982**	**23,345**	163,605

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
Public Safety (cont.):				
Public Safety Division Director:				
Personal services	205,993	197,953	8,040	159,560
Contractual services	2,243	2,134	109	2,390
Supplies and materials	9,130	9,185	(55)	884
Business and travel	27,226	26,361	865	7,827
Total	244,592	235,633	8,959	170,661
Sheriff:				
Personal services	2,480,262	2,463,017	17,245	2,235,959
Contractual services	43,800	40,744	3,056	59,825
Supplies and materials	47,354	44,441	2,913	53,159
Business and travel	220,801	214,163	6,638	203,708
Total	2,792,217	2,762,365	29,852	2,552,651
Police:				
Personal services	12,292,888	12,024,947	267,941	10,477,345
Contractual services	346,892	262,087	84,805	229,604
Supplies and materials	1,013,193	1,012,772	421	238,037
Business and travel	1,860,916	1,854,863	6,053	1,697,732
Capital outlay	625,000	507,451	117,549	136,624
Other	2,500	250	2,250	994
Total	16,141,389	15,662,370	479,019	12,780,336
Central Processing:				
Personal services	49,716	49,695	21	48,355
Contractual services	673	-	673	-
Supplies and materials	4,618	-	4,618	2,662
Business and travel	5,499	2,998	2,501	2,428
Total	60,506	52,693	7,813	53,445
Emergency Preparedness:				
Personal services	217,925	190,972	26,953	162,595
Contractual services	14,783	17,298	(2,515)	9,782
Supplies and materials	5,874	5,846	28	5,262
Business and travel	28,636	26,363	2,273	14,772
Capital outlay	-	-	-	27,631
Other	-	7,936	(7,936)	-
Total	267,218	248,415	18,803	220,042

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
Public Safety (cont.):				
Emergency 911 Communications:				
Personal services	**2,112,142**	**2,101,255**	**10,887**	2,028,094
Contractual services	**274,900**	**240,403**	**34,497**	1,033,064
Supplies and materials	**13,836**	**5,699**	**8,137**	13,942
Business and travel	**2,849**	**2,705**	**144**	3,441
Total	**2,403,727**	**2,350,062**	**53,665**	3,078,541
Coroner:				
Personal services	**273,391**	**273,294**	**97**	239,453
Contractual services	**167,941**	**280,903**	**(112,962)**	194,598
Supplies and materials	**14,326**	**14,199**	**127**	5,463
Business and travel	**18,758**	**18,489**	**269**	18,164
Total	**474,416**	**586,885**	**(112,469)**	457,678
Detention Center:				
Personal services	**8,818,220**	**8,785,758**	**32,462**	7,610,891
Contractual services	**673,313**	**714,595**	**(41,282)**	642,660
Supplies and materials	**1,389,109**	**1,614,844**	**(225,735)**	1,380,013
Business and travel	**225,298**	**227,273**	**(1,975)**	177,262
Capital outlay	**75,000**	**35,180**	**39,820**	120,857
Total	**11,180,940**	**11,377,650**	**(196,710)**	9,931,683
Emergency Medical Services:				
Personal services	**9,500,153**	**9,833,155**	**(333,002)**	8,791,092
Contractual services	**227,317**	**199,226**	**28,091**	153,332
Supplies and materials	**853,774**	**799,408**	**54,366**	762,377
Business and travel	**390,237**	**379,754**	**10,483**	368,573
Capital outlay	**534,573**	**428,685**	**105,888**	12,528
Total	**11,506,054**	**11,640,228**	**(134,174)**	10,087,902
Beach Front Program:				
Personal services	**30,150**	**30,128**	**22**	27,070
Contractual services	**673**	**-**	**673**	-
Supplies and materials	**1,300**	**629**	**671**	1,163
Business and travel	**1,615**	**1,615**	**-**	1,305
Total	**33,738**	**32,372**	**1,366**	29,538

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
Public Safety (cont.):				
Environmental Services:				
Personal services	**1,159,042**	**1,158,541**	**501**	1,053,483
Contractual services	**257,328**	**159,102**	**98,226**	172,748
Supplies and materials	**510,063**	**146,036**	**364,027**	191,018
Business and travel	**171,705**	**166,949**	**4,756**	181,011
Capital outlay	**6,940**	**-**	**6,940**	-
Other	**25,000**	**21,076**	**3,924**	-
Total	**2,130,078**	**1,651,704**	**478,374**	1,598,260
Pre-Trial Intervention:				
Personal services	**432,364**	**450,123**	**(17,759)**	364,637
Total	**432,364**	**450,123**	**(17,759)**	364,637
Total public safety	**56,040,177**	**55,069,388**	**970,789**	48,910,714
Infrastructure and Regulation:				
Code Enforcement:				
Personal services	**2,375,296**	**2,374,343**	**953**	1,797,862
Contractual services	**30,814**	**29,089**	**1,725**	22,941
Supplies and materials	**67,125**	**66,599**	**526**	39,184
Business and travel	**190,286**	**184,726**	**5,560**	131,366
Capital outlay	**103,000**	**102,286**	**714**	-
Total	**2,766,521**	**2,757,043**	**9,478**	1,991,353
Planning:				
Personal services	**1,360,963**	**1,324,725**	**36,238**	908,305
Contractual services	**72,375**	**58,110**	**14,265**	42,127
Supplies and materials	**129,494**	**111,700**	**17,794**	49,529
Business and travel	**22,173**	**19,818**	**2,355**	14,848
Capital outlay	**78,000**	**-**	**78,000**	13,219
Total	**1,663,005**	**1,514,353**	**148,652**	1,028,028

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (continued)				
Current:				
Infrastructure and Regulation (cont):				
Zoning:				
Personal services	-	-	-	443,041
Contractual services	-	-	-	14,600
Supplies and materials	-	-	-	4,777
Business and travel	-	-	-	18,559
Total	-	-	-	480,977
Total infrastructure and regulation	**4,429,526**	**4,271,396**	**158,130**	3,500,358
Health and Social Services:				
Medically Indigent Assistance Program:				
Personal services	-	-	-	46,801
Supplies and materials	-	-	-	1,111,329
Total	-	-	-	1,158,130
Veteran Affairs:				
Personal services	**123,620**	**123,786**	**(166)**	113,815
Contractual services	**1,418**	**1,297**	**121**	569
Supplies and materials	**2,851**	**2,382**	**469**	1,893
Business and travel	**1,578**	**619**	**959**	494
Total	**129,467**	**128,084**	**1,383**	116,771
Total health and social services	**129,467**	**128,084**	**1,383**	1,274,901
Culture, Recreation and Tourism:				
Library:				
Personal services	**2,097,020**	**2,096,356**	**664**	1,990,828
Contractual services	**332,704**	**295,647**	**37,057**	265,262
Supplies and materials	**1,129,020**	**818,086**	**310,934**	830,893
Business and travel	**62,733**	**59,385**	**3,348**	60,064
Construction contracts	-	-	-	6,111
Total	**3,621,477**	**3,269,474**	**352,003**	3,153,158
Museum:				
Personal services	**235,556**	**235,472**	**84**	236,041
Contractual services	**37,779**	**28,305**	**9,474**	30,542
Supplies and materials	**15,475**	**14,635**	**840**	20,660
Business and travel	**5,654**	**3,604**	**2,050**	3,867
Total	**294,464**	**282,016**	**12,448**	291,110

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Current:				
Culture, Recreation and Tourism:				
Total culture, recreation and tourism	3,915,941	3,551,490	364,451	3,444,268
Other:				
State Mandated Supplements:				
Health Department	216,973	227,646	(10,673)	212,757
Department of Social Services	113,297	95,760	17,537	79,515
Department of Juvenile Detention	10,680	2,670	8,010	10,680
Public Defender	759,990	759,990	-	740,025
Total	1,100,940	1,086,066	14,874	1,042,977
Other Agencies:				
Waccamaw Regional Planning Council	94,748	94,748	-	75,000
Rescue Squads:				
Aynor	10,000	10,000	-	10,000
Horry	10,000	10,000	-	10,000
Myrtle Beach	10,000	-	10,000	10,000
North Myrtle Beach	10,000	10,000	-	10,000
Northern Horry	10,000	10,000	-	10,000
Mount Olive	10,000	10,000	-	10,000
Coastal Rapid Transit Authority	25,000	25,000	-	56,250
Waccamaw Center of Mental Health	18,000	18,000	-	18,000
Wachovia EOC	2,500	2,500	-	3,750
Mercy Hospice	-	-	-	5,063
Disabilities and Special Needs	10,000	10,000	-	15,000
Pee Dee Speech & Hearing	1,250	1,250	-	2,813
Chapin Memorial Library	40,000	40,000	-	40,000
Friendship Medical Clinic	5,000	5,000	-	-
Latino Americanos	12,500	-	12,500	-
Horry County Historical Society	5,000	5,000	-	-
Grand Strand Community Against Rape	5,000	5,000	-	-
Shelter Home	20,000	20,000	-	-
Children's Recovery	15,000	15,000	-	-
Waccamaw Youth	1,250	-	1,250	2,100
Careteam	2,500	2,500	-	3,750
Cooperative Extension	5,000	5,000	-	5,000
Shoreline Behavior	30,000	30,000	-	-
Capture, Inc.	7,500	7,500	-	10,000
Salvation Army	9,000	19,000	(10,000)	-
Citizens Against Spouse Abuse	15,000	15,000	-	-
Mended Heart	750	750	-	1,000
Disabilities and Special Needs	-	-	-	30,000
Total	384,998	371,248	13,750	327,726
Total other	1,485,938	1,457,314	28,624	1,370,703
Total expenditures	92,077,994	88,003,074	4,074,920	79,344,226
Excess of revenues over expenditures	5,473,005	20,817,673	15,344,668	15,039,425

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	2006			2005
	Final Budget	**Actual**	**Variance Positive (Negative)**	Actual
Other Financing Sources (Uses)				
Sale of assets	**100,000**	**101,194**	**1,194**	176,008
Transfers in	**1,094,130**	**1,102,443**	**8,313**	1,710,316
Transfers out	**(17,694,417)**	**(17,294,572)**	**399,845**	(12,782,056)
Total other financing sources (uses)	**(16,500,287)**	**(16,090,935)**	**409,352**	(10,895,732)
Net change in fund balance	**(11,027,282)**	**4,690,028**	**15,717,310**	4,143,693
Fund balance at beginning of year	**30,354,069**	**30,354,069**	**-**	26,210,376
Fund balance at end of year	**$ 19,326,787**	**$ 35,044,097**	**$ 15,717,310**	$ 30,354,069

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

Road Maintenance & CTC - accounts for revenue derived from a $20 fee on registered vehicles, intergovernmental revenue, and operating transfers-in earmarked for the maintenance and/or improvements of the County's road system and public works operation.

Beach Nourishment - accounts for revenue earmarked for beach nourishment.

Grants - accounts for revenue and expenditures for all grants.

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

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

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

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

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

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

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

SPECIAL REVENUE FUNDS

- CONTINUED -

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

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

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

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

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

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

E911 – accounts for revenue and expenditures of funds for wireless and wireless telephones. These funds are totally restricted for use in the 911 system.

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2006

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,495	$ -	$ 3,093,831	$ -
Equity in pooled cash and investments	5,082,171	134,670	2,114,874	421,850	259,979	-	9,313,733	3,476,490	-	-	-	-
Receivables, net:												
Property taxes	63,300	-	26,483	610	300	1,073	-	-	-	-	-	-
Accounts and other	-	1,219	-	-	-	-	1,027	49,244	770	-	-	-
Fees	-	485	-	-	-	-	-	-	-	-	804,560	-
Prepaid items	10,083	-	-	-	-	-	-	-	-	-	-	288
Due from other funds	3,072	-	-	-	-	-	423,307	563,135	-	-	-	-
Due from other governments	26,283	1,023,896	-	-	-	-	1,078,987	-	1,101,320	40,935	-	-
Inventories	-	-	-	-	-	-	47,912	-	-	-	-	-
Total assets	$ 5,184,909	$ 1,160,270	$ 2,141,357	$ 422,460	$ 260,279	$ 1,073	$ 10,864,966	$ 4,088,869	$ 1,131,585	$ 40,935	$ 3,898,391	$ 288
Liabilities and Fund Balances												
Liabilities:												
Accounts payable - trade	$ 121,223	$ 339,683	$ -	$ -	$ 2,548	$ -	$ 917,167	$ -	$ 73,774	$ -	$ 61,375	$ 1,773
Accounts payable - other	-	-	-	-	-	-	4,070	-	-	-	-	-
Construction and retainage payable	-	-	-	-	-	-	133,743	-	-	-	-	-
Accrued salaries and wages	119,293	15,230	-	-	-	-	81,524	-	8,955	-	-	15,675
Compensation for future absences	-	-	-	-	-	-	1,435	-	-	-	-	-
Due to other funds	-	510,000	-	322,687	-	4,597	-	1,217,294	444,338	40,716	1,805,458	110,575
Due to component unit	-	-	437,530	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	67,001	-	-	-	-	-	12,003	-	-	-
Total liabilities	240,516	864,913	504,531	322,687	2,548	4,597	1,137,939	1,217,294	539,070	40,716	1,866,833	128,023
Fund balances:												
Reserved for encumbrances	-	-	-	-	-	-	3,532,887	-	4,280	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	763,323	-	-	-	-	-
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	300,000	-
Reserved for inventories	-	-	-	-	-	-	47,912	-	-	-	-	-
Reserved for Beach Renouishment	-	-	-	-	-	-	-	2,572,638	-	-	-	-
Reserved for cultural	-	119,870	-	-	-	-	-	-	-	-	-	-
Reserved for public safety	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for prepaid items	10,083	-	-	-	-	-	-	-	-	-	-	288
Unreserved, designated	132,947	-	-	-	-	-	-	903,852	-	-	-	-
Unreserved, undesignated	4,801,363	175,487	1,636,826	99,773	257,731	(3,524)	5,382,905	(604,915)	588,235	219	1,731,558	(128,023)
Total fund balances/(deficits)	4,944,393	295,357	1,636,826	99,773	257,731	(3,524)	9,727,027	2,871,575	592,515	219	2,031,558	(127,735)
Total liabilities and fund balances	$ 5,184,909	$ 1,160,270	$ 2,141,357	$ 422,460	$ 260,279	$ 1,073	$ 10,864,966	$ 4,088,869	$ 1,131,585	$ 40,935	$ 3,898,391	$ 288

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

CONTINUED

	Non-Major Funds										
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Storm Water Management	GIS/IT	B&C MCBP	Local Atax	Recreation	E 911	Total Non-Major Funds
Assets											
Cash and cash equivalents	$ -	$ -	$ -	$ 489	$ -	$ -	$ -	$ 736,773	$ 100	$ -	$ 3,860,688
Equity in pooled cash and investments	79,278	56,692	37,821	-	4,732,290	111,171	1,543,662	-	2,499,723	-	29,864,404
Receivables, net:											
Property taxes	2,453	-	-	-	-	-	-	-	7,946	-	102,165
Accounts and other	-	-	-	-	-	538	-	159,128	410	74,202	286,538
Fees	-	-	-	-	23,335	-	-	-	-	-	828,380
Prepaid items	-	-	-	-	1,044	-	-	-	-		11,415
Due from other funds	-	-	-	278,522	322,688	-	-	-	-	-	1,590,724
Due from other governments	-	-	-	-	-	-	-	-	341,810	116,849	3,730,080
Inventories	-	-	-	-	-	-	-	-	-	-	47,912
Total assets	$ 81,731	$ 56,692	$ 37,821	$ 279,011	$ 5,079,357	$ 111,709	$ 1,543,662	$ 895,901	$ 2,849,989	$ 191,051	$ 40,322,306
Liabilities and Fund Balances											
Liabilities:											
Accounts payable - trade	$ 75,883	$ -	$ 423	$ 7,276	$ 168,296	$ 841	$ -	$ 143,583	$ 35,295	$ 1,445	$ 1,950,585
Accounts payable - other	-	-	409	-	-	-	8,658	-	-	-	13,137
Construction and retainage payable	-	-	-	-	-	-	-	-	-	-	133,743
Accrued salaries and wages	-	-	-	-	16,011	-	-	-	11,714	2,177	270,579
Compensation for future absences	-	-	-	-	-	-	-	-	-		1,435
Due to other funds	-	-	371,283	-	90,449	-	-	539,343	341,810	123,054	5,921,604
Due to component unit	-	-	-	-	-	-	-	-	100	-	437,630
Due to other governments	-	-	-	271,246	-	-	-	-	-	-	350,250
Total liabilities	75,883	-	372,115	278,522	274,756	841	8,658	682,926	388,919	126,676	9,078,963
Fund balances:											
Reserved for encumbrances	-	-	-	-	467,346	-	-	-	76,904	-	4,081,417
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	-	763,323
Reserved for Baseball Stadium Park	-	-	-	-	-	-	49,638	-	-	-	349,638
Reserved for inventories	-	-	-	-	-	-	-	-	-	-	47,912
Reserved for cultural	-	-	-	-	-	-	-	-	-	-	119,870
Reserved for public safety	-	-	-	-	-	-	-	212,975	-	-	212,975
Reserved for prepaid items	-	-	-	-	1,044	-	-	-	-	-	11,415
Unreserved, designated	-	-	-	-	2,924,906	-	-	-	2,203,870	-	6,165,575
Unreserved, undesignated	5,848	56,692	(334,294)	489	1,411,305	110,868	1,485,366	-	180,296	64,375	16,918,580
Total fund balances/(deficits)	5,848	56,692	(334,294)	489	4,804,601	110,868	1,535,004	212,975	2,461,070	64,375	31,243,343
Total liabilities and fund balances	$ 81,731	$ 56,692	$ 37,821	$ 279,011	$ 5,079,357	$ 111,709	$ 1,543,662	$ 895,901	$ 2,849,989	$ 191,051	$ 40,322,306

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006

	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	Victim Assistance
Revenues												
Property taxes	$ 12,084,263	$ -	$ 5,292,667	$ 74,784	$ 63,386	$ 130,562	$ -	$ -	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	26,594	3,081,859	-	-	-	-	2,099,755	66,509	1,462,791	83,530	-	-
Fees	-	-	-	-	-	-	4,316,495	-	-	-	6,159,221	498,123
Interest	107,833	20,191	39,826	13,471	5,913	442	239,662	75,544	-	219	71,575	-
Other	96	375	22	-	-	-	136,059	-	2,576	-	-	-
Total revenues	12,218,786	3,102,425	5,332,515	88,255	69,299	131,004	6,791,971	142,053	1,465,367	83,749	6,230,796	498,123
Expenditures												
Current:												
General government	-	-	-	-	-	-	-	-	44,280	-	-	-
Public Safety	8,946,184	1,200,962	-	-	-	-	-	-	760,555	-	-	614,587
Infrastructure and regulation	-	-	4,225,269	10,609	27,990	-	17,195,362	15,735	10,425	-	-	-
Health and social services	-	-	-	-	-	-	-	-	187,713	-	-	-
Culture, recreation & tourism	-	1,362,891	-	-	-	132,519	-	-	40,478	-	-	-
Economic development	-	-	-	-	-	-	-	-	95,722	-	-	-
Conservation and natural resources	-	-	-	-	-	-	-	-	555,821	-	-	-
Total expenditures	8,946,184	2,563,853	4,225,269	10,609	27,990	132,519	17,195,362	15,735	1,694,994	-	-	614,587
Excess (deficiency) of revenues over (under) expenditures	3,272,602	538,572	1,107,246	77,646	41,309	(1,515)	(10,403,391)	126,318	(229,627)	83,749	6,230,796	(116,464)
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	10,506,990	1,373,405	200,921	-	-	-
Transfers out	(1,899,306)	(1,020,000)	-	-	-	-	-	-	-	(83,530)	(7,363,672)	-
Total other financing sources (uses)	(1,899,306)	(1,020,000)	-	-	-	-	10,506,990	1,373,405	200,921	(83,530)	(7,363,672)	-
Net change in fund balance	1,373,296	(481,428)	1,107,246	77,646	41,309	(1,515)	103,599	1,499,723	(28,706)	219	(1,132,876)	(116,464)
Fund balances (deficits) at beginning of year	3,571,097	776,785	529,580	22,127	216,422	(2,009)	9,623,428	1,371,852	621,221	-	3,164,434	(11,271)
Fund balances (deficits) at end of year	$ 4,944,393	$ 295,357	$ 1,636,826	$ 99,773	$ 257,731	$ (3,524)	$ 9,727,027	$ 2,871,575	$ 592,515	$ 219	$ 2,031,558	$ (127,735)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	Non-Major Funds										
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater Management	GIS/IT	B&C MCBP	Local Atax	Recreation	E 911	Total Non-Major Funds
Revenues											
Property taxes	$ 583,644	$ -	$ 55,395	$ -	$ -	$ -	$ 242,878	$ -	$ 1,903,360	$ -	$ 20,430,939
Accommodations tax	-	-	-	-	-	-	-	969,474	-	-	969,474
Intergovernmental	-	-	-	-	-	-	-	-	-	383,671	7,204,709
Fees	-	100	-	-	3,727,775	49,318	-	-	11,665	873,754	15,636,451
Interest	1,294	-	781	-	117,410	1,845	43,502	21,613	65,384	-	826,505
Other	-	-	-	-	-	-	-	4,068	833,602	-	976,798
Total revenues	584,938	100	56,176	-	3,845,185	51,163	286,380	995,155	2,814,011	1,257,425	46,044,876
Expenditures											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	44,280
Public Safety	-	-	-	-	-	-	-	93,552	-	1,193,050	12,808,890
Infrastructure and regulation	-	-	29,885	-	3,241,340	-	-	-	-	-	24,756,615
Health and social services	577,709	-	-	-	-	-	-	-	-	-	765,422
Culture, recreation & tourism	-	-	-	-	-	-	400,362	619,547	1,926,201	-	4,481,998
Economic development	-	-	-	29,100	-	-	-	-	-	-	124,822
Conservation and natural resources	-	5,205	-	-	-	-	-	-	-	-	561,026
Total expenditures	577,709	5,205	29,885	29,100	3,241,340	-	400,362	713,099	1,926,201	1,193,050	43,543,053
Excess (deficiency) of revenues over (under) expenditures	7,229	(5,105)	26,291	(29,100)	603,845	51,163	(113,982)	282,056	887,810	64,375	2,501,823
Other Financing Sources (Uses)											
Transfers in	-	-	-	29,100	-	-	-	-	-	-	12,110,416
Transfers out	-	-	-	-	(400,000)	-	-	(201,651)	(1,225,494)	-	(12,193,653)
Total other financing sources (uses)	-	-	-	29,100	(400,000)	-	-	(201,651)	(1,225,494)	-	(83,237)
Net change in fund balance	7,229	(5,105)	26,291	-	203,845	51,163	(113,982)	80,405	(337,684)	64,375	2,418,586
Fund balances (deficit), at beginning of year	(1,381)	61,797	(360,585)	489	4,600,756	59,705	1,648,986	132,570	2,798,754	-	28,824,757
Fund balances (deficit), at end of year	$ 5,848	$ 56,692	$ (334,294)	$ 489	$ 4,804,601	$ 110,868	$ 1,535,004	$ 212,975	$ 2,461,070	$ 64,375	$ 31,243,343

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 5,082,171	$ 3,697,522
Receivables, net:		
Property taxes	63,300	58,605
Due from other funds	3,072	-
Due from other governments	26,283	12,853
Prepaid items	10,083	-
Total assets	$ 5,184,909	$ 3,768,980
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 121,223	$ 96,461
Accrued salaries and wages	119,293	101,422
Total liabilities	240,516	197,883
Fund balance:		
Reserved for prepaid items	10,083	-
Reserved for encumbrances	-	19,896
Unreserved:		
Designated for budget rollforwards	132,947	-
Unreserved, undesignated	4,801,363	3,551,201
Total fund balance	4,944,393	3,571,097
Total liabilities and fund balance	$ 5,184,909	$ 3,768,980

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	**$ 11,630,901**	**$ 12,084,263**	**$ 453,362**	$ 11,118,595
Intergovernmental	**26,594**	**26,594**	**-**	39,248
Interest	**-**	**107,833**	**107,833**	28,901
Other	**10,000**	**96**	**(9,904)**	5,267
Total revenues	**11,667,495**	**12,218,786**	**551,291**	11,192,011
Expenditures				
Current:				
Public Safety:				
Personal services	**6,306,668**	**5,906,095**	**400,573**	6,099,481
Contractual services	**1,256,528**	**1,123,668**	**132,860**	1,021,769
Supplies & Materials	**729,480**	**662,068**	**67,412**	581,461
Business & Travel	**614,160**	**451,877**	**162,283**	407,364
Capital outlay	**186,949**	**186,727**	**222**	54,938
Indirect cost allocation	**650,000**	**615,749**	**34,251**	541,543
Total expenditures	**9,743,785**	**8,946,184**	**797,601**	8,706,556
Excess of revenues over expenditures	**1,923,710**	**3,272,602**	**1,348,892**	2,485,455
Other Financing Sources (Uses)				
Transfers in	**-**	**-**	**-**	18,360
Transfers out	**(1,913,710)**	**(1,899,306)**	**14,404**	(1,309,604)
Total other financing sources (uses)	**(1,913,710)**	**(1,899,306)**	**14,404**	(1,291,244)
Net change in fund balance	**10,000**	**1,373,296**	**1,363,296**	1,194,211
Fund balance at beginning of year	**3,571,097**	**3,571,097**	**-**	2,376,886
Fund balance at end of year	**$ 3,581,097**	**$ 4,944,393**	**$ 1,363,296**	$ 3,571,097

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ACCOMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 134,670	$ 245,776
Accounts receivable, net:		
Fees	485	-
Other	1,219	1,198
Due from other governments	1,023,896	839,120
Total assets	$ 1,160,270	$ 1,086,094
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 339,683	$ 295,272
Accrued salaries and wages	15,230	14,037
Due to other funds	510,000	-
Total liabilities	864,913	309,309
Fund balance:		
Reserved for cultural	119,870	119,870
Unreserved, undesignated	175,487	656,915
Total fund balance	295,357	776,785
Total liabilities and fund balance	$ 1,160,270	$ 1,086,094

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Intergovernmental	$ 2,785,550	$ 3,081,859	$ 296,309	$ 2,671,955
Interest	8,250	20,191	11,941	7,660
Other	768,534	375	(768,159)	28,816
Total revenues	3,562,334	3,102,425	(459,909)	2,708,431
Expenditures				
Current:				
Public Safety				
Beach Patrol:				
Personal services	581,530	510,488	71,042	493,276
Contractual services	20,118	10,839	9,279	47,793
Supplies and materials	8,320	5,229	3,091	4,947
Business and travel	91,173	92,647	(1,474)	24,449
Capital outlay	75,000	73,994	1,006	-
Total beach patrol	776,141	693,197	82,944	570,465
Beach Clean-up:				
Personal services	350,727	334,517	16,210	309,539
Contractual services	73,896	73,730	166	78,263
Supplies and materials	28,802	22,239	6,563	20,679
Business and travel	73,221	70,073	3,148	69,063
Capital outlay	7,207	7,206	1	7,154
Total beach clean-up	533,853	507,765	26,088	484,698
Total public safety	1,309,994	1,200,962	109,032	1,055,163
Culture, Recreation and Tourism:				
Contributions to other agencies	1,222,340	1,362,891	(140,551)	1,160,890
Total culture, recreation and tourism	1,222,340	1,362,891	(140,551)	1,160,890
Total expenditures	2,532,334	2,563,853	(31,519)	2,216,053
Excess (deficiency) of revenues over (under) expenditures	1,030,000	538,572	(491,428)	492,378

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Other Financing Sources (Uses)				
Transfers in	-	-	-	2,623
Transfers out	**(1,020,000)**	**(1,020,000)**	-	(76,750)
Total other financing sources (uses)	**(1,020,000)**	**(1,020,000)**	-	(74,127)
Net change in fund balance	**10,000**	**(481,428)**	**(491,428)**	418,251
Fund balance at beginning of year	**776,785**	**776,785**	-	358,534
Fund balance at end of year	**$ 786,785**	**$ 295,357**	**$ (491,428)**	$ 776,785

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 2,114,874	$ 1,114,071
Receivables, net:		
Property taxes	26,483	26,666
Total assets	$ 2,141,357	$ 1,140,737
Liabilities and Fund Balance		
Liabilities:		
Due to component unit	$ 437,530	$ 524,272
Intergovernmental payable	67,001	86,885
Total liabilities	504,531	611,157
Fund balance:		
Unreserved, undesignated	1,636,826	529,580
Total fund balance	1,636,826	529,580
Total liabilities and fund balance	$ 2,141,357	$ 1,140,737

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 4,917,759	$ 5,292,667	$ 374,908	$ 4,671,699
Interest	-	39,826	39,826	9,255
Other	157,109	22	(157,087)	12,308
Total revenues	5,074,868	5,332,515	257,647	4,693,262
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	4,852,568	4,159,668	692,900	3,794,997
Capital outlay	222,300	59,706	162,594	314,558
Indirect cost allocation	-	3,480	(3,480)	-
Interest	-	2,415	(2,415)	1,270
Total expenditures	5,074,868	4,225,269	849,599	4,110,825
Excess of revenues over expenditures	-	1,107,246	1,107,246	582,437
Net change in fund balance	-	1,107,246	1,107,246	582,437
Fund balance at beginning of year	529,580	529,580	-	(52,857)
Fund balance at end of year	$ 529,580	$ 1,636,826	$ 1,107,246	$ 529,580

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

WATERSHED SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 421,850	$ 344,210
Receivables, net:		
Property taxes	610	699
Total assets	$ 422,460	$ 344,909
Liabilities and Fund Balance		
Liabilities:		
Due to Other funds	$ 322,687	$ 322,782
Total liabilities	322,687	322,782
Fund balance:		
Unreserved, undesignated	99,773	22,127
Total fund balance	99,773	22,127
Total liabilities and fund balance	$ 422,460	$ 344,909

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			Restated 2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 71,974	$ 74,784	$ 2,810	$ 67,534
Interest	-	13,471	13,471	7,862
Total revenues	71,974	88,255	16,281	75,396
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	71,974	9,125	62,849	343,782
Indirect cost allocation	-	1,484	(1,484)	235
Total expenditures	71,974	10,609	61,365	344,017
Excess (deficiency) of revenues over (under) expenditures	-	77,646	77,646	(268,621)
Net change in fund balance	-	77,646	77,646	(268,621)
Fund balance at beginning of year	22,127	22,127	-	290,748
Fund balance at end of year	$ 22,127	$ 99,773	$ 77,646	$ 22,127

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 259,979	$ 218,633
Receivables, net:		
Property taxes	300	-
Total assets	$ 260,279	$ 218,633
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 2,548	$ 2,211
Total liabilities	2,548	2,211
Fund balance:		
Unreserved, undesignated	257,731	216,422
Total fund balance	257,731	216,422
Total liabilities and fund balance	$ 260,279	$ 218,633

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property tax	$ 62,311	$ 63,386	$ 1,075	$ 59,908
Interest on investments	-	5,913	5,913	1,853
Total revenues	62,311	69,299	6,988	61,761
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	25,475	24,969	506	17,441
Supplies and materials	2,500	200	2,300	2,500
Other	34,336	-	34,336	-
Indirect cost allocation	-	2,821	(2,821)	2,249
Total expenditures	62,311	27,990	34,321	22,190
Excess of revenues over expenditures	-	41,309	41,309	39,571
Net change in fund balance	-	41,309	41,309	39,571
Fund balance at beginning of year	216,422	216,422	-	176,851
Fund balance at end of year	$ 216,422	$ 257,731	$ 41,309	$ 216,422

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SOCASTEE RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Receivables, net:		
Property taxes	$ 1,073	$ 1,179
Total assets	$ 1,073	$ 1,179
Liabilities and Fund Balance		
Liabilities		
Due to general fund	$ 4,597	$ 3,188
Total liabilities	4,597	3,188
Fund balance		
Unreserved, undesignated	(3,524)	(2,009)
Total fund (deficit)	(3,524)	(2,009)
Total liabilities and fund balance	$ 1,073	$ 1,179

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 121,650	$ 130,562	$ 8,912	$ 100,720
Other	-	-	-	1,378
Interest	-	442	442	107
Total revenues	121,650	131,004	9,354	102,205
Expenditures				
Current:				
Culture, Recreation & Tourism				
Contractual services	120,450	132,259	(11,809)	101,538
Indirect cost allocation	1,200	260	940	-
Total expenditures	121,650	132,519	(10,869)	101,538
Excess (deficiency) of revenues (under) over expenditures	-	(1,515)	(1,515)	667
Net change in fund balance	-	(1,515)	(1,515)	667
Fund balance (deficit) at beginning of year	(2,009)	(2,009)	-	(2,676)
Fund balance (deficit) at end of year	$ (2,009)	$ (3,524)	$ (1,515)	$ (2,009)

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 9,313,733	$ 9,495,547
Accounts receivable	1,027	-
Due from other governments	1,078,987	405,323
Due from other funds	423,307	393,277
Inventories	47,912	30,170
Total assets	$ 10,864,966	$ 10,324,317
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 917,167	$ 614,975
Accounts Payable - other	4,070	4,116
Construction payable	48,270	14,214
Retainage payable	85,473	-
Accrued salaries and wages	81,524	67,584
Compensation for future absences	1,435	-
Total liabilities	1,137,939	700,889
Fund balance:		
Reserved for encumbrances	3,532,887	2,652,044
Reserved for inventories	47,912	30,170
Reserved for road maintenance	763,323	763,323
Unreserved, Undesignated	5,382,905	6,177,891
Total fund balance	9,727,027	9,623,428
Total liabilities and fund balance	$ 10,864,966	$ 10,324,317

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Fees	$ 4,465,000	$ 4,316,495	$ (148,505)	$ 4,130,911
Intergovernmental	1,565,766	2,099,755	533,989	1,343,496
Interest	115,000	239,662	124,662	89,172
Other	12,574,230	136,059	(12,438,171)	2,505
Total revenues	18,719,996	6,791,971	(11,928,025)	5,566,084
Expenditures				
Public Works:				
Personal services	198,141	199,105	(964)	189,560
Contractual services	57,313	5,687	51,626	123,255
Supplies and materials	3,596	2,885	711	4,073
Business and travel	11,805	6,056	5,749	6,700
Capital outlay	124,095	196	123,899	-
Total division director	394,950	213,929	181,021	323,588
Engineer:				
Personal services	1,010,141	744,000	266,141	688,197
Contractual services	220,178	146,230	73,948	5,380,624
Supplies and materials	28,811	25,451	3,360	17,761
Business and travel	43,743	41,514	2,229	37,321
Capital outlay	23,385	22,570	815	17,907
Construction contracts	12,211,078	4,417,456	7,793,622	-
Other	333,113	627	332,486	-
Total engineer	13,870,449	5,397,848	8,472,601	6,141,810
Operations:				
Personal services	4,200,177	4,556,752	(356,575)	4,284,538
Contractual services	190,824	186,520	4,304	4,195,814
Supplies and materials	71,852	69,093	2,759	67,872
Business and travel	1,409,156	1,251,602	157,554	1,206,555
Capital outlay	1,066,795	668,496	398,299	133,823
Construction contracts	776,608	3,636,401	(2,859,793)	-
Other	810,229	827,725	(17,496)	-
Indirect cost allocation	110,000	386,996	(276,996)	851,974
Total operations	8,635,641	11,583,585	(2,947,944)	10,740,576
Total expenditures	22,901,040	17,195,362	5,705,678	17,205,974
Deficiency of revenues under expenditures	(4,181,044)	(10,403,391)	(6,222,347)	(11,639,890)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Other Financing Sources				
Transfers in	**10,801,521**	**10,506,990**	**(294,531)**	10,552,045
Total other financing sources	**10,801,521**	**10,506,990**	**(294,531)**	10,552,045
Net change in fund balance	**6,620,477**	**103,599**	**(6,516,878)**	(1,087,845)
Fund balance at beginning of year	**9,623,428**	**9,623,428**	**-**	10,711,273
Fund balance at end of year	**$ 16,243,905**	**$ 9,727,027**	**$ (6,516,878)**	$ 9,623,428

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BEACH NOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 3,476,490	$ 2,638,395
Accounts receivable - other	49,244	-
Due from other funds	563,135	192,937
Total assets	$ 4,088,869	$ 2,831,332
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ -	$ 50,230
Due to other funds	1,217,294	1,409,250
Total liabilities	1,217,294	1,459,480
Fund balance:		
Reserved for Beach Renourishment	2,572,638	2,073,509
Unreserved:		
Designated	903,852	631,394
Unreserved, undesignated	(604,915)	(1,333,051)
Total fund balance	2,871,575	1,371,852
Total liabilities and fund balance	$ 4,088,869	$ 2,831,332

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Interest	$ 5,000	$ 75,544	$ 70,544	$ 19,533
Intergovernmental	-	66,509	66,509	5,617
Total revenues	5,000	142,053	137,053	25,150
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	731,389	2,453	728,936	77,580
Cost Allocation	100,000	13,282	86,718	-
Total expenditures	831,389	15,735	815,654	77,580
Excess (deficiency) of revenues over (under) expenditures	(826,389)	126,318	952,707	(52,430)
Other Financing Sources (Uses)				
Transfers in	826,389	1,373,405	547,016	355,012
Total other financing sources (uses)	826,389	1,373,405	547,016	355,012
Net change in fund balance	-	1,499,723	1,499,723	302,582
Fund balance at beginning of year	1,371,852	1,371,852	-	1,069,270
Fund balance at end of year	$ 1,371,852	$ 2,871,575	$ 1,499,723	$ 1,371,852

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash and cash equivalents	$ 29,495	$ 320,642
Accounts receivable - other	770	-
Due from other governments	1,101,320	1,039,902
Total assets	$ 1,131,585	$ 1,360,544
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 73,774	$ 84,150
Accrued salaries and wages	8,955	7,485
Due to other funds	444,338	298,391
Due to other governments	12,003	334,504
Deferred revenue	-	14,793
Total liabilities	539,070	739,323
Fund balance:		
Reserved for encumbrances	4,280	56,160
Unreserved, undesignated	588,235	565,061
Total fund balance	592,515	621,221
Total liabilities and fund balance	$ 1,131,585	$ 1,360,544

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Intergovernmental	$ 2,727,966	$ 1,462,791	$ (1,265,175)	$ 1,689,049
Other	-	2,576	2,576	998
Total revenues	2,727,966	1,465,367	(1,262,599)	1,690,047
Expenditures				
General Government:				
Personal services	15,042	39,527	(24,485)	22,797
Supplies and materials	29,970	4,429	25,541	488
Other	300	324	(24)	-
Total general government	45,312	44,280	1,032	23,285
Public Safety:				
Personal services	304,197	274,518	29,679	212,661
Contractual services	39,410	111,537	(72,127)	35,921
Supplies and materials	167,581	109,042	58,539	163,356
Business and travel	66,333	44,125	22,208	4,345
Capital outlay	286,077	173,325	112,752	491,109
Other	321,057	48,008	273,049	-
Total public safety	1,184,655	760,555	424,100	907,392
Infrastructure and Regulation:				
Construction contracts	200,115	10,425	189,690	44,291
Total infrastructure and regulation	200,115	10,425	189,690	44,291
Health and Social Services:				
Personal services	-	52,057	(52,057)	105,930
Contractual services	-	7,000	(7,000)	11,517
Supplies and materials	22,181	125,458	(103,277)	154,809
Business and travel	-	3,198	(3,198)	3,599
Total health and social services	22,181	187,713	(165,532)	275,855
Culture, Recreation & Tourism:				
Personal services	-	-	-	6,904
Supplies and materials	40,412	40,478	(66)	-
Total culture, recreation & tourism	40,412	40,478	(66)	6,904

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures (Continued)				
Economic Development:				
Business and travel	-	-	-	2,000
Grant Projects	2,500	-	2,500	-
Construction contracts	596,631	95,722	500,909	26,825
Total economic development	599,131	95,722	503,409	28,825
Conservation and Natural Resources:				
Personal service	27,780	44,544	(16,764)	16,331
Contractual services	22,000	10,500	11,500	32,087
Supplies and material	495,795	112,365	383,430	163,092
Business and travel	12,000	12,577	(577)	1,388
Capital outlay	533,387	373,738	159,649	303,864
Other	38,100	2,097	36,003	-
Total conservation and natural resources	1,129,062	555,821	573,241	516,762
Total expenditures	3,220,868	1,694,994	1,525,874	1,803,314
Excess (deficiency) of revenues over (under) expenditures	(492,902)	(229,627)	263,275	(113,267)
Other Financing Sources (Uses)				
Transfers in	492,468	200,921	(291,547)	294,696
Transfers out	-	-	-	(1,755)
Total other financing sources (uses)	492,468	200,921	(291,547)	292,941
Net change in fund balance	(434)	(28,706)	(28,272)	179,674
Fund balance at beginning of year	621,221	621,221	-	441,547
Fund balance at end of year	$ 620,787	$ 592,515	$ (28,272)	$ 621,221

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ADMISSIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Due from State Treasurer	$ 40,935	$ 26,487
Total assets	$ 40,935	$ 26,487
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$ 40,716	$ 26,487
Total Liabilities	40,716	26,487
Fund balance		
Unreserved, undesignated	219	-
Total fund balance	219	-
Total liabilities and fund balance	$ 40,935	$ 26,487

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Intergovernmental	$ 88,020	$ 83,530	$ (4,490)	$ 81,882
Interest	-	219	219	-
Total revenues	88,020	83,749	(4,271)	81,882
Excess (deficiency) of revenues over (under) expenditures	88,020	83,749	(4,271)	81,882
Other Financing Sources (Uses)				
Transfers out	(88,020)	(83,530)	4,490	(81,882)
Total other financing sources (uses)	(88,020)	(83,530)	4,490	(81,882)
Net change in fund balance	-	219	219	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ 219	$ 219	$ -

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash and cash equivalents	$ 3,093,831	$ 1,285,033
Equity in pooled cash and investments	-	1,488,773
Receivables, net:		
Accounts	804,560	700,015
Total assets	$ 3,898,391	$ 3,473,821
Liabilities and Fund Balance		
Liabilities:		
Accounts payable-trade	$ 61,375	$ -
Due to other funds	1,805,458	309,387
Total liabilities	1,866,833	309,387
Fund balance:		
Reserved for Baseball Stadium Fund	300,000	300,000
Unreserved, undesignated	1,731,558	2,864,434
Total fund balance	2,031,558	3,164,434
Total liabilities and fund balance	$ 3,898,391	$ 3,473,821

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Fees and fines	$ 6,983,500	$ 6,159,221	$ (824,279)	$ 5,641,935
Interest	37,280	71,575	34,295	27,106
Total revenues	7,020,780	6,230,796	(789,984)	5,669,041
Excess (deficiency) of revenues over (under) expenditures	7,020,780	6,230,796	(789,984)	5,669,041
Other Financing Sources (Uses)				
Transfers out	(7,020,780)	(7,363,672)	(342,892)	(5,889,278)
Total other financing sources (uses)	(7,020,780)	(7,363,672)	(342,892)	(5,889,278)
Net change in fund balance	-	(1,132,876)	(1,132,876)	(220,237)
Fund balance at beginning of year	3,164,434	3,164,434	-	3,384,671
Fund balance at end of year	$ 3,164,434	$ 2,031,558	$ (1,132,876)	$ 3,164,434

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Prepaid Items	$ 288	$ -
Total assets	$ 288	$ -
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	$ 1,773	$ 286
Due to other funds	110,575	4,427
Accrued salaries and wages	15,675	6,558
Total liabilities	128,023	11,271
Fund balance:		
Reserved for prepaid items	288	-
Unreserved, undesignated	(128,023)	(11,271)
Total fund balance (deficit)	(127,735)	(11,271)
Total liabilities and fund balance	$ 288	$ -

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Fees and fines	$ 628,080	$ 498,123	$ (129,957)	$ 393,674
Interest	2,500	-	(2,500)	596
Total revenues	630,580	498,123	(132,457)	394,270
Expenditures				
Detention:				
Personal services	218,493	219,684	(1,191)	202,384
Contractual services	2,500	1,874	626	2,037
Supplies and materials	3,900	1,916	1,984	2,026
Business and travel	1,500	775	725	1,135
Total detention	226,393	224,249	2,144	207,582
Police:				
Personal services	80,351	57,423	22,928	59,834
Supplies and material	1,025	131	894	42
Business and travel	935	175	760	175
Total police	82,311	57,729	24,582	60,051
Victim Witness:				
Personal Services	48,072	48,266	(194)	-
Supplies and Materials	7,100	6,410	690	-
Other	1,000	-	1,000	60,000
Total victim witness	56,172	54,676	1,496	60,000
Solicitor:				
Personal services	236,405	250,269	(13,864)	236,916
Contractual services	22,922	21,817	1,105	5,128
Business and travel	6,377	5,847	530	3,514
Total solicitor	265,704	277,933	(12,229)	245,558
Total expenditures	630,580	614,587	15,993	573,191
Deficiency of revenues over expenditures	-	(116,464)	(116,464)	(178,921)
			-	

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Other Financing Sources (Uses)				
Transfers in	-	-	-	2,098
Total other financing sources (uses)	-	-	-	2,098
Net change in fund balance	-	**(116,464)**	**(116,464)**	(176,823)
Fund balance at beginning of year	**(11,271)**	**(11,271)**	-	165,552
Fund balance (deficit) at end of year	**$ (11,271)**	**$ (127,735)**	**$ (116,464)**	$ (11,271)

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SENIOR CITIZENS SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 79,278	$ -
Receivables, net:		
Property taxes	2,453	2,720
Total assets	$ 81,731	$ 2,720
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$ 75,883	$ 4,101
Total liabilities	75,883	4,101
Fund balance:		
Unreserved, undesignated	5,848	(1,381)
Total fund balance (deficit)	5,848	(1,381)
Total liabilities and fund balance	$ 81,731	$ 2,720

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 475,000	$ 583,644	$ 108,644	$ 480,356
Interest on investments	-	1,294	1,294	187
Other	-	-	-	9,887
Total revenues	475,000	584,938	109,938	490,430
Expenditures				
Health and Social Services:				
Contractual services	470,000	577,371	(107,371)	518,150
Indirect cost allocation	5,000	338	4,662	-
Total expenditures	475,000	577,709	(102,709)	518,150
Excess (deficiency) of revenues over (under) expenditures	-	7,229	7,229	(27,720)
Net change in fund balance	-	7,229	7,229	(27,720)
Fund balance (deficit) at beginning of year	(1,381)	(1,381)	-	26,339
Fund balance (deficit) at end of year	$ (1,381)	$ 5,848	$ 7,229	$ (1,381)

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RAILROAD SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 56,692	$ 61,797
Total assets	$ 56,692	$ 61,797
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	$ 56,692	$ 61,797
Total fund balance	56,692	61,797
Total liabilities and fund balance	$ 56,692	$ 61,797

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Fees	$ -	$ 100	$ 100	$ -
Total revenues	-	100	100	-
Expenditures				
Infrastructure and Regulation:				
Indirect cost allocation	-	5,205	(5,205)	-
Total expenditures	-	5,205	(5,205)	-
Excess (deficiency) of revenue over (under) expenditures	-	(5,105)	(5,105)	-
Net change in fund balance	-	(5,105)	(5,105)	-
Fund balance at beginning of year	61,797	61,797	-	61,797
Fund balance at end of year	$ 61,797	$ 56,692	$ (5,105)	$ 61,797

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 37,821	$ 33,835
Total assets	$ 37,821	$ 33,835
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 423	$ 411
Accounts payable - other	409	4,700
Due to other funds	371,283	389,309
Total liabilities	372,115	394,420
Fund balance:		
Unreserved, undesignated	(334,294)	(360,585)
Total fund balance (deficit)	(334,294)	(360,585)
Total liabilities and fund balance	$ 37,821	$ 33,835

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Property taxes	$ 55,219	$ 55,395	$ 176	$ 41,162
Interest on investments	-	781	781	222
Other	-	-	-	3,500
Total revenues	55,219	56,176	957	44,884
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal Services	491	654	(163)	575
Contractual services	28,220	1,378	26,842	1,404
Supplies and materials	6,856	6,671	185	7,187
Other	19,052	19,051	1	19,280
Indirect cost allocation	600	2,131	(1,531)	-
Total expenditures	55,219	29,885	25,334	28,446
Excess of revenues over expenditures	-	26,291	26,291	16,438
Net change in fund balance	-	26,291	26,291	16,438
Fund balance (deficit) at beginning of year	(360,585)	(360,585)	-	(377,023)
Fund balance (deficit) at end of year	$ (360,585)	$ (334,294)	$ 26,291	$ (360,585)

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

CDBG REVOLVING LOAN SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash held in trust	$ 489	$ 489
Due from other funds	278,522	302,771
Total assets	$ 279,011	$ 303,260
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 7,276	$ 2,425
Due to other governments	271,246	300,346
Total liabilities	278,522	302,771
Fund balance:		
Unreserved, undesignated	489	489
Total fund balance	489	489
Total liabilities and fund balance	$ 279,011	$ 303,260

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Expenditures				
Current:				
Economic Development:				
JEDA	**29,100**	**29,100**	-	$ 29,100
Total expenditures	**29,100**	**29,100**	-	29,100
Deficiency of revenues under expenditures	**(29,100)**	**(29,100)**	-	(29,100)
Other financing sources (Uses)				
Transfers in	**29,100**	**29,100**	-	29,100
Other	-		-	(250,000)
Total other financing sources (uses)	-	**29,100**	-	(220,900)
Net change in fund balance	**(29,100)**	-	**29,100**	(250,000)
Fund balance at beginning of year	**489**	**489**	-	250,489
Fund balance (deficit) at end of year	**$ (28,611)**	**$ 489**	**$ 29,100**	$ 489

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

STORM WATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	Restated 2005
Assets		
Equity in pooled cash and investments	$ 4,732,290	$ 4,421,629
Due from other funds	322,688	325,670
Prepaid Items	1,044	-
Fee receivable (net)	23,335	20,453
Total assets	$ 5,079,357	$ 4,767,752
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ 168,296	$ 65,587
Accrued salaries and wages	16,011	10,960
Due to other funds	90,449	90,449
Total liabilities	274,756	166,996
Fund balance:		
Reserved for prepaid items	1,044	-
Reserved for encumbrances	467,346	634,895
Unreserved:		
Designated for budget rollforwards	2,924,906	-
Unreserved, undesignated	1,411,305	3,965,861
Total fund balance	4,804,601	4,600,756
Total liabilities and fund balance	$ 5,079,357	$ 4,767,752

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Restated Actual
Revenues				
Intergovernmental revenue	$ 3,623,590	$ -	$ (3,623,590)	$ 2,983
Fees and fines	3,350,000	3,727,775	377,775	3,301,815
Interest on investments	60,000	117,410	57,410	45,872
Total revenues	7,033,590	3,845,185	(3,188,405)	3,350,670
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal services	1,192,500	993,560	198,940	980,828
Contractual services	582,252	468,979	113,273	116,469
Supplies and materials	1,003,551	212,892	790,659	205,297
Business and travel	127,376	124,677	2,699	129,268
Construction	2,904,454	1,227,299	1,677,155	1,313,014
Other	94,268	835	93,433	-
Capital outlay	714,092	87,140	626,952	245,850
Cost allocation	15,097	125,958	(110,861)	42,237
Total expenditures	6,633,590	3,241,340	3,392,250	3,032,963
Excess of revenues over expenditures	400,000	603,845	203,845	317,707
Other Financing Sources (Uses)				
Transfers in	-	-	-	3,322
Transfers out	(400,000)	(400,000)	-	(616,667)
Total other financing sources (uses)	(400,000)	(400,000)	-	(613,345)
Net change in fund balance	-	203,845	203,845	(295,638)
Fund balance at beginning of year	4,600,756	4,600,756	-	4,896,394
Fund balance at end of year	$ 4,600,756	$ 4,804,601	$ 203,845	$ 4,600,756

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 111,171	$ 60,328
Accounts receivable	538	-
Total assets	$ 111,709	$ 60,328
Liabilities and Fund Balance		
Liabilities		
Accounts payable - trade	$ 841	$ 623
Total liabilities	841	623
Fund balance		
Unreserved, undesignated	110,868	59,705
Total fund balance	110,868	59,705
Total liabilities and fund balance	$ 111,709	$ 60,328

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Interest	$ -	$ 1,845	$ 1,845	$ 363
GIS users fees	-	49,318	49,318	32,133
Total revenues	-	51,163	51,163	32,496
Excess of revenues over expenditures	-	51,163	51,163	32,496
Net change in fund balance	-	51,163	51,163	32,496
Fund balance at beginning of year	59,705	59,705	-	27,209
Fund balance at end of year	$ 59,705	$ 110,868	$ 51,163	$ 59,705

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	**$ 1,543,662**	$ 1,648,986
Total assets	**$ 1,543,662**	$ 1,648,986
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	**$ 8,658**	$ -
Fund balance		
Reserved for C. Ripken Baseball Park	**49,638**	450,000
Unreserved, undesignated	**1,485,366**	1,198,986
Total fund balance	**1,535,004**	1,648,986
Total liabilities and fund balance	**$ 1,543,662**	$ 1,648,986

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ -	$ 242,878	$ 242,878	$ 440,963
Interest	-	43,502	43,502	-
Total revenues	-	286,380	286,380	440,963
Expenditures				
Cal Ripken Baseball Field	-	400,362	(400,362)	-
Total Expenditures	-	400,362	(400,362)	-
Excess (deficiency) of revenues over (under) expenditures	-	(113,982)	(113,982)	440,963
Net change in fund balance	-	(113,982)	(113,982)	440,963
Fund balance at beginning of year	1,648,986	1,648,986	-	1,208,023
Fund balance at end of year	$ 1,648,986	$ 1,535,004	$ (113,982)	$ 1,648,986

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash and cash equivalents	**$ 736,773**	$ 438,320
Receivables (net):		
Other	**159,128**	147,438
Total assets	**$ 895,901**	$ 585,758
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	**$ 143,583**	$ 101,805
Due to other funds	**539,343**	351,383
Total liabilities	**682,926**	453,188
Fund balance:		
Reserved for public safety	**212,975**	132,570
Total fund balance	**212,975**	132,570
Total liabilities and fund balance	**$ 895,901**	$ 585,758

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Accommodations tax	$ 887,500	$ 969,474	$ 81,974	$ 860,677
Interest	1,250	21,613	20,363	4,135
Other - City contribution	5,750	4,068	(1,682)	648,158
Total revenues	894,500	995,155	100,655	1,512,970
Expenditures				
Public Safety:				
Personal services	-	6,652	(6,652)	255,195
Contractual Services	87,900	86,900	1,000	69,400
Total public safety	87,900	93,552	(5,652)	324,595
Culture, Recreation & Tourism:				
Other	806,600	619,547	187,053	875,439
Total culture, recreation & tourism	806,600	619,547	187,053	875,439
Total expenditures	894,500	713,099	181,401	1,200,034
Excess of revenues over expenditures	-	282,056	282,056	312,936
Other Financing Sources (Uses)				
Transfers out	(186,056)	(201,651)	(15,595)	(286,671)
Total other financing sources (uses)	(186,056)	(201,651)	(15,595)	(286,671)
Net change in fund balance	(186,056)	80,405	266,461	26,265
Fund balance at beginning of year	132,570	132,570	-	106,305
Fund balance (deficit) at end of year	$ (53,486)	$ 212,975	$ 266,461	$ 132,570

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash	$ **100**	$ 100
Equity in pooled cash and investments	**2,499,723**	2,799,624
Receivables, net:		
Property taxes	**7,946**	10,162
Other	**410**	-
Due from Other Governments	**341,810**	-
Prepaid items	**-**	33,333
Total assets	$ **2,849,989**	$ 2,843,219
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ **35,295**	$ 34,658
Due to other funds	**341,810**	-
Due to component units	**100**	47
Deferred revenue	**-**	1,146
Accrued salaries and wages	**11,714**	8,614
Total liabilities	**388,919**	44,465
Fund balance:		
Reserve for prepaid items	**-**	33,333
Reserve for encumbrances	**76,904**	137,649
Unreserved:		
Designated for budget rollworwards	**2,203,870**	968,574
Unreserved, undesignated	**180,296**	1,659,198
Total fund balance	**2,461,070**	2,798,754
Total liabilities and fund balance	$ **2,849,989**	$ 2,843,219

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	**$ 1,795,250**	**$ 1,903,360**	**$ 108,110**	$ 1,797,294
Fees	**9,250**	**11,665**	**2,415**	121,281
Other	**3,382,371**	**833,602**	**(2,548,769)**	614
Interest on investments	**25,874**	**65,384**	**39,510**	26,685
Total revenues	**5,212,745**	**2,814,011**	**(2,398,734)**	1,945,874
Expenditures				
Culture, Recreation & Tourism:				
Personal services	**728,745**	**627,029**	**101,716**	549,703
Contractual services	**97,624**	**60,245**	**37,379**	38,029
Supplies and materials	**131,583**	**107,409**	**24,174**	91,298
Business and travel	**122,941**	**97,635**	**25,306**	79,517
Capital outlay	**21,378**	**252**	**21,126**	102,994
Other	**3,103,900**	**841,813**	**2,262,087**	1,311,851
Cost allocation	**-**	**191,818**	**(191,818)**	62,683
Total expenditures	**4,206,171**	**1,926,201**	**2,279,970**	2,236,075
Excess (deficiency) of revenues over (under) expenditures	**1,006,574**	**887,810**	**(118,764)**	(290,201)
Other Financing Sources (Uses)				
Transfers in	**-**	**-**	**-**	796,018
Transfers out	**(1,006,574)**	**(1,225,494)**	**(218,920)**	-
Total other financing sources (uses)	**(1,006,574)**	**(1,225,494)**	**(218,920)**	796,018
Net change in fund balance	**-**	**(337,684)**	**(337,684)**	505,817
Fund balance at beginning of year	**2,798,754**	**2,798,754**	**-**	2,292,937
Fund balance at end of year	**$ 2,798,754**	**$ 2,461,070**	**$ (337,684)**	$ 2,798,754

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

E 911 SPECIAL REVENUE FUND
BALANCE SHEETS

June 30, 2006
(with comparative amounts June 30, 2005)

Assets	**2006**	2005
Receivables, (net):		
Accounts receivable	$ **74,202**	-
Due from State Treasurer	**116,849**	-
Total assets	$ **191,051**	-
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ **1,445**	-
Due to other funds	**123,054**	-
Accrued salaries and wages	**2,177**	-
Total liabilities	**126,676**	-
Fund Balance:		
Unreserved, undesignated	**64,375**	-
Total fund balance	**64,375**	-
Total liabilities and fund balance	$ **191,051**	-

HORRY COUNTY, SOUTH CAROLINA

E 911 SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - MAJOR FUND

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
State Revenue	$ 365,000	$ 383,671	$ 18,671	$ -
Fees	835,000	873,754	38,754	-
Total revenues	1,200,000	1,257,425	57,425	-
Expenditures				
Personal services	131,513	129,384	2,129	-
Contractual services	1,060,212	1,059,093	1,119	-
Supplies and materials	6,360	3,090	3,270	-
Business and travel	1,915	1,483	432	-
Total expenditures	1,200,000	1,193,050	6,950	-
Excess of revenues over expenditures	-	64,375	64,375	-
Net change in fund balance	-	64,375	64,375	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ 64,375	$ 64,375	$ -

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Cash and cash equivalents	$ 2,425,072	$ 2,359,463
Equity in pooled cash and investments	-	99,692
Receivables, net:		
Fees	3,949,594	3,460,135
Due from other funds	494,173	-
Total assets	$ 6,868,839	$ 5,919,290
Liabilities and Fund Balance		
Liabilities:		
Due to other funds	$ 6,746,724	$ 5,910,630
Deferred revenue	114,197	-
Total liabilities	6,860,921	5,910,630
Fund balance:		
Unreserved, undesignated	7,918	8,660
Total fund balance	7,918	8,660
Total liabilities and fund balance	$ 6,868,839	$ 5,919,290

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Fees and fines	**$ 27,389,500**	**$ 28,267,986**	**$ 878,486**	$ 25,969,284
Interest	**17,500**	**51,985**	**34,485**	27,972
Other	**-**	**-**	**-**	216
Total revenues	**27,407,000**	**28,319,971**	**912,971**	25,997,472
Excess of revenues over expenditures	**27,407,000**	**28,319,971**	**912,971**	25,997,472
Other Financing Sources (Uses)				
Transfers out - RIDE Debt Service	**(27,133,105)**	**(28,043,262)**	**(910,157)**	(26,645,217)
Transfers out - General Fund	**(273,895)**	**(277,451)**	**(3,556)**	(254,754)
Total other financing Sources (Uses)	**(27,407,000)**	**(28,320,713)**	**(913,713)**	(26,899,971)
Net change in fund balance	**-**	**(742)**	**(742)**	(902,499)
Fund balance at beginning of year	**8,660**	**8,660**	**-**	911,159
Fund balance (deficit) at end of year	**$ 8,660**	**$ 7,918**	**$ (742)**	$ 8,660

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ **14,398,555**	$ 15,298,969
Funds held in escrow	**2,369,015**	2,280,483
Accrued interest receivable	**99,383**	15,826
Prepaid leases	**728,639**	728,639
Due from other funds	**341,810**	-
Due from component unit	**83,091**	72,252
Total assets	$ **18,020,493**	$ 18,396,169
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	$ **132,943**	$ 637,539
Construction and retainage payable	**-**	121,034
Other accrued liabilities	**242,797**	234,531
Total liabilities	**375,740**	993,104
Fund balance:		
Reserved for prepaid items	**728,639**	728,639
Reserved for encumbrances	**7,270,699**	6,037,378
Reserved for Fire Special Revenue Fund	**3,276,394**	4,289,848
Reserved for bonded capital projects	**1,254,029**	-
Reserved for Loris Library	**47,635**	-
Unreserved:		
Designated	**5,067,357**	6,347,200
Total fund balance	**17,644,753**	17,403,065
Total liabilities and fund balance	$ **18,020,493**	$ 18,396,169

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Disposal fee	**$ 738,000**	**$ 825,851**	**$ 87,851**	$ 787,796
Interest	**-**	**925,009**	**925,009**	464,934
Other	**-**	**47,635**	**47,635**	-
Total revenues	**738,000**	**1,798,495**	**1,060,495**	1,252,730
Expenditures				
Capital Outlay:				
Construction contracts	**19,899,126**	**5,312,829**	**14,586,297**	4,080,679
Capital outlay	**14,176,791**	**7,703,248**	**6,473,543**	14,506,686
Other	**1,328,228**	**211,754**	**1,116,474**	160,400
Total Capital Outlay	**35,404,145**	**13,227,831**	**22,176,314**	18,747,765
Total expenditures	**35,404,145**	**13,227,831**	**22,176,314**	18,747,765
Excess (deficiency) of revenues over expenditures	**(34,666,145)**	**(11,429,336)**	**23,236,809**	(17,495,035)
Other Financing Sources (Uses)				
Capital lease obligation	**-**	**4,284,381**	**4,284,381**	9,789,826
Transfer to Horry Georgetown TECH	**-**	**(3,111,061)**	**(3,111,061)**	-
Transfers in	**34,823,335**	**10,654,894**	**(24,168,441)**	3,891,566
Transfers out	**(157,190)**	**(157,190)**	**-**	(142,139)
Total other financing sources (uses)	**34,666,145**	**11,671,024**	**(22,995,121)**	13,539,253
Net change in fund balance	**-**	**241,688**	**241,688**	(3,955,782)
Fund balance at beginning of year	**17,403,065**	**17,403,065**	**-**	21,358,847
Fund balance at end of year	**$ 17,403,065**	**$ 17,644,753**	**$ 241,688**	$ 17,403,065

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEBT SERVICE FUNDS

Debt service funds are used to account for fund accumulated for, and payment of, all general long-term debt principal, interest and fees, exclusive of those relating to propriety funds. The County currently has established the following debt service funds:

General Debt - accounts for the funds accumulated for, and payment of, all general obligation long-term debt principal, interest and fees other than those accounted for in other funds.

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

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

Special Obligation Debt - accounts for the funds accumulated for, and payment of, all special obligation debt principal, interest and fees other than those accounted for in other funds.

RIDE Program - accounts for the funds accumulated for, and payment of principal, insured and uninsured portions, interest, and fees on intergovernmental loan agreements with the South Carolina Transportation Infrastructure Bank for the Horry County Road Improvement Development Efforts (RIDE) projects.

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2006

	Non-Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
Assets					
Equity in pooled cash and investments	$ 5,744,676	$ 120,411	$ 191,362	$ -	$ 6,056,449
Funds held in trust - restricted	-	-	-	2,507,987	2,507,987
Receivables, net:					
Property taxes	32,540	4,307	11,643	-	48,490
Interest	2,515	-	-	-	2,515
Total assets	$ 5,779,731	$ 124,718	$ 203,005	$ 2,507,987	$ 8,615,441
Liabilities and Fund Balances					
Fund balances:					
Reserved for debt service	$ -	$ 124,718	$ -	$ 2,507,987	$ 2,632,705
Unreserved, undesignated	5,779,731	-	203,005	-	5,982,736
Total fund balances	5,779,731	124,718	203,005	2,507,987	8,615,441
Total liabilities and fund balances	$ 5,779,731	$ 124,718	$ 203,005	$ 2,507,987	$ 8,615,441

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006

	Non-Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
Revenues					
Property taxes	$ 7,834,157	$ 1,025,457	$ 2,772,780	$ -	$ 11,632,394
Intergovernmental	103,213	10,639	13,881	-	127,733
Interest	170,099	9,200	24,971	269,224	473,494
Other	22,348	-	-	-	22,348
Total revenues	8,129,817	1,045,296	2,811,632	269,224	12,255,969
Expenditures					
Debt service:					
Principal	5,032,175	390,000	105,000	1,205,000	6,732,175
Interest	3,297,001	136,388	137,325	823,035	4,393,749
Agents fees	5,639	451	800	3,121	10,011
Other	4,319	-	-	-	4,319
Total debt service	8,339,134	526,839	243,125	2,031,156	11,140,254
Current:					
Horry Georgetown TECH	-	-	2,590,935	-	2,590,935
Higher Education Commission	-	500,000	-	-	500,000
Total current	-	500,000	2,590,935	-	3,090,935
Total expenditures	8,339,134	1,026,839	2,834,060	2,031,156	14,231,189
Excess (deficiency) of revenues over expenditures	(209,317)	18,457	(22,428)	(1,761,932)	(1,975,220)

- CONTINUED -

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2006

- CONTINUED -

		Non-Major Funds			
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
Other Financing Sources (Uses)					
Payment to refunded bond escrow agent	(34,882,932)	-	-	-	(34,882,932)
Bond issue costs	(439,463)	-	-	-	(439,463)
Transfers in	1,899,306	-	-	1,943,888	3,843,194
Bond proceeds	35,326,714	-	-	-	35,326,714
Total other financing sources (uses)	1,903,625	-	-	1,943,888	3,847,513
Net change in fund balance	1,694,308	18,457	(22,428)	181,956	1,872,293
Fund balances at beginning of year	4,085,423	106,261	225,433	2,326,031	6,743,148
Fund balances at end of year	$ 5,779,731	$ 124,718	$ 203,005	$ 2,507,987	$ 8,615,441

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ 5,744,676	$ 4,053,157
Receivables, (net):		
Property taxes	32,540	32,266
Due from other governments	2,515	-
Total assets	$ 5,779,731	$ 4,085,423
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	$ 5,779,731	$ 4,085,423
Total fund balance	5,779,731	4,085,423
Total liabilities and fund balance	$ 5,779,731	$ 4,085,423

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Property taxes	$ 9,618,269	$ 7,834,157	(1,784,112)	$ 7,452,598
Intergovernmental	106,934	103,213	(3,721)	106,213
Interest	23,865	170,099	146,234	33,909
Other	22,348	22,348	-	24,886
Total revenues	9,771,416	8,129,817	(1,641,599)	7,617,606
Expenditures				
Debt service:				
Principal	5,007,175	5,032,175	(25,000)	5,254,163
Interest	3,840,013	3,297,001	543,012	3,638,318
Agents fees	3,560	5,639	(2,079)	5,150
Other	920,668	4,319	916,349	-
Total debt service	9,771,416	8,339,134	1,432,282	8,897,631
Total expenditures	9,771,416	8,339,134	1,432,282	8,897,631
Excess (deficiency) of revenues over (under) expenditures	-	(209,317)	(209,317)	(1,280,025)
Other Financing Sources (Uses)				
Transfers in	1,913,710	1,899,306	(14,404)	1,309,604
Bond issue costs	-	(439,463)	(439,463)	-
Bond proceeds	-	35,326,714	35,326,714	-
Payment to refunded bond escrow agent	-	(34,882,932)	(34,882,932)	-
Total other financing sources (uses)	1,913,710	1,903,625	(10,085)	1,309,604
Net change in fund balance	1,913,710	1,694,308	(219,402)	29,579
Fund balance at beginning of year	4,085,423	4,085,423	-	4,055,844
Fund balance at end of year	$ 5,999,133	$ 5,779,731	(219,402)	$ 4,085,423

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION DEBT SERVICE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	$ **120,411**	$ 101,486
Receivables, (net):		
Property taxes	**4,307**	4,775
Total assets	$ **124,718**	$ 106,261
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	$ **124,718**	$ 106,261
Total fund balance	**124,718**	106,261
Total liabilities and fund balance	$ **-**	$ -

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 990,060	$ 1,025,457	$ 35,397	$ 845,575
Intergovernmental	10,940	10,639	(301)	10,638
Interest	-	9,200	9,200	3,196
Other	-	-	-	286
Total revenues	1,001,000	1,045,296	44,296	859,695
Expenditures				
Debt service:				
Principal	390,000	390,000	-	390,000
Interest	136,388	136,388	-	135,775
Agents fees	800	451	349	450
Indirect cost allocation	6,490	-	6,490	-
Total debt service	533,678	526,839	6,839	526,225
Current:				
Higher Education Commission	467,322	500,000	(32,678)	303,161
Total expenditures	1,001,000	1,026,839	(25,839)	829,386
Excess of revenues over expenditures	-	18,457	18,457	30,309
Other Financing Sources (Uses)				
Transfers in	-	-	-	540
Total other financing sources (uses)	-	-	-	540
Net change in fund balance	-	18,457	18,457	30,849
Fund balance at beginning of year	106,261	106,261	-	75,952
Fund balance at end of year	$ 106,261	$ 124,718	$ 18,457	$ 106,261

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH DEBT SERVICE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Equity in pooled cash and investments	**$ 191,362**	$ 206,401
Receivables, (net):		
Property taxes	**11,643**	12,937
Interest	**-**	6,095
Total assets	**$ 203,005**	$ 225,433
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	**$ 203,005**	$ 225,433
Total fund balance	**203,005**	225,433
Total liabilities and fund balance	**$ 203,005**	$ 225,433

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Property taxes	$ 2,596,050	$ 2,772,780	$ 176,730	$ 2,281,986
Intergovernmental	13,880	13,881	1	13,880
Interest	15,000	24,971	9,971	68,478
Other	-	-	-	777
Total revenues	2,624,930	2,811,632	186,702	2,365,121
Expenditures				
Debt service:				
Principal	105,000	105,000	-	-
Interest	137,325	137,325	-	102,994
Agents fees	840	800	40	-
Indirect cost allocation	12,010	-	12,010	-
Total debt service	255,175	243,125	12,050	102,994
Current:				
Horry Georgetown Tech	2,369,755	2,590,935	(221,180)	2,153,403
Total expenditures	2,624,930	2,834,060	(209,130)	2,256,397
Excess (deficit) of revenues over (under) expenditures	-	(22,428)	(22,428)	108,724
Net change in fund balance	-	(22,428)	(22,428)	108,724
Fund balance at beginning of year	225,433	225,433	-	116,709
Fund balance at end of year	$ 225,433	$ 203,005	$ (22,428)	$ 225,433

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Funds held in trust (restricted)	**$ 2,507,987**	$ 2,326,031
Total assets	**$ 2,507,987**	$ 2,326,031
Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	**$ 2,507,987**	$ 2,326,031
Total fund balance	**2,507,987**	2,326,031
Total liabilities and fund balance	**$ 2,507,987**	$ 2,326,031

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Interest	$ 190,000	$ 269,224	$ 79,224	$ 188,253
Total revenues	190,000	269,224	79,224	188,253
Expenditures				
Debt service:				
Principal	1,205,000	1,205,000	-	1,150,000
Interest	823,035	823,035	-	876,223
Agency fees	3,150	3,121	29	3,145
Total debt service	2,031,185	2,031,156	29	2,029,368
Excess (deficiency) of revenues over (under) expenditures	(1,841,185)	(1,761,932)	79,253	(1,841,115)
Other Financing Sources (Uses)				
Transfers in - Hospitality Fund	1,841,185	1,943,888	102,703	1,946,396
Total other financing sources (uses)	1,841,185	1,943,888	102,703	1,946,396
Net change in fund balance	-	181,956	181,956	105,281
Fund balance at beginning of year	2,326,031	2,326,031	-	2,220,750
Fund balance at end of year	$ 2,326,031	$ 2,507,987	$ 181,956	$ 2,326,031

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Funds held in trust (restricted):		
Loan Reserve Account	**$ 20,942,322**	$ 15,239,800
Due from other funds	**6,439,099**	5,903,260
Total assets	**$ 27,381,421**	$ 21,143,060
Liabilities and Fund balance		
Fund balance:		
Reserved	**$ 27,381,421**	$ 21,143,060
Total fund balance	**27,381,421**	21,143,060
Total liabilities and fund balance	**$ 27,381,421**	$ 21,143,060

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative actual amounts year ended June 30, 2005)

	2006			2005
	Budget	**Actual**	**Variance Positive (Negative)**	Actual
Revenues				
Interest on investments	**$ 685,000**	**$ 935,776**	**$ 250,776**	$ 617,804
Total revenues	**685,000**	**935,776**	**250,776**	617,804
Expenditures				
Debt service:				
Principal:				
Insured	**10,384,532**	**10,377,095**	**7,437**	10,050,976
Uninsured	**2,853,268**	**3,040,515**	**(187,247)**	1,953,112
Interest:				
Insured	**4,703,488**	**4,703,488**	**-**	5,031,436
Uninsured	**6,734,545**	**6,547,298**	**187,247**	6,803,229
Total debt service	**24,675,833**	**24,668,396**	**7,437**	23,838,753
Excess (deficiency) of revenues over (under) expenditures	**(23,990,833)**	**(23,732,620)**	**258,213**	(23,220,949)
Other Financing Sources (Uses)				
Transfers in - Hospitality	**28,714,105**	**29,887,451**	**1,173,346**	26,727,099
Transfers in - Admissions Tax	**88,020**	**83,530**	**(4,490)**	-
Total other financing sources (uses)	**28,802,125**	**29,970,981**	**1,168,856**	26,727,099
Net change in fund balance	**4,811,292**	**6,238,361**	**1,427,069**	3,506,150
Fund balance at beginning of year	**21,143,060**	**21,143,060**	**-**	17,636,910
Fund balance at end of year	**$ 25,954,352**	**$ 27,381,421**	**$ 1,427,069**	$ 21,143,060

See accompanying independent auditors' report.

PROPRIETARY (ENTERPRISE) FUNDS

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	**$ 22,743,814**	$ 13,786,108
Investments	**15,877,867**	17,244,391
Accounts receivable (net of allowance of $294,358 in 2006 and $243,223 in 2005)	**720,661**	819,982
Accrued interest on investments	**556,059**	151,846
Due from other governments	**1,978,323**	2,051,176
Inventories	**279,184**	249,570
Prepaid expenses	**283,904**	242,207
Total current assets	**42,439,812**	34,545,280
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	**5,424,407**	5,555,091
Investments	**22,379,803**	17,780,277
Receivables - PFC's and CFC's	**787,769**	782,396
Total restricted assets	**28,591,979**	24,117,764
Capital assets:		
Land, easements and infrastructure	**29,833,845**	29,757,914
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	**65,295,698**	63,280,713
Construction-in-progress	**12,323,334**	11,188,383
Total capital assets, net	**107,452,877**	104,227,010
Bond issuance costs, net	**665,188**	729,478
Total assets	**$ 179,149,856**	$ 163,619,532

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEETS

- CONTINUED -

	2006	2005
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 288,167	$ 186,787
Construction accounts and retainage payable	1,443,555	1,452,198
Accrued salaries, wages and compensated absences	255,038	211,170
Other accrued expenses	379,002	384,831
Unearned revenue	113,964	224,188
Due to Horry County - General Fund	1,108,514	1,048,224
Capital leases payable - current portion	43,699	19,239
Amounts due to tenants	524,106	642,783
Total current liabilities	4,156,045	4,169,420
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,780,000	1,685,000
Accrued interest payable	787,756	838,794
Total current liabilities payable from restricted assets	2,567,756	2,523,794
Non-current liabilities:		
Revenue bonds payable	23,707,113	25,453,336
Compensated absences - long term	492,560	425,936
Due to tenants for capital improvements	300,000	-
Capital leases	382,623	9,070
Total non-current liabilities	24,882,296	25,888,342
Total liabilities	31,606,097	32,581,556
Net assets:		
Investment in capital assets, net of related debt	81,804,630	77,789,843
Restricted for:		
Debt service	28,225,390	23,957,464
Capital projects	366,588	160,300
Unrestricted	37,147,151	29,130,369
Total net assets	147,543,759	131,037,976
Total liabilities and net assets	$ 179,149,856	$ 163,619,532

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Operating Revenues		
Landing fees	**$ 1,930,984**	$ 2,066,035
Airline terminal rents	**3,876,068**	3,625,778
Concessions and rentals	**5,367,324**	5,176,651
Security fees	**249,009**	305,606
Leases	**1,007,694**	928,205
Fuel sales - FBO	**4,496,876**	3,155,055
Other Airline Services	**814,204**	793,720
Other	**701,974**	1,140,974
Total operating revenues	**18,444,133**	17,192,024
Less, signatory airline contract operating rebate	**(74,718)**	(372,662)
Net operating revenues	**18,369,415**	16,819,362
Operating Expenses		
Salaries and benefits	**5,264,536**	5,059,670
Utilities	**813,976**	750,238
Outside and professional services	**1,005,278**	889,178
Maintenance and supplies	**573,798**	569,788
Fuel cost of sales	**3,114,355**	2,074,183
Vehicle and equipment (non-capital) expense	**278,817**	314,628
Insurance	**273,132**	268,681
Dues, memberships, and travel	**182,672**	136,098
Office supplies	**24,745**	25,918
Horry County administrative costs	**350,000**	325,000
Depreciation and amortization	**4,738,337**	4,644,041
Bad debt expense	**50,073**	18,302
Total operating expenses	**16,669,719**	15,075,725
Operating income	**1,699,696**	1,743,637

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2006	2005
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	**2,936,287**	3,209,882
Contract Facility Charges (CFC's)	**2,724,692**	2,133,370
Intergovernmental revenues - City of Myrtle Beach	**1,308,841**	3,275,982
TSA grant revenue	**-**	343,400
Redevelopment Authority grant revenue	**124,219**	420,000
Grant expenditures	**(124,219)**	(1,028,796)
Interest income	**2,243,281**	968,402
Interest expense	**(1,613,960)**	(1,712,529)
Net non-operating revenues (expenses)	**7,599,141**	7,609,711
Income before capital contributions	**9,298,837**	9,353,348
Capital Contributions		
State grants - capital projects	**18,977**	166,360
Private grant revenue - capital projects	**100,000**	-
Federal grants - capital projects	**7,087,969**	7,801,113
Net change in net assets	**16,505,783**	17,320,821
Net assets, beginning of year	**131,037,976**	113,717,155
Net assets, end of year	**$ 147,543,759**	$ 131,037,976

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	**$ 12,598,648**	$ 12,673,410
FBO sales and airline services	**4,928,922**	3,500,563
Other	**662,192**	1,130,891
Cash paid for:		
Salaries and benefits	**(5,220,668)**	(5,168,866)
Maintenance, supplies, fuel, utilities and equipment	**(6,532,243)**	(5,979,025)
Net cash provided by operating activities	**6,436,851**	6,156,973
Cash flows from non-capital financing activities		
Compensated absences	**66,624**	142,170
Grant expenditures	**(124,219)**	(1,028,796)
Intergovernmental revenues and Transportation Safety Authority	**124,219**	414,543
Net cash (used in) non-capital financing activities	**66,624**	(472,083)
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	**5,655,606**	5,227,628
Acquisition and construction of fixed assets	**(7,183,557)**	(11,281,348)
Principal payments on bonds and notes	**(1,685,000)**	(1,590,000)
Interest paid on bonds and notes	**(1,631,221)**	(1,760,240)
Principal payments on capital lease obligation	**(26,987)**	(19,916)
Receipt of intergovernmental and private grants	**1,408,841**	3,275,982
Proceeds from Airport Improvement Program and State grants	**7,179,799**	7,499,518
Net cash provided by capital and related financing activities	**3,717,481**	1,351,624
Cash flows from investing activities		
Investment purchases	**(38,257,670)**	(35,024,668)
Investment sales	**35,024,668**	24,554,633
Interest on investments	**1,839,068**	1,013,238
Net cash used in investing activities	**(1,393,934)**	(9,456,797)
Net increase (decrease) in cash and cash equivalents	**8,827,022**	(2,420,283)
Cash and cash equivalents, beginning of year		
Unrestricted	**13,786,108**	16,291,061
Restricted	**5,555,091**	5,470,421
	19,341,199	21,761,482
Cash and cash equivalents, end of year		
Unrestricted	**22,743,814**	13,786,108
Restricted	**5,424,407**	5,555,091
	$ 28,168,221	$ 19,341,199

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

- CONTINUED -

	2006	2005
Reconciliation of operating income to cash flows from operating activities		
Operating income	$ **1,699,696**	$ 1,743,637
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	**4,738,337**	4,644,041
Bad debt expense	**50,073**	18,302
(Increase) decrease in certain assets:		
Accounts receivable	**49,248**	179,519
Prepaid expenses	**(41,697)**	(17,027)
Inventories	**(29,614)**	(30,752)
(Increase) decrease in certain liabilities:		
Accounts payable	**101,380**	7,153
Accrued salaries, wages and compensated absences	**43,868**	(109,196)
Other accrued expenses	**(5,829)**	214,671
Due to Horry County - General Fund	**60,290**	(799,358)
Unearned Revenue	**(110,224)**	107,170
Amounts due to airlines and car rental companies	**(118,677)**	198,813
Net cash provided by operating activities	$ **6,436,851**	$ 6,156,973
Supplemental information-noncash investing, capital and financing activities		
Capital lease obligation incurred to finance equipment purchase	$ **425,000**	$ -
Capital improvements made by tenant	$ **300,000**	$ -

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Current assets		
Due from other funds	$ 73,270	$ -
Total current assets	73,270	-
Restricted assets:		
Cash and cash equivalents	294,521	283,512
Total restricted assets	294,521	283,512
Non-current assets:		
Capital assets:		
Land and improvements	2,693,320	2,693,320
Buildings and improvements	3,356,135	3,356,135
Equipment	326,892	326,892
Total non-current capital assets	6,376,347	6,376,347
Less, accumulated depreciation	(1,366,028)	(1,199,789)
Net capital assets	5,010,319	5,176,558
Total assets	$ 5,378,110	$ 5,460,070
Liabilities and Net Assets		
Current liabilities:		
Due to other governments	$ 122,529	$ 73,270
Total current liabilities	122,529	73,270
Current liabilities payable from restricted assets:		
Certificates of Participation - current portion	133,500	127,500
Accrued interest payable	54,813	57,491
Total current liabilities payable from restricted assets	188,313	184,991
Non-current liabilities:		
Certificates of Participation	2,161,500	2,295,000
Total liabilities	2,472,342	2,553,261
Net assets:		
Invested in capital assets, net of related debt	2,660,506	2,696,567
Restricted for debt service, renewals and replacements	294,521	283,512
Unrestricted	(49,259)	(73,270)
Total net assets	2,905,768	2,906,809
Total liabilities and net assets	$ 5,378,110	$ 5,460,070

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Operating Revenues		
Concessions and rentals	**$ 7,201**	$ 8,537
Other	**969**	3,265
Total operating revenues	**8,170**	11,802
Operating Expenses		
Management fee	**3,000**	3,000
Salaries	**4,201**	-
Maintenance and supplies	**20,721**	54,171
Insurance	**28,379**	28,379
Depreciation	**166,239**	165,978
Other	**1,572**	2,697
Total operating expenses	**224,112**	254,225
Operating loss	**(215,942)**	(242,423)
Non-operating Revenues (Expenses)		
Interest income	**11,227**	6,245
Interest expense	**(109,627)**	(114,982)
Net non-operating revenues (expenses)	**(98,400)**	(108,737)
Loss before transfers	**(314,342)**	(351,160)
Transfers		
Operating transfers in - Hospitality Fund	**313,301**	290,643
Net change in net assets	**(1,041)**	(60,517)
Net assets at beginning of year	**2,906,809**	2,967,326
Net assets at end of year	**$ 2,905,768**	$ 2,906,809

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Cash flows from operating activities		
Cash paid for Baseball stadium operations	$ (73,714)	$ (49,303)
Net cash used in operating activities	(73,714)	(49,303)
Cash flows from non-capital financing activities		
Transfers in - Hospitality Fund	313,301	290,643
Net cash provided by non-capital financing activities	313,301	290,643
Cash flows from capital and related financing activities		
Principal payments on Certificates of Participation	(127,500)	(123,000)
Interest paid on Certificates of Participation	(112,305)	(117,534)
Net cash used in capital and related financing activities	(239,805)	(240,534)
Cash flows from investing activities		
Interest on investment	11,227	6,245
Net cash provided by investing activities	11,227	6,245
Net increase in cash and cash equivalents	11,009	7,051
Cash and cash equivalents at beginning of year	283,512	276,461
Cash and cash equivalents at end of year	$ 294,521	$ 283,512
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$ (215,942)	$ (242,423)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	166,239	165,978
Decrease in due from other funds	(73,270)	-
Increase in due to other governments	49,259	27,142
Net cash by used in operating activities	$ (73,714)	$ (49,303)

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Current assets:		
Equity in Pooled Cash	$ 6,237,275	$ 3,235,375
Receivables:		
Accounts receivable	6,105	11,493
Total current assets	6,243,380	3,246,868
Non-current assets:		
Capital assets:		
Land	213,708	445,955
Building and improvements	158,743	2,712,975
Total non-current capital assets	372,451	3,158,930
Less, accumulated depreciation	(77,400)	(1,003,846)
Net capital assets	295,051	2,155,084
Land held for investment	877,071	894,957
Total assets	$ 7,415,502	$ 6,296,909
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 121,074	$ 66,860
Due to other funds	278,521	302,771
Total current liabilities	399,595	369,631
Total liabilities	399,595	369,631
Net assets:		
Invested in capital assets, net of related debt	295,051	2,155,084
Restricted for infrastructure development	748,783	464,147
Unrestricted	5,972,073	3,308,047
Total net assets	7,015,907	5,927,278
Total liabilities and net assets	$ 7,415,502	$ 6,296,909

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Operating Revenues		
Rents	$ 283,111	$ 264,788
Fees-in-lieu of taxes	29,100	29,100
Other	50,000	92,301
Total operating revenues	362,211	386,189
Operating Expenses		
Depreciation	68,639	69,098
Contractual services	635,018	528,233
Capital Outlay	10,565	802,702
Other-cost allocation	3,714	-
Total operating expenses	717,936	1,400,033
Operating loss	(355,725)	(1,013,844)
Non-operating revenues		
Gain on sale of property	1,077,676	592,644
Interest Income	95,778	28,645
Net non-operating revenues	1,173,454	621,289
Income before transfers	817,729	(392,555)
Capital Contributions	300,000	806,628
Transfers		
Operating transfer out	(29,100)	(29,100)
Net change in net assets	1,088,629	384,973
Net assets at beginning of year	5,927,278	5,542,305
Net assets at end of year	$ 7,015,907	$ 5,927,278

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Cash flows from operating activities		
Cash received from:		
Rent	$ 283,111	$ 266,296
Service and miscellaneous charges	84,486	121,401
Cash paid for:		
Industrial park operations	(615,619)	(1,264,075)
Other supplies and miscellaneous costs	(3,712)	(31,481)
Net cash used in operating activities	(251,734)	(907,859)
Cash flows from non-capital financing activities		
Transfer to other fund	(29,100)	(29,100)
Net cash used in non-capital financing activities	(29,100)	(29,100)
Cash flows from capital and related financing activities		
Proceeds from disposition of capital assets	2,493,976	-
Contributed capital	300,000	806,628
Net cash provided by capital and related financing	2,793,976	806,628
Cash flows from investing activities		
Sale of land held for investment	392,980	974,113
Interest received	95,778	28,645
Net cash provided by investing activities	488,758	1,002,758
Net increase in cash	3,001,900	872,427
Cash and cash equivalents at beginning of year	3,235,375	2,362,948
Cash and cash equivalents at end of year	$ 6,237,275	$ 3,235,375
Reconciliation of operating income to net cash provided by operating activities		
Operating loss	$ (355,725)	$ (1,013,844)
Adjustments to reconcile operating income to net provided by operating activities:		
Depreciation	68,639	69,098
Change in certain assets and liabilities:		
Decrease in accounts receivable	5,388	1,508
Increase in accounts payable	54,214	35,379
Decrease in due to other funds	(24,250)	-
Net cash used in operating activities	$ (251,734)	$ (907,859)

HORRY COUNTY, SOUTH CAROLINA

INTERNAL SERVICE FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
BALANCE SHEETS

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Assets		
Current assets:		
Equity in pooled cash and investments	$ 5,813,530	$ 5,306,173
Accounts receivable	100	100
Inventories	290,270	264,200
Total current assets	6,103,900	5,570,473
Non-current assets:		
Capital assets:		
Machinery and equipment	11,103,307	10,374,967
Less, accumulated depreciation	(7,166,551)	(6,869,608)
Net capital assets	3,936,756	3,505,359
Total assets	$ 10,040,656	$ 9,075,832
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 35,836	$ 28,060
Accrued salaries, wages and compensated absences	11,567	10,990
Total current liabilities	47,403	39,050
Net Assets:		
Invested in capital assets	3,936,756	3,505,359
Unrestricted	6,056,497	5,531,423
Total net assets	9,993,253	9,036,782
Total liabilities and net assets	$ 10,040,656	$ 9,075,832

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year end June 30, 2005)

	2006	2005
Operating Revenues		
Charges for service	$ 4,042,117	$ 3,830,996
Other	-	99,677
Total operating revenues	4,042,117	3,930,673
Operating Expenses		
Personal services	819,555	804,232
Contractual services	1,146,663	1,143,036
Supplies and materials	40,950	29,094
Business and travel	55,660	37,631
Depreciation	1,220,159	1,042,644
Indirect cost allocation	7,074	-
Total operating expenses	3,290,061	3,056,637
Operating income	752,056	874,036
Non-operating revenues (expenses)		
Gain (loss) on disposal of assets	81,813	(612)
Interest income	122,602	45,562
Net non-operating revenues (expenses)	204,415	44,950
Income before transfers	956,471	918,986
Transfers		
Transfers in	-	186,973
Net change in net assets	956,471	1,105,959
Net assets, beginning of year	9,036,782	7,930,823
Net assets, end of year	$ 9,993,253	$ 9,036,782

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2006
(with comparative amounts year ended June 30, 2005)

	2006	2005
Cash flows from operating activities		
Cash received from:		
Services	**$ 4,042,117**	$ 3,830,896
Miscellaneous charges	**-**	99,677
Cash paid for:		
Fleet maintenance	**(1,992,482)**	(2,017,315)
Other supplies and miscellaneous costs	**(95,137)**	(37,631)
Net cash provided by operating activities	**1,954,498**	1,875,627
Cash flows from non-capital and related financing activities		
Transfers in	**-**	186,973
Net cash provided by non-capital and related financing activities	**-**	186,973
Cash flows from capital and related financing activities		
Purchase of capital assets	**(1,678,821)**	(1,604,682)
Proceeds from disposition of property and equipment	**109,077**	65,907
Net cash used in capital and related financing activities	**(1,569,744)**	(1,538,775)
Cash flows from investing activities		
Interest income	**122,602**	45,462
Net cash provided by investing activities	**122,602**	45,462
Net increase in cash and cash equivalents	**507,356**	569,287
Cash and cash equivalents at beginning of year	**5,306,173**	4,736,886
Cash and cash equivalents at end of year	**$ 5,813,529**	$ 5,306,173
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 752,056**	$ 874,036
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	**1,220,159**	1,042,644
(Increase) decrease in assets:		
Accounts receivable	**-**	(100)
Inventories	**(26,070)**	(17,786)
Increase (decrease) in liabilities:		
Accounts payable	**7,776**	(28,716)
Accrued salaries, wages and compensated absences	**577**	5,549
Net cash provided by operating activities	**$ 1,954,498**	$ 1,875,627

See accompanying independent auditors' report.

FIDUCIARY (AGENCY) FUNDS

Fiduciary (agency) funds account for assets held by the County as an agent for other taxing units or other entities. Agency funds are custodial in nature; assets equal liabilities, and do not measure the results of operations. Interest earned on agency fund investments is credited and received by the General Fund unless an agreement provides otherwise.

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Totals-Agency Funds				
Assets:				
Cash	$ 1,065,234	$ 3,363,572	$ 3,221,117	**$ 1,207,689**
Equity in pooled cash and investments	154,064,061	390,372,149	443,284,206	**$ 101,152,004**
Total assets	$ 155,129,295	$ 393,735,721	$ 446,505,323	**$ 102,359,693**
Liabilities:				
Due to agency	$ 155,129,295	$ 393,735,721	$ 446,505,323	**$ 102,359,693**
Total liabilities	$ 155,129,295	$ 393,735,721	$ 446,505,323	**$ 102,359,693**

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
City of Conway				
Assets:				
Equity in pooled cash and investments	$ 55,790	$ 3,556,954	$ 3,536,297	**$ 76,447**
Liabilities:				
Due to agency	$ 55,790	$ 3,556,954	$ 3,536,297	**$ 76,447**
City of Myrtle Beach				
Assets:				
Equity in pooled cash and investments	$ 120,018	$ 19,754,781	$ 19,710,892	**$ 163,907**
Liabilities:				
Due to agency	$ 120,018	$ 19,754,781	$ 19,710,892	**$ 163,907**
Town of Loris				
Assets:				
Equity in pooled cash and investments	$ 13,326	$ 723,515	$ 625,766	**$ 111,075**
Liabilities:				
Due to agency	$ 13,326	$ 723,515	$ 625,766	**$ 111,075**
City of North Myrtle Beach				
Assets:				
Equity in pooled cash and investments	$ 81,105	$ 7,666,541	$ 7,673,883	**$ 73,763**
Liabilities:				
Due to agency	$ 81,105	$ 7,666,541	$ 7,673,883	**$ 73,763**
Town of Surfside				
Assets:				
Equity in pooled cash and investments	$ 36,114	$ 2,082,422	$ 2,095,275	**$ 23,261**
Liabilities:				
Due to agency	$ 36,114	$ 2,082,422	$ 2,095,275	**$ 23,261**

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Town of Atlantic Beach				
Assets:				
Equity in pooled cash and investments	$ 3,068	$ 203,228	$ 202,079	**$ 4,217**
Liabilities:				
Due to agency	$ 3,068	$ 203,228	$ 202,079	**$ 4,217**
Town of Aynor				
Assets:				
Equity in pooled cash and investments	$ 2,494	$ 137,095	$ 137,481	**$ 2,108**
Liabilities:				
Due to agency	$ 2,494	$ 137,095	$ 137,481	**$ 2,108**
Town of Briarcliff				
Assets:				
Equity in pooled cash and investments	$ 3,357	$ 230,418	$ 231,356	**$ 2,419**
Liabilities:				
Due to agency	$ 3,357	$ 230,418	$ 231,356	**$ 2,419**
Horry County School District Operations/Debt				
Assets:				
Equity in pooled cash and investments	$ 153,697,582	354,522,393	407,602,124	**$ 100,617,851**
Liabilities:				
Due to agency	$ 153,697,582	$ 354,522,393	$ 407,602,124	**$ 100,617,851**

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Murrells Inlet-Garden City Operation/Debt Fire District				
Assets:				
Equity in pooled cash and investments	$ 37,046	$ 1,467,793	$ 1,447,568	**$ 57,271**
Liabilities:				
Due to agency	$ 37,046	$ 1,467,793	$ 1,447,568	**$ 57,271**
Grand Strand Water and Sewer				
Assets:				
Equity in pooled cash and investments	$ 391	$ 21,094	$ 21,485	**$ -**
Liabilities:				
Due to agency	$ 391	$ 21,094	$ 21,485	**$ -**
Fireman's Fund				
Assets:				
Cash	$ 192,958	$ 1,121,909	$ 1,233,024	**$ 81,843**
Liabilities:				
Due to agency	$ 192,958	$ 1,121,909	$ 1,233,024	**$ 81,843**
Police Asset Forfeiture Fund				
Assets:				
Cash	$ 112,397	$ 257,736	$ 230,056	**$ 140,077**
Liabilities:				
Due to agency	$ 112,397	$ 257,736	$ 230,056	**$ 140,077**
Police Fund				
Assets:				
Cash	$ 8,477	$ 82,364	$ 75,585	**$ 15,256**
Liabilities:				
Due to agency	$ 8,477	$ 82,364	$ 75,585	**$ 15,256**

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Police Federal Forfeiture Fund				
Assets:				
Cash	$ 118,192	$ 7,754	$ 51,496	**$ 74,450**
Liabilities:				
Due to agency	$ 118,192	$ 7,754	$ 51,496	**$ 74,450**
Environmental Services				
Assets:				
Cash	$ 44,456	$ 3,334	$ 5,622	**$ 42,168**
Liabilities:				
Due to agency	$ 44,456	$ 3,334	$ 5,622	**$ 42,168**
Library Endowment				
Assets:				
Cash	$ 3,464	$ -	$ -	**$ 3,464**
Equity in pooled cash and investments	13,770	5,915	-	**19,685**
Total assets	$ 17,234	$ 5,915	$ -	**$ 23,149**
Liabilities:				
Due to agency	$ 17,234	$ 5,915	$ -	**$ 23,149**
Inmate Trust				
Assets:				
Cash	$ 30,788	$ 661,393	$ 655,178	**$ 37,003**
Liabilities:				
Due to agency	$ 30,788	$ 661,393	$ 655,178	**$ 37,003**

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
B&C MCBP - Infrastructure				
Assets:				
Cash	$ 554,502	$ 1,229,082	$ 970,156	**$ 813,428**
Liabilities:				
Due to agency	$ 554,502	$ 1,229,082	$ 970,156	**$ 813,428**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) 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

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

JUNE 30, 2006
(with comparative amounts June 30, 2005)

	2006	2005
Governmental funds - capital assets		
Land	**13,758,308**	$ 13,097,387
Buildings	**107,166,271**	102,770,274
Furniture and equipment	**60,760,039**	50,554,803
Vehicles	**4,275,513**	6,263,984
Construction-in-progress	**248,121**	1,209,274
Infrastructure, as restated in 2005	**394,419,312**	383,158,000
Total governmental funds capital assets	**$ 580,627,564**	$ 557,053,722
Investment in governmental funds capital assets by source		
General obligations bonds	**99,971,915**	$ 95,825,826
General fund revenue	**62,632,697**	55,585,705
Special revenue fund revenue	**13,553,337**	12,433,888
Certificates of participation	**10,050,303**	10,050,303
Capital projects fund, as restated in 2005	**394,419,312**	383,158,000
Total investment in governmental funds capital assets	**$ 580,627,564**	$ 557,053,722

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2006

Functions and Activity:	Land	Buildings	Furniture And Equipment	Vehicles	Construction In Progress	Infrastructure	Totals
General government	$ 7,609,869	$ 61,090,381	$ 16,831,725	$ 353,744	$ -	$ -	$ 85,885,719
Public safety	1,929,522	32,275,254	30,003,337	2,787,306	-	-	66,995,419
Public works	356,579	2,618,920	13,310,577	961,307	-	394,419,312	411,666,695
Health and social services	90,000	2,281,127	-		-	-	2,371,127
Cultural and recreation	3,772,338	8,900,589	614,400	173,156	-	-	13,460,483
Construction-in-progress	-	-	-	-	248,121	-	248,121
Total governmental funds capital assets	$ 13,758,308	$ 107,166,271	$ 60,760,039	$ 4,275,513	$ 248,121	$ 394,419,312	$ 580,627,564

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2006

	Balances June 30, 2005	Reclassed	Additions	Deductions	Balances June 30, 2006
Functions and Activity:					
General government	$ 80,677,574	$ -	$ 5,434,755	$ (226,610)	$ 85,885,719
Public Safety	64,086,701	92,435	3,025,319	(209,036)	66,995,419
Public Works	400,141,872	-	12,459,828	(935,005)	411,666,695
Health and Social Services	2,324,893	-	46,234	-	2,371,127
Cultural and Recreation	8,613,408	4,577,696	303,716	(34,337)	13,460,483
Construction-in-progress	1,209,274	(4,670,131)	3,708,978	-	248,121
Total governmental funds capital assets	$ 557,053,722	$ -	$ 24,978,830	$ (1,404,988)	$ 580,627,564
Class:					
Land	$ 13,097,387	315,368	$ 362,686	$ (17,133)	13,758,308
Buildings	102,770,274	4,349,763	46,234	-	107,166,271
Furniture and equipment	50,554,803	2,370,212	8,673,105	(838,081)	60,760,039
Vehicles	6,263,984	(2,370,212)	931,515	(549,774)	4,275,513
Construction-in-progress	1,209,274	(4,665,131)	3,703,978	-	248,121
Infrastructure	383,158,000	-	11,261,312	-	394,419,312
Total governmental funds capital assets	$ 557,053,722	$ -	$ 24,978,830	$ (1,404,988)	$ 580,627,564

See accompanying independent auditors' report.

VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULES OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2006

	2006	2005
Court Fines and Assessments		
Court fines and assessments collected	$ **1,661,010**	$ 1,680,262
Court fines and assessments remitted to State Treasurer	**(1,508,954)**	(1,545,525)
Total court fines and assessments retained	$ **152,056**	$ 134,737
Surcharges and Assessments Retained by County		
Total surcharges collected	$ **106,066**	$ 103,636
Total assessments	**184,003**	155,301
Total surcharges and assessments	$ **290,069**	$ 258,937
Funds Allocated to Victims Service		
Carryover funds from prior year	$ **(10,643)**	$ 165,552
Total surcharges and assessments	**498,123**	393,674
Transfers	**-**	2,098
Interest earned	**-**	596
Expenditures for victims service	**(615,216)**	(572,563)
Total unexpended victims rights assistance funds	$ **(127,736)**	$ (10,643)

See accompanying independent auditors' report.

STATISTICAL SECTION

HORRY COUNTY, SOUTH CAROLINA

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

	For the Fiscal Year Ended June 30				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	$305,896	$339,241	$360,367	$364,396	$416,234
Restricted	51,500	30,647	41,368	27,465	38,317
Unrestricted	(388,949)	(343,802)	(346,365)	(298,109)	(270,577)
Total governmental activities net assets	($31,553)	$26,086	$55,370	$93,752	$183,974
Business-type activities					
Invested in capital assets, net of related debt	$68,475	$68,768	$73,877	$81,247	$85,637
Restricted	16,116	18,149	20,955	24,705	29,635
Unrestricted	19,918	24,599	27,395	33,920	42,193
Total business-type activities net assets	$104,509	$111,516	$122,227	$139,872	$157,465
Primary government					
Invested in capital assets, net of related debt	$374,371	$408,009	$434,244	$445,643	$501,871
Restricted	67,616	48,796	62,323	52,170	67,952
Unrestricted	(369,031)	(319,203)	(318,970)	(264,189)	(228,384)
Total primary government net assets	$72,956	$137,602	$177,597	$233,624	$341,439

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

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30				
	2002	2003	2004	2005	2006
Expenses					
Governmental activities:					
General government	$ 25,805	$ 32,590	$ 27,978	$ 25,724	$ 27,960
Public safety	44,839	44,667	54,201	63,171	68,799
Health and social services	3,296	3,457	1,987	2,089	920
Infrastructure and regulation	26,209	85,910	23,631	25,797	34,222
Culture, recreation and tourism	4,959	5,985	6,497	8,211	8,534
Economic development	1,581	1,626	209	58	125
Conservation/natural resources	961	442	342	213	561
Other	6,589	1,352	-	-	-
RIDE IGA #3 contribution	2,280	-	-	-	-
Debt service	7,002	18,714	11,480	16,180	15,454
Horry-Georgetown TECH	-	1,950	1,950	2,154	2,591
Higher Education Commission	-	270	290	303	500
Total governmental activities expenses	123,521	196,963	128,565	143,900	159,666
Business-type activities:					
Airport	13,519	13,917	14,978	18,190	18,483
Industrial Parks	568	577	612	1,400	718
Baseball Stadium	390	372	365	369	334
Total business-type activities expenses	14,477	14,866	15,955	19,959	19,535
Total primary government expenses	137,998	211,829	144,520	163,859	179,201
Program Revenues					
Governmental activities:					
Charges for services:					
General government	2,139	11,410	7,702	7,822	6,511
Public safety	13,396	7,748	4,733	4,807	4,002
Health and social services	-	100	-	-	-
Infrastructure and regulation	5,641	6,627	5,546	12,729	10,596
Culture, recreation and tourism	55	288	-	-	-
Economic Development	-	-	-	-	-
Operating grants and contributions	1,210	2,330	688	2,462	1,991
Capital grants and contributions	2,593	732	1,384	1,344	2,100
Total governmental activities program revenues	25,034	29,235	20,053	29,164	25,200

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

	For the Fiscal Year Ended June 30				
	2002	2003	2004	2005	2006
Business-type activities:					
Charges for services:					
Airport	12,157	12,469	14,790	21,394	23,403
Industrial Parks	322	277	174	265	283
Baseball Stadium	-	8	7	9	-
Operating grants and contributions	-	143	-	-	-
Capital grants and contributions	9,074	9,444	9,203	8,731	7,331
Total business-type activies program revenues	21,553	22,341	24,174	30,399	31,017
Total primary government program revenues	46,587	51,576	44,227	59,563	56,217
Net (Expense)/Revenues					
Governmental activities	(98,487)	(167,728)	(108,512)	(114,736)	(134,466)
Business-type activities	7,076	7,475	8,219	10,440	11,482
Total primary government program net expense	(91,411)	(160,253)	(100,293)	(104,296)	(122,984)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes and Fees-in-lieu of taxes	83,856	73,218	73,217	81,679	86,459
Investment earnings	2,903	2,168	1,847	2,945	5,676
Other	35,046	54,835	61,930	68,756	88,092
Transfers	207	(43)	(237)	(262)	(284)
Total governmental activities	122,012	130,178	136,757	153,118	179,943
Business-type activities:					
Other	1,809	(1,127)	1,664	5,940	3,477
Investment earnings	848	694	591	1,003	2,350
Transfers	(207)	124	237	262	284
Total business-type activities	2,450	(309)	2,492	7,205	6,111
Total primary government	124,462	129,869	139,249	160,323	186,054
Change in Net Assets					
Governmental activities:	23,525	(37,549)	28,245	38,382	45,477
Business-type activities:	9,526	7,166	10,711	17,645	17,593
Total primary government	$ 33,051	$ (30,383)	$ 38,956	$ 56,027	$ 63,070

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

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General fund										
Reserved	$ 1,012	$ 822	$ 702	$ 1,832	$ 1,720	$ 794	$ 828	$ 620	$ 482	$ 2,395
Unreserved/designated	-	-	-	586	757	651	1,592	5,758	10,910	$ 13,547
Unreserved/undesignated	14,357	15,582	14,374	13,650	14,700	15,137	17,597	19,832	18,962	19,102
Total general fund	15,369	16,404	15,076	16,068	17,177	16,582	20,017	26,210	30,354	35,044
All other governmental funds										
Reserved	14,795	18,869	44,829	159,046	56,472	58,204	38,997	50,819	38,048	50,751
Unreserved for:										
Special revenue funds	16,021	21,541	21,065	4,516	9,574	10,705	20,595	22,970	22,985	23,092
Debt service funds	-	-	-	-	-	-	-	-	6,743	5,983
Capital project funds	-	(2,527)	579	-	-	-	-	-	6,347	5,067
Total all other governmental funds	30,816	37,883	66,473	163,562	66,046	68,909	59,592	73,789	74,123	84,893
Total governmental fund balances	$ 46,185	$ 54,287	$ 81,549	$ 179,630	$ 83,223	$ 85,491	$ 79,609	$ 99,999	$ 104,477	$ 119,937

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Property Taxes	$ 36,358	$ 39,256	$ 41,897	$ 48,980	$ 54,757	$ 67,928	$ 72,818	$ 75,519	$ 78,844	$ 87,680
Licenses and permits	1,907	2,133	2,309	2,870	3,927	4,389	4,982	6,434	9,348	13,841
Intergovernmental	14,004	17,342	18,417	19,063	23,320	19,018	16,890	18,010	18,093	18,913
Fees and fines	20,053	34,781	36,092	38,737	43,062	45,073	46,874	51,030	54,003	58,534
Documentary stamps	1,385	1,608	1,945	2,143	1,980	-	-	-	-	-
Charges for services (1)	-	-	-	-	-	2,139	2,443	3,889	6,472	8,962
Interest on investments	1,309	2,970	2,956	6,032	6,633	2,903	2,168	1,847	2,945	5,554
Accomodation tax (2)	-	-	-	-	-	214	787	834	861	969
Cost allocation	-	-	1,301	1,109	1,058	1,122	991	2,115	1,142	1,697
Other	1,153	4,060	1,159	1,669	1,539	1,453	2,734	1,749	1,652	1,989
Total revenues	76,169	102,150	106,076	120,603	136,276	144,239	150,687	161,427	173,360	198,139
Expenditures										
General government	15,646	18,121	19,262	21,518	22,813	25,966	28,250	20,102	20,866	23,570
Public safety	20,794	24,889	28,676	33,238	37,584	43,353	44,177	56,573	60,478	67,878
Public works	10,231	28,799	31,381	17,789	20,590	18,198	17,144	-	-	-
Infrastructure and regulation (3)	-	-	-	-	-	-	-	23,631	28,367	29,028
Economic development	1,167	1,428	3,797	1,810	1,957	1,581	1,895	208	58	125
Health and social services	3,015	3,457	3,947	3,054	2,852	3,296	3,475	1,987	2,069	894
Culture and recreation	4,277	5,233	6,297	7,566	4,410	4,959	5,912	6,497	7,825	8,033
Capital outlay	1,874	1,882	5,556	14,608	26,985	24,298	15,161	8,780	20,563	13,544
Conservation and natural resources	199	2,072	7,892	477	263	962	955	342	517	561
Intergovernmental agreement draws (4)	-	-	-	-	98,988	-	-	-	-	-
Horry-Georgetown Tech	-	-	-	-	-	1,825	1,950	1,950	2,153	2,591
Higher Education	-	-	-	-	-	3,267	270	290	303	500
Debt service:										
Principal (5)	3,954	4,225	4,571	23,712	24,809	30,043	32,033	30,391	18,798	20,150
Interest and fees	1,848	1,625	1,520	6,695	7,157	4,867	5,038	4,680	16,597	15,659
Other charges	1,666	1,647	1,998	1,526	3,808	2,349	1,352	1,356	1,371	1,457
Total expenditures	64,671	93,378	114,897	131,993	252,216	164,964	157,612	156,787	179,965	183,990
Excess of revenues over (under) expenditures	11,498	8,772	(8,821)	(11,390)	(115,940)	(20,725)	(6,925)	4,640	(6,605)	14,149

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

	For the Fiscal Year Ended June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Transfers in	1,968	13,848	16,425	30,347	38,274	37,971	37,092	41,013	47,638	57,682
Transfers out	(1,968)	(16,142)	(16,425)	(30,620)	(38,337)	(38,806)	(37,216)	(41,470)	(48,087)	(57,966)
Intergovernmental loan agreement draws: (4)										
Ride Table 1 Projects (6)	-	-	-	(218,603)	-	-	-	-	-	-
Ride Table 3 Projects (6)	-	-	-	(10,899)	-	-	-	-	-	-
Administrative costs - Airport	575	512	-	-	-	-	-	-	-	-
Proceeds from note payable	-	-	-	554	493	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	1,290	-	-	-	35,326
Bond proceeds	-	-	38,300	9,500	19,905	24,585	-	14,000	-	-
Premium on bonds issued	-	-	-	-	-	211	-	47	-	(439)
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	(2,866)	-	-	-	(34,883)
Capital leases	-	-	-	1,370	-	507	985	1,032	11,606	4,601
Sale of assets	228	587	347	146	332	101	182	89	176	101
Other	-	563	-	-	-	-	-	-	(250)	(3,111)
Total other financing sources (uses)	803	(632)	38,647	(218,205)	20,667	22,993	1,043	14,711	11,083	1,311
Net change in fund balances (6) (7)	$ 12,301	$ 8,140	$ 29,826	$ (229,595)	$ (95,273)	$ 2,268	$ (5,882)	$ 19,351	$ 4,478	$ 15,460
Debt service as a percentage of noncapital expenditures	9.2%	6.4%	5.6%	25.9%	14.2%	24.8%	26.0%	23.7%	22.2%	21.0%

(1) Prior to fiscal year ended June 30, 2002, revenues for Charges for Services were classified as Documentary Stamps.
(2) Accommodation taxes are considered Special Assessments.
(3) Prior to fiscal year ended June 30, 2004, expenses for Infrastructure and Regulation were classified as Public Works.
(4) Intergovernmental loan agreement draws for fiscal year ended June 30, 2000 are listed by RIDE project under Other Financing Sources (Uses). For fiscal year ended June 30, 2001, the total expense is listed under Expenditures. (Detail: RIDE Table 1 Project $66,466,356 and RIDE Table 3 Project $32,521,341).
(5) The fluctuation in debt service principal and interest payments for fiscal years ended June 30, 2000 forward are due to issuance of new bonds, subsequent advance refunding of bonds and retirement of bonded debt.
(6) The large decrease in net change in fund balances for fiscal year ended June 30, 2000 is due to a restatement of advanced loan funds to Horry County for the funding of RIDE Projects.
(7) The net change in fund balances for fiscal year ended June 30, 1999 was due to the bond issue of $38.3M during this fiscal year.

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	REAL PROPERTY (1) (2) (3)			PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (8)	TOTAL DIRECT TAX RATE (6) (8)	ESTIMATED ACTUAL TAXABLE VALUE (5) (8)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER				
1997	$ 117,042	$ 374,919	$ 5,047	$ 107,081	$ 70,692	$ 674,781	45.1	$ 10,985,078	6.14%
1998	126,140	391,088	4,954	114,211	79,651	716,044	45.6	11,634,143	6.15%
1999	134,954	416,833	4,934	125,126	84,111	765,958	45.6	12,429,684	6.16%
2000	189,673	559,166	4,975	137,396	95,389	986,599	40.2	16,395,190	6.02%
2001	202,603	592,077	4,914	143,546	107,786	1,050,926	44.5	17,442,481	6.03%
2002	214,406	622,014	4,917	145,638	110,911	1,097,886	50.9	18,327,452	5.99%
2003	225,111	647,943	4,917	141,518	119,455	1,138,944	50.9	19,177,387	5.94%
2004	238,038	663,391	4,953	146,019	115,338	1,167,739	50.9	19,882,193	5.87%
2005	249,986	681,439	4,919	144,584	116,445	1,197,373	50.9	20,592,643	5.81%
2006	309,446	888,857	5,068	146,222	132,501	1,482,094	46.3	25,877,845	5.73%

Notes:
(1) Property in the County is reassessed every five years.
(2) Tax-exempt property has already been deducted.
(3) The County assesses real property at either 4% or 6% of estimated market value at the time of reassessment.
(4) The County assessed personal property at 6.0%, 6.75% or 10.5% of estimated taxable market value for FY2006.
(5) Estimated actual taxable value = appraised value.
(6) Direct tax rates are per $1,000 of assessed value.
(7) Taxes for each tax year are due and payable the following fiscal year.
(8) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value and Estimated Actual Taxable Value.

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

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

	Tax Year (1)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
County Direct Rates (4)										
General Fund	39.7	39.7	39.7	33.5	35.8	39.4	39.4	40.2	40.2	36.7
Debt Retirement	3.5	3.5	3.5	4.9	5.7	7.0	7.0	6.2	6.2	5.3
Senior Citizens Fund	-	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.9	1.9	1.9	1.4	1.9	1.9	1.9	1.9	1.9	1.9
Higher Education (Began in 2000)	-	-	-	-	0.7	0.7	0.7	0.7	0.7	0.7
Recreation (Began in 2001)	-	-	-	-	-	1.5	1.5	1.5	1.5	1.3
Total Direct Rate	45.1	45.6	45.6	40.2	44.5	50.9	50.9	50.9	50.9	46.3
Unincorp. County Rates (4)										
Rural Fire (Began in 2003)	-	-	-	-	-	-	-	18.3	18.3	16.3
Waste Management (Began in 2003)	-	-	-	-	-	-	-	5.1	7.1	6.4
School District Rates (4)	131.3	129.3	129.3	113.7	116.4	124.9	124.9	130.4	130.4	129.7
Other Fire Districts Rates (4)										
Aynor Fire Contract (Began in 2003)	-	-	-	-	-	-	-	18.3	18.3	16.3
Atlantic Beach Fire Contract (Began in 2003)	-	-	-	-	-	-	-	18.3	18.3	16.3
Murrells Inlet /Garden City Contract (Began in 2003)	-	-	-	-	-	-	-	10.0	10.0	10.0
City Rates (4)										
Town of Atlantic Beach	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.0900	0.0900	0.0900
Town of Aynor	0.0850	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0708
Town of Briarcliff Acres	0.0380	0.0580	0.0680	0.0550	0.0750	0.0750	0.0420	0.0570	0.0560	0.0470
City of Conway	0.0953	0.0953	0.0953	0.0939	0.0939	0.0939	0.0939	0.0939	0.0967	0.0866
City of Loris	0.1250	0.1250	0.1250	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1050
City of Myrtle Beach	0.0725	0.0620	0.0620	0.0610	0.0609	0.0632	0.0632	0.0632	0.0632	0.0614
City of N. Myrtle Beach	0.0480	0.0480	0.0480	0.0387	0.0357	0.0357	0.0357	0.0357	0.0357	0.0305
City of Surfide Beach	0.0630	0.0630	0.0630	0.0440	0.0440	0.0440	0.0440	0.0550	0.0550	0.0440

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

	Tax Year (1)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Special District Rates (4)										
Conway	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Crabtree	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0263
Loris	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Todd Swamp	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0262
Buck Creek	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0265
Simpson Creek	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0261
Green Sea	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Aynor	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Little River	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Socastee	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Mt Gilead	0.0480	0.0450	0.0450	0.0451	0.0451	0.0451	0.0391	0.0391	0.0411	0.0338
Socastee Rec	0.0170	0.0170	0.0170	0.0171	0.0171	0.0229	0.0254	0.0254	0.0274	0.0247
Murrells Inlet/G.C.	0.0180	0.0150	0.0150	0.0151	0.0151	0.0151	0.0151	0.0151	0.0171	0.0164
Floyds	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Cartwheel	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0266
Gapway	0.0200	0.0200	0.0200	0.0194	0.0194	0.0252	0.0277	0.0277	0.0297	0.0265
Myrtle Beach	0.0150	0.0150	0.0150	0.0151	0.0151	0.0209	0.0234	0.0234	0.0254	0.0227
Arcadian Shores (Began in 2000)	-	-	-	-	0.0501	0.0559	0.0584	0.0584	0.0604	0.0577

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

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

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

	2006			1997		
TAXPAYER	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE (1)	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Myrtle Beach Farms Company Inc.	$ 23,391,659	1	1.78%	$ 11,507,685	1	1.97%
Horry Electric Co-operative	12,151,160	2	0.92%	-	-	0.00%
Horry Telephone Co-operative	6,858,680	3	0.52%	1,467,580	8	0.25%
Burroughs & Chapin	5,593,405	4	0.43%	3,269,117	3	0.56%
Lawyers Title Insurance Corp	4,419,612	5	0.34%	-	-	-
AVX Corporation	3,877,484	6	0.30%	-	-	-
Rose Lilly Inc	3,267,476	7	0.25%	-	-	-
Patten Resorts Inc	2,472,288	8	0.19%	-	-	-
Wal-Mart Real Estate Business Trust	2,365,854	9	0.18%	-	-	-
Springs Leroy & Co Inc	2,321,610	10	0.18%	-	-	-
GTE South	-	-	-	8,397,830	2	1.44%
Conbraco Industries Inc	-	-	-	2,978,444	4	0.51%
Montgomery Construction	-	-	-	2,555,130	5	0.44%
WCI Investments	-	-	-	2,222,129	6	0.38%
Briarcliffe Mall Ltd Partnership	-	-	-	2,012,652	7	0.34%
Rank Dev Inc	-	-	-	1,284,942	9	0.22%
Cox Cable South Carolina Inc	-	-	-	1,273,670	10	0.22%
Totals	$ 66,719,228		5.09%	$ 36,969,179		6.33%

Source: Horry County Treasurer

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

FOR THE FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
1997	$39,383	$35,020	88.92%	$1,905	$36,925	93.76%
1998	41,673	37,311	89.53%	2,498	$39,809	95.53%
1999	43,793	40,241	91.89%	2,653	$42,894	97.95%
2000	50,889	45,010	88.45%	4,622	$49,632	97.53%
2001	53,313	48,751	91.44%	4,662	$53,413	100.19%
2002	62,665	59,068	94.26%	4,411	$63,479	101.30%
2003	67,605	63,812	94.39%	4,491	$68,303	101.03%
2004	75,692	72,650	95.98%	2,870	$75,520	99.77%
2005	78,211	75,544	96.59%	3,300	$78,844	100.81%
2006	86,977	85,237	98.00%	2,448	$87,685	100.81%

Sources:
Horry County property tax database

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

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (2)	PER CAPITA (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	REVENUE BONDS	BASEBALL STADIUM COPS BONDS	CAPITAL LEASES			
2002	79,685	18,490	425,086	1,435	31,551	2,775	69	559,091	11.04%	2,714
2003	73,945	17,440	396,623	1,875	30,855	2,662	50	523,450	9.83%	2,484
2004	81,950	16,340	387,234	2,402	29,355	2,546	30	519,857	9.13%	2,389
2005	76,435	15,190	376,159	10,872	27,765	2,423	9	508,853	not available	2,242
2006	72,920	13,985	364,791	14,722	26,080	2,295	383	495,176	not available	not available

Notes:
(1) Trend data is only available for the last five fiscal years due to the implementation of GASB 34 in fiscal year 2002. Ten years of data; however, will be accumulated over time.
(2) See the schedule of Demographic and Economic Statistics (Page) for personal income and population data.

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
1997	$ 32,405	$ 6,329	$ 26,076	3.71%	$ 139
1998	28,190	5,965	22,225	2.92%	115
1999	65,018	4,414	60,604	7.48%	311
2000	66,820	3,020	63,800	6.27%	326
2001	61,855	2,578	59,277	5.38%	295
2002	79,685	3,939	75,746	6.81%	368
2003	73,945	4,430	69,515	6.05%	337
2004	81,950	4,249	77,701	6.56%	370
2005	76,435	4,417	72,018	5.92%	330
2006	72,920	6,107	66,813	0.00%	not available

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

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30,2006
(AMOUNTS EXPRESSED IN THOUSANDS)

ENTITY	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
School District	$ 290,640	100.00%	$ 290,640
City of Myrtle Beach	42,365	100.00%	42,365
City of Conway	2,510	100.00%	2,510
City of North Myrtle Beach	3,254	100.00%	3,254
City of Loris	327	100.00%	327
Town of Surfside	2,555	100.00%	2,555
Subtotal, overlapping debt			341,651
Horry County direct debt	57,860	100.00%	57,860
Total direct and overlapping debt		100.00%	$ 399,511

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

Source: Finance Department of each entity.

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

	For the Fiscal Year Ended June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	$ 51,176	$ 60,848	$ 62,993	$ 87,167	$ 91,405	$ 89,006	$ 91,850	$ 94,790	$ 97,281	$ 119,413
Total net debt applicable to limit	29,430	22,530	59,800	55,470	51,335	70,080	65,310	63,315	58,178	55,565
Legal debt margin	21,746	38,318	3,193	31,697	40,070	18,926	26,540	31,475	39,103	63,848
Total net debt applicable to the limit as a percentage of debt limit	57.51%	37.03%	94.93%	63.64%	56.16%	78.74%	71.11%	66.80%	59.80%	46.53%

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	$ 1,487,452
Less: Exempt industrial personal and real property	$ (5,358)
Plus: Assessed value - Merchant's inventory	$ 10,572
Total assessed value	$ 1,492,666
Debt limit(8% of total assessed value)	119,413
Debt application to limit:	
General obligation bonds	55,565
Less: Amount set aside for repayment of general obligation debt	-
Total net debt application to limit	55,565
Legal debt margin	$ 63,848

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS						HOSPITALITY FEE SPECIAL OBLIGATION BONDS			
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	PRINCIPAL	INTEREST	COVERAGE
1997	$ 9,166,022	$ 7,187,293	$ 1,978,729	$ 190,000	$ 805,808	1.99	$ -	$ -	$ -	-
1998	11,095,450	6,084,845	5,010,605	690,000	2,675,402	1.49	-	-	-	-
1999	13,187,103	5,577,515	7,609,588	1,140,000	2,419,062	2.14	-	-	-	-
2000	13,664,824	6,029,216	7,635,608	1,210,000	2,350,151	2.14	-	-	-	-
2001	15,527,532	6,852,820	8,674,712	1,330,000	2,147,951	2.49	4,763	19,490	8,903	0.17
2002	13,889,728	7,397,052	6,492,676	1,420,000	1,945,227	1.93	5,132	18,490	7,874	0.19
2003	14,478,453	7,750,046	6,728,407	1,500,000	1,862,042	2.00	5,063	17,440	6,894	0.21
2004	17,278,746	8,619,635	8,659,111	1,590,000	1,773,010	2.57	5,351	16,340	5,968	0.24
2005	19,595,565	9,967,999	9,627,566	1,685,000	1,677,588	2.86	5,642	15,190	5,091	0.28
2006	22,238,758	11,525,965	10,712,793	1,780,000	1,575,513	3.19	6,159	13,985	4,268	0.34

Notes:
(1) Does not include interest, fund balance usage or transfers in.
(2) Hospitality Fee Special Obligation Bonds began in FY2001 and are applicable to the 1.0% Hospitality Fund collections.

Source: Horry County Airport Finance and Horry County Finance Departments

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

YEAR	COUNTY POPULATION (5B)	PERSONAL INCOME (2A) (AMOUNTS EXPRESSED IN THOUSANDS)	PER CAPITA PERSONAL INCOME	SCHOOL ENROLLMENT (1A) (4B)	LABOR FORCE (2B)	EMPLOYMENT (2B) (6B)	COUNTY % UNEMP. (6B)	STATE % UNEMP. (6B)
1996	173,250	3,517,148	$ 20,301 (2B)	25,333	95,187	90,272	5.2%	5.6%
1997	174,000	3,686,190	21,185 (2B)	25,947	97,736	93,321	4.5	4.4
1998	174,762	3,358,926	19,220 (2B)	26,569	100,015	96,425	3.6	3.6
1999	178,550	4,373,047	24,492 (2B)	27,043	103,936	100,234	3.6	4.1
2000	196,629	4,584,405	23,315 (2B)	28,379	105,607	101,874	3.5	3.6
2001	201,088	4,830,335	24,021 (2B)	29,009	102,816	97,773	4.9	5.2
2002	206,039	5,065,263	24,584 (2B)	29,931	106,069	100,654	5.1	5.9
2003	210,757	5,324,986	25,266 (2B)	31,018	112,106	105,882	5.6	6.7
2004	217,608	5,694,801	26,170 (3B)	32,840	116,484	109,803	5.7	6.8
2005	226,992	not available	not available	34,480	121,671	114,942	5.5	6.8

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

Sources (B):
(1) S. C. Statistical Abstract
(2) S. C. Employment Security Commission, Labor Market Research Division
(3) Bureau of Economic Analysis
(4) Horry County Schools 2006
(5) U.S. Census Bureau
(6) U.S. Department of Labor

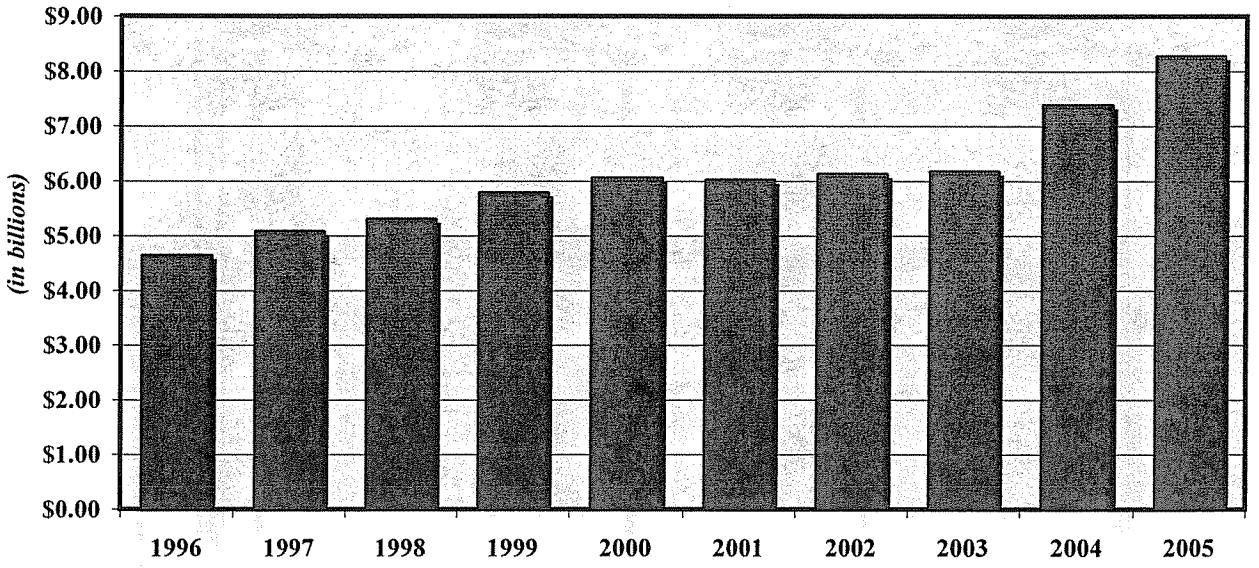
HORRY COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)

	2006			1997 (3)		
EMPLOYER	EMPLOYEES (1)	RANK (1)	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County Dept. of Education	4,853	1	3.67%	3,312	1	3.19%
Burroughs and Chapin	3,000	2	2.27%	-	-	-
Wal-Mart	2,100	3	1.59%	-	-	-
Horry County Government (4)	1,874	4	1.42%	1,508	3	1.45%
AVX Corporation	1,200	5	0.91%	2,223	2	2.14%
Conway Hospital	1,050	6	0.79%	825	5	0.79%
Grand Strand Regional Medical Center	975	7	0.74%	820	6	0.79%
City of Myrtle Beach	927	8	0.70%	700	7	0.67%
Horry Telephone Cooperative	700	9	0.53%	-	-	-
Conbraco	400	10	0.30%	-	-	-
Ocean Dunes Resort	-	-	-	935	4	0.90%
Loris Hospital	-	-	-	608	8	0.59%
Kingston Plantation	-	-	-	600	9	0.58%
Uni-Blend Spinners	-	-	-	424	10	0.41%
Totals	17,079		12.92%	11,955		11.51%

Notes:
The Total Employment is as of June of that year

Source:
(1) Myrtle Beach Regional Economic Development
(2) U.S Department of Labor Bureau of Lobor Statistics
(3) 1997 Horry County Comprehensive Annual Financial Report
(4) Horry County Human Resources Department

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



CALENDAR YEAR	GROSS SALES *(in Billions)*	PERCENTAGE CHANGE
1996	$4.65	10.7
1997	$5.09	9.4
1998	$5.31	4.3
1999	$5.79	9.0
2000	$6.06	4.7
2001	$6.03	(1.0)
2002	$6.13	1.7
2003	$6.18	1.0
2004	$7.39	19.5
2005	$8.28	12.0

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

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

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

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

Source: Horry County Human Resources Department

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

Functions and Programs	For the Fiscal Year Ended June 30				
	2002	2003	2004	2005	2006
Governmental Activities:					
General Government					
Information Technology/GIS:					
# of GIS Parcels Maintained	N/A	177,603	187,924	199,653	210,710
# of Servers Maintained	7	15	35	52	81
Register of Deeds:					
Total Documents Filed	124,906	147,773	176,586	196,108	209,675
Assessor:					
Assessments of Building Permits	9,723	11,635	9,235	11,314	13,561
Special Assessments	17,774	23,722	23,434	26,206	22,998
Real Property Parcels	172,472	177,906	184,466	189,956	203,304
Human Rosources:					
# of Applications Taken	5,000	5,500	6,456	5,637	7,500
Public Safety					
Police:					
# of Calls for Service	98,612	102,765	100,389	114,269	117,079
# of Index Crimes (1)	7,911	8,228	8,374	9,312	Not available
Index Crime Clearance Rate (1)	29	25	22	25	Not available
# of Call Responsive Officers Per Shift	15	17	17	17	18
Fire:					
# of Calls for Service	31,640	32,313	33,597	35,210	38,424
# of Structure Fires	641	631	620	617	667
# of Ambulance Transports	9,880	15,117	14,989	16,171	18,138
# of Career Fire Fighters Per Shift	48	57	61	73	73
Emergency 911:					
# of 911 Calls	196,385	193,045	222,345	204,195	212,511
# of Radio Dispatches	162,889	162,943	162,576	173,537	177,758
# of Telecommunicators per shift	8	8	9	10	10
Sheriff's Office/Jail:					
# of Bookings	12,927	12,546	12,782	13,934	13,867
Average daily population	475	502	525	550	619
Health and Social Services	none	none	none	none	none
Infrastructure and Regulation					
Code Enforcement:					
# Building Permits	7,873	7,544	8,070	9,647	11,981
Public Works:					
Miles of Dirt Road Scraped	994	1,025	843	843	900
Dirt Roads Paved	11.64	5.43	16.00	1.76	11.13
Signage Replaced/Installed	Not available	Not available	Not available	802	849
Miles of Ditches Cleaned	2,658	2,660	2,660	2,666	2,666
Engineering:					
Dirt Roads Paved	7.39	2.52	4.05	11.07	4.30
Fleet:					
# Vehicles Maintained	538	550	573	608	649
# Heavy Equipment Vehicles Maintained	217	220	223	223	306
# Vehicles Repaired or Work Orders	8,060	8,324	7,284	8,190	7,849
Culture, Recreation and Tourism					
Library:					
Circulation	678,703	740,816	824,341	903,583	943,501
Patron Traffic Count	464,646	500,199	561,870	653,643	652,584
New Patrons Registered	12,679	15,345	21,757	24,371	25,125
Parks & Recreation:					
# Programs	57	68	84	91	141
Economic Development	none	none	none	none	none
Conservation/Natural Resources	none	none	none	none	none
Debt Service	none	none	none	none	none

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

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

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

Source: Various County Departments

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

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

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

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA